

Renacci
Ribble
Riggell
Rivera
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross (FL)
Royce
Runyan
Ryan (WI)
Scalise
Schilling
Schmidt

Schock
Schweikert
Scott (SC)
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Southernland
Stearns
Stivers
Sullivan
Terry
Thompson (PA)
Thornberry
Tiberti

Tipton
Turner (NY)
Turner (OH)
Upton
Walberg
Walden
Walsh (IL)
Webster
West
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Young (FL)
Young (IN)

Sec. 107. Funding of employment and training programs.
Sec. 108. Turn off indexing for nutrition education and obesity prevention.
Sec. 109. Extension of Authorization of Food and Nutrition Act of 2008.
Sec. 110. Effective dates and application of amendments.

NOES—183

Ackerman
Altmire
Andrews
Baca
Baldwin
Barrow
Bass (CA)
Becerra
Berkley
Bishop (GA)
Bishop (NY)
Blumenauer
Bonamici
Boren
Boswell
Brady (PA)
Bralley (IA)
Brown (FL)
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Chu
Cicilline
Clarke (MI)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Critz
Crowley
Cuellar
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutch
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Engel
Eshoo
Farr
Fattah
Frank (MA)

Fudge
Garamendi
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hahn
Hanabusa
Hastings (FL)
Heinrich
Higgins
Himes
Hinojosa
Hirono
Hochul
Holden
Holt
Honda
Hoyer
Israel
Jackson (IL)
Jackson Lee
(TX)
Johnson, E. B.
Kaptur
Keating
Kildee
Kind
Kissell
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsock
Lofgren, Zoe
Lowey
Lujan
Lynch
Maloney
Markey
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Michaud
Miller (NC)
Miller, George
Moore
Moran
Murphy (CT)
Nadler
Napolitano

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 105. Concurrent resolution authorizing the use of Emancipation Hall in the Capitol Visitor Center for an event to celebrate the birthday of King Kamehameha.
H. Con. Res. 106. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.
H. Con. Res. 117. Concurrent resolution authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service.
H. Con. Res. 118. Concurrent resolution authorizing the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 2224. An act to require the President to report to Congress on issues related to Syria.

SEQUESTER REPLACEMENT RECONCILIATION ACT OF 2012

Mr. RYAN of Wisconsin. Mr. Speaker, pursuant to House Resolution 648, I call up the bill (H.R. 5652) to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2013, and ask for its immediate consideration in the House.

The Clerk read the title of the bill. The SPEAKER pro tempore (Mr. POE of Texas). Pursuant to House Resolution 648, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 112-21 shall be considered as adopted, and the bill, as amended, shall be considered read.

The text of the bill, as amended, is as follows:

H.R. 5652

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 "Sequester Replacement Reconciliation Act of 2012".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—AGRICULTURE

Sec. 101. Short title.

Sec. 102. ARRA sunset as June 30, 2012.

Sec. 103. Categorical eligibility limited to cash assistance.

Sec. 104. Standard utility allowances based on the receipt of energy assistance payments.

Sec. 105. Employment and training; workfare.

Sec. 106. End State bonus program for the supplemental nutrition assistance program.

TITLE II—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Repeal of Certain ACA Funding Provisions

Sec. 201. Repealing mandatory funding to states to establish American Health Benefit Exchanges.

Sec. 202. Repealing Prevention and Public Health Fund.

Sec. 203. Rescinding unobligated balances for CO-OP program.

Subtitle B—Medicaid

Sec. 211. Revision of provider tax indirect guarantee threshold.

Sec. 212. Rebasement of State DSH allotments for fiscal year 2022.

Sec. 213. Repeal of Medicaid and CHIP maintenance of effort requirements under PPACA.

Sec. 214. Medicaid payments to territories.

Sec. 215. Repealing bonus payments for enrollment under Medicaid and CHIP.

TITLE III—FINANCIAL SERVICES

Sec. 301. Table of contents.

Subtitle A—Orderly Liquidation Fund

Sec. 311. Repeal of liquidation authority.

Subtitle B—Home Affordable Modification Program

Sec. 321. Short title.

Sec. 322. Congressional findings.

Sec. 323. Termination of authority.

Sec. 324. Sense of Congress.

Subtitle C—Bureau of Consumer Financial Protection

Sec. 331. Bringing the Bureau of Consumer Financial Protection into the regular appropriations process.

Subtitle D—Flood Insurance Reform

Sec. 341. Short title.

Sec. 342. Extensions.

Sec. 343. Mandatory purchase.

Sec. 344. Reforms of coverage terms.

Sec. 345. Reforms of premium rates.

Sec. 346. Technical Mapping Advisory Council.

Sec. 347. FEMA incorporation of new mapping protocols.

Sec. 348. Treatment of levees.

Sec. 349. Privatization initiatives.

Sec. 350. FEMA annual report on insurance program.

Sec. 351. Mitigation assistance.

Sec. 352. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.

Sec. 353. Notification to members of congress of flood map revisions and updates.

Sec. 354. Notification and appeal of map changes; notification to communities of establishment of flood elevations.

Sec. 355. Notification to tenants of availability of contents insurance.

Sec. 356. Notification to policy holders regarding direct management of policy by FEMA.

Sec. 357. Notice of availability of flood insurance and escrow in RESPA good faith estimate.

Sec. 358. Reimbursement for costs incurred by homeowners and communities obtaining letters of map amendment or revision.

Sec. 359. Enhanced communication with certain communities during map updating process.

Sec. 360. Notification to residents newly included in flood hazard areas.

NOT VOTING—15

Austria
Bachus
Berman
Broun (GA)
Burgess

Donnelly (IN)
Filner
Hinchey
Johnson (GA)
Mack

Noem
Paul
Slaughter
Stutzman
Young (AK)

□ 1053

So the resolution was agreed to.
The result of the vote was announced as above recorded.

- Sec. 361. Treatment of swimming pool enclosures outside of hurricane season.
- Sec. 362. Information regarding multiple perils claims.
- Sec. 363. FEMA authority to reject transfer of policies.
- Sec. 364. Appeals.
- Sec. 365. Reserve fund.
- Sec. 366. CDBG eligibility for flood insurance outreach activities and community building code administration grants.
- Sec. 367. Technical corrections.
- Sec. 368. Requiring competition for national flood insurance program policies.
- Sec. 369. Studies of voluntary community-based flood insurance options.
- Sec. 370. Report on inclusion of building codes in floodplain management criteria.
- Sec. 371. Study on graduated risk.
- Sec. 372. Report on flood-in-progress determination.
- Sec. 373. Study on repaying flood insurance debt.
- Sec. 374. No cause of action.
- Sec. 375. Authority for the corps of engineers to provide specialized or technical services.

Subtitle E—Repeal of the Office of Financial Research

- Sec. 381. Repeal of the Office of Financial Research.

TITLE IV—COMMITTEE ON THE JUDICIARY

- Sec. 401. Short title.
- Sec. 402. Encouraging speedy resolution of claims.
- Sec. 403. Compensating patient injury.
- Sec. 404. Maximizing patient recovery.
- Sec. 405. Punitive damages.
- Sec. 406. Authorization of payment of future damages to claimants in health care lawsuits.
- Sec. 407. Definitions.
- Sec. 408. Effect on other laws.
- Sec. 409. State flexibility and protection of States' rights.
- Sec. 410. Applicability; effective date.
- TITLE V—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM**
- Sec. 501. Retirement contributions.
- Sec. 502. Annuity supplement.
- Sec. 503. Contributions to Thrift Savings Fund of payments for accrued or accumulated leave.

TITLE VI—COMMITTEE ON WAYS AND MEANS

Subtitle A—Recapture of Overpayments Resulting From Certain Federally-subsidized Health Insurance

- Sec. 601. Recapture of overpayments resulting from certain federally-subsidized health insurance.

Subtitle B—Social Security Number Required to Claim the Refundable Portion of the Child Tax Credit

- Sec. 611. Social security number required to claim the refundable portion of the child tax credit.

Subtitle C—Human Resources Provisions

- Sec. 621. Repeal of the program of block grants to States for social services.

TITLE VII—SEQUESTER REPLACEMENT

- Sec. 701. Short title.
- Sec. 702. Protecting veterans programs from sequester.
- Sec. 703. Achieving \$19 billion in discretionary savings.
- Sec. 704. Conforming amendments to section 314 of the Congressional Budget and Impoundment Control Act of 1974.
- Sec. 705. Treatment for PAYGO purposes.
- Sec. 706. Elimination of the fiscal year 2013 sequestration for defense direct spending.

TITLE I—AGRICULTURE

SEC. 101. SHORT TITLE.

This title may be cited as the “Agricultural Reconciliation Act of 2012”.

SEC. 102. ARRA SUNSET AT JUNE 30, 2012.

Section 101(a)(2) of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 120) is amended by striking “October 31, 2013” and inserting “June 30, 2012”.

SEC. 103. CATEGORICAL ELIGIBILITY LIMITED TO CASH ASSISTANCE.

Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the 2d sentence of subsection (a) by striking “households in which each member receives benefits” and inserting “households in which each member receives cash assistance”, and

(2) in subsection (j) by striking “or who receives benefits under a State program” and inserting “or who receives cash assistance under a State program”.

SEC. 104. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.

(a) STANDARD UTILITY ALLOWANCE.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in subsection (e)(6)(C) by striking clause (iv), and

(2) in subsection (k) by striking paragraph (4) and inserting the following:

“(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law (other than a law referred to in paragraph (2)(G)) to provide energy assistance to a household shall be considered money payable directly to the household.”.

(b) CONFORMING AMENDMENTS.—Section 2605(f)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)) is amended—

(1) by striking “and for purposes of determining any excess shelter expense deduction under section 5(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e))”, and

(2) in subparagraph (A) by inserting before the semicolon the following: “, except that such payments or allowances shall not be deemed to be expended for purposes of determining any excess shelter expense deduction under section 5(e)(6) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6))”.

SEC. 105. EMPLOYMENT AND TRAINING; WORKFARE.

(a) ADMINISTRATIVE COST-SHARING FOR EMPLOYMENT AND TRAINING PROGRAMS.—

(1) IN GENERAL.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(A) in subsection (a) by inserting “(other than a program carried out under section 6(d)(4) or section 20)” after “supplemental nutrition assistance program” the 1st place it appears, and

(B) in subsection (h)—
(i) by striking paragraphs (2) and (3), and
(ii) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 17(b)(1)(B)(iv)(III)(hh) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(hh)) is amended by striking “(g), (h)(2), or (h)(3)” and inserting “or (g)”.

(B) Section 22(d)(1)(B)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(d)(1)(B)(ii)) is amended by striking “(g), (h)(2), and (h)(3)” and inserting “and (g)”.

(b) ADMINISTRATIVE COST-SHARING AND REIMBURSEMENTS FOR WORKFARE.—Section 20 of the Food and Nutrition Act of 2008 (7 U.S.C. 2029) is amended by striking subsection (g).

SEC. 106. END STATE BONUS PROGRAM FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended by striking subsection (d).

SEC. 107. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

For purposes of fiscal year 2013, the reference to \$90,000,000 in section 16(h)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) shall be deemed to be a reference to \$79,000,000.

SEC. 108. TURN OFF INDEXING FOR NUTRITION EDUCATION AND OBESITY PREVENTION.

Section 28(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2037(d)) is amended by striking “years—” and all that follows through the period at the end, and inserting “years, \$375,000,000.”.

SEC. 109. EXTENSION OF AUTHORIZATION OF FOOD AND NUTRITION ACT OF 2008.

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended by striking “2012” and inserting “2013”.

SEC. 110. EFFECTIVE DATES AND APPLICATION OF AMENDMENTS.

(a) GENERAL EFFECTIVE DATE.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 2012, and shall apply only with respect to certification periods that begin on or after such date.

(b) SPECIAL EFFECTIVE DATE.—Section 107 and the amendments made by sections 102, 103, 104, and 109 shall take effect on the date of the enactment of this Act and shall apply only with respect to certification periods that begin on or after such date.

TITLE II—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Repeal of Certain ACA Funding Provisions

SEC. 201. REPEALING MANDATORY FUNDING TO STATES TO ESTABLISH AMERICAN HEALTH BENEFIT EXCHANGES.

(a) IN GENERAL.—Section 1311(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(a)) is repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available under such section 1311(a), the unobligated balance is rescinded.

SEC. 202. REPEALING PREVENTION AND PUBLIC HEALTH FUND.

(a) IN GENERAL.—Section 4002 of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11) is repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available by such section 4002, the unobligated balance is rescinded.

SEC. 203. RESCINDING UNOBLIGATED BALANCES FOR CO-OP PROGRAM.

Of the funds made available under section 1322(g) of the Patient Protection and Affordable Care Act (42 U.S.C. 18042(g)), the unobligated balance is rescinded.

Subtitle B—Medicaid

SEC. 211. REVISION OF PROVIDER TAX INDIRECT GUARANTEE THRESHOLD.

Section 1903(w)(4)(C)(ii) of the Social Security Act (42 U.S.C. 1396b(w)(4)(C)(ii)) is amended by inserting “and for portions of fiscal years beginning on or after October 1, 2012,” after “October 1, 2011,”.

SEC. 212. REVISION OF STATE DSH ALLOTMENTS FOR FISCAL YEAR 2022.

Section 1923(f) of the Social Security Act (42 U.S.C. 1396r–4(f)) is amended—

(1) by redesignating paragraph (9) as paragraph (10);

(2) in paragraph (3)(A) by striking “paragraphs (6), (7), and (8)” and inserting “paragraphs (6), (7), (8), and (9)”;

(3) by inserting after paragraph (8) the following new paragraph:

“(9) REBASING OF STATE DSH ALLOTMENTS FOR FISCAL YEAR 2022.—With respect to fiscal 2022, for purposes of applying paragraph (3)(A) to determine the DSH allotment for a State, the amount of the DSH allotment for the State under paragraph (3) for fiscal year 2021 shall be

treated as if it were such amount as reduced under paragraph (7).”.

SEC. 213. REPEAL OF MEDICAID AND CHIP MAINTENANCE OF EFFORT REQUIREMENTS UNDER PPACA.

(a) REPEAL OF PPACA MEDICAID MOE.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by striking subsection (gg).

(b) REPEAL OF PPACA CHIP MOE.—Section 2105(d)(3) of the Social Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

(1) by striking subparagraph (A);
(2) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(3) in the paragraph heading, by striking “CONTINUATION OF ELIGIBILITY STANDARDS FOR CHILDREN UNTIL OCTOBER 1, 2019” and inserting “CONTINUITY OF COVERAGE”.

(c) CONFORMING AMENDMENTS.—

(1) Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by striking paragraph (74).

(2) Effective January 1, 2014, paragraph (14) of section 1902(e) (as added by section 2002(a) of Public Law 111-148) is amended by striking the third sentence of subparagraph (A).

(d) EFFECTIVE DATE.—Except as provided in subsection (c)(2), the amendments made by this section shall take effect on the date of the enactment of this section.

SEC. 214. MEDICAID PAYMENTS TO TERRITORIES.

(a) LIMIT ON PAYMENTS.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2)—
(A) by striking “paragraphs (3) and (5)”;

(B) by inserting “paragraph (3)” after “and subject to”;

(2) in paragraph (4), by striking “(3), and” and all that follows through “of this subsection” and inserting “and (3) of this subsection”;

(3) by striking paragraph (5).
(b) FMAP.—The first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended by striking “shall be 50 percent” and inserting “shall be 50 percent”.

SEC. 215. REPEALING BONUS PAYMENTS FOR ENROLLMENT UNDER MEDICAID AND CHIP.

(a) IN GENERAL.—Paragraphs (3) and (4) of section 2105(a) of the Social Security Act (42 U.S.C. 1397ee(a)) are repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available by section 2105(a)(3) of the Social Security Act, the unobligated balance is rescinded.

(c) CONFORMING CHANGES.—

(1) AVAILABILITY OF EXCESS FUNDS FOR PERFORMANCE BONUSES.—Section 2104(n)(2) of the Social Security Act (42 U.S.C. 1397ad(n)(2)) is amended by striking subparagraph (D).

(2) OUTREACH OR COVERAGE BENCHMARKS.—Section 2111(b)(3) of the Social Security Act (42 U.S.C. 1397kk(b)(3)) is amended—
(A) in subparagraph (A)—
(i) in clause (i), by inserting “or” after the semicolon at the end; and
(ii) by striking clause (ii); and
(B) by striking subparagraph (C).

TITLE III—FINANCIAL SERVICES

SEC. 301. TABLE OF CONTENTS.

The table of contents for this title is as follows:

TITLE III—FINANCIAL SERVICES

Sec. 301. Table of contents.

Subtitle A—Orderly Liquidation Fund

Sec. 311. Repeal of liquidation authority.

Subtitle B—Home Affordable Modification Program

Sec. 321. Short title.

Sec. 322. Congressional findings.

Sec. 323. Termination of authority.

Sec. 324. Sense of Congress.

Subtitle C—Bureau of Consumer Financial Protection

Sec. 331. Bringing the Bureau of Consumer Financial Protection into the regular appropriations process.

Subtitle D—Flood Insurance Reform

Sec. 341. Short title.

Sec. 342. Extensions.

Sec. 343. Mandatory purchase.

Sec. 344. Reforms of coverage terms.

Sec. 345. Reforms of premium rates.

Sec. 346. Technical Mapping Advisory Council.

Sec. 347. FEMA incorporation of new mapping protocols.

Sec. 348. Treatment of levees.

Sec. 349. Privatization initiatives.

Sec. 350. FEMA annual report on insurance program.

Sec. 351. Mitigation assistance.

Sec. 352. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.

Sec. 353. Notification to members of congress of flood map revisions and updates.

Sec. 354. Notification and appeal of map changes; notification to communities of establishment of flood elevations.

Sec. 355. Notification to tenants of availability of contents insurance.

Sec. 356. Notification to policy holders regarding direct management of policy by FEMA.

Sec. 357. Notice of availability of flood insurance and escrow in RESPA good faith estimate.

Sec. 358. Reimbursement for costs incurred by homeowners and communities obtaining letters of map amendment or revision.

Sec. 359. Enhanced communication with certain communities during map updating process.

Sec. 360. Notification to residents newly included in flood hazard areas.

Sec. 361. Treatment of swimming pool enclosures outside of hurricane season.

Sec. 362. Information regarding multiple perils claims.

Sec. 363. FEMA authority to reject transfer of policies.

Sec. 364. Appeals.

Sec. 365. Reserve fund.

Sec. 366. CDBG eligibility for flood insurance outreach activities and community building code administration grants.

Sec. 367. Technical corrections.

Sec. 368. Requiring competition for national flood insurance program policies.

Sec. 369. Studies of voluntary community-based flood insurance options.

Sec. 370. Report on inclusion of building codes in floodplain management criteria.

Sec. 371. Study on graduated risk.

Sec. 372. Report on flood-in-progress determination.

Sec. 373. Study on repaying flood insurance debt.

Sec. 374. No cause of action.

Sec. 375. Authority for the corps of engineers to provide specialized or technical services.

Subtitle E—Repeal of the Office of Financial Research

Sec. 381. Repeal of the Office of Financial Research.

Subtitle A—Orderly Liquidation Fund

SEC. 311. REPEAL OF LIQUIDATION AUTHORITY.

(a) IN GENERAL.—Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act is hereby repealed and any Federal law amended by such title shall, on and after the date of enactment of this Act, be effective as if title II of the Dodd-Frank Wall Street Reform

and Consumer Protection Act had not been enacted.

(b) CONFORMING AMENDMENTS.—

(1) DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT.—The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended—

(A) in the table of contents for such Act, by striking all items relating to title II;

(B) in section 165(d)(6), by striking “, a receiver appointed under title II.”;

(C) in section 716(g), by striking “or a covered financial company under title II”;

(D) in section 1105(e)(5), by striking “amount of any securities issued under that chapter 31 for such purpose shall be treated in the same manner as securities issued under section 208(n)(5)(E)” and inserting “issuances of such securities under that chapter 31 for such purpose shall be treated as public debt transactions of the United States, and the proceeds from the sale of any obligations acquired by the Secretary under this paragraph shall be deposited into the Treasury of the United States as miscellaneous receipts”; and
(E) in section 1106(c)(2), by amending subparagraph (A) to read as follows:

“(A) require the company to file a petition for bankruptcy under section 301 of title 11, United States Code; or”.

(2) FEDERAL DEPOSIT INSURANCE ACT.—Section 10(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(3)) is amended by striking “, or of such nonbank financial company supervised by the Board of Governors or bank holding company described in section 165(a) of the Financial Stability Act of 2010, for the purpose of implementing its authority to provide for orderly liquidation of any such company under title II of that Act”.

(3) FEDERAL RESERVE ACT.—Section 13(3) of the Federal Reserve Act is amended—

(A) in subparagraph (B)—
(i) in clause (ii), by striking “, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or” and inserting “or is subject to resolution under”; and
(ii) in clause (iii), by striking “, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or” and inserting “or resolution under”; and
(B) by striking subparagraph (E).

Subtitle B—Home Affordable Modification Program

SEC. 321. SHORT TITLE.

This subtitle may be cited as the “HAMP Termination Act of 2012”.

SEC. 322. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) According to the Department of the Treasury—

(A) the Home Affordable Modification Program (HAMP) is designed to “help as many as 3 to 4 million financially struggling homeowners avoid foreclosure by modifying loans to a level that is affordable for borrowers now and sustainable over the long term”; and
(B) as of February 2012, only 782,609 active permanent mortgage modifications were made under HAMP.

(2) Many homeowners whose HAMP modifications were canceled suffered because they made futile payments and some of those homeowners were even forced into foreclosure.

(3) The Special Inspector General for TARP reported that HAMP “benefits only a small portion of distressed homeowners, offers others little more than false hope, and in certain cases causes more harm than good”.

(4) Approximately \$30 billion was obligated by the Department of the Treasury to HAMP, however, approximately only \$2.54 billion has been disbursed.

(5) Terminating HAMP would save American taxpayers approximately \$2.84 billion, according to the Congressional Budget Office.

SEC. 323. TERMINATION OF AUTHORITY.

Section 120 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5230) is amended

by adding at the end the following new subsection:

“(c) **TERMINATION OF AUTHORITY TO PROVIDE NEW ASSISTANCE UNDER THE HOME AFFORDABLE MODIFICATION PROGRAM.**—

“(1) **IN GENERAL.**—Except as provided under paragraph (2), after the date of the enactment of this subsection the Secretary may not provide any assistance under the Home Affordable Modification Program under the Making Home Affordable initiative of the Secretary, authorized under this Act, on behalf of any homeowner.

“(2) **PROTECTION OF EXISTING OBLIGATIONS ON BEHALF OF HOMEOWNERS ALREADY EXTENDED AN OFFER TO PARTICIPATE IN THE PROGRAM.**—Paragraph (1) shall not apply with respect to assistance provided on behalf of a homeowner who, before the date of the enactment of this subsection, was extended an offer to participate in the Home Affordable Modification Program on a trial or permanent basis.

“(3) **DEFICIT REDUCTION.**—

“(A) **USE OF UNOBLIGATED FUNDS.**—Notwithstanding any other provision of this title, the amounts described in subparagraph (B) shall not be available after the date of the enactment of this subsection for obligation or expenditure under the Home Affordable Modification Program of the Secretary, but should be covered into the General Fund of the Treasury and should be used only for reducing the budget deficit of the Federal Government.

“(B) **IDENTIFICATION OF UNOBLIGATED FUNDS.**—The amounts described in this subparagraph are any amounts made available under title I of the Emergency Economic Stabilization Act of 2008 that—

“(i) have been allocated for use, but not yet obligated as of the date of the enactment of this subsection, under the Home Affordable Modification Program of the Secretary; and

“(ii) are not necessary for providing assistance under such Program on behalf of homeowners who, pursuant to paragraph (2), may be provided assistance after the date of the enactment of this subsection.

“(4) **STUDY OF USE OF PROGRAM BY MEMBERS OF THE ARMED FORCES, VETERANS, AND GOLD STAR RECIPIENTS.**—

“(A) **STUDY.**—The Secretary shall conduct a study to determine the extent of usage of the Home Affordable Modification Program by, and the impact of such Program on, covered homeowners.

“(B) **REPORT.**—Not later than the expiration of the 90-day period beginning on the date of the enactment of this subsection, the Secretary shall submit to the Congress a report setting forth the results of the study under subparagraph (A) and identifying best practices, derived from studying the Home Affordable Modification Program, that could be applied to existing mortgage assistance programs available to covered homeowners.

“(C) **COVERED HOMEOWNER.**—For purposes of this subsection, the term “covered homeowner” means a homeowner who is—

“(i) a member of the Armed Forces of the United States on active duty or the spouse or parent of such a member;

“(ii) a veteran, as such term is defined in section 101 of title 38, United States Code; or

“(iii) eligible to receive a Gold Star lapel pin under section 1126 of title 10, United States Code, as a widow, parent, or next of kin of a member of the Armed Forces person who died in a manner described in subsection (a) of such section.

“(5) **PUBLICATION OF MEMBER AVAILABILITY FOR ASSISTANCE.**—Not later than 5 days after the date of the enactment of this subsection, the Secretary of the Treasury shall publish to its Website on the World Wide Web in a prominent location, large point font, and boldface type the following statement: “The Home Affordable Modification Program (HAMP) has been terminated. If you are having trouble paying your

mortgage and need help contacting your lender or servicer for purposes of negotiating or acquiring a loan modification, please contact your Member of Congress to assist you in contacting your lender or servicer for the purpose of negotiating or acquiring a loan modification.”.

“(6) **NOTIFICATION TO HAMP APPLICANTS REQUIRED.**—Not later than 30 days after the date of the enactment of this subsection, the Secretary of the Treasury shall inform each individual who applied for the Home Affordable Modification Program and will not be considered for a modification under such Program due to termination of such Program under this subsection—

“(A) that such Program has been terminated;

“(B) that loan modifications under such Program are no longer available;

“(C) of the name and contact information of such individual’s Member of Congress; and

“(D) that the individual should contact his or her Member of Congress to assist the individual in contacting the individual’s lender or servicer for the purpose of negotiating or acquiring a loan modification.”.

SEC. 324. SENSE OF CONGRESS.

The Congress encourages banks to work with homeowners to provide loan modifications to those that are eligible. The Congress also encourages banks to work and assist homeowners and prospective homeowners with foreclosure prevention programs and information on loan modifications.

Subtitle C—Bureau of Consumer Financial Protection

SEC. 331. BRINGING THE BUREAU OF CONSUMER FINANCIAL PROTECTION INTO THE REGULAR APPROPRIATIONS PROCESS.

Section 1017 of the Consumer Financial Protection Act of 2010 is amended—

(1) in subsection (a)—

(A) by amending the heading of such subsection to read as follows: “BUDGET, FINANCIAL MANAGEMENT, AND AUDIT.—”;

(B) by striking paragraphs (1), (2), and (3);

(C) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively; and

(D) by striking subparagraphs (E) and (F) of paragraph (1), as so redesignated;

(2) by striking subsections (b), (c), and (d);

(3) by redesignating subsection (e) as subsection (b); and

(4) in subsection (b), as so redesignated—

(A) by striking paragraphs (1), (2), and (3) and inserting the following:

“(1) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$200,000,000 to carry out this title for each of fiscal years 2012 and 2013.”; and

(B) by redesignating paragraph (4) as paragraph (2).

Subtitle D—Flood Insurance Reform

SEC. 341. SHORT TITLE.

This subtitle may be cited as the “Flood Insurance Reform Act of 2012”.

SEC. 342. EXTENSIONS.

(a) **EXTENSION OF PROGRAM.**—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “the earlier of the date of the enactment into law of an Act that specifically amends the date specified in this section or May 31, 2012” and inserting “September 30, 2016”.

(b) **EXTENSION OF FINANCING.**—Section 1309(a) of such Act (42 U.S.C. 4016(a)) is amended by striking “the earlier of the date of the enactment into law of an Act that specifically amends the date specified in this section or May 31, 2012” and inserting “September 30, 2016”.

SEC. 343. MANDATORY PURCHASE.

(a) **AUTHORITY TO TEMPORARILY SUSPEND MANDATORY PURCHASE REQUIREMENT.**—

(1) **IN GENERAL.**—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

“(i) **AUTHORITY TO TEMPORARILY SUSPEND MANDATORY PURCHASE REQUIREMENT.**—

“(1) **FINDING BY ADMINISTRATOR THAT AREA IS AN ELIGIBLE AREA.**—For any area, upon a request submitted to the Administrator by a local government authority having jurisdiction over any portion of the area, the Administrator shall make a finding of whether the area is an eligible area under paragraph (3). If the Administrator finds that such area is an eligible area, the Administrator shall, in the discretion of the Administrator, designate a period during which such finding shall be effective, which shall not be longer in duration than 12 months.

“(2) **SUSPENSION OF MANDATORY PURCHASE REQUIREMENT.**—If the Administrator makes a finding under paragraph (1) that an area is an eligible area under paragraph (3), during the period specified in the finding, the designation of such eligible area as an area having special flood hazards shall not be effective for purposes of subsections (a), (b), and (e) of this section, and section 202(a) of this Act. Nothing in this paragraph may be construed to prevent any lender, servicer, regulated lending institution, Federal agency lender, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, at the discretion of such entity, from requiring the purchase of flood insurance coverage in connection with the making, increasing, extending, or renewing of a loan secured by improved real estate or a mobile home located or to be located in such eligible area during such period or a lender or servicer from purchasing coverage on behalf of a borrower pursuant to subsection (e).

“(3) **ELIGIBLE AREAS.**—An eligible area under this paragraph is an area that is designated or will, pursuant to any issuance, revision, updating, or other change in flood insurance maps that takes effect on or after the date of the enactment of the Flood Insurance Reform Act of 2012, become designated as an area having special flood hazards and that meets any one of the following 3 requirements:

“(A) **AREAS WITH NO HISTORY OF SPECIAL FLOOD HAZARDS.**—The area does not include any area that has ever previously been designated as an area having special flood hazards.

“(B) **AREAS WITH FLOOD PROTECTION SYSTEMS UNDER IMPROVEMENTS.**—The area was intended to be protected by a flood protection system—

“(i) that has been decertified, or is required to be certified, as providing protection for the 100-year frequency flood standard;

“(ii) that is being improved, constructed, or reconstructed; and

“(iii) for which the Administrator has determined measurable progress toward completion of such improvement, construction, reconstruction is being made and toward securing financial commitments sufficient to fund such completion.

“(C) **AREAS FOR WHICH APPEAL HAS BEEN FILED.**—An area for which a community has appealed designation of the area as having special flood hazards in a timely manner under section 1363.

“(4) **EXTENSION OF DELAY.**—Upon a request submitted by a local government authority having jurisdiction over any portion of the eligible area, the Administrator may extend the period during which a finding under paragraph (1) shall be effective, except that—

“(A) each such extension under this paragraph shall not be for a period exceeding 12 months; and

“(B) for any area, the cumulative number of such extensions may not exceed 2.

“(5) **ADDITIONAL EXTENSION FOR COMMUNITIES MAKING MORE THAN ADEQUATE PROGRESS ON FLOOD PROTECTION SYSTEM.**—

“(A) **EXTENSION.**—

“(i) **AUTHORITY.**—Except as provided in subparagraph (B), in the case of an eligible area for which the Administrator has, pursuant to paragraph (4), extended the period of effectiveness of the finding under paragraph (1) for the area, upon a request submitted by a local government

authority having jurisdiction over any portion of the eligible area, if the Administrator finds that more than adequate progress has been made on the construction of a flood protection system for such area, as determined in accordance with the last sentence of section 1307(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(e)), the Administrator may, in the discretion of the Administrator, further extend the period during which the finding under paragraph (1) shall be effective for such area for an additional 12 months.

“(ii) **LIMIT.**—For any eligible area, the cumulative number of extensions under this subparagraph may not exceed 2.

“(B) **EXCLUSION FOR NEW MORTGAGES.**—

“(i) **EXCLUSION.**—Any extension under subparagraph (A) of this paragraph of a finding under paragraph (1) shall not be effective with respect to any excluded property after the origination, increase, extension, or renewal of the loan referred to in clause (ii)(II) for the property.

“(ii) **EXCLUDED PROPERTIES.**—For purposes of this subparagraph, the term ‘excluded property’ means any improved real estate or mobile home—

“(I) that is located in an eligible area; and

“(II) for which, during the period that any extension under subparagraph (A) of this paragraph of a finding under paragraph (1) is otherwise in effect for the eligible area in which such property is located—

“(aa) a loan that is secured by the property is originated; or

“(bb) any existing loan that is secured by the property is increased, extended, or renewed.

“(6) **RULE OF CONSTRUCTION.**—Nothing in this subsection may be construed to affect the applicability of a designation of any area as an area having special flood hazards for purposes of the availability of flood insurance coverage, criteria for land management and use, notification of flood hazards, eligibility for mitigation assistance, or any other purpose or provision not specifically referred to in paragraph (2).

“(7) **REPORTS.**—The Administrator shall, in each annual report submitted pursuant to section 1320, include information identifying each finding under paragraph (1) by the Administrator during the preceding year that an area is an area having special flood hazards, the basis for each such finding, any extensions pursuant to paragraph (4) of the periods of effectiveness of such findings, and the reasons for such extensions.”

(2) **NO REFUNDS.**—Nothing in this subsection or the amendments made by this subsection may be construed to authorize or require any payment or refund for flood insurance coverage purchased for any property that covered any period during which such coverage is not required for the property pursuant to the applicability of the amendment made by paragraph (1).

(b) **TERMINATION OF FORCE-PLACED INSURANCE.**—Section 102(e) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(e)) is amended—

(1) in paragraph (2), by striking “insurance.” and inserting “insurance, including premiums or fees incurred for coverage beginning on the date on which flood insurance coverage lapsed or did not provide a sufficient coverage amount.”;

(2) by redesignating paragraphs (3) and (4) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (2) the following new paragraphs:

“(3) **TERMINATION OF FORCE-PLACED INSURANCE.**—Within 30 days of receipt by the lender or servicer of a confirmation of a borrower’s existing flood insurance coverage, the lender or servicer shall—

“(A) terminate the force-placed insurance; and

“(B) refund to the borrower all force-placed insurance premiums paid by the borrower during any period during which the borrower’s

flood insurance coverage and the force-placed flood insurance coverage were each in effect, and any related fees charged to the borrower with respect to the force-placed insurance during such period.

“(4) **SUFFICIENCY OF DEMONSTRATION.**—For purposes of confirming a borrower’s existing flood insurance coverage, a lender or servicer for a loan shall accept from the borrower an insurance policy declarations page that includes the existing flood insurance policy number and the identity of, and contact information for, the insurance company or agent.”

(c) **USE OF PRIVATE INSURANCE TO SATISFY MANDATORY PURCHASE REQUIREMENT.**—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended—

(1) in paragraph (1)—

(A) by striking “lending institutions not to make” and inserting “lending institutions—

“(A) not to make”;

(B) in subparagraph (A), as designated by subparagraph (A) of this paragraph, by striking “less.” and inserting “less; and”;

(C) by adding at the end the following new subparagraph:

“(B) to accept private flood insurance as satisfaction of the flood insurance coverage requirement under subparagraph (A) if the coverage provided by such private flood insurance meets the requirements for coverage under such subparagraph.”;

(2) in paragraph (2), by inserting after “provided in paragraph (1).” the following new sentence: “Each Federal agency lender shall accept private flood insurance as satisfaction of the flood insurance coverage requirement under the preceding sentence if the flood insurance coverage provided by such private flood insurance meets the requirements for coverage under such sentence.”;

(3) in paragraph (3), in the matter following subparagraph (B), by adding at the end the following new sentence: “The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall accept private flood insurance as satisfaction of the flood insurance coverage requirement under the preceding sentence if the flood insurance coverage provided by such private flood insurance meets the requirements for coverage under such sentence.”; and

(4) by adding at the end the following new paragraph:

“(5) **PRIVATE FLOOD INSURANCE DEFINED.**—In this subsection, the term ‘private flood insurance’ means a contract for flood insurance coverage allowed for sale under the laws of any State.”

SEC. 344. REFORMS OF COVERAGE TERMS.

(a) **MINIMUM DEDUCTIBLES FOR CLAIMS.**—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended—

(1) by striking “The Director is” and inserting the following: “(a) **IN GENERAL.**—The Administrator is”;

and

(2) by adding at the end the following:

“(b) **MINIMUM ANNUAL DEDUCTIBLES.**—

“(1) **SUBSIDIZED RATE PROPERTIES.**—For any structure that is covered by flood insurance under this title, and for which the chargeable rate for such coverage is less than the applicable estimated risk premium rate under section 1307(a)(1) for the area (or subdivision thereof) in which such structure is located, the minimum annual deductible for damage to or loss of such structure shall be \$2,000.

“(2) **ACTUARIAL RATE PROPERTIES.**—For any structure that is covered by flood insurance under this title, for which the chargeable rate for such coverage is not less than the applicable estimated risk premium rate under section 1307(a)(1) for the area (or subdivision thereof) in which such structure is located, the minimum annual deductible for damage to or loss of such structure shall be \$1,000.”

(b) **CLARIFICATION OF RESIDENTIAL AND COMMERCIAL COVERAGE LIMITS.**—Section 1306(b) of

the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (2)—

(A) by striking “in the case of any residential property” and inserting “in the case of any residential building designed for the occupancy of from one to four families”; and

(B) by striking “shall be made available to every insured upon renewal and every applicant for insurance so as to enable such insured or applicant to receive coverage up to a total amount (including such limits specified in paragraph (1)(A)(i)) of \$250,000” and inserting “shall be made available, with respect to any single such building, up to an aggregate liability (including such limits specified in paragraph (1)(A)(i)) of \$250,000”; and

(2) in paragraph (4)—

(A) by striking “in the case of any nonresidential property, including churches,” and inserting “in the case of any nonresidential building, including a church,”; and

(B) by striking “shall be made available to every insured upon renewal and every applicant for insurance, in respect to any single structure, up to a total amount (including such limit specified in subparagraph (B) or (C) of paragraph (1), as applicable) of \$500,000 for each structure and \$500,000 for any contents related to each structure” and inserting “shall be made available with respect to any single such building, up to an aggregate liability (including such limits specified in subparagraph (B) or (C) of paragraph (1), as applicable) of \$500,000, and coverage shall be made available up to a total of \$500,000 aggregate liability for contents owned by the building owner and \$500,000 aggregate liability for each unit within the building for contents owned by the tenant”.

(c) **INDEXING OF MAXIMUM COVERAGE LIMITS.**—Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting “; and”;

(3) by redesignating paragraph (5) as paragraph (7); and

(4) by adding at the end the following new paragraph:

“(8) each of the dollar amount limitations under paragraphs (2), (3), (4), (5), and (6) shall be adjusted effective on the date of the enactment of the Flood Insurance Reform Act of 2012, such adjustments shall be calculated using the percentage change, over the period beginning on September 30, 1994, and ending on such date of enactment, in such inflationary index as the Administrator shall, by regulation, specify, and the dollar amount of such adjustment shall be rounded to the next lower dollar; and the Administrator shall cause to be published in the Federal Register the adjustments under this paragraph to such dollar amount limitations; except that in the case of coverage for a property that is made available, pursuant to this paragraph, in an amount that exceeds the limitation otherwise applicable to such coverage as specified in paragraph (2), (3), (4), (5), or (6), the total of such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1).”

(d) **OPTIONAL COVERAGE FOR LOSS OF USE OF PERSONAL RESIDENCE AND BUSINESS INTERRUPTION.**—Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)), as amended by the preceding provisions of this section, is further amended by inserting after paragraph (4) the following new paragraphs:

“(5) the Administrator may provide that, in the case of any residential property, each renewal or new contract for flood insurance coverage may provide not more than \$5,000 aggregate liability per dwelling unit for any necessary increases in living expenses incurred by

the insured when losses from a flood make the residence unfit to live in, except that—

“(A) purchase of such coverage shall be at the option of the insured;

“(B) any such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1); and

“(C) the Administrator may make such coverage available only if the Administrator makes a determination and causes notice of such determination to be published in the Federal Register that—

“(i) a competitive private insurance market for such coverage does not exist; and

“(ii) the national flood insurance program has the capacity to make such coverage available without borrowing funds from the Secretary of the Treasury under section 1309 or otherwise;

“(6) the Administrator may provide that, in the case of any commercial property or other residential property, including multifamily rental property, coverage for losses resulting from any partial or total interruption of the insured's business caused by damage to, or loss of, such property from a flood may be made available to every insured upon renewal and every applicant, up to a total amount of \$20,000 per property, except that—

“(A) purchase of such coverage shall be at the option of the insured;

“(B) any such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1); and

“(C) the Administrator may make such coverage available only if the Administrator makes a determination and causes notice of such determination to be published in the Federal Register that—

“(i) a competitive private insurance market for such coverage does not exist; and

“(ii) the national flood insurance program has the capacity to make such coverage available without borrowing funds from the Secretary of the Treasury under section 1309 or otherwise;”.

(e) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR RESIDENTIAL PROPERTIES.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by adding at the end the following new subsection:

“(d) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR RESIDENTIAL PROPERTIES.—

“(1) AUTHORITY.—In addition to any other terms and conditions under subsection (a), such regulations shall provide that, in the case of any residential property, premiums for flood insurance coverage made available under this title for such property may be paid in installments.

“(2) LIMITATIONS.—In implementing the authority under paragraph (1), the Administrator may establish increased chargeable premium rates and surcharges, and deny coverage and establish such other sanctions, as the Administrator considers necessary to ensure that insureds purchase, pay for, and maintain coverage for the full term of a contract for flood insurance coverage or to prevent insureds from purchasing coverage only for periods during a year when risk of flooding is comparatively higher or canceling coverage for periods when such risk is comparatively lower.”.

(f) EFFECTIVE DATE OF POLICIES COVERING PROPERTIES AFFECTED BY FLOODS IN PROGRESS.—Paragraph (1) of section 1306(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)) is amended by adding after the period at the end the following: “With respect to any flood that has commenced or is in progress before the expiration of such 30-day period, such flood insurance coverage for a property shall take effect upon the expiration of such 30-day period and shall cover damage to such property occurring after the expiration of such period that results from such flood, but only if the property has not suffered damage or loss as

a result of such flood before the expiration of such 30-day period.”.

SEC. 345. REFORMS OF PREMIUM RATES.

(a) INCREASE IN ANNUAL LIMITATION ON PREMIUM INCREASES.—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended by striking “10 percent” and inserting “20 percent”.

(b) PHASE-IN OF RATES FOR CERTAIN PROPERTIES IN NEWLY MAPPED AREAS.—

(1) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended—

(A) in subsection (a), in the matter preceding paragraph (1), by inserting “or notice” after “prescribe by regulation”;

(B) in subsection (c), by inserting “and subsection (g)” before the first comma; and

(C) by adding at the end the following new subsection:

“(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR CERTAIN PROPERTIES IN NEWLY MAPPED AREAS.—

“(1) 5-YEAR PHASE-IN PERIOD.—Notwithstanding subsection (c) or any other provision of law relating to chargeable risk premium rates for flood insurance coverage under this title, in the case of any area that was not previously designated as an area having special flood hazards and that, pursuant to any issuance, revision, updating, or other change in flood insurance maps, becomes designated as such an area, during the 5-year period that begins, except as provided in paragraph (2), upon the date that such maps, as issued, revised, updated, or otherwise changed, become effective, the chargeable premium rate for flood insurance under this title with respect to any covered property that is located within such area shall be the rate described in paragraph (3).

“(2) APPLICABILITY TO PREFERRED RISK RATE AREAS.—In the case of any area described in paragraph (1) that consists of or includes an area that, as of date of the effectiveness of the flood insurance maps for such area referred to in paragraph (1) as so issued, revised, updated, or changed, is eligible for any reason for preferred risk rate method premiums for flood insurance coverage and was eligible for such premiums as of the enactment of the Flood Insurance Reform Act of 2012, the 5-year period referred to in paragraph (1) for such area eligible for preferred risk rate method premiums shall begin upon the expiration of the period during which such area is eligible for such preferred risk rate method premiums.

“(3) PHASE-IN OF FULL ACTUARIAL RATES.—With respect to any area described in paragraph (1), the chargeable risk premium rate for flood insurance under this title for a covered property that is located in such area shall be—

“(A) for the first year of the 5-year period referred to in paragraph (1), the greater of—

“(i) 20 percent of the chargeable risk premium rate otherwise applicable under this title to the property; and

“(ii) in the case of any property that, as of the beginning of such first year, is eligible for preferred risk rate method premiums for flood insurance coverage, such preferred risk rate method premium for the property;

“(B) for the second year of such 5-year period, 40 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(C) for the third year of such 5-year period, 60 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(D) for the fourth year of such 5-year period, 80 percent of the chargeable risk premium rate otherwise applicable under this title to the property; and

“(E) for the fifth year of such 5-year period, 100 percent of the chargeable risk premium rate otherwise applicable under this title to the property.

“(4) COVERED PROPERTIES.—For purposes of the subsection, the term ‘covered property’ means any residential property occupied by its owner or a bona fide tenant as a primary residence.”.

(2) REGULATION OR NOTICE.—The Administrator of the Federal Emergency Management Agency shall issue an interim final rule or notice to implement this subsection and the amendments made by this subsection as soon as practicable after the date of the enactment of this Act.

(c) PHASE-IN OF ACTUARIAL RATES FOR CERTAIN PROPERTIES.—

(1) IN GENERAL.—Section 1308(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is amended—

(A) by redesignating paragraph (2) as paragraph (7); and

(B) by inserting after paragraph (1) the following new paragraphs:

“(2) COMMERCIAL PROPERTIES.—Any nonresidential property.

“(3) SECOND HOMES AND VACATION HOMES.—Any residential property that is not the primary residence of any individual.

“(4) HOMES SOLD TO NEW OWNERS.—Any single family property that—

“(A) has been constructed or substantially improved and for which such construction or improvement was started, as determined by the Administrator, before December 31, 1974, or before the effective date of the initial rate map published by the Administrator under paragraph (2) of section 1360(a) for the area in which such property is located, whichever is later; and

“(B) is purchased after the effective date of this paragraph, pursuant to section 345(c)(3)(A) of the Flood Insurance Reform Act of 2012.

“(5) HOMES DAMAGED OR IMPROVED.—Any property that, on or after the date of the enactment of the Flood Insurance Reform Act of 2012, has experienced or sustained—

“(A) substantial flood damage exceeding 50 percent of the fair market value of such property; or

“(B) substantial improvement exceeding 30 percent of the fair market value of such property.

“(6) HOMES WITH MULTIPLE CLAIMS.—Any severe repetitive loss property (as such term is defined in section 1366(j)).”.

(2) TECHNICAL AMENDMENTS.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended—

(A) in subsection (c)—

(i) in the matter preceding paragraph (1), by striking “the limitations provided under paragraphs (1) and (2)” and inserting “subsection (e)”; and

(ii) in paragraph (1), by striking “, except” and all that follows through “subsection (e)”; and

(B) in subsection (e), by striking “paragraph (2) or (3)” and inserting “paragraph (7)”.

(3) EFFECTIVE DATE AND TRANSITION.—

(A) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply beginning upon the expiration of the 12-month period that begins on the date of the enactment of this Act, except as provided in subparagraph (B) of this paragraph.

(B) TRANSITION FOR PROPERTIES COVERED BY FLOOD INSURANCE UPON EFFECTIVE DATE.—

(i) INCREASE OF RATES OVER TIME.—In the case of any property described in paragraph (2), (3), (4), (5), or (6) of section 1308(c) of the National Flood Insurance Act of 1968, as amended by paragraph (1) of this subsection, that, as of the effective date under subparagraph (A) of this paragraph, is covered under a policy for flood insurance made available under the national flood insurance program for which the chargeable premium rates are less than the applicable estimated risk premium rate under section 1307(a)(1) of such Act for the area in which the property is located, the Administrator of the

Federal Emergency Management Agency shall increase the chargeable premium rates for such property over time to such applicable estimated risk premium rate under section 1307(a)(1).

(ii) **AMOUNT OF ANNUAL INCREASE.**—Such increase shall be made by increasing the chargeable premium rates for the property (after application of any increase in the premium rates otherwise applicable to such property), once during the 12-month period that begins upon the effective date under subparagraph (A) of this paragraph and once every 12 months thereafter until such increase is accomplished, by 20 percent (or such lesser amount as may be necessary so that the chargeable rate does not exceed such applicable estimated risk premium rate or to comply with clause (iii)).

(iii) **PROPERTIES SUBJECT TO PHASE-IN AND ANNUAL INCREASES.**—In the case of any pre-FIRM property (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1974), the aggregate increase, during any 12-month period, in the chargeable premium rate for the property that is attributable to this subparagraph or to an increase described in section 1308(e) of the National Flood Insurance Act of 1968 may not exceed 20 percent.

(iv) **FULL ACTUARIAL RATES.**—The provisions of paragraphs (2), (3), (4), (5), and (6) of such section 1308(c) shall apply to such a property upon the accomplishment of the increase under this subparagraph and thereafter.

(d) **PROHIBITION OF EXTENSION OF SUBSIDIZED RATES TO LAPSED POLICIES.**—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this subtitle, is further amended—

(1) in subsection (e), by inserting “or subsection (h)” after “subsection (c)”; and

(2) by adding at the end the following new subsection:

“(h) **PROHIBITION OF EXTENSION OF SUBSIDIZED RATES TO LAPSED POLICIES.**—Notwithstanding any other provision of law relating to chargeable risk premium rates for flood insurance coverage under this title, the Administrator shall not provide flood insurance coverage under this title for any property for which a policy for such coverage for the property has previously lapsed in coverage as a result of the deliberate choice of the holder of such policy, at a rate less than the applicable estimated risk premium rates for the area (or subdivision thereof) in which such property is located.”

(e) **RECOGNITION OF STATE AND LOCAL FUNDING FOR CONSTRUCTION, RECONSTRUCTION, AND IMPROVEMENT OF FLOOD PROTECTION SYSTEMS IN DETERMINATION OF RATES.**—

(1) **IN GENERAL.**—Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended—

(A) in subsection (e)—

(i) in the first sentence, by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system (without respect to the level of Federal investment or participation)”; and

(ii) in the second sentence—

(I) by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system”; and

(II) by inserting “based on the present value of the completed system” after “has been expended”; and

(B) in subsection (f)—

(i) in the first sentence in the matter preceding paragraph (1), by inserting “(without respect to the level of Federal investment or participation)” before the period at the end;

(ii) in the third sentence in the matter preceding paragraph (1), by inserting “, whether coastal or riverine,” after “special flood hazard”; and

(iii) in paragraph (1), by striking “a Federal agency in consultation with the local project sponsor” and inserting “the entity or entities

that own, operate, maintain, or repair such system”.

(2) **REGULATIONS.**—The Administrator of the Federal Emergency Management Agency shall promulgate regulations to implement this subsection and the amendments made by this subsection as soon as practicable, but not more than 18 months after the date of the enactment of this Act. Paragraph (3) may not be construed to annul, alter, affect, authorize any waiver of, or establish any exception to, the requirement under the preceding sentence.

SEC. 346. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) **ESTABLISHMENT.**—There is established a council to be known as the Technical Mapping Advisory Council (in this section referred to as the “Council”).

(b) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The Council shall consist of—

(A) the Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”), or the designee thereof;

(B) the Director of the United States Geological Survey of the Department of the Interior, or the designee thereof;

(C) the Under Secretary of Commerce for Oceans and Atmosphere, or the designee thereof;

(D) the commanding officer of the United States Army Corps of Engineers, or the designee thereof;

(E) the chief of the Natural Resources Conservation Service of the Department of Agriculture, or the designee thereof;

(F) the Director of the United States Fish and Wildlife Service of the Department of the Interior, or the designee thereof;

(G) the Assistant Administrator for Fisheries of the National Oceanic and Atmospheric Administration of the Department of Commerce, or the designee thereof; and

(H) 14 additional members to be appointed by the Administrator of the Federal Emergency Management Agency, who shall be—

(i) an expert in data management;

(ii) an expert in real estate;

(iii) an expert in insurance;

(iv) a member of a recognized regional flood and storm water management organization;

(v) a representative of a State emergency management agency or association or organization for such agencies;

(vi) a member of a recognized professional surveying association or organization;

(vii) a member of a recognized professional mapping association or organization;

(viii) a member of a recognized professional engineering association or organization;

(ix) a member of a recognized professional association or organization representing flood hazard determination firms;

(x) a representative of State national flood insurance coordination offices;

(xi) representatives of two local governments, at least one of whom is a local levee flood manager or executive, designated by the Federal Emergency Management Agency as Cooperating Technical Partners; and

(xii) representatives of two State governments designated by the Federal Emergency Management Agency as Cooperating Technical States.

(2) **QUALIFICATIONS.**—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps. In appointing members under paragraph (1)(H), the Administrator shall ensure that the membership of the Council has a balance of Federal, State, local, and private members, and includes an adequate number of representatives from the States with coastline on the Gulf of Mexico and other States containing areas identified by the Administrator of the Federal Emergency Man-

agement Agency as at high-risk for flooding or special flood hazard areas.

(c) **DUTIES.**—

(1) **NEW MAPPING STANDARDS.**—Not later than the expiration of the 12-month period beginning upon the date of the enactment of this Act, the Council shall develop and submit to the Administrator and the Congress proposed new mapping standards for 100-year flood insurance rate maps used under the national flood insurance program under the National Flood Insurance Act of 1968. In developing such proposed standards the Council shall—

(A) ensure that the flood insurance rate maps reflect true risk, including graduated risk that better reflects the financial risk to each property; such reflection of risk should be at the smallest geographic level possible (but not necessarily property-by-property) to ensure that communities are mapped in a manner that takes into consideration different risk levels within the community;

(B) ensure the most efficient generation, display, and distribution of flood risk data, models, and maps where practicable through dynamic digital environments using spatial database technology and the Internet;

(C) ensure that flood insurance rate maps reflect current hydrologic and hydraulic data, current land use, and topography, incorporating the most current and accurate ground and bathymetric elevation data;

(D) determine the best ways to include in such flood insurance rate maps levees, decertified levees, and areas located below dams, including determining a methodology for ensuring that decertified levees and other protections are included in flood insurance rate maps and their corresponding flood zones reflect the level of protection conferred;

(E) consider how to incorporate restored wetlands and other natural buffers into flood insurance rate maps, which may include wetlands, groundwater recharge areas, erosion zones, meander belts, endangered species habitat, barrier islands and shoreline buffer features, riparian forests, and other features;

(F) consider whether to use vertical positioning (as defined by the Administrator) for flood insurance rate maps;

(G) ensure that flood insurance rate maps differentiate between a property that is located in a flood zone and a structure located on such property that is not at the same risk level for flooding as such property due to the elevation of the structure;

(H) ensure that flood insurance rate maps take into consideration the best scientific data and potential future conditions (including projections for sea level rise); and

(I) consider how to incorporate the new standards proposed pursuant to this paragraph in existing mapping efforts.

(2) **ONGOING DUTIES.**—The Council shall, on an ongoing basis, review the mapping protocols developed pursuant to paragraph (1), and make recommendations to the Administrator when the Council determines that mapping protocols should be altered.

(3) **MEETINGS.**—In carrying out its duties under this section, the Council shall consult with stakeholders through at least 4 public meetings annually, and shall seek input of all stakeholder interests including State and local representatives, environmental and conservation organizations, insurance industry representatives, advocacy groups, planning organizations, and mapping organizations.

(d) **PROHIBITION ON COMPENSATION.**—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(e) **CHAIRPERSON.**—The Administrator shall serve as the Chairperson of the Council.

(f) **STAFF.**—

(1) **FEMA.**—Upon the request of the Council, the Administrator may detail, on a nonreimbursable basis, personnel of the Federal Emergency

Management Agency to assist the Council in carrying out its duties.

(2) OTHER FEDERAL AGENCIES.—Upon request of the Council, any other Federal agency that is a member of the Council may detail, on a non-reimbursable basis, personnel to assist the Council in carrying out its duties.

(g) POWERS.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research, as the Council considers appropriate.

(h) TERMINATION.—The Council shall terminate upon the expiration of the 5-year period beginning on the date of the enactment of this Act.

(i) MORATORIUM ON FLOOD MAP CHANGES.—

(1) MORATORIUM.—Except as provided in paragraph (2) and notwithstanding any other provision of this subtitle, the National Flood Insurance Act of 1968, or the Flood Disaster Protection Act of 1973, during the period beginning upon the date of the enactment of this Act and ending upon the submission by the Council to the Administrator and the Congress of the proposed new mapping standards required under subsection (c)(1), the Administrator may not make effective any new or updated rate maps for flood insurance coverage under the national flood insurance program that were not in effect for such program as of such date of enactment, or otherwise revise, update, or change the flood insurance rate maps in effect for such program as of such date.

(2) LETTERS OF MAP CHANGE.—During the period described in paragraph (1), the Administrator may revise, update, and change the flood insurance rate maps in effect for the national flood insurance program only pursuant to a letter of map change (including a letter of map amendment, letter of map revision, and letter of map revision based on fill).

SEC. 347. FEMA INCORPORATION OF NEW MAPPING PROTOCOLS.

(a) NEW RATE MAPPING STANDARDS.—Not later than the expiration of the 6-month period beginning upon submission by the Technical Mapping Advisory Council under section 346 of the proposed new mapping standards for flood insurance rate maps used under the national flood insurance program developed by the Council pursuant to section 346(c), the Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”) shall establish new standards for such rate maps based on such proposed new standards and the recommendations of the Council.

(b) REQUIREMENTS.—The new standards for flood insurance rate maps established by the Administrator pursuant to subsection (a) shall—

(1) delineate and include in any such rate maps—

(A) all areas located within the 100-year flood plain; and

(B) areas subject to graduated and other risk levels, to the maximum extent possible;

(2) ensure that any such rate maps—

(A) include levees, including decertified levees, and the level of protection they confer;

(B) reflect current land use and topography and incorporate the most current and accurate ground level data;

(C) take into consideration the impacts and use of fill and the flood risks associated with altered hydrology;

(D) differentiate between a property that is located in a flood zone and a structure located on such property that is not at the same risk level for flooding as such property due to the elevation of the structure;

(E) identify and incorporate natural features and their associated flood protection benefits into mapping and rates; and

(F) identify, analyze, and incorporate the impact of significant changes to building and development throughout any river or coastal water system, including all tributaries, which may impact flooding in areas downstream; and

(3) provide that such rate maps are developed on a watershed basis.

(c) REPORT.—If, in establishing new standards for flood insurance rate maps pursuant to subsection (a) of this section, the Administrator does not implement all of the recommendations of the Council made under the proposed new mapping standards developed by the Council pursuant to section 346(c), upon establishment of the new standards the Administrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate specifying which such recommendations were not adopted and explaining the reasons such recommendations were not adopted.

(d) IMPLEMENTATION.—The Administrator shall, not later than the expiration of the 6-month period beginning upon establishment of the new standards for flood insurance rate maps pursuant to subsection (a) of this section, commence use of the new standards and updating of flood insurance rate maps in accordance with the new standards. Not later than the expiration of the 10-year period beginning upon the establishment of such new standards, the Administrator shall complete updating of all flood insurance rate maps in accordance with the new standards, subject to the availability of sufficient amounts for such activities provided in appropriation Acts.

(e) TEMPORARY SUSPENSION OF MANDATORY PURCHASE REQUIREMENT FOR CERTAIN PROPERTIES.—

(1) SUBMISSION OF ELEVATION CERTIFICATE.—Subject to paragraphs (2) and (3) of this subsection, subsections (a), (b), and (e) of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), and section 202(a) of such Act, shall not apply to a property located in an area designated as having a special flood hazard if the owner of such property submits to the Administrator an elevation certificate for such property showing that the lowest level of the primary residence on such property is at an elevation that is at least three feet higher than the elevation of the 100-year flood plain.

(2) REVIEW OF CERTIFICATE.—The Administrator shall accept as conclusive each elevation certificate submitted under paragraph (1) unless the Administrator conducts a subsequent elevation survey and determines that the lowest level of the primary residence on the property in question is not at an elevation that is at least three feet higher than the elevation of the 100-year flood plain. The Administrator shall provide any such subsequent elevation survey to the owner of such property.

(3) DETERMINATIONS FOR PROPERTIES ON BORDERS OF SPECIAL FLOOD HAZARD AREAS.—

(A) EXPEDITED DETERMINATION.—In the case of any survey for a property submitted to the Administrator pursuant to paragraph (1) showing that a portion of the property is located within an area having special flood hazards and that a structure located on the property is not located within such area having special flood hazards, the Administrator shall expeditiously process any request made by an owner of the property for a determination pursuant to paragraph (2) or a determination of whether the structure is located within the area having special flood hazards.

(B) PROHIBITION OF FEE.—If the Administrator determines pursuant to subparagraph (A) that the structure on the property is not located within the area having special flood hazards, the Administrator shall not charge a fee for reviewing the flood hazard data and shall not require the owner to provide any additional elevation data.

(C) SIMPLIFICATION OF REVIEW PROCESS.—The Administrator shall collaborate with private sector flood insurers to simplify the review process for properties described in subparagraph (A) and to ensure that the review process provides for accurate determinations.

(4) TERMINATION OF AUTHORITY.—This subsection shall cease to apply to a property on the

date on which the Administrator updates the flood insurance rate map that applies to such property in accordance with the requirements of subsection (d).

SEC. 348. TREATMENT OF LEVEES.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsection:

“(k) TREATMENT OF LEVEES.—The Administrator may not issue flood insurance maps, or make effective updated flood insurance maps, that omit or disregard the actual protection afforded by an existing levee, floodwall, pump or other flood protection feature, regardless of the accreditation status of such feature.”.

SEC. 349. PRIVATIZATION INITIATIVES.

(a) FEMA AND GAO REPORTS.—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency and the Comptroller General of the United States shall each conduct a separate study to assess a broad range of options, methods, and strategies for privatizing the national flood insurance program and shall each submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with recommendations for the best manner to accomplish such privatization.

(b) PRIVATE RISK-MANAGEMENT INITIATIVES.—

(1) AUTHORITY.—The Administrator of the Federal Emergency Management Agency may carry out such private risk-management initiatives under the national flood insurance program as the Administrator considers appropriate to determine the capacity of private insurers, reinsurers, and financial markets to assist communities, on a voluntary basis only, in managing the full range of financial risks associated with flooding.

(2) ASSESSMENT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Administrator shall assess the capacity of the private reinsurance, capital, and financial markets by seeking proposals to assume a portion of the program’s insurance risk and submit to the Congress a report describing the response to such request for proposals and the results of such assessment.

(3) PROTOCOL FOR RELEASE OF DATA.—The Administrator shall develop a protocol to provide for the release of data sufficient to conduct the assessment required under paragraph (2).

(c) REINSURANCE.—The National Flood Insurance Act of 1968 is amended—

(1) in section 1331(a)(2) (42 U.S.C. 4051(a)(2)), by inserting “, including as reinsurance of insurance coverage provided by the flood insurance program” before “, on such terms”;

(2) in section 1332(c)(2) (42 U.S.C. 4052(c)(2)), by inserting “or reinsurance” after “flood insurance coverage”;

(3) in section 1335(a) (42 U.S.C. 4055(a))—

(A) by inserting “(1)” after “(a)”;

(B) by adding at the end the following new paragraph:

“(2) The Administrator is authorized to secure reinsurance coverage of coverage provided by the flood insurance program from private market sources at rates and on terms determined by the Administrator to be reasonable and appropriate in an amount sufficient to maintain the ability of the program to pay claims and that minimizes the likelihood that the program will utilize the borrowing authority provided under section 1309.”;

(4) in section 1346(a) (12 U.S.C. 4082(a))—

(A) in the matter preceding paragraph (1), by inserting “, or for purposes of securing reinsurance of insurance coverage provided by the program,” before “of any or all of”;

(B) in paragraph (1)—

(i) by striking “estimating” and inserting “Estimating”; and

(ii) by striking the semicolon at the end and inserting a period;

(C) in paragraph (2)—

(i) by striking “receiving” and inserting “Receiving”; and

(ii) by striking the semicolon at the end and inserting a period;

(D) in paragraph (3)—

(i) by striking “making” and inserting “Making”; and

(ii) by striking “; and” and inserting a period;

(E) in paragraph (4)—

(i) by striking “otherwise” and inserting “Otherwise”; and

(ii) by redesignating such paragraph as paragraph (5); and

(F) by inserting after paragraph (3) the following new paragraph:

“(4) Placing reinsurance coverage on insurance provided by such program.”; and

(5) in section 1370(a)(3) (42 U.S.C. 4121(a)(3)), by inserting before the semicolon at the end the following: “, is subject to the reporting requirements of the Securities Exchange Act of 1934, pursuant to section 13(a) or 15(d) of such Act (15 U.S.C. 78m(a), 78o(d)), or is authorized by the Administrator to assume reinsurance on risks insured by the flood insurance program”.

(d) ASSESSMENT OF CLAIMS-PAYING ABILITY.—

(1) ASSESSMENT.—Not later than September 30 of each year, the Administrator of the Federal Emergency Management Agency shall conduct an assessment of the claims-paying ability of the national flood insurance program, including the program’s utilization of private sector reinsurance and reinsurance equivalents, with and without reliance on borrowing authority under section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016). In conducting the assessment, the Administrator shall take into consideration regional concentrations of coverage written by the program, peak flood zones, and relevant mitigation measures.

(2) REPORT.—The Administrator shall submit a report to the Congress of the results of each such assessment, and make such report available to the public, not later than 30 days after completion of the assessment.

SEC. 350. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.

Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027) is amended—

(1) in the section heading, by striking “REPORT TO THE PRESIDENT” and inserting “ANNUAL REPORT TO CONGRESS”;

(2) in subsection (a)—

(A) by striking “biennially”;

(B) by striking “the President for submission to”; and

(C) by inserting “not later than June 30 of each year” before the period at the end;

(3) in subsection (b), by striking “biennial” and inserting “annual”; and

(4) by adding at the end the following new subsection:

“(c) FINANCIAL STATUS OF PROGRAM.—The report under this section for each year shall include information regarding the financial status of the national flood insurance program under this title, including a description of the financial status of the National Flood Insurance Fund and current and projected levels of claims, premium receipts, expenses, and borrowing under the program.”.

SEC. 351. MITIGATION ASSISTANCE.

(a) MITIGATION ASSISTANCE GRANTS.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) in subsection (a), by striking the last sentence and inserting the following: “Such financial assistance shall be made available—

“(1) to States and communities in the form of grants under this section for carrying out mitigation activities;

“(2) to States and communities in the form of grants under this section for carrying out mitigation activities that reduce flood damage to severe repetitive loss structures; and

“(3) to property owners in the form of direct grants under this section for carrying out mitigation activities that reduce flood damage to individual structures for which 2 or more claim payments for losses have been made under flood insurance coverage under this title if the Administrator, after consultation with the State and community, determines that neither the State nor community in which such a structure is located has the capacity to manage such grants.”.

(2) by striking subsection (b);

(3) in subsection (c)—

(A) by striking “flood risk” and inserting “multi-hazard”;

(B) by striking “provides protection against” and inserting “examines reduction of”; and

(C) by redesignating such subsection as subsection (b);

(4) by striking subsection (d);

(5) in subsection (e)—

(A) in paragraph (1), by striking the paragraph designation and all that follows through the end of the first sentence and inserting the following:

“(1) REQUIREMENT OF CONSISTENCY WITH APPROVED MITIGATION PLAN.—Amounts provided under this section may be used only for mitigation activities that are consistent with mitigation plans that are approved by the Administrator and identified under subparagraph (4).”;

(B) by striking paragraphs (2), (3), and (4) and inserting the following new paragraphs:

“(2) REQUIREMENTS OF TECHNICAL FEASIBILITY, COST EFFECTIVENESS, AND INTEREST OF NFIF.—The Administrator may approve only mitigation activities that the Administrator determines are technically feasible and cost-effective and in the interest of, and represent savings to, the National Flood Insurance Fund. In making such determinations, the Administrator shall take into consideration recognized benefits that are difficult to quantify.

“(3) PRIORITY FOR MITIGATION ASSISTANCE.—In providing grants under this section for mitigation activities, the Administrator shall give priority for funding to activities that the Administrator determines will result in the greatest savings to the National Flood Insurance Fund, including activities for—

“(A) severe repetitive loss structures;

“(B) repetitive loss structures; and

“(C) other subsets of structures as the Administrator may establish.”;

(C) in paragraph (5)—

(i) by striking all of the matter that precedes subparagraph (A) and inserting the following:

“(4) ELIGIBLE ACTIVITIES.—Eligible activities may include—”;

(ii) by striking subparagraphs (E) and (H);

(iii) by redesignating subparagraphs (D), (F), and (G) as subparagraphs (E), (G), and (H);

(iv) by inserting after subparagraph (C) the following new subparagraph:

“(D) elevation, relocation, and floodproofing of utilities (including equipment that serve structures);”;

(v) by inserting after subparagraph (E), as so redesignated by clause (iii) of this subparagraph, the following new subparagraph:

“(F) the development or update of State, local, or Indian tribal mitigation plans which meet the planning criteria established by the Administrator, except that the amount from grants under this section that may be used under this subparagraph may not exceed \$50,000 for any mitigation plan of a State or \$25,000 for any mitigation plan of a local government or Indian tribe;”;

(vi) in subparagraph (H); as so redesignated by clause (iii) of this subparagraph, by striking “and” at the end; and

(vii) by adding at the end the following new subparagraphs:

“(I) other mitigation activities not described in subparagraphs (A) through (G) or the regulations issued under subparagraph (H), that are described in the mitigation plan of a State, community, or Indian tribe; and

“(J) personnel costs for State staff that provide technical assistance to communities to identify eligible activities, to develop grant applications, and to implement grants awarded under this section, not to exceed \$50,000 per State in any Federal fiscal year, so long as the State applied for and was awarded at least \$1,000,000 in grants available under this section in the prior Federal fiscal year; the requirements of subsections (d)(1) and (d)(2) shall not apply to the activity under this subparagraph.”;

(D) by adding at the end the following new paragraph:

“(6) ELIGIBILITY OF DEMOLITION AND REBUILDING OF PROPERTIES.—The Administrator shall consider as an eligible activity the demolition and rebuilding of properties to at least base flood elevation or greater, if required by the Administrator or if required by any State regulation or local ordinance, and in accordance with criteria established by the Administrator.”; and

(E) by redesignating such subsection as subsection (c);

(6) by striking subsections (f), (g), and (h) and inserting the following new subsection:

“(d) MATCHING REQUIREMENT.—The Administrator may provide grants for eligible mitigation activities as follows:

“(1) SEVERE REPETITIVE LOSS STRUCTURES.—In the case of mitigation activities to severe repetitive loss structures, in an amount up to 100 percent of all eligible costs.

“(2) REPETITIVE LOSS STRUCTURES.—In the case of mitigation activities to repetitive loss structures, in an amount up to 90 percent of all eligible costs.

“(3) OTHER MITIGATION ACTIVITIES.—In the case of all other mitigation activities, in an amount up to 75 percent of all eligible costs.”;

(7) in subsection (i)—

(A) in paragraph (2)—

(i) by striking “certified under subsection (g)” and inserting “required under subsection (d)”;

and

(ii) by striking “3 times the amount” and inserting “the amount”; and

(B) by redesignating such subsection as subsection (e);

(8) in subsection (j)—

(A) by striking “Riegle Community Development and Regulatory Improvement Act of 1994” and inserting “Flood Insurance Reform Act of 2012”;

(B) by redesignating such subsection as subsection (f); and

(9) by striking subsections (k) and (m) and inserting the following new subsections:

“(g) FAILURE TO MAKE GRANT AWARD WITHIN 5 YEARS.—For any application for a grant under this section for which the Administrator fails to make a grant award within 5 years of the date of application, the grant application shall be considered to be denied and any funding amounts allocated for such grant applications shall remain in the National Flood Mitigation Fund under section 1367 of this title and shall be made available for grants under this section.

“(h) LIMITATION ON FUNDING FOR MITIGATION ACTIVITIES FOR SEVERE REPETITIVE LOSS STRUCTURES.—The amount used pursuant to section 1310(a)(8) in any fiscal year may not exceed \$40,000,000 and shall remain available until expended.

“(i) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) COMMUNITY.—The term ‘community’ means—

“(A) a political subdivision that—

“(i) has zoning and building code jurisdiction over a particular area having special flood hazards, and

“(ii) is participating in the national flood insurance program; or

“(B) a political subdivision of a State, or other authority, that is designated by political subdivisions, all of which meet the requirements of subparagraph (A), to administer grants for

mitigation activities for such political subdivisions.

“(2) **REPETITIVE LOSS STRUCTURE.**—The term ‘repetitive loss structure’ has the meaning given such term in section 1370.

“(3) **SEVERE REPETITIVE LOSS STRUCTURE.**—The term ‘severe repetitive loss structure’ means a structure that—

“(A) is covered under a contract for flood insurance made available under this title; and

“(B) has incurred flood-related damage—

“(i) for which 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding \$15,000, and with the cumulative amount of such claims payments exceeding \$60,000; or

“(ii) for which at least 2 separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the insured structure.”.

(b) **ELIMINATION OF GRANTS PROGRAM FOR REPETITIVE INSURANCE CLAIMS PROPERTIES.**—Chapter I of the National Flood Insurance Act of 1968 is amended by striking section 1323 (42 U.S.C. 4030).

(c) **ELIMINATION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.**—Chapter III of the National Flood Insurance Act of 1968 is amended by striking section 1361A (42 U.S.C. 4102a).

(d) **NATIONAL FLOOD INSURANCE FUND.**—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (7), by inserting “and” after the semicolon; and

(2) by striking paragraphs (8) and (9).

(e) **NATIONAL FLOOD MITIGATION FUND.**—Section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) In each fiscal year, from the National Flood Insurance Fund in amounts not exceeding \$90,000,000 to remain available until expended, of which—

“(A) not more than \$40,000,000 shall be available pursuant to subsection (a) of this section only for assistance described in section 1366(a)(1);

“(B) not more than \$40,000,000 shall be available pursuant to subsection (a) of this section only for assistance described in section 1366(a)(2); and

“(C) not more than \$10,000,000 shall be available pursuant to subsection (a) of this section only for assistance described in section 1366(a)(3).”.

(B) in paragraph (3), by striking “section 1366(i)” and inserting “section 1366(e)”;

(2) in subsection (c), by striking “sections 1366 and 1323” and inserting “section 1366”;

(3) by redesignating subsections (d) and (e) as subsections (f) and (g), respectively; and

(4) by inserting after subsection (c) the following new subsections:

“(d) **PROHIBITION ON OFFSETTING COLLECTIONS.**—Notwithstanding any other provision of this title, amounts made available pursuant to this section shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.

“(e) **CONTINUED AVAILABILITY AND REALLOCATION.**—Any amounts made available pursuant to subparagraph (A), (B), or (C) of subsection (b)(1) that are not used in any fiscal year shall continue to be available for the purposes specified in such subparagraph of subsection (b)(1) pursuant to which such amounts were made available, unless the Administrator determines that reallocation of such unused amounts to meet demonstrated need for other mitigation activities under section 1366 is in the best interest of the National Flood Insurance Fund.”.

(f) **INCREASED COST OF COMPLIANCE COVERAGE.**—Section 1304(b)(4) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)(4)) is amended—

(1) by striking subparagraph (B); and

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

SEC. 352. NOTIFICATION TO HOMEOWNERS REGARDING MANDATORY PURCHASE REQUIREMENT APPLICABILITY AND RATE PHASE-INS.

Section 201 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4105) is amended by adding at the end the following new subsection:

“(f) **ANNUAL NOTIFICATION.**—The Administrator, in consultation with affected communities, shall establish and carry out a plan to notify residents of areas having special flood hazards, on an annual basis—

“(1) that they reside in such an area;

“(2) of the geographical boundaries of such area;

“(3) of whether section 1308(g) of the National Flood Insurance Act of 1968 applies to properties within such area;

“(4) of the provisions of section 102 requiring purchase of flood insurance coverage for properties located in such an area, including the date on which such provisions apply with respect to such area, taking into consideration section 102(i); and

“(5) of a general estimate of what similar homeowners in similar areas typically pay for flood insurance coverage, taking into consideration section 1308(g) of the National Flood Insurance Act of 1968.”.

SEC. 353. NOTIFICATION TO MEMBERS OF CONGRESS OF FLOOD MAP REVISIONS AND UPDATES.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by the preceding provisions of this subtitle, is further amended by adding at the end the following new subsection:

“(l) **NOTIFICATION TO MEMBERS OF CONGRESS OF MAP MODERNIZATION.**—Upon any revision or update of any floodplain area or flood-risk zone pursuant to subsection (f), any decision pursuant to subsection (f)(1) that such revision or update is necessary, any issuance of preliminary maps for such revision or updating, or any other significant action relating to any such revision or update, the Administrator shall notify the Senators for each State affected, and each Member of the House of Representatives for each congressional district affected, by such revision or update in writing of the action taken.”.

SEC. 354. NOTIFICATION AND APPEAL OF MAP CHANGES; NOTIFICATION TO COMMUNITIES OF ESTABLISHMENT OF FLOOD ELEVATIONS.

Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended by striking the section designation and all that follows through the end of subsection (a) and inserting the following:

“Sec. 1363. (a) In establishing projected flood elevations for land use purposes with respect to any community pursuant to section 1361, the Administrator shall first propose such determinations—

“(1) by providing the chief executive officer of each community affected by the proposed elevations, by certified mail, with a return receipt requested, notice of the elevations, including a copy of the maps for the elevations for such community and a statement explaining the process under this section to appeal for changes in such elevations;

“(2) by causing notice of such elevations to be published in the Federal Register, which notice shall include information sufficient to identify the elevation determinations and the communities affected, information explaining how to obtain copies of the elevations, and a statement explaining the process under this section to appeal for changes in the elevations;

“(3) by publishing in a prominent local newspaper the elevations, a description of the appeals process for flood determinations, and the mailing address and telephone number of a per-

son the owner may contact for more information or to initiate an appeal;

“(4) by providing written notification, by first class mail, to each owner of real property affected by the proposed elevations of—

“(A) the status of such property, both prior to and after the effective date of the proposed determination, with respect to flood zone and flood insurance requirements under this Act and the Flood Disaster Protection Act of 1973;

“(B) the process under this section to appeal a flood elevation determination; and

“(C) the mailing address and phone number of a person the owner may contact for more information or to initiate an appeal; and”.

SEC. 355. NOTIFICATION TO TENANTS OF AVAILABILITY OF CONTENTS INSURANCE.

The National Flood Insurance Act of 1968 is amended by inserting after section 1308 (42 U.S.C. 4015) the following new section:

“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY OF CONTENTS INSURANCE.

“(a) **IN GENERAL.**—The Administrator shall, upon entering into a contract for flood insurance coverage under this title for any property—

“(1) provide to the insured sufficient copies of the notice developed pursuant to subsection (b); and

“(2) require the insured to provide a copy of the notice, or otherwise provide notification of the information under subsection (b) in the manner that the manager or landlord deems most appropriate, to each such tenant and to each new tenant upon commencement of such a tenancy.

“(b) **NOTICE.**—Notice to a tenant of a property in accordance with this subsection is written notice that clearly informs a tenant—

“(1) whether the property is located in an area having special flood hazards;

“(2) that flood insurance coverage is available under the national flood insurance program under this title for contents of the unit or structure leased by the tenant;

“(3) of the maximum amount of such coverage for contents available under this title at that time; and

“(4) of where to obtain information regarding how to obtain such coverage, including a telephone number, mailing address, and Internet site of the Administrator where such information is available.”.

SEC. 356. NOTIFICATION TO POLICY HOLDERS REGARDING DIRECT MANAGEMENT OF POLICY BY FEMA.

Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding at the end the following new section:

“SEC. 1349. NOTIFICATION TO POLICY HOLDERS REGARDING DIRECT MANAGEMENT OF POLICY BY FEMA.

“(a) **NOTIFICATION.**—Not later than 60 days before the date on which a transferred flood insurance policy expires, and annually thereafter until such time as the Federal Emergency Management Agency is no longer directly administering such policy, the Administrator shall notify the holder of such policy that—

“(1) the Federal Emergency Management Agency is directly administering the policy;

“(2) such holder may purchase flood insurance that is directly administered by an insurance company; and

“(3) purchasing flood insurance offered under the National Flood Insurance Program that is directly administered by an insurance company will not alter the coverage provided or the premiums charged to such holder that otherwise would be provided or charged if the policy was directly administered by the Federal Emergency Management Agency.

“(b) **DEFINITION.**—In this section, the term ‘transferred flood insurance policy’ means a flood insurance policy that—

“(1) was directly administered by an insurance company at the time the policy was originally purchased by the policy holder; and

“(2) at the time of renewal of the policy, direct administration of the policy was or will be transferred to the Federal Emergency Management Agency.”.

SEC. 357. NOTICE OF AVAILABILITY OF FLOOD INSURANCE AND ESCROW IN RESPA GOOD FAITH ESTIMATE.

Subsection (c) of section 5 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(c)) is amended by adding at the end the following new sentence: “Each such good faith estimate shall include the following conspicuous statements and information: (1) that flood insurance coverage for residential real estate is generally available under the national flood insurance program whether or not the real estate is located in an area having special flood hazards and that, to obtain such coverage, a home owner or purchaser should contact the national flood insurance program; (2) a telephone number and a location on the Internet by which a home owner or purchaser can contact the national flood insurance program; and (3) that the escrowing of flood insurance payments is required for many loans under section 102(d) of the Flood Disaster Protection Act of 1973, and may be a convenient and available option with respect to other loans.”.

SEC. 358. REIMBURSEMENT FOR COSTS INCURRED BY HOMEOWNERS AND COMMUNITIES OBTAINING LETTERS OF MAP AMENDMENT OR REVISION.

(a) IN GENERAL.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by the preceding provisions of this subtitle, is further amended by adding at the end the following new subsection:

“(m) REIMBURSEMENT.—
“(1) REQUIREMENT UPON BONA FIDE ERROR.—If an owner of any property located in an area described in section 102(i)(3) of the Flood Disaster Protection Act of 1973, or a community in which such a property is located, obtains a letter of map amendment, or a letter of map revision, due to a bona fide error on the part of the Administrator of the Federal Emergency Management Agency, the Administrator shall reimburse such owner, or such entity or jurisdiction acting on such owner’s behalf, or such community, as applicable, for any reasonable costs incurred in obtaining such letter.

“(2) REASONABLE COSTS.—The Administrator shall, by regulation or notice, determine a reasonable amount of costs to be reimbursed under paragraph (1), except that such costs shall not include legal or attorneys fees. In determining the reasonableness of costs, the Administrator shall only consider the actual costs to the owner or community, as applicable, of utilizing the services of an engineer, surveyor, or similar services.”.

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall issue the regulations or notice required under section 1360(m)(2) of the National Flood Insurance Act of 1968, as added by the amendment made by subsection (a) of this section.

SEC. 359. ENHANCED COMMUNICATION WITH CERTAIN COMMUNITIES DURING MAP UPDATING PROCESS.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by the preceding provisions of this subtitle, is further amended by adding at the end the following new subsection:

“(n) ENHANCED COMMUNICATION WITH CERTAIN COMMUNITIES DURING MAP UPDATING PROCESS.—In updating flood insurance maps under this section, the Administrator shall communicate with communities located in areas where flood insurance rate maps have not been updated in 20 years or more and the appropriate State emergency agencies to resolve outstanding issues, provide technical assistance, and disseminate all necessary information to reduce the prevalence of outdated maps in flood-prone areas.”.

SEC. 360. NOTIFICATION TO RESIDENTS NEWLY INCLUDED IN FLOOD HAZARD AREAS.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by the preceding provisions of this subtitle, is further amended by adding at the end the following new subsection:

“(o) NOTIFICATION TO RESIDENTS NEWLY INCLUDED IN FLOOD HAZARD AREA.—In revising or updating any areas having special flood hazards, the Administrator shall provide to each owner of a property to be newly included in such a special flood hazard area, at the time of issuance of such proposed revised or updated flood insurance maps, a copy of the proposed revised or updated flood insurance maps together with information regarding the appeals process under section 1363 (42 U.S.C. 4104).”.

SEC. 361. TREATMENT OF SWIMMING POOL ENCLOSURES OUTSIDE OF HURRICANE SEASON.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) is amended by adding at the end the following new section:

“SEC. 1325. TREATMENT OF SWIMMING POOL ENCLOSURES OUTSIDE OF HURRICANE SEASON.

“In the case of any property that is otherwise in compliance with the coverage and building requirements of the national flood insurance program, the presence of an enclosed swimming pool located at ground level or in the space below the lowest floor of a building after November 30 and before June 1 of any year shall have no effect on the terms of coverage or the ability to receive coverage for such building under the national flood insurance program established pursuant to this title, if the pool is enclosed with non-supporting breakaway walls.”.

SEC. 362. INFORMATION REGARDING MULTIPLE PERILS CLAIMS.

Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081) is amended by adding at the end the following new subsection:

“(d) INFORMATION REGARDING MULTIPLE PERILS CLAIMS.—

“(1) IN GENERAL.—Subject to paragraph (2), if an insured having flood insurance coverage under a policy issued under the program under this title by the Administrator or a company, insurer, or entity offering flood insurance coverage under such program (in this subsection referred to as a ‘participating company’) has wind or other homeowners coverage from any company, insurer, or other entity covering property covered by such flood insurance, in the case of damage to such property that may have been caused by flood or by wind, the Administrator and the participating company, upon the request of the insured, shall provide to the insured, within 30 days of such request—

“(A) a copy of the estimate of structure damage;

“(B) proofs of loss;

“(C) any expert or engineering reports or documents commissioned by or relied upon by the Administrator or participating company in determining whether the damage was caused by flood or any other peril; and

“(D) the Administrator’s or the participating company’s final determination on the claim.

“(2) TIMING.—Paragraph (1) shall apply only with respect to a request described in such paragraph made by an insured after the Administrator or the participating company, or both, as applicable, have issued a final decision on the flood claim involved and resolution of all appeals with respect to such claim.”.

SEC. 363. FEMA AUTHORITY TO REJECT TRANSFER OF POLICIES.

Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081) is amended by adding at the end the following new subsection:

“(e) FEMA AUTHORITY TO REJECT TRANSFER OF POLICIES.—Notwithstanding any other provision of this Act, the Administrator may, at the discretion of the Administrator, refuse to accept

the transfer of the administration of policies for coverage under the flood insurance program under this title that are written and administered by any insurance company or other insurer, or any insurance agent or broker.”.

SEC. 364. APPEALS.

(a) TELEVISION AND RADIO ANNOUNCEMENT.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104), as amended by the preceding provisions of this subtitle, is further amended—

(1) in subsection (a), by adding at the end the following new paragraph:

“(5) by notifying a local television and radio station;”;

(2) in the first sentence of subsection (b), by inserting before the period at the end the following: “and shall notify a local television and radio station at least once during the same 10-day period”.

(b) EXTENSION OF APPEALS PERIOD.—Subsection (b) of section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(b)) is amended—

(1) by striking “(b) The Director” and inserting “(b)(1) The Administrator”; and

(2) by adding at the end the following new paragraph:

“(2) The Administrator shall grant an extension of the 90-day period for appeals referred to in paragraph (1) for 90 additional days if an affected community certifies to the Administrator, after the expiration of at least 60 days of such period, that the community—

“(A) believes there are property owners or lessees in the community who are unaware of such period for appeals; and

“(B) will utilize the extension under this paragraph to notify property owners or lessees who are affected by the proposed flood elevation determinations of the period for appeals and the opportunity to appeal the determinations proposed by the Administrator.”.

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall apply with respect to any flood elevation determination for any area in a community that has not, as of the date of the enactment of this Act, been issued a Letter of Final Determination for such determination under the flood insurance map modernization process.

SEC. 365. RESERVE FUND.

(a) ESTABLISHMENT.—Chapter I of the National Flood Insurance Act of 1968 is amended by inserting after section 1310 (42 U.S.C. 4017) the following new section:

“SEC. 1310A. RESERVE FUND.

“(a) ESTABLISHMENT OF RESERVE FUND.—In carrying out the flood insurance program authorized by this title, the Administrator shall establish in the Treasury of the United States a National Flood Insurance Reserve Fund (in this section referred to as the ‘Reserve Fund’) which shall—

“(1) be an account separate from any other accounts or funds available to the Administrator; and

“(2) be available for meeting the expected future obligations of the flood insurance program.

“(b) RESERVE RATIO.—Subject to the phase-in requirements under subsection (d), the Reserve Fund shall maintain a balance equal to—

“(1) 1 percent of the sum of the total potential loss exposure of all outstanding flood insurance policies in force in the prior fiscal year; or

“(2) such higher percentage as the Administrator determines to be appropriate, taking into consideration any circumstance that may raise a significant risk of substantial future losses to the Reserve Fund.

“(c) MAINTENANCE OF RESERVE RATIO.—

“(1) IN GENERAL.—The Administrator shall have the authority to establish, increase, or decrease the amount of aggregate annual insurance premiums to be collected for any fiscal year necessary—

“(A) to maintain the reserve ratio required under subsection (b); and

“(B) to achieve such reserve ratio, if the actual balance of such reserve is below the amount required under subsection (b).

“(2) **CONSIDERATIONS.**—In exercising the authority under paragraph (1), the Administrator shall consider—

“(A) the expected operating expenses of the Reserve Fund;

“(B) the insurance loss expenditures under the flood insurance program;

“(C) any investment income generated under the flood insurance program; and

“(D) any other factor that the Administrator determines appropriate.

“(3) **LIMITATIONS.**—In exercising the authority under paragraph (1), the Administrator shall be subject to all other provisions of this Act, including any provisions relating to chargeable premium rates and annual increases of such rates.

“(d) **PHASE-IN REQUIREMENTS.**—The phase-in requirements under this subsection are as follows:

“(1) **IN GENERAL.**—Beginning in fiscal year 2012 and not ending until the fiscal year in which the ratio required under subsection (b) is achieved, in each such fiscal year the Administrator shall place in the Reserve Fund an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(2) **AMOUNT SATISFIED.**—As soon as the ratio required under subsection (b) is achieved, and except as provided in paragraph (3), the Administrator shall not be required to set aside any amounts for the Reserve Fund.

“(3) **EXCEPTION.**—If at any time after the ratio required under subsection (b) is achieved, the Reserve Fund falls below the required ratio under subsection (b), the Administrator shall place in the Reserve Fund for that fiscal year an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(e) **LIMITATION ON RESERVE RATIO.**—In any given fiscal year, if the Administrator determines that the reserve ratio required under subsection (b) cannot be achieved, the Administrator shall submit a report to the Congress that—

“(1) describes and details the specific concerns of the Administrator regarding such consequences;

“(2) demonstrates how such consequences would harm the long-term financial soundness of the flood insurance program; and

“(3) indicates the maximum attainable reserve ratio for that particular fiscal year.

“(f) **AVAILABILITY OF AMOUNTS.**—The reserve ratio requirements under subsection (b) and the phase-in requirements under subsection (d) shall be subject to the availability of amounts in the National Flood Insurance Fund for transfer under section 1310(a)(10), as provided in section 1310(f).”

(b) **FUNDING.**—Subsection (a) of section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

“(10) for transfers to the National Flood Insurance Reserve Fund under section 1310A, in accordance with such section.”

SEC. 366. CDBG ELIGIBILITY FOR FLOOD INSURANCE OUTREACH ACTIVITIES AND COMMUNITY BUILDING CODE ADMINISTRATION GRANTS.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (24), by striking “and” at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

“(26) supplementing existing State or local funding for administration of building code enforcement by local building code enforcement departments, including for increasing staffing,

providing staff training, increasing staff competence and professional qualifications, and supporting individual certification or departmental accreditation, and for capital expenditures specifically dedicated to the administration of the building code enforcement department, except that, to be eligible to use amounts as provided in this paragraph—

“(A) a building code enforcement department shall provide matching, non-Federal funds to be used in conjunction with amounts used under this paragraph in an amount—

“(i) in the case of a building code enforcement department serving an area with a population of more than 50,000, equal to not less than 50 percent of the total amount of any funds made available under this title that are used under this paragraph;

“(ii) in the case of a building code enforcement department serving an area with a population of between 20,001 and 50,000, equal to not less than 25 percent of the total amount of any funds made available under this title that are used under this paragraph; and

“(iii) in the case of a building code enforcement department serving an area with a population of less than 20,000, equal to not less than 12.5 percent of the total amount of any funds made available under this title that are used under this paragraph,

except that the Secretary may waive the matching fund requirements under this subparagraph, in whole or in part, based upon the level of economic distress of the jurisdiction in which is located the local building code enforcement department that is using amounts for purposes under this paragraph, and shall waive such matching fund requirements in whole for any recipient jurisdiction that has dedicated all building code permitting fees to the conduct of local building code enforcement; and

“(B) any building code enforcement department using funds made available under this title for purposes under this paragraph shall empanel a code administration and enforcement team consisting of at least 1 full-time building code enforcement officer, a city planner, and a health planner or similar officer; and

“(27) provision of assistance to local governmental agencies responsible for floodplain management activities (including such agencies of Indians tribes, as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)) in communities that participate in the national flood insurance program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), only for carrying out outreach activities to encourage and facilitate the purchase of flood insurance protection under such Act by owners and renters of properties in such communities and to promote educational activities that increase awareness of flood risk reduction; except that—

“(A) amounts used as provided under this paragraph shall be used only for activities designed to—

“(i) identify owners and renters of properties in communities that participate in the national flood insurance program, including owners of residential and commercial properties;

“(ii) notify such owners and renters when their properties become included in, or when they are excluded from, an area having special flood hazards and the effect of such inclusion or exclusion on the applicability of the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to such properties;

“(iii) educate such owners and renters regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;

“(iv) educate such owners and renters regarding the benefits and costs of maintaining or ac-

quiring flood insurance, including, where applicable, lower-cost preferred risk policies under this title for such properties and the contents of such properties;

“(v) encourage such owners and renters to maintain or acquire such coverage;

“(vi) notify such owners of where to obtain information regarding how to obtain such coverage, including a telephone number, mailing address, and Internet site of the Administrator of the Federal Emergency Management Agency (in this paragraph referred to as the ‘Administrator’) where such information is available; and

“(vii) educate local real estate agents in communities participating in the national flood insurance program regarding the program and the availability of coverage under the program for owners and renters of properties in such communities, and establish coordination and liaisons with such real estate agents to facilitate purchase of coverage under the National Flood Insurance Act of 1968 and increase awareness of flood risk reduction;

“(B) in any fiscal year, a local governmental agency may not use an amount under this paragraph that exceeds 3 times the amount that the agency certifies, as the Secretary, in consultation with the Administrator, shall require, that the agency will contribute from non-Federal funds to be used with such amounts used under this paragraph only for carrying out activities described in subparagraph (A); and for purposes of this subparagraph, the term ‘non-Federal funds’ includes State or local government agency amounts, in-kind contributions, any salary paid to staff to carry out the eligible activities of the local governmental agency involved, the value of the time and services contributed by volunteers to carry out such services (at a rate determined by the Secretary), and the value of any donated material or building and the value of any lease on a building;

“(C) a local governmental agency that uses amounts as provided under this paragraph may coordinate or contract with other agencies and entities having particular capacities, specialties, or experience with respect to certain populations or constituencies, including elderly or disabled families or persons, to carry out activities described in subparagraph (A) with respect to such populations or constituencies; and

“(D) each local government agency that uses amounts as provided under this paragraph shall submit a report to the Secretary and the Administrator, not later than 12 months after such amounts are first received, which shall include such information as the Secretary and the Administrator jointly consider appropriate to describe the activities conducted using such amounts and the effect of such activities on the retention or acquisition of flood insurance coverage.”

SEC. 367. TECHNICAL CORRECTIONS.

(a) **FLOOD DISASTER PROTECTION ACT OF 1973.**—The Flood Disaster Protection Act of 1973 (42 U.S.C. 4002 et seq.) is amended—

(1) by striking “Director” each place such term appears, except in section 102(f)(3) (42 U.S.C. 4012a(f)(3)), and inserting “Administrator”; and

(2) in section 201(b) (42 U.S.C. 4105(b)), by striking “Director’s” and inserting “Administrator’s”.

(b) **NATIONAL FLOOD INSURANCE ACT OF 1968.**—The National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) is amended—

(1) by striking “Director” each place such term appears and inserting “Administrator”; and

(2) in section 1363 (42 U.S.C. 4104), by striking “Director’s” each place such term appears and inserting “Administrator’s”.

(c) **FEDERAL FLOOD INSURANCE ACT OF 1956.**—Section 15(e) of the Federal Flood Insurance Act of 1956 (42 U.S.C. 2414(e)) is amended by striking “Director” each place such term appears and inserting “Administrator”.

SEC. 368. REQUIRING COMPETITION FOR NATIONAL FLOOD INSURANCE PROGRAM POLICIES.

(a) **REPORT.**—Not later than the expiration of the 90-day period beginning upon the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency, in consultation with insurance companies, insurance agents and other organizations with which the Administrator has contracted, shall submit to the Congress a report describing procedures and policies that the Administrator shall implement to limit the percentage of policies for flood insurance coverage under the national flood insurance program that are directly managed by the Agency to not more than 10 percent of the aggregate number of flood insurance policies in force under such program.

(b) **IMPLEMENTATION.**—Upon submission of the report under subsection (a) to the Congress, the Administrator shall implement the policies and procedures described in the report. The Administrator shall, not later than the expiration of the 12-month period beginning upon submission of such report, reduce the number of policies for flood insurance coverage that are directly managed by the Agency, or by the Agency's direct servicing contractor that is not an insurer, to not more than 10 percent of the aggregate number of flood insurance policies in force as of the expiration of such 12-month period.

(c) **CONTINUATION OF CURRENT AGENT RELATIONSHIPS.**—In carrying out subsection (b), the Administrator shall ensure that—

(1) agents selling or servicing policies described in such subsection are not prevented from continuing to sell or service such policies; and

(2) insurance companies are not prevented from waiving any limitation such companies could otherwise enforce to limit any such activity.

SEC. 369. STUDIES OF VOLUNTARY COMMUNITY-BASED FLOOD INSURANCE OPTIONS.

(a) **STUDIES.**—The Administrator of the Federal Emergency Management Agency and the Comptroller General of the United States shall each conduct a separate study to assess options, methods, and strategies for offering voluntary community-based flood insurance policy options and incorporating such options into the national flood insurance program. Such studies shall take into consideration and analyze how the policy options would affect communities having varying economic bases, geographic locations, flood hazard characteristics or classifications, and flood management approaches.

(b) **REPORTS.**—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency and the Comptroller General of the United States shall each submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the results and conclusions of the study such agency conducted under subsection (a), and each such report shall include recommendations for the best manner to incorporate voluntary community-based flood insurance options into the national flood insurance program and for a strategy to implement such options that would encourage communities to undertake flood mitigation activities.

SEC. 370. REPORT ON INCLUSION OF BUILDING CODES IN FLOODPLAIN MANAGEMENT CRITERIA.

Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall conduct a study and submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance

Act of 1968 (42 U.S.C. 4102) to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section, and shall determine—

(1) the regulatory, financial, and economic impacts of such a building code requirement on homeowners, States and local communities, local land use policies, and the Federal Emergency Management Agency;

(2) the resources required of State and local communities to administer and enforce such a building code requirement;

(3) the effectiveness of such a building code requirement in reducing flood-related damage to buildings and contents;

(4) the impact of such a building code requirement on the actuarial soundness of the National Flood Insurance Program;

(5) the effectiveness of nationally recognized codes in allowing innovative materials and systems for flood-resistant construction;

(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance coverage under such Act for structures meeting whichever of such widely used and nationally recognized building code or any applicable local building code provides greater protection from flood damage;

(7) the impact of such a building code requirement on rural communities with different building code challenges than more urban environments; and

(8) the impact of such a building code requirement on Indian reservations.

SEC. 371. STUDY ON GRADUATED RISK.

(a) **STUDY.**—The National Academy of Sciences shall conduct a study exploring methods for understanding graduated risk behind levees and the associated land development, insurance, and risk communication dimensions, which shall—

(1) research, review, and recommend current best practices for estimating direct annualized flood losses behind levees for residential and commercial structures;

(2) rank such practices based on their best value, balancing cost, scientific integrity, and the inherent uncertainties associated with all aspects of the loss estimate, including geotechnical engineering, flood frequency estimates, economic value, and direct damages;

(3) research, review, and identify current best floodplain management and land use practices behind levees that effectively balance social, economic, and environmental considerations as part of an overall flood risk management strategy;

(4) identify examples where such practices have proven effective and recommend methods and processes by which they could be applied more broadly across the United States, given the variety of different flood risks, State and local legal frameworks, and evolving judicial opinions;

(5) research, review, and identify a variety of flood insurance pricing options for flood hazards behind levees which are actuarially sound and based on the flood risk data developed using the top three best value approaches identified pursuant to paragraph (1);

(6) evaluate and recommend methods to reduce insurance costs through creative arrangements between insureds and insurers while keeping a clear accounting of how much financial risk is being borne by various parties such that the entire risk is accounted for, including establishment of explicit limits on disaster aid or other assistance in the event of a flood; and

(7) taking into consideration the recommendations pursuant to paragraphs (1) through (3), recommend approaches to communicating the associated risks to community officials, homeowners, and other residents.

(b) **REPORT.**—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the National Acad-

emy of Sciences shall submit a report to the Committees on Financial Services and Science, Space, and Technology of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Commerce, Science and Transportation of the Senate on the study under subsection (a) including the information and recommendations required under such subsection.

SEC. 372. REPORT ON FLOOD-IN-PROGRESS DETERMINATION.

The Administrator of the Federal Emergency Management Agency shall review the processes and procedures for determining that a flood event has commenced or is in progress for purposes of flood insurance coverage made available under the national flood insurance program under the National Flood Insurance Act of 1968 and for providing public notification that such an event has commenced or is in progress. In such review, the Administrator shall take into consideration the effects and implications that weather conditions, such as rainfall, snowfall, projected snowmelt, existing water levels, and other conditions have on the determination that a flood event has commenced or is in progress. Not later than the expiration of the 6-month period beginning upon the date of the enactment of this Act, the Administrator shall submit a report to the Congress setting forth the results and conclusions of the review undertaken pursuant to this section and any actions undertaken or proposed actions to be taken to provide for a more precise and technical determination that a flooding event has commenced or is in progress.

SEC. 373. STUDY ON REPAYING FLOOD INSURANCE DEBT.

Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall submit a report to the Congress setting forth a plan for repaying within 10 years all amounts, including any amounts previously borrowed but not yet repaid, owed pursuant to clause (2) of subsection (a) of section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)(2)).

SEC. 374. NO CAUSE OF ACTION.

No cause of action shall exist and no claim may be brought against the United States for violation of any notification requirement imposed upon the United States by this subtitle or any amendment made by this subtitle.

SEC. 375. AUTHORITY FOR THE CORPS OF ENGINEERS TO PROVIDE SPECIALIZED OR TECHNICAL SERVICES.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, upon the request of a State or local government, the Secretary of the Army may evaluate a levee system that was designed or constructed by the Secretary for the purposes of the National Flood Insurance Program established under chapter 1 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.).

(b) **REQUIREMENTS.**—A levee system evaluation under subsection (a) shall—

(1) comply with applicable regulations related to areas protected by a levee system;

(2) be carried out in accordance with such procedures as the Secretary, in consultation with the Administrator of the Federal Emergency Management Agency, may establish; and

(3) be carried out only if the State or local government agrees to reimburse the Secretary for all cost associated with the performance of the activities.

Subtitle E—Repeal of the Office of Financial Research

SEC. 381. REPEAL OF THE OFFICE OF FINANCIAL RESEARCH.

(a) **IN GENERAL.**—Subtitle B of title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act is hereby repealed.

(b) **CONFORMING AMENDMENTS TO THE DODD-FRANK ACT.**—The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended—

(1) in section 102(a), by striking paragraph (5);

(2) in section 111—

(A) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively;

(B) in subsection (c)(1), by striking “subparagraphs (C), (D), and (E)” and inserting “subparagraphs (B), (C), and (D)”;

(3) in section 112—

(A) in subsection (a)(2)—

(i) in subparagraph (A), by striking “direct the Office of Financial Research to”;

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), and (N) as subparagraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), and (M), respectively; and

(B) in subsection (d)—

(i) in paragraph (1), by striking “the Office of Financial Research, member agencies, and” and inserting “member agencies and”;

(ii) in paragraph (2), by striking “the Office of Financial Research, any member agency, and” and inserting “any member agency and”;

(iii) in paragraph (3)—

(I) by striking “, acting through the Office of Financial Research,” each place it appears; and

(II) in subparagraph (B), by striking “the Office of Financial Research or”;

(iv) in paragraph (5)(A), by striking “, the Office of Financial Research,”;

(4) in section 116, by striking “, acting through the Office of Financial Research,” each place it appears; and

(5) by striking section 118.

(c) CONFORMING AMENDMENT TO THE PAPERWORK REDUCTION ACT.—Effective as of the date specified in section 1100H of the Dodd-Frank Wall Street Reform and Consumer Protection Act, section 1100D(a) of such Act is amended to read as follows:

“(a) DESIGNATION AS AN INDEPENDENT AGENCY.—Section 3502(5) of subchapter I of chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act) is amended by inserting ‘the Bureau of Consumer Financial Protection,’ after ‘the Securities and Exchange Commission,’.”

(d) TECHNICAL AMENDMENTS.—The table of contents for the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended—

(1) by striking the item relating to section 118; and

(2) by striking the items relating to subtitle B of title I.

TITLE IV—COMMITTEE ON THE JUDICIARY

SEC. 401. SHORT TITLE.

This title may be cited as the “Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act of 2011”.

SEC. 402. ENCOURAGING SPEEDY RESOLUTION OF CLAIMS.

The time for the commencement of a health care lawsuit shall be 3 years after the date of manifestation of injury or 1 year after the claimant discovers, or through the use of reasonable diligence should have discovered, the injury, whichever occurs first. In no event shall the time for commencement of a health care lawsuit exceed 3 years after the date of manifestation of injury unless tolled for any of the following—

(1) upon proof of fraud;

(2) intentional concealment; or

(3) the presence of a foreign body, which has no therapeutic or diagnostic purpose or effect, in the person of the injured person.

Actions by a minor shall be commenced within 3 years from the date of the alleged manifestation of injury except that actions by a minor under the full age of 6 years shall be commenced within 3 years of manifestation of injury or prior to the minor’s 8th birthday, whichever provides a longer period. Such time limitation shall be

tolled for minors for any period during which a parent or guardian and a health care provider or health care organization have committed fraud or collusion in the failure to bring an action on behalf of the injured minor.

SEC. 403. COMPENSATING PATIENT INJURY.

(a) UNLIMITED AMOUNT OF DAMAGES FOR ACTUAL ECONOMIC LOSSES IN HEALTH CARE LAWSUITS.—In any health care lawsuit, nothing in this title shall limit a claimant’s recovery of the full amount of the available economic damages, notwithstanding the limitation in subsection (b).

(b) ADDITIONAL NONECONOMIC DAMAGES.—In any health care lawsuit, the amount of non-economic damages, if available, may be as much as \$250,000, regardless of the number of parties against whom the action is brought or the number of separate claims or actions brought with respect to the same injury.

(c) NO DISCOUNT OF AWARD FOR NONECONOMIC DAMAGES.—For purposes of applying the limitation in subsection (b), future non-economic damages shall not be discounted to present value. The jury shall not be informed about the maximum award for noneconomic damages. An award for noneconomic damages in excess of \$250,000 shall be reduced either before the entry of judgment, or by amendment of the judgment after entry of judgment, and such reduction shall be made before accounting for any other reduction in damages required by law. If separate awards are rendered for past and future noneconomic damages and the combined awards exceed \$250,000, the future noneconomic damages shall be reduced first.

(d) FAIR SHARE RULE.—In any health care lawsuit, each party shall be liable for that party’s several share of any damages only and not for the share of any other person. Each party shall be liable only for the amount of damages allocated to such party in direct proportion to such party’s percentage of responsibility. Whenever a judgment of liability is rendered as to any party, a separate judgment shall be rendered against each such party for the amount allocated to such party. For purposes of this section, the trier of fact shall determine the proportion of responsibility of each party for the claimant’s harm.

SEC. 404. MAXIMIZING PATIENT RECOVERY.

(a) COURT SUPERVISION OF SHARE OF DAMAGES ACTUALLY PAID TO CLAIMANTS.—In any health care lawsuit, the court shall supervise the arrangements for payment of damages to protect against conflicts of interest that may have the effect of reducing the amount of damages awarded that are actually paid to claimants. In particular, in any health care lawsuit in which the attorney for a party claims a financial stake in the outcome by virtue of a contingent fee, the court shall have the power to restrict the payment of a claimant’s damage recovery to such attorney, and to redirect such damages to the claimant based upon the interests of justice and principles of equity. In no event shall the total of all contingent fees for representing all claimants in a health care lawsuit exceed the following limits:

(1) Forty percent of the first \$50,000 recovered by the claimant(s).

(2) Thirty-three and one-third percent of the next \$50,000 recovered by the claimant(s).

(3) Twenty-five percent of the next \$500,000 recovered by the claimant(s).

(4) Fifteen percent of any amount by which the recovery by the claimant(s) is in excess of \$600,000.

(b) APPLICABILITY.—The limitations in this section shall apply whether the recovery is by judgment, settlement, mediation, arbitration, or any other form of alternative dispute resolution. In a health care lawsuit involving a minor or incompetent person, a court retains the authority to authorize or approve a fee that is less than the maximum permitted under this section. The requirement for court supervision in the first two sentences of subsection (a) applies only in civil actions.

SEC. 405. PUNITIVE DAMAGES.

(a) IN GENERAL.—Punitive damages may, if otherwise permitted by applicable State or Federal law, be awarded against any person in a health care lawsuit only if it is proven by clear and convincing evidence that such person acted with malicious intent to injure the claimant, or that such person deliberately failed to avoid unnecessary injury that such person knew the claimant was substantially certain to suffer. In any health care lawsuit where no judgment for compensatory damages is rendered against such person, no punitive damages may be awarded with respect to the claim in such lawsuit. No demand for punitive damages shall be included in a health care lawsuit as initially filed. A court may allow a claimant to file an amended pleading for punitive damages only upon a motion by the claimant and after a finding by the court, upon review of supporting and opposing affidavits or after a hearing, after weighing the evidence, that the claimant has established by a substantial probability that the claimant will prevail on the claim for punitive damages. At the request of any party in a health care lawsuit, the trier of fact shall consider in a separate proceeding—

(1) whether punitive damages are to be awarded and the amount of such award; and

(2) the amount of punitive damages following a determination of punitive liability.

If a separate proceeding is requested, evidence relevant only to the claim for punitive damages, as determined by applicable State law, shall be inadmissible in any proceeding to determine whether compensatory damages are to be awarded.

(b) DETERMINING AMOUNT OF PUNITIVE DAMAGES.—

(1) FACTORS CONSIDERED.—In determining the amount of punitive damages, if awarded, in a health care lawsuit, the trier of fact shall consider only the following—

(A) the severity of the harm caused by the conduct of such party;

(B) the duration of the conduct or any concealment of it by such party;

(C) the profitability of the conduct to such party;

(D) the number of products sold or medical procedures rendered for compensation, as the case may be, by such party, of the kind causing the harm complained of by the claimant;

(E) any criminal penalties imposed on such party, as a result of the conduct complained of by the claimant; and

(F) the amount of any civil fines assessed against such party as a result of the conduct complained of by the claimant.

(2) MAXIMUM AWARD.—The amount of punitive damages, if awarded, in a health care lawsuit may be as much as \$250,000 or as much as two times the amount of economic damages awarded, whichever is greater. The jury shall not be informed of this limitation.

(c) NO PUNITIVE DAMAGES FOR PRODUCTS THAT COMPLY WITH FDA STANDARDS.—

(1) IN GENERAL.—

(A) No punitive damages may be awarded against the manufacturer or distributor of a medical product, or a supplier of any component or raw material of such medical product, based on a claim that such product caused the claimant’s harm where—

(i) (I) such medical product was subject to pre-market approval, clearance, or licensure by the Food and Drug Administration with respect to the safety of the formulation or performance of the aspect of such medical product which caused the claimant’s harm or the adequacy of the packaging or labeling of such medical product; and

(II) such medical product was so approved, cleared, or licensed; or

(ii) such medical product is generally recognized among qualified experts as safe and effective pursuant to conditions established by the Food and Drug Administration and applicable

Food and Drug Administration regulations, including without limitation those related to packaging and labeling, unless the Food and Drug Administration has determined that such medical product was not manufactured or distributed in substantial compliance with applicable Food and Drug Administration statutes and regulations.

(B) **RULE OF CONSTRUCTION.**—Subparagraph (A) may not be construed as establishing the obligation of the Food and Drug Administration to demonstrate affirmatively that a manufacturer, distributor, or supplier referred to in such subparagraph meets any of the conditions described in such subparagraph.

(2) **LIABILITY OF HEALTH CARE PROVIDERS.**—A health care provider who prescribes, or who dispenses pursuant to a prescription, a medical product approved, licensed, or cleared by the Food and Drug Administration shall not be named as a party to a product liability lawsuit involving such product and shall not be liable to a claimant in a class action lawsuit against the manufacturer, distributor, or seller of such product. Nothing in this paragraph prevents a court from consolidating cases involving health care providers and cases involving products liability claims against the manufacturer, distributor, or product seller of such medical product.

(3) **PACKAGING.**—In a health care lawsuit for harm which is alleged to relate to the adequacy of the packaging or labeling of a drug which is required to have tamper-resistant packaging under regulations of the Secretary of Health and Human Services (including labeling regulations related to such packaging), the manufacturer or product seller of the drug shall not be held liable for punitive damages unless such packaging or labeling is found by the trier of fact by clear and convincing evidence to be substantially out of compliance with such regulations.

(4) **EXCEPTION.**—Paragraph (1) shall not apply in any health care lawsuit in which—

(A) a person, before or after premarket approval, clearance, or licensure of such medical product, knowingly misrepresented to or withheld from the Food and Drug Administration information that is required to be submitted under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or section 351 of the Public Health Service Act (42 U.S.C. 262) that is material and is causally related to the harm which the claimant allegedly suffered

(B) a person made an illegal payment to an official of the Food and Drug Administration for the purpose of either securing or maintaining approval, clearance, or licensure of such medical product; or

(C) the defendant caused the medical product which caused the claimant's harm to be misbranded or adulterated (as such terms are used in chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.)).

SEC. 406. AUTHORIZATION OF PAYMENT OF FUTURE DAMAGES TO CLAIMANTS IN HEALTH CARE LAWSUITS.

(a) **IN GENERAL.**—In any health care lawsuit, if an award of future damages, without reduction to present value, equaling or exceeding \$50,000 is made against a party with sufficient insurance or other assets to fund a periodic payment of such a judgment, the court shall, at the request of any party, enter a judgment ordering that the future damages be paid by periodic payments, in accordance with the Uniform Periodic Payment of Judgments Act promulgated by the National Conference of Commissioners on Uniform State Laws.

(b) **APPLICABILITY.**—This section applies to all actions which have not been first set for trial or retrial before the effective date of this title.

SEC. 407. DEFINITIONS.

In this title:

(1) **ALTERNATIVE DISPUTE RESOLUTION SYSTEM; ADR.**—The term “alternative dispute resolution

system” or “ADR” means a system that provides for the resolution of health care lawsuits in a manner other than through a civil action brought in a State or Federal court.

(2) **CLAIMANT.**—The term “claimant” means any person who brings a health care lawsuit, including a person who asserts or claims a right to legal or equitable contribution, indemnity, or subrogation, arising out of a health care liability claim or action, and any person on whose behalf such a claim is asserted or such an action is brought, whether deceased, incompetent, or a minor.

(3) **COMPENSATORY DAMAGES.**—The term “compensatory damages” means objectively verifiable monetary losses incurred as a result of the provision of, use of, or payment for (or failure to provide, use, or pay for) health care services or medical products, such as past and future medical expenses, loss of past and future earnings, cost of obtaining domestic services, loss of employment, and loss of business or employment opportunities, damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature. The term “compensatory damages” includes economic damages and non-economic damages, as such terms are defined in this section.

(4) **CONTINGENT FEE.**—The term “contingent fee” includes all compensation to any person or persons which is payable only if a recovery is effected on behalf of one or more claimants.

(5) **ECONOMIC DAMAGES.**—The term “economic damages” means objectively verifiable monetary losses incurred as a result of the provision of, use of, or payment for (or failure to provide, use, or pay for) health care services or medical products, such as past and future medical expenses, loss of past and future earnings, cost of obtaining domestic services, loss of employment, and loss of business or employment opportunities.

(6) **HEALTH CARE LAWSUIT.**—The term “health care lawsuit” means any health care liability claim concerning the provision of health care goods or services or any medical product affecting interstate commerce, or any health care liability action concerning the provision of health care goods or services or any medical product affecting interstate commerce, brought in a State or Federal court or pursuant to an alternative dispute resolution system, against a health care provider, a health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, regardless of the theory of liability on which the claim is based, or the number of claimants, plaintiffs, defendants, or other parties, or the number of claims or causes of action, in which the claimant alleges a health care liability claim. Such term does not include a claim or action which is based on criminal liability; which seeks civil fines or penalties paid to Federal, State, or local government; or which is grounded in antitrust.

(7) **HEALTH CARE LIABILITY ACTION.**—The term “health care liability action” means a civil action brought in a State or Federal court or pursuant to an alternative dispute resolution system, against a health care provider, a health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action, in which the claimant alleges a health care liability claim.

(8) **HEALTH CARE LIABILITY CLAIM.**—The term “health care liability claim” means a demand by any person, whether or not pursuant to ADR, against a health care provider, health care organization, or the manufacturer, dis-

tributor, supplier, marketer, promoter, or seller of a medical product, including, but not limited to, third-party claims, cross-claims, counter-claims, or contribution claims, which are based upon the provision of, use of, or payment for (or the failure to provide, use, or pay for) health care services or medical products, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action.

(9) **HEALTH CARE ORGANIZATION.**—The term “health care organization” means any person or entity which is obligated to provide or pay for health benefits under any health plan, including any person or entity acting under a contract or arrangement with a health care organization to provide or administer any health benefit.

(10) **HEALTH CARE PROVIDER.**—The term “health care provider” means any person or entity required by State or Federal laws or regulations to be licensed, registered, or certified to provide health care services, and being either so licensed, registered, or certified, or exempted from such requirement by other statute or regulation.

(11) **HEALTH CARE GOODS OR SERVICES.**—The term “health care goods or services” means any goods or services provided by a health care organization, provider, or by any individual working under the supervision of a health care provider, that relates to the diagnosis, prevention, or treatment of any human disease or impairment, or the assessment or care of the health of human beings.

(12) **MALICIOUS INTENT TO INJURE.**—The term “malicious intent to injure” means intentionally causing or attempting to cause physical injury other than providing health care goods or services.

(13) **MEDICAL PRODUCT.**—The term “medical product” means a drug, device, or biological product intended for humans, and the terms “drug”, “device”, and “biological product” have the meanings given such terms in sections 201(g)(1) and 201(h) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 321(g)(1) and (h)) and section 351(a) of the Public Health Service Act (42 U.S.C. 262(a)), respectively, including any component or raw material used therein, but excluding health care services.

(14) **NONECONOMIC DAMAGES.**—The term “noneconomic damages” means damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature.

(15) **PUNITIVE DAMAGES.**—The term “punitive damages” means damages awarded, for the purpose of punishment or deterrence, and not solely for compensatory purposes, against a health care provider, health care organization, or a manufacturer, distributor, or supplier of a medical product. Punitive damages are neither economic nor noneconomic damages.

(16) **RECOVERY.**—The term “recovery” means the net sum recovered after deducting any disbursements or costs incurred in connection with prosecution or settlement of the claim, including all costs paid or advanced by any person. Costs of health care incurred by the plaintiff and the attorneys’ office overhead costs or charges for legal services are not deductible disbursements or costs for such purpose.

(17) **STATE.**—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof.

SEC. 408. EFFECT ON OTHER LAWS.

(a) **VACCINE INJURY.**—

(1) To the extent that title XXI of the Public Health Service Act establishes a Federal rule of law applicable to a civil action brought for a vaccine-related injury or death—

(A) this title does not affect the application of the rule of law to such an action; and

(B) any rule of law prescribed by this title in conflict with a rule of law of such title XXI shall not apply to such action.

(2) If there is an aspect of a civil action brought for a vaccine-related injury or death to which a Federal rule of law under title XXI of the Public Health Service Act does not apply, then this title or otherwise applicable law (as determined under this title) will apply to such aspect of such action.

(b) OTHER FEDERAL LAW.—Except as provided in this section, nothing in this title shall be deemed to affect any defense available to a defendant in a health care lawsuit or action under any other provision of Federal law.

SEC. 409. STATE FLEXIBILITY AND PROTECTION OF STATES' RIGHTS.

(a) HEALTH CARE LAWSUITS.—The provisions governing health care lawsuits set forth in this title preempt, subject to subsections (b) and (c), State law to the extent that State law prevents the application of any provisions of law established by or under this title. The provisions governing health care lawsuits set forth in this title supersede chapter 171 of title 28, United States Code, to the extent that such chapter—

(1) provides for a greater amount of damages or contingent fees, a longer period in which a health care lawsuit may be commenced, or a reduced applicability or scope of periodic payment of future damages, than provided in this title; or

(2) prohibits the introduction of evidence regarding collateral source benefits, or mandates or permits subrogation or a lien on collateral source benefits.

(b) PROTECTION OF STATES' RIGHTS AND OTHER LAWS.—(1) Any issue that is not governed by any provision of law established by or under this title (including State standards of negligence) shall be governed by otherwise applicable State or Federal law.

(2) This title shall not preempt or supersede any State or Federal law that imposes greater procedural or substantive protections for health care providers and health care organizations from liability, loss, or damages than those provided by this title or create a cause of action.

(c) STATE FLEXIBILITY.—No provision of this title shall be construed to preempt—

(1) any State law (whether effective before, on, or after the date of the enactment of this Act) that specifies a particular monetary amount of compensatory or punitive damages (or the total amount of damages) that may be awarded in a health care lawsuit, regardless of whether such monetary amount is greater or lesser than is provided for under this title, notwithstanding section 303(a); or

(2) any defense available to a party in a health care lawsuit under any other provision of State or Federal law.

SEC. 410. APPLICABILITY; EFFECTIVE DATE.

This title shall apply to any health care lawsuit brought in a Federal or State court, or subject to an alternative dispute resolution system, that is initiated on or after the date of the enactment of this Act, except that any health care lawsuit arising from an injury occurring prior to the date of the enactment of this Act shall be governed by the applicable statute of limitations provisions in effect at the time the injury occurred.

TITLE V—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

SEC. 501. RETIREMENT CONTRIBUTIONS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8334(c) of title 5, United States Code, is amended—

(A) by striking “(c) Each” and inserting “(c)(1) Each”; and

(B) by adding at the end the following:

“(2) Notwithstanding any other provision of this subsection, the applicable percentage of basic pay under this subsection shall—

“(A) except as provided in subparagraph (B) or (C), for purposes of computing an amount—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 1.5 percentage points;

“(ii) for a period in calendar year 2014, be equal to the applicable percentage under this subsection for calendar year 2013 (as determined under clause (i)), plus an additional 0.5 percentage point;

“(iii) for a period in calendar year 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under clause (ii) or this clause, as the case may be), plus an additional 1.0 percentage point; and

“(iv) for a period in any calendar year after 2017, be equal to the applicable percentage under this subsection for calendar year 2017 (as determined under clause (iii));

“(B) for purposes of computing an amount with respect to a Member for Member service—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 2.5 percentage points;

“(ii) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under clause (i) or this clause, as the case may be), plus an additional 1.5 percentage points; and

“(iii) for a period in any calendar year after 2017, be equal to the applicable percentage under this subsection for calendar year 2017 (as determined under clause (ii)); and

“(C) for purposes of computing an amount with respect to a Member or employee for Congressional employee service—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 2.5 percentage points;

“(ii) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under clause (i) or this clause, as the case may be), plus an additional 1.5 percentage points; and

“(iii) for a period in any calendar year after 2017, be equal to the applicable percentage under this subsection for calendar year 2017 (as determined under clause (ii)).

“(3)(A) Notwithstanding subsection (a)(2), any excess contributions under subsection (a)(1)(A) (including the portion of any deposit under this subsection allocable to excess contributions) shall, if made by an employee of the United States Postal Service or the Postal Regulatory Commission, be deposited to the credit of the Postal Service Fund under section 2003 of title 39, rather than the Civil Service Retirement and Disability Fund.

“(B) For purposes of this paragraph, the term ‘excess contributions’, as used with respect to contributions made under subsection (a)(1)(A) by an employee of the United States Postal Service or the Postal Regulatory Commission, means the amount by which—

“(i) deductions from basic pay of such employee which are made under subsection (a)(1)(A), exceed

“(ii) deductions from basic pay of such employee which would have been so made if paragraph (2) had not been enacted.”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8334(a)(1)(B) of title 5, United States Code, is amended—

(A) in clause (i), by striking “Except as provided in clause (ii),” and inserting “Except as provided in clause (ii) or (iii),”; and

(B) by adding at the end the following:

“(iii) The amount to be contributed under clause (i) shall, with respect to a period in any

year beginning after December 31, 2012, be equal to—

“(I) the amount which would otherwise apply under clause (i) with respect to such period, reduced by

“(II) the amount by which, with respect to such period, the withholding under subparagraph (A) exceeds the amount which would otherwise have been withheld from the basic pay of the employee or elected official involved under subparagraph (A) based on the percentage applicable under subsection (c) for calendar year 2012.”.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8422(a)(3) of title 5, United States Code, is amended—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by inserting after subparagraph (A) the following:

“(B) Notwithstanding any other provision of this paragraph, the applicable percentage under this paragraph for civilian service by employees or Members other than revised annuity employees shall—

“(i) except as provided in clause (ii) or (iii), for purposes of computing an amount—

“(I) for a period in calendar year 2013, be equal to the applicable percentage under this paragraph for calendar year 2012, plus an additional 1.5 percentage points;

“(II) for a period in calendar year 2014, be equal to the applicable percentage under this paragraph for calendar year 2013 (as determined under subclause (I)), plus an additional 0.5 percentage point;

“(III) for a period in calendar year 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (as determined under subclause (II) or this subclause, as the case may be), plus an additional 1.0 percentage point; and

“(IV) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under subclause (III));

“(ii) for purposes of computing an amount with respect to a Member—

“(I) for a period in calendar year 2013, be equal to the applicable percentage under this paragraph for calendar year 2012, plus an additional 2.5 percentage points;

“(II) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (as determined under subclause (I) or this subclause, as the case may be), plus an additional 1.5 percentage points; and

“(III) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under subclause (II)); and

“(iii) for purposes of computing an amount with respect to a Congressional employee—

“(I) for a period in calendar year 2013, 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (including as increased under this subclause, if applicable), plus an additional 1.5 percentage points; and

“(II) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under subclause (I)).”; and

(C) in subparagraph (C) (as so redesignated by subparagraph (A))—

(i) by striking “9.3” each place it appears and inserting “12”; and

(ii) by striking “9.8” each place it appears and inserting “12.5”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8423(a)(2) of title 5, United States Code, is amended—

(A) by striking “(2)” and inserting “(2)(A)”; and

(B) by adding at the end the following:

“(B)(i) Subject to clauses (ii) and (iii), for purposes of any period in any year beginning after December 31, 2012, the normal-cost percentage under this subsection shall be determined and applied as if section 501(b)(1) of the Sequester Replacement Reconciliation Act of 2012 had not been enacted.

“(ii) Any contributions under this subsection in excess of the amounts which (but for clause (i)) would otherwise have been payable shall be applied toward reducing the unfunded liability of the Civil Service Retirement System.

“(iii) After the unfunded liability of the Civil Service Retirement System has been eliminated, as determined by the Office, Government contributions under this subsection shall be determined and made disregarding this subparagraph.

“(iv) The preceding provisions of this subparagraph shall be disregarded for purposes of determining the contributions payable by the United States Postal Service and the Postal Regulatory Commission.”.

SEC. 502. ANNUITY SUPPLEMENT.

Section 8421(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”;

(2) in paragraph (2), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”;

(3) by adding at the end the following:

“(4)(A) Except as provided in subparagraph (B), no annuity supplement under this section shall be payable in the case of an individual who first becomes subject to this chapter after December 31, 2012.

“(B) Nothing in this paragraph applies in the case of an individual separating under subsection (d) or (e) of section 8412.”.

SEC. 503. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF PAYMENTS FOR ACCRUED OR ACCUMULATED LEAVE.

(a) AMENDMENTS RELATING TO CSRS.—Section 8351(b) of title 5, United States Code, is amended—

(1) by striking paragraph (2)(A) and inserting the following:

“(2)(A) An employee or Member may contribute to the Thrift Savings Fund in any pay period any amount of such employee’s or Member’s basic pay for such pay period, and may contribute (by direct transfer to the Fund) any part of any payment that the employee or Member receives for accumulated and accrued annual or vacation leave under section 5551 or 5552. Notwithstanding section 2105(e), in this paragraph the term ‘employee’ includes an employee of the United States Postal Service or of the Postal Regulatory Commission.”;

(2) by striking subparagraph (B) of paragraph (2); and

(3) by redesignating subparagraph (C) of paragraph (2) as subparagraph (B).

(b) AMENDMENTS RELATING TO FERS.—Section 8432(a) of title 5, United States Code, is amended—

(1) by striking all that precedes paragraph (3) and inserting the following:

“(a)(1) An employee or Member—

“(A) may contribute to the Thrift Savings Fund in any pay period, pursuant to an election under subsection (b), any amount of such employee’s or Member’s basic pay for such pay period; and

“(B) may contribute (by direct transfer to the Fund) any part of any payment that the employee or Member receives for accumulated and accrued annual or vacation leave under section 5551 or 5552.

“(2) Contributions made under paragraph (1)(A) pursuant to an election under subsection (b) shall, with respect to each pay period for which such election remains in effect, be made in accordance with a program of regular contributions provided in regulations prescribed by the Executive Director.”; and

(2) by adding at the end the following:

“(4) Notwithstanding section 2105(e), in this subsection the term ‘employee’ includes an employee of the United States Postal Service or of the Postal Regulatory Commission.”.

(c) REGULATIONS.—The Executive Director of the Federal Retirement Thrift Investment Board shall promulgate regulations to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect 1 year after the date of the enactment of this Act.

TITLE VI—COMMITTEE ON WAYS AND MEANS

Subtitle A—Recapture of Overpayments Resulting From Certain Federally-Subsidized Health Insurance

SEC. 601. RECAPTURE OF OVERPAYMENTS RESULTING FROM CERTAIN FEDERALLY-SUBSIDIZED HEALTH INSURANCE.

(a) IN GENERAL.—Paragraph (2) of section 36B(f) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B).

(b) CONFORMING AMENDMENT.—So much of paragraph (2) of section 36B(f) of such Code, as amended by subsection (a), as precedes “advance payments” is amended to read as follows:

“(2) EXCESS ADVANCE PAYMENTS.—If the”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2013.

Subtitle B—Social Security Number Required to Claim the Refundable Portion of the Child Tax Credit

SEC. 611. SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.

(a) IN GENERAL.—Subsection (d) of section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(5) IDENTIFICATION REQUIREMENT WITH RESPECT TO TAXPAYER.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any taxpayer for any taxable year unless the taxpayer includes the taxpayer’s Social Security number on the return of tax for such taxable year.

“(B) JOINT RETURNS.—In the case of a joint return, the requirement of subparagraph (A) shall be treated as met if the Social Security number of either spouse is included on such return.

“(C) LIMITATION.—Subparagraph (A) shall not apply to the extent the tentative minimum tax (as defined in section 55(b)(1)(A)) exceeds the credit allowed under section 32.”.

(b) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Subparagraph (I) of section 6213(g)(2) of such Code is amended to read as follows:

“(I) an omission of a correct Social Security number required under section 24(d)(5) (relating to refundable portion of child tax credit), or a correct TIN under section 24(e) (relating to child tax credit), to be included on a return.”.

(c) CONFORMING AMENDMENT.—Subsection (e) of section 24 of such Code is amended by inserting “WITH RESPECT TO QUALIFYING CHILDREN” after “IDENTIFICATION REQUIREMENT” in the heading thereof.

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

Subtitle C—Human Resources Provisions

SEC. 621. REPEAL OF THE PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

(a) REPEALS.—Sections 2001 through 2007 of the Social Security Act (42 U.S.C. 1397–1397f) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(d) of the Social Security Act (42 U.S.C. 604(d)) is amended—

(A) in paragraph (1), by striking “any or all of the following provisions of law:” and all that follows through “The” and inserting “the”;

(B) in paragraph (3)—

(i) by striking “RULES” and all that follows through “any amount paid” and inserting “RULES.—Any amount paid”;

(ii) by striking “a provision of law specified in paragraph (1)” and inserting “the Child Care and Development Block Grant Act of 1990”; and

(iii) by striking subparagraph (B); and

(C) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 422(b) of the Social Security Act (42 U.S.C. 622(b)) is amended—

(A) in paragraph (1)(A)—

(i) by striking “administers or supervises” and inserting “administered or supervised”; and

(ii) by striking “subtitle 1 of title XX” and inserting “subtitle A of title XX (as in effect before the repeal of such subtitle)”;

(B) in paragraph (2), by striking “under subtitle 1 of title XX,”.

(3) Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(A) in paragraph (4), by striking “, under subtitle 1 of title XX of this Act,”; and

(B) in paragraph (8), by striking “XIX, or XX” and inserting “or XIX”.

(4) Section 472(h)(1) of the Social Security Act (42 U.S.C. 672(h)(1)) is amended by striking the 2nd sentence.

(5) Section 473(b) of the Social Security Act (42 U.S.C. 673(b)) is amended—

(A) in paragraph (1), by striking “(3)” and inserting “(2)”;

(B) in paragraph (4), by striking “paragraphs (1) and (2)” and inserting “paragraph (1)”;

(C) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(6) Section 504(b)(6) of the Social Security Act (42 U.S.C. 704(b)(6)) is amended in each of subparagraphs (A) and (B) by striking “XIX, or XX” and inserting “or XIX”.

(7) Section 1101(a)(1) of the Social Security Act (42 U.S.C. 1301(a)(1)) is amended by striking the penultimate sentence.

(8) Section 1128(h) of the Social Security Act (42 U.S.C. 1320a-7(h)) is amended—

(A) by adding “or” at the end of paragraph (2); and

(B) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(9) Section 1128A(i)(1) of the Social Security Act (42 U.S.C. 1320a-7a(i)(1)) is amended by striking “or subtitle 1 of title XX”.

(10) Section 1132(a)(1) of the Social Security Act (42 U.S.C. 1320b-2(a)(1)) is amended by striking “XIX, or XX” and inserting “or XIX”.

(11) Section 1902(e)(13)(F)(iii) of the Social Security Act (42 U.S.C. 1396a(e)(13)(F)(iii)) is amended—

(A) by striking “EXCLUSIONS” and inserting “EXCLUSION”;

(B) by striking “an agency that determines eligibility for a program established under the Social Services Block Grant established under title XX or”.

(12) The heading for title XX of the Social Security Act is amended by striking “BLOCK GRANTS TO STATES FOR SOCIAL SERVICES” and inserting “HEALTH PROFESSIONS DEMONSTRATIONS AND ENVIRONMENTAL HEALTH CONDITION DETECTION”.

(13) The heading for subtitle A of title XX of the Social Security Act is amended by striking “Block Grants to States for Social Services” and inserting “Health Professions Demonstrations and Environmental Health Condition Detection”.

(14) Section 16(k)(5)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(k)(5)(B)(i)) is amended by striking “, or title XX,”.

(15) Section 402(b)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(3)) is amended by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(16) Section 245A(h)(4)(I) of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a(h)(4)(I)) is amended by striking “, XVI, and XX” and inserting “and XVI”.

(17) Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) is amended—

(A) in subsection (a)(2)—

(i) in subparagraph (B)—

(I) by striking “—” and all that follows through “(i)”;

(II) by striking “or” at the end of clause (i); and

(III) by striking clause (ii); and

(ii) in subparagraph (D)(ii), by striking “or title XX”; and

(B) in subsection (o)(2)(B)—

(i) by striking “or title XX” each place it appears; and

(ii) by striking “or XX”.

(18) Section 201(b) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1931(b)) is amended by striking “titles IV–B and XX” each place it appears and inserting “part B of title IV”.

(19) Section 3803(c)(2)(C) of title 31, United States Code, is amended by striking clause (vi) and redesignating clauses (vii) through (xvi) as clauses (vi) through (xv), respectively.

(20) Section 14502(d)(3) of title 40, United States Code, is amended—

(A) by striking “and title XX”; and

(B) by striking “, 1397 et seq.”.

(21) Section 2006(a)(15) of the Public Health Service Act (42 U.S.C. 3002-5(a)(15)) is amended by striking “and title XX”.

(22) Section 203(b)(3) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)(3)) is amended by striking “XIX, and XX” and inserting “and XIX”.

(23) Section 213 of the Older Americans Act of 1965 (42 U.S.C. 3020d) is amended by striking “or title XX”.

(24) Section 306(d) of the Older Americans Act of 1965 (42 U.S.C. 3026(d)) is amended in each of paragraphs (1) and (2) by striking “titles XIX and XX” and inserting “title XIX”.

(25) Section 2605 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624) is amended in each of subsections (b)(4) and (j) by striking “under title XX of the Social Security Act,”.

(26) Section 602 of the Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901) is repealed.

(27) Section 3(d)(1) of the Assisted Suicide Funding Restriction Act of 1997 (42 U.S.C. 14402(d)(1)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (K) as subparagraphs (C) through (J), respectively.

(c) EFFECTIVE DATE.—The repeals and amendments made by this section shall take effect on October 1, 2012.

TITLE VII—SEQUESTER REPLACEMENT

SEC. 701. SHORT TITLE.

This title may be cited as the “Sequester Replacement Act of 2012”.

SEC. 702. PROTECTING VETERANS PROGRAMS FROM SEQUESTER.

Section 256(e)(2)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

SEC. 703. ACHIEVING \$19 BILLION IN DISCRETIONARY SAVINGS.

(a) REVISED 2013 DISCRETIONARY SPENDING LIMIT.—Paragraph (2) of section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(2) with respect to fiscal year 2013, for the discretionary category, \$1,047,000,000,000 in new budget authority;”.

(b) DISCRETIONARY SAVINGS.—Section 251A(7)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(A) FISCAL YEAR 2013.—

“(i) FISCAL YEAR 2013 ADJUSTMENT.—On January 2, 2013, the discretionary category set forth

in section 251(c)(2) shall be decreased by \$19,104,000,000 in budget authority.

“(ii) SUPPLEMENTAL SEQUESTRATION ORDER.—On January 15, 2013, OMB shall issue a supplemental sequestration report for fiscal year 2013 and take the form of a final sequestration report as set forth in section 254(f)(2) and using the procedures set forth in section 253(f), to eliminate any discretionary spending breach of the spending limit set forth in section 251(c)(2) as adjusted by clause (i), and the President shall order a sequestration, if any, as required by such report.”.

SEC. 704. CONFORMING AMENDMENTS TO SECTION 314 OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

Section 314(a) of the Congressional Budget Act of 1974 is amended to read as follows:

“(a) ADJUSTMENTS.—

“(1) IN GENERAL.—The chair of the Committee on the Budget of the House of Representatives or the Senate may make adjustments as set forth in paragraph (2) for a bill or joint resolution, amendment thereto or conference report thereon, by the amount of new budget authority and outlays flowing therefrom in the same amount as required by section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(2) MATTERS TO BE ADJUSTED.—The chair of the Committee on the Budget of the House of Representatives or the Senate may make the adjustments referred to in paragraph (1) to—

“(A) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a);

“(B) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget; and

“(C) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget.”.

SEC. 705. TREATMENT FOR PAYGO PURPOSES.

The budgetary effects of this Act and any amendment made by it shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

SEC. 706. ELIMINATION OF THE FISCAL YEAR 2013 SEQUESTRATION FOR DEFENSE DIRECT SPENDING.

Any sequestration order issued by the President under the Balanced Budget and Emergency Deficit Control Act of 1985 to carry out reductions to direct spending for the defense function (050) for fiscal year 2013 pursuant to section 251A of such Act shall have no force or effect.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. RYAN) and the gentleman from Maryland (Mr. VAN HOLLEN) each will control 1 hour.

The Chair recognizes the gentleman from Wisconsin.

GENERAL LEAVE

Mr. RYAN of Wisconsin. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5652, the Sequester Replacement Reconciliation Act.

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

There was no objection.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I would like to remind everybody for a minute as to how we got here. Why are we doing this? What's going on?

When the President was requesting an increase in the debt limit last year, he wanted a blank check. Just increase

the debt limit. Borrowing unchecked. Then when that wasn't going to happen, he asked for a big tax increase. That didn't occur.

□ 1100

What occurred out of that was the Budget Control Act. You've got to cut at least a dollar's worth of spending for every dollar of debt-limit increase that occurs.

So Congress passed the Budget Control Act with no tax increases, spending cuts. Half of it, approximately, were the caps on discretionary spending netting about \$1 trillion in savings—\$917 billion, to be specific. The other half, the \$1.2 trillion, was the Select Committee—people call this the supercommittee. That committee failed to produce a result. As a result of that, a sequester occurs. And the sequester, according to people on a bipartisan basis, is not good government. The sequester, according to the Secretary of Defense, the President himself, would hollow out our military when it kicks in on January 2 next year. The sequester will take non-defense discretionary spending down 8 percent and defense down 10 percent.

We believe the purpose of the sequester was to replace the fact that Congress isn't governing. Well, let's have Congress govern. That's why we're doing this. What we're doing is we're bringing a bill to the floor to cut 405 percent of the spending cuts that are in the sequester in the first year. A net deficit reduction of \$242.8 billion to set aside the sequester under discretionary for 1 year of \$78 billion, we think that's a good tradeoff.

More to the point, we need to get in the habit of doing reconciliation because 61 percent of the Federal budget is off limits, it's autopilot, it's not touched. Congress doesn't deal with it. So we should look at this part of our government that is not being dealt with.

The last time we used reconciliation for its intended purpose—to cut spending, to reduce deficits—was 2005. So rather than just having annual discretionary spending bouts and debates, we should look at the other parts of government that are on autopilot.

Take a look at what we're doing. We basically are doing five things. We're stopping the abuse by ensuring individuals are actually eligible for the taxpayer benefits they receive—novel idea, I know. We're eliminating government slush funds to stop bailouts. We're controlling runaway, unchecked spending. We're putting restraints on government spending by bureaucracies. And we're getting rid of duplicative spending.

I can go through each program, and we will do this in this debate, but what we're simply saying is people should actually be eligible for the benefits that they receive, whether it's a tax credit, whether it's a SNAP benefit, whatever it is. When we take a look at why we're cutting spending, we are

doing this with the guise of the fact that we have a spending-driven debt crisis on the horizon. If taxes go back to where they've been for the last 40 years, which is what they are projected to do, there's no way you can fix this problem by raising taxes.

We have a spending-driven debt crisis, and the debt crisis is one in which we have a tidal wave of debt coming to this country just like Europe is experiencing. If we don't get our spending under control and we don't get our deficit under control, the people who need government the most—the poor, the elderly—they're the ones who get hurt the first and the worst.

We need to get spending and, therefore, deficits under control to prevent a debt crisis. That's what this does. It's a downpayment. Instead of saving hundreds of billions of dollars like this bill does, we need to get into the practice of actually saving trillions of dollars, which is what our budget does, in order to prevent a debt crisis from ruining the American Dream for Americans.

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

Mr. VAN HOLLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there's agreement here on two things: one, we need to reduce our long-term deficits—the question is not whether we need to do that, but how; second, we agree that the automatic, indiscriminate, meat-ax cuts scheduled to begin next January are the wrong way to reduce the deficit. We need a responsible alternative.

Now, the House Democrats put forward a budget, as did the President, that deals with this issue over 10 years in a balanced way, building on the more than \$1 trillion of cuts we already made on a bipartisan basis last August, and including additional cuts, but also cutting tax loopholes that benefit special interests, and asking people who make more than \$1 million per year to help a little bit more toward deficit reduction. That is the kind of bipartisan approach that's been recommended by bipartisan groups like Simpson-Bowles and Rivlin-Domenici. Unfortunately, the Republican approach to the budget—and now to the sequester issue—takes this lopsided approach.

Now, let's remember, 98 percent of our House Republican colleagues, while they come down here and talk about how we have this big deficit and debt problem, they have signed a pledge that says we're not going to ask for one penny of additional contribution from people making more than \$1 million a year to help reduce our deficit, not one penny. We won't take one penny of taxpayer subsidies away from the big oil companies to help reduce the deficit.

And the math is pretty simple after that. If you say from the beginning you're not going to ask people making \$1 million a year to help do a little more to reduce our common deficit, if you say you're not going to ask companies that have these tax loopholes that

actually incentivize them to ship jobs overseas to pay a little bit more, what do you do? Your budget has to whack everyone else, and that's what it did. That's why their budget ended the Medicare guarantee. That's why they cut \$800 billion from Medicaid—two-thirds of Medicaid spending goes to help seniors and disabled people in nursing homes. That's why they slash vital investments in education, research, infrastructure, things that had been bipartisan investments to help our economy grow. That's what they did then.

And now on this sequester proposal, what do they do? The chairman talks about eligibility. These are people who are eligible to get food and nutrition assistance because they're struggling. The nonpartisan Congressional Budget Office, which is our referee around here, has told us what the real-world consequences of their proposal before us today would be. Over 22 million households with kids would see their food and nutrition support reduced; 300,000 kids knocked off the school lunch program; 300,000 kids knocked off the Children's Health Insurance Program. Those are the kinds of choices they make because they refuse to take a balanced approach to this deficit issue.

Now, I want to say one word about defense spending. Last August, as part of the bipartisan Budget Control Act, our Republican colleagues deliberately chose to expose defense spending to deep additional cuts rather than ask millionaires and big corporations to share a greater responsibility for paying for our national security. Now our Republican colleagues are on the floor today saying these defense cuts would devastate our national security; but they still, even today, apparently aren't concerned enough about the impact of those cuts on national security to ask millionaires to pay a little bit more for our common defense. That's the same kind of mentality that led us to put two wars—Iraq and Afghanistan—on our national credit card. Even as we asked our soldiers to sacrifice, we said we're just going to put that on our national credit card.

So there's a fundamental question here: If you're so concerned about those cuts to defense, why is it you won't close one special interest tax loophole to help pay for them?

We, the Democrats, had a substitute amendment that we would have been able to debate and vote on right here today. We took an alternative approach. We also prevented those defense cuts. You know how we did it? We said we don't need to make these big agricultural subsidies in direct payments. We also don't think we should have taxpayer subsidies for the big oil companies. We did it in a different way. Apparently, our Republican colleagues are kind of worried about what we were going to propose because they brought a closed rule to the floor, meaning Democrats didn't have an opportunity to get a vote on our alternative.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. I yield myself 1 minute to say, Mr. Speaker, that the gentleman's substitute raises taxes \$85 billion and raises spending \$55 billion on the net to achieve simply \$30 billion in deficit reduction. This bill achieves \$243 billion in deficit reduction without raising taxes.

The ratio of tax increases to spending cuts gross 3 to 1. That's what they think balance is.

□ 1110

Let's look at food stamps. Food stamps went up 270 percent over the last decade. If this passes, it will have gone up 260 percent.

Let's talk about Medicaid and SCHIP. This program has gone up 50 percent over the last 10 years. It's projected to grow 125 percent over the next 10 years. If this passes, it will grow 123 percent over the next 10 years.

If we can't have a civil debate about how to slow the growth of spending around here then we'll never get this under control. Medicaid alone made \$15.8 billion in overpayments in 2011 alone. If we can't deal with this waste, if we can't deal with this overspending, we can't fix this problem.

With that, Mr. Speaker, I yield 7 minutes of my time to Mr. HENSARLING of the Financial Services Committee, and ask unanimous consent that he be allowed to yield time.

The SPEAKER pro tempore. Without objection, the gentleman from Texas (Mr. HENSARLING) will control the time.

Mr. HENSARLING. I thank the gentleman from Wisconsin for yielding.

Mr. Speaker, I would like to yield 1 minute to the distinguished chairman of the Financial Services Committee, the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, the Financial Committee's work on this reconciliation package saves more than \$35 billion. But more importantly, it does what 2,300 pages of Dodd-Frank, 400 new regulations, over 2,000 newly hired Federal regulators, many them living in my Maryland colleague's district, and more than \$24 million worth of compliance work required of America's companies, at the cost of \$100 billion, don't: it ends the bailouts.

A bailout fund doesn't end the bailout; it guarantees them. We're telling the big banks what my Democratic colleagues didn't want to tell them: if they make risky bets and make bad decisions, they're on the hook, not the taxpayers. No more privatizing the profits, no more socializing the losses. In short, no more bailouts, period.

Mr. VAN HOLLEN. At this time I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. I thank Ranking Member VAN HOLLEN.

Well, here we are again. America is still recovering from the worst economic downturn since the Great Depression, and the Republicans don't

seem to understand that we need to focus on job creation.

Our economy has been producing private sector jobs each month for the last 2 years, in stark contrast to the Bush years. But today we're not debating job growth to balance the budget. We aren't considering a transportation bill today. No, that would create the most new jobs, making real investments in America by putting people back to work and growing our economy.

Today we are debating nothing more than the latest political talking points for the Republican Party. We all know that this strategy is going nowhere in the Senate. So instead of focusing on economic growth and job creation, the Republicans have decided to protect their rich friends and slash the programs that the most needy in our country depend upon.

While protecting the well-heeled, here's what the Republican bill does to ordinary families:

Cuts health coverage for the least among us, 300,000 low-income children.

The Republican bill slashes food and nutrition support for the unemployed and for struggling children and families.

The Republican bill eliminates Social Services Block Grants, which give States and local communities flexibility to target funding for essential services like Meals on Wheels, preventing child abuse and neglect, and providing child care for working parents.

The Republican bill wants to repeal the Prevention and Public Health Fund established under the Affordable Care Act. And what does that do? It supports cancer screenings, including for breast and cervical cancer, immunizations, education, research, and prevention, which, in the end, saves the most money. Prevention saves money.

If the Republicans were serious about putting our fiscal house in order, they would put forward a serious proposal that grows our economy and creates jobs to balance the budget and involves shared sacrifice. That's how you balance budgets—you grow the economy.

I look forward to that day.

Mr. HENSARLING. Mr. Speaker, at this time I yield 2 minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Mr. Speaker, a lot of discussion here this morning about who we're protecting. Well, really the reason we're here today is to protect the future of America.

They're throwing around a lot of large numbers here, but I think what we need to do is put in perspective what we're talking about here today. I want to talk to you about a little family that's making \$24,000 a year. Unfortunately, this family is spending \$37,000 a year, so they're spending \$13,000 more a year than they're making.

And they just got their credit card statement the other day, Mr. Speaker, and they found out they owe \$157,000 on their credit card. And people out there

would say, that's a family that doesn't have a future.

Unfortunately, the family that I'm just talking about here, Mr. Speaker, is the United States of America, because I took the eight zeros off of the front of these numbers that we're kicking around today.

So I think the American people ought to be excited that we're here today making a start. And let me point out, this is just a start to addressing a very large problem. And so when we go into some of the programs out there like the Consumer Protection Financial Bureau basically that was tucked inside the Fed, has no accountability, that was the reason I was pleased to introduce H.R. 1355 to bring accountability to that.

The American people deserve accountability, and they also deserve for this body to come together and work on this very large problem because, as has been pointed out, a lot of the things that we actually vote on, in fact, this \$13,000 deficit, if we eliminated the part of spending that we are talking about voting on in these appropriation bills, it would only eliminate \$11,000 of that deficit. And so this family would still have a \$2,000 budget deficit, even after we eliminate all of the programs that we vote on.

Mr. Speaker, this is the business that we are supposed to be about. Let's work together and protect the future of our children and our grandchildren so that they will have a future, they will have an opportunity to have jobs and opportunities in America.

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

Mr. VAN HOLLEN. Mr. Speaker, I just would like to respond to the chairman of the Budget Committee in terms of the ratio of cuts to revenue. I think the gentleman will recall that one of the recommendations that the bipartisan commission made was the trillion dollars in cuts that we made as part of the Budget Control Act, that was 100 percent cuts. If you take that into account, the reality is what we've done so far with our proposal is 92 percent cuts, 8 percent revenue, and with that revenue generated by closing those tax loopholes I talked about earlier.

With that, I yield 2 minutes to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I rise today in opposition to the Sequester Replacement Reconciliation Act, the second phase in the Republicans' Pathway to Poverty plan.

This bill, once again, fails to reach any measure of fairness and shared responsibility. All of us agree that the implementation of sequestration would be a damaging, harmful approach to take in an effort to achieve deficit reduction.

The difference between Democrats and Republicans is that, instead of taking a balanced approach, the Republicans would replace sequestration with tax breaks to millionaires and special

interests while ending the Medicare guarantee, slashing investments that strengthen our economy, and shredding the social safety net. Not surprisingly, important provisions of the Affordable Care Act are in their sights.

The Prevention and Public Health Fund was an unprecedented investment in our Nation's health and well-being, particularly the health of America's women and children. By providing funding for vital cancer and infection screenings, modernizing vaccine systems, and the fight against epidemics like obesity and diabetes, this fund truly invests in our Nation's health, and it will provide savings down the line by helping to catch afflictions early.

By seeking to undermine the Affordable Care Act, the Republican reconciliation bill would eliminate funding for hundreds of thousands of lifesaving screenings, all to score political points with their extreme base.

Mr. Speaker, just a few years ago, when I was 41 years old, I found a lump in my breast, which was confirmed to be cancer in a series of screenings, including a clinical screening just like the ones that this fund provides. These screenings saved my life.

But this bill would prevent 326,000 women from having access to the same lifesaving screenings that I did. It will prevent an estimated 10,300 women from being diagnosed with breast and cervical cancer in its early stages, and it may cost them their lives.

Furthermore, this bill slashes funding for screening for birth defects, developmental disabilities, and hearing loss in children.

How can any of us, in good conscience, cut funding by cutting investments in children's health?

Frankly, as a mom of three young kids, I'm stunned because I think it's just common sense that you don't pay down a deficit our children didn't create by compromising their health.

Our constituents deserve a balanced approach to deficit reduction. The Republicans' approach would deny women like me access to screenings that save lives and deny children the screenings they need so we can keep them healthy. It's unacceptable, and I ask colleagues with a conscience to vote down this terrible bill.

□ 1120

Mr. HENSARLING. Mr. Speaker, I yield myself 2 minutes.

It is important for us to remember why we are here. We are here because the President's policies have failed—a trillion-dollar deficit, a second trillion-dollar deficit, a third trillion-dollar deficit, and now a fourth trillion-dollar deficit—putting the Nation on the road to bankruptcy. That's why we have a reconciliation bill before us.

I hear my friends on the other side of the aisle talk about deep cuts. The deepest cuts that are happening in America today are to the family budgets of breadwinners who are either unemployed or underemployed due to the

economic policies of this administration. We just got the news last month: the third month in a row where job growth is down. We're not even keeping pace. We have the lowest labor force participation rate in 30 years because, Mr. Speaker, people have given up on the Obama economy. Those are the deep cuts that truly count.

Republicans have a plan for America's job creators. We want to get this economy going; and as we do, as people go back to work, they will get off of the welfare checks and onto the paychecks. That's what counts. So Republicans have brought forth a reconciliation plan that says, You know what? Maybe we ought to quit spending money we don't have, and maybe this will help provide part of the confidence that job creators need to put America back to work.

I am very proud of the work that was done on the Financial Services Committee, among other things, to end the perpetual Wall Street bailout fund that was put in by the Democrats in the Dodd-Frank bill, because if you lose your ability to fail in America, you lose your ability to succeed, and the American people are tired of the bailouts.

I reserve the balance of my time.

Mr. VAN HOLLEN. Mr. Speaker, before I turn to one of my colleagues, let me say in response to my friend Mr. HENSARLING that the American people are well aware of what was happening to the economy the very day the President was sworn in as President of the United States: losing 800,000 jobs every month, the economy in free fall, almost 9 percent in negative economic growth. People's retirement savings had dropped by one-third compared to where they were in 2007. That's the economy the President inherited.

As a result of the extraordinary measures taken by the President, by the previous Congress and, most importantly, with the fortitude of the American people, what we see is this. After the day the President was sworn in and when the economy was in free fall—those were jobs lost—we began to lift ourselves slowly out. We have now had 25 consecutive months of positive private sector job growth.

Is it enough? No. Of course, we had no help from our Republican colleagues in working on the turnaround. The President's jobs bill that he submitted to this House last September is still sitting here. Fortunately, we finally did a piece of it with the payroll tax cut.

My Republican colleagues say they have an answer. Their answer is back to the old trickle-down economics: another round of tax breaks for the folks at the very top, and somehow that's going to trickle down and lift everybody up.

Do you know what? We tried it. It didn't work. It was called 8 years of the Bush administration. We had two back-to-back tax cuts at the end of the 8 years, a net job loss in the private sec-

tor after those 8 years, and we had big deficits. The last time we had a balanced budget here was in 2001, which was before those policies. So it is important for us to get the history of the past right in order to make sure we know how to move forward properly in the future.

I now yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy in permitting me to speak on this just as I appreciate his setting the stage in terms of why we're here, in terms of what President Obama inherited when he was elected to office.

But another reason we're here is that the Republican leadership doesn't want to work with us in a balanced and reasonable way to reduce the deficit and get us on a sustainable path. Nothing is a greater illustration of this than the response to an amendment that I offered in the Budget Committee. On Monday, when we were dealing with this, I offered up to my colleagues:

Instead of eliminating food stamp benefits for 2 million people, cutting benefits early to 20 months, reducing benefits for 44 million people in total, school lunches for 280,000 children, I said, Wait a minute. Why don't we work together on something that we agree on?

I've worked with the chairman of the Budget Committee in the past to try and reform agriculture subsidies. We got reconciliation instruction from the Ag Committee that takes it all out of the nutrition for poor people, for children, for struggling families. I said, Why don't we go to where we agree: crop insurance wastes billions, and direct payments go to farmers who don't need them and don't deserve them.

We have an opportunity to put reasonable limits on the amount that goes to the wealthiest agribusiness interests. We've worked on that together. A majority of the Budget Committee, I'm sure, agrees. It would pass on the floor, and we could meet this objective and more without assailing the well-being of 44 million struggling Americans. I've looked at those people in my community, and I can't imagine my colleagues who are proposing this have worked with the food kitchens, have worked with the food stamp recipients.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VAN HOLLEN. I yield the gentleman an additional 30 seconds.

Mr. BLUMENAUER. The answer, in part, was that we can't do this. We do agree on some farm reform, but we have to do it when we reform the farm bill. That's coming up for reauthorization later. You'll have to do it in the farm bill. That's where we deal with direct payments. That's where we deal with crop insurance.

Hello? Where are food stamps authorized? They're in the exact same farm bill, and the Republicans have decided they're going to ignore this oppor-

tunity for a bipartisan compromise that will save more money and protect families. Instead, they're going to protect agribusiness and avoid an opportunity for everybody to win on the floor. It's shameful and should be rejected.

Mr. HENSARLING. Mr. Speaker, I would like to yield 30 seconds to the gentleman from Texas (Mr. CANSECO).

Mr. CANSECO. I thank the gentleman from Texas for yielding.

Mr. Speaker, the Financial Services Committee has responsibly contributed, roughly, \$35 billion in deficit reduction measures to this bill, and I am happy that one of these measures that I sponsored—a repeal of the Office of Financial Research—was adopted by voice vote in our committee. This agency, which was created by the Dodd-Frank, is a threat to the privacy of every American citizen, and it has no place in a system of checks and balances such as ours. Repealing the OFR will save \$270 million over 10 years, and Americans will be better off for it.

Mr. VAN HOLLEN. I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield myself the remaining 1½ minutes.

The American people know that after the Nation's first, second, third, and now fourth trillion-dollar deficit—the American people know after the worst employment record in 30 years—that the problem is with the President's economic policies. Ultimately, the debate comes down to this: Do we have a debt crisis because Washington spends too much or because the American people are undertaxed?

My colleagues on the other side of the aisle say a nation can tax its way into economic growth, that it can tax its way into economic prosperity. They want to impose taxes on 40 percent of the income on small businesses, and they somehow think they will create more jobs.

Mr. Speaker, if you gave them every job-harming tax increase that they have asked for, it would be roughly 16 percent of the additional \$11 trillion of debt that the President wants to put on this economy, our children and our grandchildren. The American people know we can do better. It is time to quit spending money we don't have for jobs the stimulus program never creates.

□ 1130

I'm proud to be a part of this reconciliation package which will save the draconian cuts that are aimed at our warfighters and their families and be able to begin the process of ensuring that a great Nation lives within its means and that we can give the next generation greater hope, greater opportunity, greater economic growth.

I urge all my colleagues to support this reconciliation bill.

I yield back the balance of my time.

Mr. VAN HOLLEN. Mr. Speaker, I would just point out that the non-partisan Congressional Budget Office

has stated that as a result of the economic recovery bill and the extraordinary actions that were taken, over 4 million jobs were created or saved. That means a lot to the people who didn't lose their jobs and to the people who were losing their jobs at the rate of 800,000 per month when the President was sworn in. Are we where we want to be? Of course not. Are we a lot better off than we were? We're pulling ourselves up. The last thing we want to do is go back to where we were.

Nobody on the Democratic side has said we can deal with this on the tax side alone. I keep hearing that. It's just not true. We just voted on a bipartisan basis in August for a trillion dollars in cuts. What we propose is what every bipartisan group that has looked at this challenge has said: you have to do this through a combination of cuts, but you also have to get rid of all that pork-barrel stuff in the Tax Code and use some of that to reduce our deficit. Ask the folks who have been making over a million dollars a year to help pay more for our common defense. That is just common sense.

With that, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, normally when we think of reconciliation, we think of a coming together, of finding common ground. This is not such a reconciliation. Rather, this is a bill that provides more tax breaks to the few and more pain to the many. It is, in fact, a wreck, as in a train- or auto-wreck—"wreckconciliation."

There is legitimate concern that we must address our budget difficulties to avoid a long-term budget wreck, but I am concerned about the wreck that this legislation under consideration today poses to the lives of so many Americans. It is a wreck for educational opportunity. The failure of this Budget Committee to address the needs of our youngest Americans with Head Start and early learning, the failure to extend the More Education tuition tax credit that I authored for more opportunity at the Alamo Colleges, at Texas State and institutions across this country.

It is a wreck for our most vulnerable neighbors, the Texas seniors, who rely on one hot meal a day from Meals on Wheels. Their director says it will be "devastating" to eliminate the Social Services Block Grant, a wreck for those seniors. It is a wreck for those who are relying on food security, like the 74-year-old who gave me this paper plate at the food bank in San Antonio:

"My Social Security check doesn't give me enough to buy any groceries, just my rent and utilities. Without the food bank, I would starve."

Those are the kinds of people for whom this bill is a wreck right now.

We had a President once who realized the need for shared sacrifice. He had almost half of his budget from new revenue. What he said was that "closing off special interest loopholes" was just "a matter of simple fairness." His

name was Ronald Reagan. I think we might follow that example.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VAN HOLLEN. I yield the gentleman another 30 seconds.

Mr. DOGGETT. We would contrast that example with those Republican Presidential candidates who said they wouldn't support \$1 of additional revenue for \$10 of spending cuts to get our budget in balance.

This is a "wreckconciliation" bill that asks nothing of Mr. Exxon, that asks nothing more of hedge fund managers, but asks those who are most vulnerable in our society to share more pain.

I think we must reject this reconciliation bill which is a wreck for so many American families.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 1½ minutes to just address a few of these.

If you're eligible for food stamps today, you'll be eligible for food stamps tomorrow under this bill. We're simply saying you have to be eligible for this benefit to actually get the benefit.

The slush fund, which is called the Preventive Services Fund, doesn't fund cervical and breast cancer research. It funded things such as the Pitt County, North Carolina, funds for signage to promote recreational destinations, including public parks, bike lanes, and more. The city of Boston received a \$1 million grant for urban gardening. The New York Department of Health used a \$3 million taxpayer-funded grant from this fund to lobby for a soda-tax initiative. The Cascade Bicycle Club Education Foundation granted \$3 million to the Seattle and King County Public Health Facility to use taxpayer dollars to "improve the walking and biking environment." This is where our taxpayer dollars are going.

With regard to the child tax credit, one investigation in Indiana said an illegal immigrant is claiming \$29,608 as a tax credit for 20 children who live in Mexico and have never visited the United States before.

What we're saying is government spending on these programs should go to the people who they are intended for, not to people who are not eligible and are not intended for. If we're going to do prevention for health care, then do cancer screenings, do cancer research. Don't fund signs for bike paths.

With that, Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California, the chairman of the House Armed Services Committee, Mr. MCKEON.

Mr. MCKEON. Mr. Speaker, I rise today in strong support of H.R. 5652.

Fifty percent of the savings that we have already generated this year have come from the military cuts, and we're talking about adding another \$500 billion to \$600 billion on top of that next January with sequestration. That's over a trillion dollars a year coming out of the military over the next 10 years, while defense spending only ac-

counts for less than 20 percent of our budget and while we're fighting a war in Afghanistan and facing other uncertainties around the world.

Let me remind everyone here of the major consequences of sequestration. There will be 200,000 troops taken out of the Army and the Marines, bringing our force level down below pre-9/11 levels. The ability to respond to contingencies in North Korea and Iran and other hot spots around the world will be put in jeopardy. We will have a fleet of fewer than 230 ships for a Navy that has protected the sea lanes around the world and our commerce. Ninety-five percent of our commerce travels on the sea. They've protected that since World War II. They'll be taken down to pre-World War I levels.

We'll have a smaller Air Force than at any time since the Air Force was created and two rounds of base closures. That's why Secretary Panetta has said, It's not shooting ourselves in our foot with sequestration; it's shooting ourselves in the head. That's why 31 organizations representing more than 5½ million American troops and veterans have called on Congress to act immediately to prevent these catastrophic cuts to our military.

Mr. Speaker, I urge all Members to support our troops, support our national security, and support this bill.

Mr. VAN HOLLEN. Mr. Speaker, I also urge all our colleagues to support our troops and support our military, and the Democratic substitute that we offered would have made sure that the sequester on defense spending did not take place.

I have great respect for the chairman of the Armed Services Committee, Mr. MCKEON, who just spoke. Here's what he said not long ago. He said:

We need to address our budget problems comprehensively, through smarter spending and increased revenue.

He also said:

If it came that I only had two choices, one was a tax increase and one was a cut in defense over and above where we already are, I would go to strengthen defense.

In our Democratic substitute, we said let's close some of those tax loopholes to generate a little more revenue to help pay for defense; let's ask people who are making over a million dollars a year to get rid of some of their tax breaks to help pay for our common defense so that we don't have to have a budget that whacks everybody else in the country. That's what the chairman of the Armed Services Committee said. I agree with him. He got beaten down by many in the Republican Party after he made those comments with them saying, oh, you violated that pledge that says we're not going to raise one more penny of revenue to reduce the deficit. But he was candid.

□ 1140

Unfortunately, neither he nor any one of us are going to have a chance to vote on the Democratic substitute that makes sure that we don't have the defense sequestration. We just do it in a

balanced way, through cuts as well as closing some of these tax loopholes.

I now yield 2 minutes to the gentlelady from Florida (Ms. CASTOR).

Ms. CASTOR of Florida. I thank the ranking member.

Mr. Speaker, two of the most prominent independent scholars on Congress, Thomas Mann and Norm Ornstein, recently completed a detailed research initiative. They've never been shy in criticizing either side of the aisle. But their latest research concluded that the Republican Party has become "ideologically extreme; scornful of compromise; unpersuaded by conventional understanding of facts, evidence, and science." And they said:

When one party moves this far from the mainstream, it makes it nearly impossible for the political system to deal constructively with the Nation's challenges.

The Republican budget is a perfect example of that. The Republican budget shields special interests from participating in deficit reduction, and instead says, We want to end Medicare as we know it. We target children and our older neighbors and middle class families for the overwhelming burden of deficit reduction.

If a political party wanted to undermine the health and economic security of millions of American families, well, then, this is the way to do it. And it's too bad, because I believe Democrats and Republicans agree on the need for deficit reduction, but we have starkly different visions on how to get there. Others have called this Republican budget extreme, reverse Robin Hood, destructive, and a threat to middle class security.

And here's an example. In the Budget Committee, I offered an amendment to say, It's time. We don't have the luxury of giving big oil companies tax breaks any longer. Instead, let's make sure that children across America can see a doctor, can get the immunizations that they need. But what was the vote? The Republicans rejected that commonsense amendment. It was paid for by eliminating these Big Oil subsidies.

This is what Thomas Mann and Norm Ornstein mean by they are "ideologically extreme." It's not in keeping with our values, as Americans. And I urge my colleagues to vote "no" on the Republican budget and sequestration plan.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds to make three points.

That line the gentlelady used about Medicare was rated the "lie of the year" in 2011 by PolitiFact. Number two, the reason the Democratic substitute is not being considered is because it violates the House rules. What's interesting about that is, it would have violated the House rules that the Democrats had when they were in the majority. The third point is, when it comes to tax loopholes, we're proposing to close those tax loopholes in order to lower tax rates for

American families and businesses to create jobs. They want to do it to prevent spending cuts; \$3 of tax increases for \$1 of spending cuts is the math and the logic that the other side chooses to use. When you have a spending problem, you've got to cut spending.

With that, Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma (Mr. LUCAS), the chairman of the Committee on Agriculture, and ask unanimous consent that he be allowed to yield time.

The SPEAKER pro tempore. Without objection, the gentleman from Oklahoma will control the time.

There was no objection.

Mr. LUCAS. Mr. Speaker, I rise in support of this legislation.

It's no secret that we're facing a severe debt crisis right now. We have almost \$16 trillion in debt piled up. And if we don't act quickly, we will be passing a crushing burden on to our children and grandchildren.

Reducing government spending, though, is never an easy task. We face difficult choices, but House Republicans have lived up to our responsibility to find ways to cut our costs so that we can once again live within our means.

The House Agriculture Committee has been asked to do its part by finding \$33 billion in savings over 10 years. We did that by making credible, commonsense reforms to the Supplemental Nutrition Assistance Program, or SNAP. These provisions reduce waste and abuse and close program loopholes.

SNAP, formerly known as food stamps, comprises almost 80 percent of the Agriculture Committee's mandatory spending. Over the past 10 years, the cost of SNAP has nearly tripled, increasing by 270 percent. The changes that we're proposing today cut only 4 percent over the next 10 years.

I would like to make it absolutely clear. None of these recommendations will prevent families that qualify for assistance under SNAP from receiving their benefits. We are working to better target the program and improve its integrity so that families in need can continue to receive nutritional assistance.

Opponents of this legislation would have you believe that we are decimating the nutritional safety net and that hungry children and seniors will be left to fend for themselves. That is a false and misleading scare tactic. It's important to remember that many of the very people opposing these cuts proposed and voted for similar measures during the last Congress when they were in control of this body. Not once, but twice my colleagues on the left voted to cut a temporary increase in SNAP benefits under the American Recovery and Reinvestment Act. One of those cuts was to pay for the bailout of a union. And now that House Republicans are advocating that same policy, those across the aisle are crying foul.

By ending the artificial increase in SNAP benefits, we can save \$5.9 billion

over 10 years, and we won't be turning that into more government spending. It will go towards deficit reduction.

This legislation also ends bonuses that have been awarded to States on the taxpayer dime. States are responsible for administering SNAP, and it's their duty to make sure the program is operating in the most efficient and effective fashion. We save nearly \$500 million by ending bonuses that are given to States for merely doing their job. We also find savings by closing loopholes that allow States to game the system when administering SNAP.

First, we'll stop States from abusing the Low Income Home Energy Assistance Program, LIHEAP, to inflate SNAP benefits. States are exploiting the interaction between LIHEAP and SNAP by sending a token check to households which can trigger hundreds of dollars in increased SNAP benefits. LIHEAP is a valuable program for households in need of assistance with heating and energy costs. It shouldn't be abused in this fashion.

In New York City, a \$1 LIHEAP check triggers an additional \$131 in SNAP benefits per month for nearly 90,000 households. In Washington State, a \$1 LIHEAP check triggers an additional \$43 million in SNAP benefits. That's egregious, and taxpayers know it. These token checks not only undermine the integrity of both SNAP and LIHEAP, but they also cost taxpayers billions of dollars in overpayments. Closing this loophole saves \$14.3 billion over 10 years and ensures that both LIHEAP and SNAP are targeted to the families who truly need the assistance.

Another loophole we've closed is called categorical eligibility, which allows any household that receives a benefit from certain low-income assistance programs to become automatically eligible for SNAP. Some of these benefits can be as simple as providing a household with a pamphlet or access to a 1-800 number hotline. When States implement categorical eligibility, these households do not need to meet SNAP or gross income tests. That's how lottery winners slip through the cracks and continue to receive nutrition assistance. When someone is categorically eligible for SNAP, States don't have to verify assets, like lottery winnings.

And it isn't just lottery winners that are unfairly collecting benefits either. The Cincinnati Enquirer reported that one woman collecting \$500 per month in SNAP benefits had \$80,000 in savings, a paid-for home valued at about \$300,000, and a Mercedes.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. I yield the gentleman an additional 30 seconds.

Mr. LUCAS. So let me repeat what I said earlier: These provisions do not decimate the program and leave struggling families to fend for themselves. What they do is restore program integrity. They reserve taxpayer dollars for families that are in need of assistance.

Every one of these provisions represents common sense and good government in a time of fiscal restraint.

There's no denying that SNAP provides important support to many Americans.

□ 1150

That's why it's important that we ensure the integrity of the program. Those who qualify for SNAP under the law will continue to receive benefits.

By voting for this package, we're not only doing our part to reduce the debt, we're improving the implementation of this important program while continuing to meet the nutritional needs of our fellow Americans.

I urge my colleagues to put aside the rhetoric and vote for these reforms.

Mr. VAN HOLLEN. Mr. Speaker, I yield myself such time as I may consume.

First, I would just like to respond to the chairman of the Budget Committee and point out that the Rules Committee waived three rules to bring the Republican legislation to the floor. It couldn't waive one rule to allow a Democratic substitute to have an up-or-down vote. And the one rule you wouldn't waive is the one that rigs the process against closing special interest tax loopholes.

To the chairman of the Agriculture Committee, I think everybody needs to know that the Ag Committee didn't reduce one subsidy to ag businesses—not one. Even though the overall Republican budget says it should be \$30 billion, there's a bipartisan bill that would do that, but not one. Instead, they took \$33 billion out of food and nutrition programs.

Now, we should be very clear on this. People say that they're going to make sure that everyone who's eligible to get food stamps will. And then they say, under SNAP, suggesting that there are a lot of people who are getting it who are cheating. That's not true. All those other people are eligible. They're eligible.

And it's not Democratic scare tactics saying all these people are going to lose their access to food and nutrition programs. It's the nonpartisan Congressional Budget Office, the referee here, that was never contested by our Republican colleagues in the Budget Committee. They say 22 million American households with children will see their food and nutrition support reduced; 2 million Americans, approximately, will lose all access to the food and nutrition programs through SNAP; 300,000 kids will lose the school lunch program. Those aren't our facts. That's what the Congressional Budget Office says.

With that, I yield 2 minutes to the gentlelady from Oregon (Ms. BONAMICI).

Ms. BONAMICI. Thank you, Ranking Member VAN HOLLEN.

I rise today in strong opposition to H.R. 5652, the Sequester Replacement Reconciliation Act.

Not long ago, we were here debating a very misguided budget resolution.

And today, with H.R. 5652, the leadership has decided to double down on the draconian cuts that were contained in that budget.

We should be able to come together and have a frank discussion about deficit reduction. That is what the American people expect, and that's what the American people deserve. But instead, here we are today considering another bill, and here we are today with another missed opportunity. There's not even the ability to consider a balanced alternative today. This is of particular concern because of what is actually in this bill.

Instead of cutting back generous agriculture subsidies, this bill is cutting food stamps, the Supplemental Nutrition Assistance Program. This means a reduction in benefits for an estimated 47 million people and a loss of benefits for almost 2 million people.

Instead of closing loopholes for oil companies, this bill eliminates the Social Services Block Grant—not reduces, not tweaks, eliminates the Social Services Block Grant—which are grants that assist States in providing a wide range of services, from support to Meals on Wheels, to foster care. These are programs that feed struggling seniors and protect abused children. These are just two examples.

Now, we have a moral responsibility to get this right, Mr. Speaker. This bill, yet again, attempts to balance the budget on the backs of the most vulnerable—our seniors, our children, those who are struggling—while not asking the most fortunate in our society to contribute anything more.

I urge my colleagues to reject this latest misguided effort by voting against H.R. 5652.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds simply to say that the Social Services Block Grant, according to the Government Accountability Office, is a textbook example of overlap and duplication of Federal programs. It's one of 69 programs to fund early education; it's one of 200 programs serving Americans with disabilities; and it's one of 49 programs providing education and training services. The program demands no accountability for results and provides no means to measure the impact of the programs.

Mr. Speaker, we've got to end duplication and waste in government. We're saying also, on the tax side, close loopholes for tax reform, not to fuel more spending.

With that, Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. PITTS), a member of the Energy and Commerce Committee, and ask unanimous consent that he be allowed to yield time.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania will control the time.

There was no objection.

Mr. PITTS. Mr. Speaker, I yield myself such time as I may consume.

The reconciliation package we bring to the floor today sensibly reduces

spending so that we can continue to adequately defend our Nation.

The first responsibility of the Federal Government is to keep our Nation safe from foreign threats. By cutting wasteful spending and reforming programs, we can continue to maintain a military that keeps us secure at home and makes the world a more peaceful place.

I am proud to report that the Energy and Commerce Committee exceeded the budget instructions by \$17 billion to save a total of \$114 billion over 10 years. In three titles, we cut wasteful programs created by ObamaCare, reform the Medicaid program, and reform our broken medical liability system.

With the Nation struggling with trillion-dollar deficits, the President chose to increase government spending by more than another \$1 trillion with his health care law. This wasn't reform; it was a government takeover of one-sixth of the U.S. economy that will increase dependency and bankrupt the Nation. We continue to push for full repeal, but also do everything we can to stop wasteful and unwise spending immediately.

The Prevention and Public Health Fund is a classic example of how government bureaucrats fail to spend public funds wisely. The health care law provided an advance appropriation of \$16 billion and called for a permanent annual allotment of \$2 billion per year for this fund. That's \$2 billion a year in perpetuity. So, in 2036, 2037, and 2057, the Secretary of HHS has complete authority over this \$2 billion to spend on whatever he or she wishes without coming back for appropriations authorization from Congress. Let's call this what it is: It's a slush fund for the Secretary of Health and Human Services.

Almost any program can make a claim that it is preventative. The Secretary has the sole role of control of the fund and, so far, has found some quite interesting ways to spend it. For example:

In Pitt County, North Carolina, a recipient used the money to fund signage for parks and bike lanes;

In Boston, they spent \$1 million on urban gardening;

One of the vaunted successes of the program was getting the city of Baldwin Park, California, to put a 9-month moratorium on construction of fast food restaurants. Government should be encouraging job creation, not finding ways to stop it for a few months;

New York spent \$3 million to lobby for a soda tax issue;

Philadelphia spent money to push for higher State cigarette excise taxes. Why on Earth is the Federal Government paying for campaigns to lobby State governments?

These are all examples from just the last 2 years. Who knows what projects will get money in the future.

We have numerous public health and prevention funds that can be managed through the yearly appropriations process. A permanent slush fund with

limited oversight guarantees that money will be wasted every year.

We also repealed the unlimited authority to fund the implementation of State health insurance exchanges. ObamaCare gave the Secretary a credit card with no limit, a bottomless direct appropriation. This is unprecedented and unwise. Again, we need oversight in order to make sure that the public's money is being wisely spent. Congress never should have abdicated its authority in this area, and now we need to reclaim it.

We defund the CO-OP program before billions of public dollars can be lost. The Office of Management and Budget estimates that a significant portion of the funds given to unproven CO-OPs would never be returned to the Treasury. We would stop this funding before HHS creates its own Solyndra.

□ 1200

The President's health care law places a dramatically increased burden on State Medicaid programs. The maintenance of effort provisions restrict States from making commonsense reforms to stop fraud and abuse. We know that Medicaid is rife with fraudulent claims. In 2011, there were \$15 billion in improper payments. We need to give States the flexibility to run these programs efficiently and to help the truly needy.

We also repeal an unwise bonus program that encourages States to undermine the integrity of the program. We should not place unnecessary barriers to qualifying for Medicaid, but neither should we encourage States to oversimplify reviews of eligibility. We do not have unlimited funds. Again, Medicaid coverage needs to be open only to the truly needy.

Finally, we include real medical liability reform in this reconciliation package. The President's health care law gave a pitiful \$50 million for liability reform demonstration projects.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. I yield the gentleman an additional 30 seconds.

Mr. PITTS. This is paying lip service to a \$200 billion problem.

I recently heard from a doctor who has been practicing in my district for decades. He bemoaned defensive medicine but was even more concerned that doctors being trained in today's climate don't even realize that they are prescribing unnecessary tests.

Defensive medicine is simply becoming the norm. Medical liability reform means saving for consumers, for doctors, and for the government.

Mr. Speaker, I am proud of the job we've done in the Energy and Commerce Committee.

I urge all of my colleagues to support the reconciliation package.

I would now yield such time as he may consume to the gentleman from Florida (Mr. DIAZ-BALART).

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has again expired.

Mr. RYAN of Wisconsin. I yield the gentleman an additional 1 minute.

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

I rise today to engage in a colloquy with my friend from Pennsylvania (Mr. PITTS), chairman of the Energy and Commerce Health Subcommittee.

Mr. Chairman, I am clearly no fan of ObamaCare, and I know that you are not as well, Mr. PITTS. You and your committee have done some excellent work in the reconciliation process in eliminating some of the major spending abuses in this law. I do have a concern, however, with one of the provisions that would affect Puerto Rico and what they receive in Medicaid funding.

The fact of the matter is the question regarding Medicaid funding for the territories was separate and has been separate from many issues that many of us on this side of the aisle find so objectionable in ObamaCare—for example, like the individual mandate and the raid on Medicare and the slew of job-killing new taxes and regulations. They are at least partially responsible for the unacceptable unemployment situation, including 10 percent unemployment among Hispanics in the United States.

As you know, the bill before us returns the Medicaid funding cap and Federal match to pre-ObamaCare levels for the U.S. territories.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has again expired.

Mr. DIAZ-BALART. If I may have an additional 30 seconds, Mr. Chairman.

Mr. RYAN of Wisconsin. An additional 30 seconds. I've got three other committees that are coming.

Mr. DIAZ-BALART. I thank the gentleman.

For years, the territories have expressed concern with the funding levels, and I believe that PPACA was a vehicle to try to alleviate some of those concerns. My hope is that we can work together, along with Governor Fortuño, who has been the most fiscally responsible Governor in Puerto Rico, looking into the funding levels in Medicaid so that we can properly address the needs of the millions of U.S. citizens in the territories.

Mr. PITTS. Mr. Speaker, I very much appreciate the gentleman's concerns and want to assure him that these issues deserve the attention of my Health Subcommittee. And as we continue the legislative process, I will gladly work with the gentleman and Governor Fortuño to address the needs of our most vulnerable citizens in the territories.

Mr. VAN HOLLEN. Mr. Speaker, I yield myself such time as I may consume.

I know it makes our Republican colleagues feel better when they pretend that these cuts don't harm real people, but the reality is they do harm real people, and the cuts that were made in Energy and Commerce will mean that

300,000 children will no longer get health care throughout the Children's Health Insurance Program. That's not my fact. That's from the nonpartisan Congressional Budget Office.

We have heard a lot about the fact that cuts to the prevention fund to help provide for healthier starts, that won't have any impact. We hear these stories coming up. I would just like to put in the RECORD information from the Centers for Disease Control that refutes this urban legend that somehow these funds were used to spay or neuter dogs. These things just aren't true.

The reality is that it will mean 326,000 women will not get breast cancer screenings and 284,000 will not get cervical cancer screenings. That's what happens when you zero out the prevention fund.

CDC ANALYSIS: ENERGY & COMMERCE COMMITTEE'S PRESS RELEASE REGARDING COMMUNITIES PUTTING PREVENTION TO WORK

BACKGROUND

CDC carefully monitors grantee activity for appropriate use of Federal funds, and to ensure that investments are directed to evidence-based interventions that make a difference in health.

CDC continues to review all reported allegations regarding grantee activities.

CDC has not found among these examples any instance in which the anti-lobbying prohibitions have been violated. Many allegations relate to activities that were performed by outside organizations not using federal funds, or activities that actually took place before CDC funding was even awarded to the grantee. Other activities are, in fact, permissible under the restrictions, such as educating the public on health risks.

See below for information on CDC's Communities Putting Prevention to Work program, which was primarily funded in FY 2009 with funding from the Recovery Act.

See below for additional information on how CDC implements restrictions on grantee lobbying with Federal funding.

CDC ANALYSIS OF PRESS RELEASE STATEMENTS

On May 2, the Energy and Commerce Committee issued a press release including references to activities of specific CDC grantees. Below is CDC's analysis of each statement and further information relevant to the work being done within these CPPW communities.

PITT COUNTY HEALTH DEPARTMENT, NORTH CAROLINA

Energy and Commerce Press Release Statement: "Pitt County, North Carolina, a recipient of a CPPW grant funded by health care law, used these federal taxpayer funds to place 'signage to promote recreational destinations including public parks, bike lanes, and more.'"

CDC Analysis

Improving physical activity by placing signage about parks, bike lanes and safe routes to school is an effective, evidence-based activity that can increase physical activity.

CPPW staff in Pitt County, North Carolina has been working to implement a wide range of interventions to address obesity prevention within their community.

One of the ten approved objectives included in Pitt County's workplan is to evaluate county planning and include comprehensive land use plans, transportation plans, and other plans that set community standards for biking, walking, and zoning restrictions.

Elements included incorporating elements to improve infrastructure for biking and walking, improve interconnectivity of existing and proposed mobility networks, and make it easier to establish access to healthy food. Among the steps was the implementation of bike racks, signage, and crosswalks once changes to planning documents were implemented.

According to Pitt County, approximately \$66,000 of their \$1.6 million in CPPW funding supported activities to implement bike racks and signage for cross walks, safe routes to schools, and other directional signs.

This project is the only one of those in the Energy and Commerce release that is funded by PPHF.

NASHVILLE/DAVIDSON COUNTY METRO PUBLIC HEALTH DEPARTMENT, TENNESSEE

Energy and Commerce Press Release Statement: The City of Nashville, which received a \$7.5 million "Communities Putting Prevention to Work" grant, provided free pet spaying and neutering.

CDC Analysis

No CPPW funds were used to pay for spaying or neutering dogs. Rather, a grant from PetSmart paid for the veterinary neutering services.

A published report in *The Hill* on May 3, 2012 includes a direct account from the grantee that non-Federal funds were used. (<http://thehill.com/blogs/healthwatch/health-reform-implementation/225367-official-no-taxpayer-funds-went-to-neuter-tenn-dogs>).

The Nashville/Davidson County CPPW project has been working on a range of strategies to promote safe and accessible opportunities for physical activity.

As part of the effort to increase outdoor physical activity in low income areas, CPPW has worked with other groups on a variety of activities to make parks safe. These include enforcement of an existing leash law and other pet ordinances, increased community awareness of responsible dog ownership, and publicizing referrals to spay/neuter services supported by other funding sources.

The Nashville/Davidson County CPPW project has been involved in promoting safe parks because the large number of loose/stray dogs was identified by the community as a safety risk and environmental barrier to increasing outdoor physical activity in low income areas.

The Nashville/Davidson County CPPW project has been working on a range of strategies to promote safe and accessible opportunities for physical activity and improve nutrition—two modifiable risk factors to prevent obesity.

The Community Guide for Preventive Services includes evidence-based recommendations that creation of or enhanced access to places for physical activity combined with informational outreach activities is effective in increasing levels of physical activity, as measured by an increase in the percentage of people engaging in physical activity or other measures of physical activity.

Early data indicate that the public education campaign has been successful.

This project was funded in 2009 by the Recovery Act, not by the PPHF.

BOSTON PUBLIC HEALTH COMMISSION, MASSACHUSETTS

Energy and Commerce Press Release Statement: "The City of Boston received \$1 million for 'urban gardening.'"

CDC Analysis

This project tackles two evidence-based strategies for addressing obesity: increasing physical activity, and improving the availability of fresh fruits and vegetables to underserved areas.

The CPPW project in Boston has supported a range of evidence-based strategies to increase opportunities for physical activity and supported four evidence-based projects to improve nutrition among low-income residents in Boston—two modifiable risk factors to prevent obesity. Boston has focused on improving access to fresh fruits and vegetables in neighborhoods that have limited access.

Up to 360,000 Bostonians now have increased access to fresh fruits and vegetables as a result of this CPPW investment.

CPPW funds are being used to improve access to affordable produce in Roxbury, Mattapan, and Dorchester, which have higher rates of obesity—at 40 percent, 33 percent, and 31 percent, respectively—and chronic disease than the city as a whole.

The project includes hiring and training up to 250 youths to work with The Food Project to build 400 backyard gardens in the three neighborhoods; transforming a vacant 10,000-square foot greenhouse in the heart of Roxbury into a community growing and education center; doubling the number of community garden plots in Dorchester, and expanding the Nightingale Garden in Dorchester by 65,000 square feet, so that it stretches across 1.5 acres.

To ensure the sustainability of these urban gardening gains, Boston has enacted city-wide changes regarding use of open city land to encourage temporary or permanent land utilization for community gardens and other agricultural use.

An evaluation of a large urban gardening project found that gardeners reported a higher consumption of specific vegetables and a lower consumption of sweet foods and drinks than non-gardeners. Focus groups conducted with inner-city youth revealed that those involved in garden programs reported more willingness to eat healthy food and try unfamiliar food, than those not involved in a program.

This project was funded in 2009 by the Recovery Act, not by the PPHF.

NEW YORK STATE DEPARTMENT OF HEALTH

Energy and Commerce Press Release Statement: "The New York State Department of Health used a \$3 million taxpayer-funded grant to lobby for a soda tax initiative."

CDC Analysis

The press release mischaracterizes the program, which is not one that used CDC funding.

CDC has been in contact with the grantee and the grantee reports that no CPPW funds were used by the New York State Department of Health (NYSDOH) to lobby the New York State Legislature for a soda tax.

The actual use of CPPW funding by NYSDOH is to implement strategies to increase access to healthy food choices.

CDC worked with NYSDOH at the beginning of the project period to ensure that activities were both appropriate and in compliance with applicable anti-lobbying provisions. CDC has monitored the use of funds throughout project implementation.

As background, prior to CPPW funds being awarded, the Governor's office initiated and put forth a soda tax proposal. However, the Governor did not pursue implementing a tax and withdrew his proposal, and the grantee has stated no CPPW dollars were used to pursue this.

This project was funded in 2009 by the Recovery Act, not by the PPHF.

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC HEALTH, CALIFORNIA

Energy and Commerce Press Release Statement: "... moratorium on fast food construction in Baldwin Park, California ..."

CDC Analysis

No Los Angeles County CPPW funds were used to lobby for a moratorium on fast food restaurants. The presentation referenced in the press release referred to a city-led and funded initiative supported by the California Center for Public Health Advocacy, an independent organization, and was not supported by CPPW funding.

Los Angeles County work on a moratorium predated the inception of the CPPW program. These efforts were documented to have started in 2008 by this independent organization.

This independent organization has provided education and community-driven feedback to the City Planning Department in Baldwin Park, California. Los Angeles County reports that no CPPW funds were used to support lobbying activities.

CDC staff regularly interact with grantees to ensure that they are implementing the activities and strategies set forth in the grantee's work plan and that grantees are adhering to administrative requirements, including adhering to provisions relating to lobbying.

This project was funded by the Recovery Act, not the PPHF.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

Energy and Commerce Press Release Statement: "... increased cigarette taxes in South Carolina."

CDC Analysis

The South Carolina Department of Health and Environmental Control reports that no CPPW funds supported lobbying for the South Carolina Cigarette Tax.

CPPW funds were used for public education efforts on the science of health effects of second hand smoke exposure. Activities included developing fact sheets for the public that provided scientific data.

CDC staff regularly interact with grantees to ensure that they are implementing the activities and strategies set forth in the grantee's work plan and that grantees are adhering to administrative requirements, including adhering to provisions relating to lobbying.

This project was funded in 2009 by the Recovery Act, not by the PPHF.

PHILADELPHIA DEPARTMENT OF PUBLIC HEALTH, PENNSYLVANIA

Energy and Commerce Press Release Statement: "The Philadelphia Department of Public Health used their taxpayer-funded grant to push for higher state cigarette excise tax rates."

CDC Analysis

No CPPW funds are being used by PDPH for lobbying or for any other activities in support of a state cigarette excise tax.

Philadelphia Department of Public Health (PDPH) has been researching potential opportunities for a higher cigarette excise tax at the local level, but this does not fall within the scope of CPPW activity and is not being paid for by CPPW funds.

This project was funded in 2009 by the Recovery Act, not by the PPHF.

SEATTLE AND KING COUNTY PUBLIC HEALTH, WASHINGTON

Energy and Commerce Press Release Statement: "The Cascade Bicycle Club Education Foundation received a portion of the \$3 million grant awarded to Seattle and King County Public Health and used the taxpayer dollars to 'improve the walking and biking environment.'"

CDC Analysis

CPPW project in Seattle/King County has been working to implement a wide range of

evidence-based strategies to address obesity prevention.

One of the seventeen approved objectives included within Seattle and King County's CPPW obesity workplan is to increase opportunities for physical activity through changes made to local transportation plans and other planning tools.

Evidence-based infrastructure changes to support bicycling and walking are interventions that aim to increase physical activity as means to combat obesity, and are working in Seattle/King County where 327,000 residents already benefit from sustainable changes made in their neighborhoods.

Sustainable changes have come from technical assistance from the project that led to improvements in approaches to new and reconstructed roadways in the area meet safety and mobility needs of all travelers, including pedestrians and bicyclists and also community members who have visual or mobility impairments.

This project was funded in 2009 by the Recovery Act, not by the PPHF.

BACKGROUND: CDC'S COMMUNITIES PUTTING PREVENTION TO WORK INITIATIVE

Communities Putting Prevention to Work (CPPW) is primarily a Recovery Act funded program that provides states and localities with resources to support locally designed efforts to create healthy environments for their residents.

The preponderance of work under the CPPW program has been completed; most were one-time awards made in FY 2009.

Only one community listed in the press release, Pitt County North Carolina, is funded by the Prevention and Public Health Fund (PPHF).

Each CPPW community selected strategies from evidence-based interventions based on local context, priorities, and capacity. CDC provided support to these communities through a competitive process. Awardees then developed a locally relevant workplan, which allowed CDC to monitor progress on an ongoing basis.

CPPW programs are funded under a 2-year cooperative agreement to implement evidence- and practice-based strategies, with overarching goals, such as increasing availability of healthy foods and beverages, improving access to safe places for physical activity, discouraging tobacco use, and encouraging smoke-free environments.

Each workplan represents a multi-pronged approach to address obesity and/or tobacco prevention. All objectives and activities included within the workplan must comply with federal lobbying restrictions.

CDC does not allow funding to be used for lobbying at the Federal, state, or local level. Awards include specific language to this effect; grantees are educated on this requirement; and CDC monitors the use of grant funds by grantees and their sub-recipients to ensure compliance.

What problem was CPPW designed to address?

CPPW provides a significant investment in the prevention of chronic diseases.

Obesity and tobacco are two leading causes of preventable death and disability.

CPPW aims to address poor nutrition, lack of physical activity and tobacco use to make an impact on preventing serious health problems such as heart disease, stroke, type 2 diabetes, and cancer.

Annually obesity-related medical spending costs our nation \$147 billion.

Annually, tobacco use costs our nation \$96 billion in direct medical expenses.

Seven out of ten deaths among Americans each year are from chronic diseases.

BACKGROUND: CDC STEPS TO PREVENT LOBBYING WITH FEDERAL FUNDING

CDC is committed to ensuring the proper use of appropriated funds, and to ensuring

awardees' compliance with all applicable regulations and statutes related to lobbying activities. CDC's policy prohibits lobbying at the federal, state, and local levels. These restrictions apply to CDC grants, including the CPPW and CTG programs.

CDC awardees, including those in the CPPW and the CTG programs, are informed about the federal laws relating to use of federal funds, including applicable anti-lobbying provisions. Included within funding opportunity announcements is specific language restricting lobbying, including "any activity designed to influence action in regard to a particular piece of pending legislation." This lobbying prohibition was also included within the terms and conditions to which each grantee agreed prior to receiving federal funds. In addition, CDC staffs has conducted trainings for CPPW and CTG awardees on these prohibitions.

Applicable lobbying restrictions do not prohibit awardees from interacting with policymakers. Federal law allows many activities that are not considered lobbying and that community awardees may decide to pursue. For example, awardees may use funds to disseminate information about public health problems and science-based solutions and to implement specific programs, such as evidence-based educational materials and media on the health effects of increasing physical activity or decreasing exposure to secondhand smoke.

We take our responsibility as stewards of taxpayer dollars very seriously. CDC staff interact with awardees regularly to monitor implementation of the activities and strategies set forth in awardees' work plans and compliance with administrative requirements, including provisions related to lobbying. In addition, CDC staff monitors the use of federal funds by awardees using tools such as on-site review and risk mitigation plans.

CDC continues to review all reported allegations regarding grantee activities. Thus far, we have not found among these examples any instance in which the anti-lobbying prohibitions have been violated. Many allegations relate to activities that were performed by outside organizations not using federal funds, or activities that actually took place before CDC funding was even awarded to the grantee. Other activities are, in fact, permissible under the restrictions, such as educating the public on health risks.

I now yield 2 minutes to the gentleman from Pennsylvania (Ms. SCHWARTZ), a member of the Budget Committee, who has focused very clearly on these health issues.

Ms. SCHWARTZ. Mr. Speaker, I appreciate the ranking member's comments and his good work and important work on the plan, the Republican plan and the Democratic alternative.

Let me start by saying very clearly, once again, House Republicans are taking a shortsighted approach to deficit reduction and economic growth in this country. The Federal budget is a statement of our priorities and our values as a Nation, and Republicans have made their priorities and their values very clear. The Federal budget is about choices: the choice to protect seniors; the choice to grow our middle class; the choice to make smart investments in our economy. Or not.

The Republicans have made their choice very clear. They are choosing to cut prevention and public health efforts, immunizations and flu vaccines,

screenings for birth defects, developmental disabilities, and hearing loss in children. They are hurting mothers who need prenatal care, children who need hearing and eye exams, women who need screenings for cancer and heart disease, and our frailest, sickest seniors who need nursing home and in-home care.

Republicans are choosing to eliminate essential health services that save dollars and save lives. This choice will hurt millions of American women, children, and seniors. Instead, Republicans are choosing to protect tax breaks for the largest oil and gas companies and tax breaks for companies that ship American jobs overseas.

There is a better way. The Democratic budget takes a balanced approach to deficit reduction and makes spending cuts and targeted investments to grow our economy, and it meets our obligations to our Nation. The Republican plan rejects this balanced approach. It rejects efforts to grow our economy. It rejects protections for our seniors, our children, and our future. It is the wrong choice for the American people, and we must reject this plan.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of H.R. 5652, to stop sequestration of our Nation's defense. We need certainty in the future of our national defense.

We need certainty in the industry that serves our national defense. We can't wait until January to make decisions about sequestration, what the funding is going to be. The Pentagon will begin in the next month to prepare industry to begin stopping contracts, not issuing contracts, basically putting small suppliers out of business, putting small contractors out of business.

It is important for the readiness of our Nation, to defend our Nation, that we avoid sequestration at all costs. There is much more to be said about this. This is serious. When we talk about sequestration regarding our national defense, this, my colleagues, is serious. We've got to take this first step so, before the deadline, we can complete this job.

Mr. Speaker, I rise in support of H.R. 5652, the Sequester Replacement Reconciliation Act of 2012. It is the first step we must take if we are to avert sequestration and prevent the dismantling of our national security.

Contrary to what some would say, this is not just a political exercise today. This is a very real action that we must take for our nation to avoid the threat to our national security and our nation's economic security if we do not stop sequestration from taking place next January.

The Secretary of Defense and our nation's senior military leadership have all warned of the severe consequences we face if automatic sequestration takes effect next year. We are a nation at war in Afghanistan, we face multiple threats around the globe, our troops are stretched thin from multiple deployments, and our equipment is wearing out.

These situations will only grow worse with sequestration as we are forced to further draw down our forces and significantly scale back—if not stop altogether—the repair and replacement of our vehicles, aircraft, and ships. And the prospect of a hollow force would be an almost certainty as training and maintenance would be delayed and canceled.

As the Chairman of the Appropriations Subcommittee on National Defense, I know that we have already made a number of difficult spending decisions—\$39 billion of cuts last year and any major reductions as required by sequestration will affect the readiness of our troops. I also know that any decision we are going to make about averting sequestration cannot wait until the eleventh hour, as so many other decisions are made before recess.

Our service chiefs tell me that planning will have to begin this summer on how to respond to sequestration. Industry leaders are already hearing the award of contracts will be delayed and that the advance procurement of material and equipment will be postponed. This will not only affect the large defense contractors, but will impact thousands of small businesses in every part of our nation who provide unique components for some of our most critical defense systems.

At a time when our national security remains at risk from emerging threats abroad and from ongoing terrorist operations, our nation's economy also remains at risk from a softening job market that will only worsen with the closure of small defense suppliers and layoffs at larger defense contractors.

The Secretary of Defense has already warned that sequestration could add a full one percent to our nation's unemployment rate—many of these as a direct result of civilian furloughs and military personnel draw downs, but also from the companies and small businesses back home who are second and third-tier suppliers for contracts that will be abrogated or canceled.

Mr. Speaker, this cannot be an issue on which we act then sit and wait for our colleagues in the Senate to respond. This is an issue on which we must work together, in an expedient manner, to send a message to our nation's military leadership and to the leadership of industry that we are serious about averting this crisis and that we are committed to working in a bipartisan manner to do it sooner rather than later.

Our military leadership wants certainty. They want certainty for our troops in the field and for their families at home. The leaders of business and industry want certainty so they can make the investments they need to make to help us rebuild our worn out force. And small business suppliers want certainty that they will be able to continue providing the critical components for systems that are in many cases their only line of work.

Mr. Speaker, the specter of sequestration is a serious national security issue and it is a serious national economic issue. This is not an issue that will be solved by talking at one another. This is an issue that will only be solved by working together in the best traditions of this House and the Senate. We have risen to the challenge before and we can do so again. The legislation we consider today is a first step in this process. We can't wait or we will face the most severe and in my opinion irreversible consequences for the security of our nation.

Mr. VAN HOLLEN. Mr. Speaker, it is serious, and the Democratic substitute proposal would have prevented those cuts from going across the board in defense, as well as the non-defense part of the budget. Unfortunately, our Republican colleagues don't think it is serious enough to ask oil companies to do without taxpayer subsidies to help cover the cost. They apparently don't think it is serious enough to ask people making \$1 million a year to help with our deficit reduction to pay for the military that we have.

I yield 2 minutes to the ranking member of the Financial Services Committee, Mr. FRANK, to talk about some of the impact of this on taxpayers.

Mr. FRANK of Massachusetts. Mr. Speaker, the Republican approach does some cutting, but it does even more shifting. I agreed with The Wall Street Journal editorial of a few weeks ago, which praised the gentleman from Wisconsin because he was shielding the military from any significant cuts and, instead, was making it up from Medicare and Medicaid. That's The Wall Street Journal, Mr. Murdoch, thanking the gentleman from Wisconsin for cutting Medicare and Medicaid, not to balance the budget or reduce the deficit, but to pump up military spending.

Similarly, this claim that they are saving \$20-some-odd billion in dealing with the liquidation authority is exactly wrong. What the Republican approach says, and we have a roll call vote in our committee which did this, it continues their position that the large financial institutions, financial institutions with more than \$50 billion in assets, should pay nothing—nothing—for the costs of cleaning up the mess.

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In our original bill in 2010, we met CBO's requirement that there be a \$20 billion cost by assessing the large financial institutions. To get cloture in the Senate, three Republicans managed to back off. In our committee this year, the Republicans said, We don't like this, and it's going to cost \$20 billion. CBO, by the way, says that it costs \$20 billion only within the 10-year window. CBO said the \$20 billion will be paid out, and it will be repaid by the large financial institutions. I will submit another article from The Wall Street Journal making that point.

But here's what the Republicans did: they said, Let's not have the financial institutions be vulnerable. We looked at what CBO said, and we said, okay, CBO says the \$20 billion from the financial institutions will come at the end of the 10 years rather than the beginning. So we had an amendment to assess the large financial institutions \$20 billion—\$29 billion, the CBO said it would cost—at the beginning of the period. The Republicans said the banks were being overtaxed and voted it down on a party-line vote.

[From the Wall Street Journal, Apr. 18, 2012]

WOULD REPEAL OF KEY DODD-FRANK PROVISION REALLY SAVE \$22 BILLION?

A House committee later today will vote on a bill being pushed by Republicans to repeal a central plank of the 2010 Dodd-Frank financial law, claiming it would save taxpayers \$22 billion over 10 years.

The figure triggered some head-scratching around Washington. "It's tough to understand where the \$22 billion comes from—it's a wild assumption since there are currently no cash flows involved with this part of Dodd-Frank," Brian Gardner, a Washington analyst with investment bank Keefe, Bruyette & Woods, in a note to clients. (He's a former GOP Hill aide). "Republicans on the committee would only eliminate the possibility that the government might have to spend money on liquidating a distress financial firm in the future," he wrote, adding that investors shouldn't waste any time thinking about the issue since the GOP bill "has virtually no shot at passing" the Senate.

The provision in question is the so-called "orderly liquidation authority" that gives regulators broad new powers to take control of faltering megafirms and wind them down in an orderly way so that their failure doesn't wreak havoc on the broader economy a la 2008. The provision does allow the Federal Deposit Insurance Corp. to borrow money from the Treasury to finance the process—but that money, by law, has to be paid back to Treasury. If the FDIC can't recoup enough by selling off assets of the failed firm, then regulators will levy a fee on the big financial firms left standing over a five-year period.

House Republicans say they got the \$22 billion figure from the nonpartisan Congressional Budget Office. Looking at that office's 2011 cost estimate for the whole Dodd-Frank bill shows how the CBO came up with the number—and the budget quirks behind it that make it far from a tangible boost to government coffers.

First, the CBO assumes regulators have to step in and use their new powers to deal with a teetering financial giant during the next 10 years. That's a pretty big if. Nonetheless, as CBO puts it, while the likelihood of the feds having to use this new process in any year "is small, the potential costs of liquidating a systemically important firm could be large." And experts do say there will be another financial crisis sooner or later.

Even so, the CBO's approach of only looking at 10 years at a time is another quirk at play here. As the agency explained in its 2011 document, "[A] snapshot of cash flows in any given 10-year budget window is unlikely to net to zero because the spending to liquidate a firm would occur before the income was received to cover those costs."

In other words, the CBO is assuming that the FDIC won't be able to get all the money it needs to pay back Treasury within the 10-year period—but that doesn't mean that the FDIC won't ever get that money. If the law works as it is supposed to, in the end the total cost to taxpayers would be zero—not \$22 billion.

Of course, there are lots of critics who say that this new resolution authority won't work and either regulators or Congress will decide to bailout financial firms when the next crisis strikes, in which case taxpayers would be on the hook. But the CBO is assuming the law works like it's supposed to.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds.

Medicaid is projected to grow at 125 percent over the next decade; under this bill, it will grow 123 percent. Food

stamps grew 270 percent; under this bill, they would have grown 260 percent. Only in Washington is this considered draconian cuts. Slowing the growth of spending is not cutting; it's slowing the growth of spending.

With that, Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. FRANKS), a member of the Judiciary Committee, and ask unanimous consent that he be allowed to yield time.

The SPEAKER pro tempore. Without objection, the gentleman from Arizona will control the time.

There was no objection.

Mr. FRANKS of Arizona. I certainly thank the gentleman.

Mr. Speaker, I believe it's important, first of all, in this challenge that we have with our Federal budget, to realize that all budgets, whether they are personal budgets or business budgets or budgets by governments, all of them eventually and inevitably come to balance. They either do so by wise fiscal policy or by catastrophic failure.

The fact is that this administration has spent us into the stone age and added to our deficit approximately \$1 trillion a year since they came into office. Mr. Speaker, the result is that we have more people living in poverty under this administration than ever before. So there is something wrong with the equation.

Now, having listened to the debate over this reconciliation bill, it's clear to me that Republicans and Democrats have a very fundamental, philosophical difference over whether or not we should take steps to reduce the Federal deficit and avoid the arbitrary and inflexible automatic spending cuts that are set to go into effect next year.

Republicans propose to reduce the deficit and avoid the automatic sequestration by eliminating wasteful programs, wasteful government spending, and curbing fraud in government programs in general. The President, on the other hand, has proposed raising taxes on the American people and American families and businesses, while at the same time increasing Federal Government spending. I cannot think of a more stark contrast, Mr. Speaker.

My friends on the other side of the aisle have demagogued this reconciliation bill beyond recognition. The fact, however, remains that this bill reduces the deficit—not by some parade of horrors, but by stopping fraud, eliminating government slush funds and duplicative programs, and controlling runaway Federal spending. It does so while preventing devastating defense cuts that the Obama administration's own Defense Department has called "unacceptable." And it does so by making sure that the domestic spending cuts that the President's own budget claimed will "inflict great damage on critical domestic priorities" do not go unaddressed.

As part of the reconciliation process, the Judiciary Committee, Mr. Speaker, has recommended reforms to our med-

ical liability system to rein in unlimited lawsuits and to make health care more accessible and affordable to all Americans.

According to the Congressional Budget Office, the Judiciary Committee's proposed medical liability reforms will reduce the deficit by more than \$48 billion the very first year and beyond. The simple fact is that frivolous lawsuits drive physicians out of the practice of medicine in the primes of their careers, it pushes others away from high-risk medical specialties, and causes the vast majority of health care providers to practice defensive medicine. Studies indicate that the cost of health care lawsuit abuse is between \$230 billion and \$650 billion annually. The Judiciary Committee's proposal helps to eliminate the cause of this out-of-control lawsuit abuse.

Mr. Speaker, I would just urge my colleagues to join me in supporting this reconciliation package so that we can both reduce the Federal deficit and avoid the draconian sequestration of Defense Department funding that threatens serious harm to our national security.

Mr. Speaker, just a word on our national security. There is no more important thing to our economy of any kind than making sure that we are doing everything to be productive in a secure environment. If our national security is undermined, our economic security will be writing its own economic obituary.

With that, Mr. Speaker, I yield back the balance of my time and thank the gentleman for yielding.

Mr. VAN HOLLEN. Mr. Speaker, I yield myself such time as I may consume.

We keep hearing from our Republican colleagues that there's nothing more important than making sure we defend our national security. We agree that that's essential. We also agree that we need a strong economy. What's confusing is, if that's so important, why are our Republican colleagues refusing to ask the big oil companies to give up their big subsidies? They've said they don't need them.

So, Mr. Speaker, again, we also keep hearing that these cuts aren't going to have an effect. There's the old saying that you're entitled to your own opinions, but not your own facts. What we've been talking about are facts from the Congressional Budget Office about the number of kids that would lose their health care and the number of struggling families that would lose their food and nutrition support.

I now yield 1 minute to the gentleman from Puerto Rico (Mr. PIERLUISI).

Mr. PIERLUISI. Mr. Speaker, I strongly oppose the provision in this legislation that would single out the Medicaid programs in the U.S. territories for a 65 percent cut, even though the territories are already treated in a profoundly unequal manner under this program. I'm joined in my opposition

to this cut by the Republican Governor of Puerto Rico, Luis Fortuño, who knows discrimination when he sees it.

And I'd like to remind the gentleman from Wisconsin that in the case of the territories, we are talking about an actual cut. We're not talking about a reduction in the growth of our funding, because we have a cap to live with.

Just as we fought to obtain the funding that this bill now seeks to repeal, we will fight alongside our allies in the White House, the Senate, and this Chamber to retain this funding. This is a fight we intend to win.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. ISSA), chairman of the Oversight and Government Reform Committee, and ask unanimous consent that he be allowed to yield time.

The SPEAKER pro tempore. Without objection, the gentleman from California will control the time.

There was no objection.

Mr. ISSA. Mr. Speaker, I rise in strong support of this legislation.

Our committee has participated in \$83 billion worth of this package, saving our men and women in uniform from finding themselves holding wooden rifles. I use that term because it once happened. It wouldn't happen under sequestration, but we would make cuts that would make them just as endangered in some cases as if they were carrying wooden rifles.

Now, many people will talk about public servants in a less than kind way. I am not one of them. The Federal workforce has kept its promises. The Federal workers are not always well led or well managed, but they themselves deliver the product they're asked to deliver. However, the President's own commission—often called Simpson-Bowles on which the chairman of the Budget Committee served—found something that they all agreed on, that was that, in fact, the pension program that we as Federal employees—and I say "we" because Members of Congress pay into Social Security, have a 401(k), but we also have a pension—that that pension was more generous than our counterparts in the private sector.

□ 1220

They recommended that we, in fact, make it a 50/50 shared pension. My contribution from our committee, in fact, does that. At a rate of 5 percent, phased in over 5 years, we bring the Federal workforce, members of the civilian DOD, members of your Park Service and Members of Congress, House and Senate, we bring us all into paying what Simpson-Bowles, on a bipartisan basis, very much felt was a fair share.

Now, I want to make sure that everyone understands today that this is, in fact, a changing for members of the Federal workforce from what they perceived they would always have. It will not be easy. They will know that after this goes into effect, they will, in fact,

not have as much take-home as they did the day before.

That's not to say it isn't due, that it isn't known, and it doesn't need to happen. What it's to say is, let's be understanding. These are tough times. The American people have made sacrifices for many years before this one. The Federal workforce has made some sacrifices. The President implemented a pay freeze.

But I must tell you, our looking at it is that because of an outdated system, the pay freeze does not, in fact, freeze pay. Step increases have virtually automatically, almost 100 percent automatically caused the vast majority of these individuals to be eligible and receive pay increases, even at a time in which, theoretically, it was frozen.

Additionally, civil servants know that if we're going to continue to hold on to a civil service workforce that has the confidence of the American people, their wages have to be comparable to their civilian counterparts.

Our committee will continue to work with others to study to make sure we do keep Federal workers fairly paid as compared to the nongovernment workforce. But our bill today takes the President's own recommendations, the recommendations made to the President, and implements them, for a savings over 10 years of \$83 billion.

We believe this is the Federal workforce and we, as their representatives, asking them to make a reasonable sacrifice, one that I know they will do, while remaining confident that they will deliver the kinds of products they can.

Lastly, Mr. Speaker, there are things that are not in this bill. The kind of pay-for-performance that we'd like to see enhanced, the kind of procedure for a quick remedy for individuals who have become disabled—those are not in there. There are many other savings and improvements for the Federal workforce. We intend to go back on a bipartisan basis and do that.

But when it comes to purely paying your fair share, we believe that Simpson-Bowles got it right. We believe the Federal workforce will not like this, but they will accept that this allows them to say our package is not inherently more generous than the private sector. It's been normalized for it.

That and other changes that we made in this bill allow the Federal workforce to say stop saying that we somehow get something everyone else doesn't. The Federal workforce pays into Social Security, into Medicare and, in fact, they're going to be paying half the cost of their pension plan, which is commensurate with their private sector.

So I want to be very positive here in saying this is never easy to do in times of austerity, but, in fact, the Federal workforce will stand behind this, as Congress will, in recognizing that they're doing their share.

I'm very proud of the people throughout government who recognize that

getting this right is part of being able to say to the American people, we're all in this together.

With that, I yield back the balance of my time.

Mr. VAN HOLLEN. Mr. Speaker, I appreciate the words the chairman of the Government Reform Committee said with respect to Federal employees.

If you listen to the comments of a lot of these colleagues, they have made Federal civil servants scapegoats, and, in fact, their budget that's before us today does hit Federal employees.

So the folks in the intelligence community who helped track down Osama Bin Laden, what do they get under this proposal? A 5 percent pay cut.

How about the folks at NIH who are, every day, looking to find cures and treatments for diseases that plague every American family? A 5 percent pay cut.

How about the nurses who work in the Veterans Hospitals? A 5 percent pay cut.

And yet, you don't cut the direct payment subsidies to agriculture. You don't cut the subsidies to the big oil companies. You just want to whack Federal civil servants.

With that, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER), who has been working on this issue for a very long time.

Mr. HOYER. I want to thank my friend, Mr. VAN HOLLEN, for the work he's done.

I want to rise in opposition to this focus on Federal employees. First of all, Federal employees have contributed \$75 billion over the last 2 years towards helping us reduce the deficit—\$75 billion. No other working American has been asked to do that.

You treat Federal employees in this House as second-class working people. That's wrong. This is a 5 percent tax increase on Federal employees. Nobody else, nobody else do we ask—the richest people in America we don't ask to solve this deficit problem. But Federal employees, yes, a \$75 billion contribution. And you don't blink an eye because it's easy, because we demagogue about government and, by association, we demagogue about bureaucrats used as an epithet.

These are, as Mr. VAN HOLLEN pointed out, people who protect our food, try to make sure that we can find cures for cancer, protect us from terrorism, guard our borders. That's who we're talking about. And we treat them as second-class citizens. That's wrong. It's wrong for our country, it's wrong for the American people, and it's wrong for us as an institution representing the government of this country.

Ladies and gentlemen, reject this. I'm going to talk about other aspects of this so-called reconciliation bill at a future date. But I ask you on this basis alone: federal employees—I will tell you as one who represents a large number of them—are ready to participate in helping to bring down this deficit and meet this crisis. But do not ask them to do it alone.

That's what Mr. VAN HOLLEN says about oil companies, big corporations, loopholes, and the wealthiest in America. Don't simply ask more from those who have less and ask less from those who have more. That is not good policy. Let us not pursue it.

Mr. VAN HOLLEN. I thank the gentleman from Maryland.

It is now my privilege to yield 3 minutes to another great Member of Congress from the State of Maryland (Mr. CUMMINGS), the ranking member on the Government Reform Committee.

Mr. CUMMINGS. Thank you, Mr. VAN HOLLEN. This week marks the 28th anniversary of Public Service Recognition Week, a week in which we honor the contributions of Federal, State, local, and government employees. These employees include outstanding public servants like IRS' Shauna Henline, from Representative ROB BISHOP's congressional district, who saved the United States taxpayers billions of dollars by identifying and bringing to justice tax evaders and scammers.

They include the State Department's Shane Morris, a constituent of Representative CHRISTOPHER SMITH of New Jersey, who played a critical role in ensuring that United States diplomats in the Middle East continued to receive classified information, material, and equipment during the Arab Spring uprisings in 2011.

Instead of us using this week to celebrate the good work of government employees who dedicate their lives to serving others, the Republican majority has put legislation on the House floor today that would take billions of dollars out of their pockets.

I ask my colleagues on the other side of the aisle, where is the appreciation or compassion for the dedication and commitment that public employees display day by day? It certainly is not in this bill, which is an uncompassionate and wrongheaded approach to our fiscal problems.

The Federal employee-related provisions in this bill which were reported out of the Oversight Committee would reduce the take-home pay of nearly 3 million middle class Americans by 5 percent, mandating increased retirement contributions.

The bill also would eliminate the FERS annuity supplement for new workers who retire before they are eligible for Social Security at 62. According to the Office of Personnel Management, the average annuity amount for current FERS retirees is nearly \$700 per month. I do not think any American who has dedicated his life to the public service should be forced to lose that much money on a monthly basis, particularly those on a fixed retirement budget.

Our middle class Federal employees have already contributed \$75 billion towards deficit reduction and other government programs, while millionaires and billionaires have not been asked to

contribute one additional cent to improve our government's financial condition.

□ 1230

I strongly urge my colleagues to oppose this legislation and, instead, to support a more rational and equitable budget proposal that asks for shared sacrifice from everyone in our country.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds.

Members of Congress and Federal employees contribute .8 percent to their pensions. According to the CBO, their benefits are 48 percent higher than their average private sector counterparts. We think it's just reasonable and appropriate that they contribute about 5.8 percent to their pensions and contribute their half. It's the least we can ask of ourselves as Members of Congress and of hardworking Federal employees, that we treat ourselves like private sector workers are treated. More to the point, Mr. Speaker, if we want to have the moral authority to get spending under control, we need to ask more of ourselves.

With that, I yield 5 minutes to the gentleman from Michigan (Mr. CAMP), the chairman of the Ways and Means Committee, and ask unanimous consent that he be allowed to yield time.

The SPEAKER pro tempore. Without objection, the gentleman from Michigan will control the time.

There was no objection.

Mr. CAMP. I thank the chairman for yielding.

Mr. Speaker, back in 2010, I served on the President's debt commission, otherwise known as the Simpson-Bowles Commission. During that Commission, we heard nonpartisan, expert testimony that debts as large as ours slow economic growth by about 1 percent. In America, that translates into 1 million fewer jobs. So, to start getting our debt under control and our economy back on track, we passed the Budget Control Act, but we all know that was a blunt and ineffective tool. As a result, Republicans have stepped forward with a smarter plan.

Today, I want to highlight the more targeted, sensible reductions in spending the Ways and Means Committee has offered as part of the reconciliation process, each of which has enjoyed bipartisan support.

Our first recommendation requires exchange subsidy overpayments in the Democrats' health care law to be repaid in full. This is simple and common sense. If you aren't entitled to the benefit, you don't get to keep it. This policy will reduce the deficit by \$43.9 billion over the next 10 years.

A Democrat-controlled House and a Democrat-controlled Senate first used a version of this offset in 2010 to pay for a temporary Medicare so-called "doc fix." This Congress also endorsed this policy as part of the 1099 repeal legislation that became law early last year. As Secretary Sebelius has previously said, requiring the return of ex-

change subsidy overpayments "makes it fairer for recipients and all taxpayers."

Mr. Speaker, I now yield 1½ minutes to the gentleman from Texas (Mr. SAM JOHNSON) to discuss the committee's second recommendation. He is a true American hero, as well as the chairman of the Social Security Subcommittee.

Mr. SAM JOHNSON of Texas. I thank the gentleman for yielding.

Mr. Speaker, due to a loophole in the Tax Code, the IRS is shoveling out billions of American taxpayer dollars to those who are here illegally.

The good news is this reconciliation measure includes a commonsense solution based on legislation I've authored that would save \$7.6 billion by putting a stop to this. The provision would stop illegal immigrants from getting the \$1,000 refundable Child Tax Credit by simply requiring tax filers to provide their Social Security numbers.

Right now, those who are here illegally can get cash from Uncle Sam by providing an IRS-provided taxpayer ID number to claim this refundable credit. According to a recent report by NBC Indianapolis' WTHR, illegal immigrants are even filing tax returns that claim children who do not live in America.

Mr. Speaker, there really shouldn't be any controversy over this. The American people are speaking out against this. Treasury's tax IG has spoken out against this. Democrat Senator CLAIRE MCCASKILL has spoken out against this. Even the administration supports through the funding of a verification program the idea of preventing illegals from receiving public benefits.

Mr. Speaker, we can fix this and put a stop to the abuse of precious taxpayer dollars by simply requiring a Social Security number. Americans want, need, and deserve the better protection of their hard-earned money, and we owe it to the United States of America to take action today.

Mr. CAMP. I now yield 1 minute to the chairman of the Human Resources Subcommittee, the gentleman from Kentucky (Mr. DAVIS), to discuss the committee's final recommendation.

Mr. DAVIS of Kentucky. Thank you, Mr. Chairman.

Mr. Speaker, I rise in support of this legislation, including the provision to end the duplicative Social Services Block Grant.

As chairman of the Ways and Means Human Resources Subcommittee, we held a hearing last year on duplicative programs such as SSBG. Despite what we have heard from some on the other side, our concern is focused squarely on the design of the SSBG program, which does not serve taxpayers well for a number of reasons.

SSBG is duplicative and unfocused. It supports 29 different types of social services with no eligibility requirements. The Federal Government already spends \$446 billion per year on other social services programs, which is about 260 times the amount of SSBG

spending. With no State spending requirements or accountability for results, SSBG is more akin to stimulus dollars than other more effective anti-poverty programs.

With staggering deficits, we can't afford to send money to States without accountability through a program that is replicated by literally dozens of other Federal programs. That's what SSBG does today, and it is why it makes sense to end this duplicative program.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 1 minute.

Mr. CAMP. Today, the economy is down and we're out of money, so it is our responsibility to reevaluate these programs, to assess whether they're meeting their intended purposes and to determine if the American taxpayer can afford them. We must reduce the burden our debt is putting on our economy, on our families, on job creation in this country. This legislation does that. It encompasses commonsense, bipartisan policies; and I urge its passage.

I yield back the balance of my time.

Mr. VAN HOLLEN. Mr. Speaker, with respect to the Child Tax Credit, I would like to insert into the RECORD a letter we received from the Catholic bishops on this subject. In part, it reads:

I reiterate our strong opposition to an unfair proposal that would alter the Child Tax Credit to exclude children of hardworking immigrant families.

The bishops also talk about the devastating impacts of eliminating the Social Services Block Grant.

COMMITTEE ON DOMESTIC JUSTICE
AND HUMAN DEVELOPMENT,
Washington, DC, May 8, 2012.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: As you vote on a reconciliation package for the fiscal year 2013 budget, I would like to affirm the principle contained in the Committee Report that the "budget starts with the proposition that first, Congress must do no harm." In this light, I urge you to ensure all policies meet the moral criteria established by the Catholic bishops of the United States to create a circle of protection around programs that serve poor and vulnerable people and communities:

1. Every budget decision should be assessed by whether it protects or threatens human life and dignity.

2. A central moral measure of any budget proposal is how it affects the lives and dignity of "the least of these" (Matthew 25). The needs of those who are hungry and homeless, without work or in poverty should come first.

3. Government and other institutions have a shared responsibility to promote the common good of all, especially ordinary workers and families who struggle to live in dignity in difficult economic times.

A just framework for future budgets cannot rely on disproportionate cuts in essential services to poor persons; it requires shared sacrifice by all, including raising adequate revenues, eliminating unnecessary military and other spending, and addressing the long-term costs of health insurance and retirement programs fairly.

I reiterate our strong opposition to an unfair proposal that would alter the Child Tax

Credit to exclude children of hard-working, immigrant families. The bishops' conference has long supported the Child Tax Credit because it is pro-work, pro-family, and one of the most effective antipoverty programs in our nation. Denying the credit to children of working poor immigrant families—the large majority of whom are American citizens—would hurt vulnerable kids, increase poverty, and would not advance the common good.

The Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), provides vital food security to families during tough economic times. It is estimated that cuts proposed in this bill would deny assistance to two million families, and cut the benefit for everyone else. No poor family that receives food assistance would be unaffected, constituting a direct threat to their human dignity. If savings in agricultural programs need to be achieved, subsidies and direct payments can be reduced and targeted to small and moderate-sized farms.

The Social Services Block Grant is an important source of funding for programs throughout the country that serve vulnerable members of our communities—the homeless, the elderly, people with disabilities, children living in poverty, and abuse victims. We should prioritize programs that serve “the least of these,” not eliminate them.

The Catholic bishops of the United States recognize the serious deficits our country faces, and we acknowledge that Congress must make difficult decisions about how to allocate burdens and sacrifices and balance resources and needs. However, deficit reduction and fiscal responsibility efforts must protect and not undermine the needs of poor and vulnerable people. The proposed cuts to programs in the budget reconciliation fail this basic moral test. The Catechism of the Catholic Church states it is the proper role of government to “make accessible to each what is needed to lead a truly human life: food, clothing, health, work, education and culture, suitable information, the right to establish a family, and so on” (no. 1908). Poor and vulnerable people do not have powerful lobbyists to advocate their interests, but they have the most compelling needs.

As you pursue responsible deficit reduction, the Catholic bishops join other faith leaders and people of good will urging you to protect the lives and dignity of poor and vulnerable families by putting a circle of protection around these essential programs and to refrain from cutting programs that serve them.

Sincerely,

Most Reverend STEPHEN E. BLAIRE,
Chairman, Committee
on Domestic Justice
and Human Development.

I now yield 2 minutes to the gentleman from California, the ranking member of the Energy and Commerce Committee, Mr. WAXMAN, who has been working so hard on these issues.

Mr. WAXMAN. Mr. Speaker, the bill that is before us today is an unbalanced package of cuts that hurts the most vulnerable populations in our society and the working middle class.

There was a budget agreement on a bipartisan basis between the Congress and the President by which we would shield low-income programs from the cuts that are now before us today. That agreement is being rejected, and the Republicans are pushing for cuts for

low-income programs such as Medicaid, SNAP—which is the food stamp program—helped by the Social Services Block Grant and which are vital to maintaining and continuing our economic recovery. These are the safety net programs. With the slashes in Medicaid, we will have hundreds of thousands of people, including 300,000 children, denied health insurance.

Is this something that we have to do when we're not letting others do their fair share?

The bill would establish a Federal medical malpractice system that tramples on the meaning of states' rights, which the Republicans have said is a central tenet of their point of view. They would undermine our future health care by cutting prevention and public health investments. They would make it harder for women to access important and life-saving preventative care, and they fail to protect Medicare from billions of dollars in cuts that would happen under the sequestration.

But we shouldn't be surprised.

This is all based on the Ryan budget that the Republicans passed on the House floor last month. Under that budget, defense spending is increased over investments in health, education, and research. Medicare, as we know it, would come to an end. The number of uninsured would rise, but millionaires and billionaires would receive enormous tax cuts.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VAN HOLLEN. I yield the gentleman an additional 30 seconds.

Mr. WAXMAN. Instead of a budget that actually reduces the deficit, which this budget would not do, and that tries to do it in a balanced and fair way, the Ryan budget, and this bill specifically, targets those most in need; and it puts our Nation's financial recovery at risk. I urge a “no” vote on the bill.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

Mr. VAN HOLLEN. I yield 1 minute to the gentlady from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Speaker, to say I rise in strong opposition to this bill would be an understatement. In addition to the other egregious cuts, this bill would eliminate the critically needed \$6.3 billion in funding that the U.S. territories' Medicaid programs receive under the Affordable Care Act.

□ 1240

More than that, it sends a clear message to Americans in the territories that while they are American enough to defend this Nation during times of war, they are not American enough for this Nation to protect and preserve their health and well-being. This bill is un-American and it is unjust.

I ask my colleagues to vote “no” on this terrible reconciliation bill.

Mr. Speaker, to say that I rise today in strong opposition to this bill would be an understatement.

The truth is that there are so many elements included in this bill that warrant everyone's strong opposition that the list reads like a dishonor roll: the attacks on Medicare and CHIP; the elimination of funding for the Exchanges that will expand health insurance to more than 30 million uninsured Americans; and the repeal of the Prevention and Public Health Fund, which expands access to preventive health care services to millions of Americans who—as a result—would have improved overall health and well-being. The list goes on for far too long.

But, it gets worse because this bill also includes a provision to eliminate the critically needed 6.3 billion dollars in funding that the U.S. Territories' Medicaid programs received under the Affordable Care Act—a funding influx that, two years ago, my colleagues on both sides of the aisle and in both chambers deemed legitimate and necessary. And, if that is not bad enough, this bill also bumps our FMAP down from 55 to 50 percent—a percentage that every expert has agreed is far too low and unjust, given the territories' income, poverty and cost of living numbers.

I will call it like I see it: it bullies the most vulnerable Americans in the territories whose medical needs surpass their financial resources; and this bill sends the very clear message to Americans in the territories that while they are “American enough” to defend this nation and its honor during times of war, they are not “American enough” for this Nation to help protect and preserve their health, health care and thus well-being. It is un-American; it is unjust; it is an unnecessary embarrassment; and it must not pass.

We have one last chance to do the right thing; let's do it and not pass this bill.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma, a member of the Budget Committee, Mr. COLE.

Mr. COLE. Mr. Speaker, the American people know in their gut that they're not taxed too little, and they also know that the Federal Government spends too much.

This bill is an important first step in restraining spending and bringing our out-of-control deficit under control. I'm very proud of our chairman, Mr. RYAN, on our committee for bringing it to the floor. I'm even prouder of the six authorizing committees that systematically did their job of reviewing non-discretionary spending and finding real savings that we can use to reduce the deficit and protect important investments in defense.

Taming the deficit will require that we take these steps each and every year going forward. We haven't done it since 2005. It's time to do it today. Let's take a step in the right direction.

Mr. VAN HOLLEN. Mr. Speaker, I yield 2 minutes to the distinguished ranking member of the Ways and Means Committee, the gentleman from Michigan (Mr. LEVIN).

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

Mr. LEVIN. Mr. Speaker, this bill is vivid evidence of the radicalization of the Republican Party.

I recall decades ago chairing a committee in the Michigan State Senate

and addressing a number of reforms affecting the lives of working men and women. I directly engaged in give and take and negotiated final legislation with Governor George Romney, resulting in legislation that passed on a bipartisan basis.

Today, the radicalization of the Republican Party would make that impossible. Instead, we have a bill that would take away food stamps for 2 million Americans, children, working parents, and seniors. It would threaten 280,000 school meals and end the Social Services Block Grants, which provide home care, transportation for individuals with disabilities, protection for abused children, and Meals on Wheels. All of this and much more extremism to carry out an additional tax cut of \$240,000 for the very wealthiest 1 percent of taxpayers.

We can turn off the budget sequester and the damaging across-the-board cuts, but not with this extreme partisan bill. The House leadership refuses to follow a bipartisan path. This bill is sad proof of how the Republican Party of today has moved dramatically to the extreme, leaving behind most Americans, except the very wealthy.

Mr. Speaker, I now would like to enter into the RECORD letters from organizations that are opposed to this bill's drastic cuts in services for the elderly, the disabled, and children:

CATHOLIC CHARITIES USA,
Alexandria, VA, April 25, 2012.

Hon. PAUL RYAN,
House of Representatives, Cannon House Office Building, Washington, DC.

DEAR REPRESENTATIVE RYAN: As the House Committee on the Budget evaluates the priorities expressed in the federal budgeting process, we urge you to reject the proposed elimination of the Social Services Block Grant (SSBG) as proposed by the House Committee on Ways and Means.

Everyday thousands of individuals who are disabled, children, preschoolers, homeless, elderly, or at risk of being abused are receiving services because of SSBG funding. These funds prevent the need for more expensive and less desirable interventions. SSBG is a flexible federal funding source that allows states, local governments and non-profit organizations to support local programs and services for vulnerable children, youth, and elderly and disabled people. States have a long history of cooperation with community and faith-based organizations in the allocation of SSBG funds.

Catholic Charities USA (CCUSA) is a network of more than 1,600 social service agencies and institutions providing services to more than 10 million people annually. As one of the nation's largest social service providers, CCUSA recognizes the critical need for SSBG funding and uses these funds in almost every category of direct services.

Among those vulnerable populations that receive critical assistance from SSBG-funded programs are: Children: Local Catholic Charities agencies use SSBG funds to provide child care to low-income families; foster care support service; and prevention and protective services for neglected and abused children. Youth: Local Catholic Charities agencies utilize funds from SSBG to supplement work with expecting and parenting teens; drug counseling for troubled youth; and special services for youth involved in or at risk of involvement with criminal activity. El-

derly: Local Catholic Charities rely heavily on SSBG funds to support Meals on Wheels programs that address both nutrition and isolation issues for frail elderly persons; transportation services for persons who also need assistance with their grocery shopping, doctor appointments, and during church services; adult day care; and emergency shelter and assistance for victims of elder abuse.

The following provides some examples of programs at local Catholic Charities agencies that would be affected by the elimination of SSBG funding:

New Jersey: In Newark, SSBG funds are used to support many programs and services, among them counseling and child abuse prevention services for families referred from the State child welfare system; supervised housing for youth exiting the child welfare system for independent living; The funds are used to provide services directed towards preventing, reducing or eliminating dependency; achieving or maintaining self-sufficiency; preventing neglect, abuse or exploitation of children and adults; and preventing or reducing inappropriate institutional care.

Pennsylvania: In Wilkes-Barre/Scranton SSBG funding supports activities at a homeless veterans residence, Maternity Home and Senior Citizens Housing.

Texas: In Beaumont, SSBG funds the soup kitchen, long term disaster recovery, financial education and counseling programs. In Brownsville, SSBG funds are used to assist with long-term recovery from disasters including replacing essential items for those who were rendered homeless from such disasters.

Wisconsin: In LaCrosse, SSBG funds provide services for children and adolescents in their Disabilities Services Program. Its mission is to keep these young people in their homes and prepare them for congregating or semi-independent living and provides a unique niche and without it many would not be able to be in mainstreamed into the community and would be at risk for institutional care.

We acknowledge that tough choices will be made as part of your ongoing budget discussions and that every one of these tough choices will be met with frustration, disappointment and even anger from certain segments of the population. Catholic Charities USA recognizes that social service initiatives will not be immune to those difficult decisions. However, as you look for savings within the budget, we reject the notion that those most vulnerable among us should feel the greatest impact of future reductions.

Rather than simply embracing quick answers to the immediate need to shave dollars off the federal budget by impairing local organizations' ability to deliver critical services to those in need, now is the time to work together to create a new national approach to service delivery that enable the country to permanently make a difference in the lives of those living in poverty.

Sincerely,

FR., LARRY SNYDER,
President.

MAY 5, 2012.

Hon. JOHN BOEHNER,
Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER BOEHNER: As groups of faith that provide critical support for those living on the margin, we write to urge you to reject the House Budget Committee's proposal to repeal funding for the Social Services Block Grant (SSBG).

The SSBG is a flexible federal funding source that allows states, local governments and nonprofit organizations to support and supplement programs and services on the local level for vulnerable children, youth,

the elderly and people with disabilities. States have a long history of cooperation with community and faith-based organizations in the allocation of SSBG funds.

According to the Department of Health and Human Services, the SSBG helped more than 22 million individuals in 2009, 49 percent of whom were children. In 1996, funding for SSBG was cut, and while it was intended to increase to \$2.8 billion in 2003, instead it was reduced to \$1.7 billion and has remained at this level. The flat funding level has failed to keep up with inflation, forcing states to cut back on social services or tap into funds allocated for the Temporary Assistance for Needy Families. In these times of economic hardship, states are dealing with budget crises and a growing number of people in need of social services. SSBG funds are critical to help states fill in gaps with the flexibility to target the funds according to their needs.

SSBG plays an important role in the types of services provided by our organizations to low-income people. The elimination of funding would disproportionately impact the most vulnerable populations by impairing our ability to provide services that help children in need of child care, youth in need of intervention and prevention services, and older Americans and persons with disabilities who might otherwise need to be placed in institutional care. The slightest reduction in funding for this vulnerable population would compromise their livelihood and possibly their lives. Therefore, we strongly urge you to protect SSBG funding so that these vital programs continue to be available to these vulnerable populations.

Sincerely,

CATHOLIC CHARITIES USA.
JEWISH COUNCIL FOR
PUBLIC AFFAIRS.
ASSOCIATION OF JEWISH
FAMILY & CHILDREN'S
AGENCIES.
THE JEWISH FEDERATIONS
OF NORTH AMERICA.
LUTHERAN SERVICES IN
AMERICA.

EASTER SEALS
DISABILITY SERVICES,
Washington, DC, April 19, 2012.

DEAR REPRESENTATIVE: On behalf of Easter Seals I am writing to urge you to oppose legislation that eliminates the Social Services Block Grant (SSBG) and cuts the Supplemental Nutrition Assistance Program (SNAP). We urge you to vote against these proposals if they come before the full House of Representatives.

The Social Services Block Grant is a critical resource that enables Easter Seals affiliates throughout the country to provide quality services that support the independence of people with disabilities. Our affiliates work with localities to provide inclusive child care for children with disabilities, adult day services for older adults, recreational programs for people with disabilities of all ages and much more. Without SSBG, access to these critical services would be extremely limited. In addition, many of the people with disabilities we serve rely on SNAP and other federal supports to remain independent.

Easter Seals appreciates the urgency for the federal government to be fiscally responsible and to strengthen our national economy. At the same time, we know that people with disabilities disproportionately rely on government services to live, learn and work in their communities. These services were created by government because the private market place would not meet the unique needs of people with disabilities.

Again, please oppose proposals to eliminate SSBG and cut SNAP. Thank you for considering our views.

Sincerely,

KATHERINE BEH NEES,
Senior Vice President, Government Relations.

AARP,
MAY 9, 2012.

DEAR MEMBER OF CONGRESS: On behalf of over 38 million members and other Americans who are age 50 and older, AARP is writing to express serious concerns with the House Reconciliation proposal pursuant to the Fiscal Year 2013. While the reconciliation package offers ideas for confronting our nation's deficits and debt, AARP believes the proposal lacks balance and could jeopardize the health and economic security of older Americans, as well as their families.

STATE HEALTH INSURANCE EXCHANGES

The reconciliation proposal strikes funding for state health insurance exchanges (Exchanges), as well as rescinds obligated funds which states are relying on for future use. The establishment of the Exchanges is one of a number of initiatives in the Patient Protection and Affordable Care Act (ACA) to improve access to affordable, quality care. AARP believes the Exchanges can promote more cost-effective care, improve pricing transparency, and increase health insurance companies' accountability for quality health care. The Exchanges' functions are critical in determining eligibility for individuals or employers seeking to purchase qualified health plans (QHPs), and in particular for determining eligibility for the premium tax credits under the rules as set out by the IRS. Exchanges are also important for facilitating a seamless eligibility system with State Medicaid programs under the rules set out for Medicaid. AARP supports innovative ways to provide access to affordable, quality care. The House proposal to defund the Exchanges by \$13.5 billion dollars will make it more difficult for millions of Americans to obtain affordable and quality healthcare.

SUBSIDIES—TRUE UP

The proposal would require those who receive Exchange subsidies overpayment to repay the full amount of the overpayment. Individuals and families would still be allowed to keep the subsidies they are entitled to receive under the ACA. AARP supports health insurance Exchanges' subsidies to individuals up to 400 percent of the federal poverty level. The subsidies and their proper administration are a critical element in assuring affordability of quality healthcare coverage for individuals and families. Without these subsidies, many of our members and other Americans will not be able to afford coverage or the cost sharing for covered care. We believe that efforts to change percentage limits or decrease the subsidy levels will erode the affordability protection of the credits, and will mean that over time more people will find insurance unaffordable.

REPEAL OF THE PUBLIC HEALTH FUND

The proposal repeals the prevention and public health fund. This fund is an important component in state and community efforts to prevent illness and promote health, so that all Americans can lead longer, more productive lives. An estimated 32.5 million people with Medicare received at least one free preventive benefit in 2011, including the new Annual Wellness Visit, since the health reform law was enacted. Seventy-five percent of all health care costs in our country are spent on the treatment of chronic diseases, many of which could be easily prevented. More than 70 million Americans ages 50 and older—four out of five older adults—suffer from at least one chronic condition.

More than half of older adults have more than one chronic condition, and 11 million live with five or more chronic conditions. A focus on prevention will not only lead to better health for Americans, but will also help reduce the need for costly treatment and intervention of these chronic diseases.

The prevention and Public Health Fund has also been used to bolster the health care workforce to ensure that consumers would have access to clinicians providing primary care, prevention, and wellness care. In 2010, it helped to transition 800 part time nursing students to full time status to help infuse the healthcare workforce. Without such funding, more consumers would go without necessary preventive and primary care and would end up needing more advanced interventions in acute care or chronic care institutions—thereby decreasing their quality of life, overburdening the health care delivery system, and increasing the cost of health care. AARP strongly urges the House to oppose repeal of the prevention fund.

REPEAL OF MEDICAID AND CHIP MAINTENANCE-OF-EFFORT REQUIREMENTS

AARP opposes the reconciliation provision eliminating the Medicaid Maintenance-of-Effort (MOE) requirement included as part of the ACA. We are concerned this will lead to state Medicaid cuts that could leave many older Americans, people with disabilities, and children without health care coverage.

Medicaid often covers services that other programs, such as Medicare, do not generally cover, including home health aide and personal attendant care services, as well as nursing home services. In fact, Medicaid is the largest payer of long-term care for older adults and people with disabilities. Because of the extremely high cost of long-term services and supports—the average annual cost of nursing home care is over \$75,000—many older Americans, including middle income Americans, have to virtually deplete all of their personal resources to finance their ongoing care. Medicaid is a last resort for these individuals and many other Americans who find themselves uninsured or uninsurable in the private market due to a catastrophic illness such as cancer. It provides the needed long-term care services that Medicare does not cover.

Starting in 2014, the ACA expands Medicaid coverage for persons with incomes up to 133% of the federal poverty level, to ensure that people who cannot afford care on the private market still have access to core services without the inefficiencies and expense of uncompensated care. The MOE provisions included in ACA serve as a bridge to 2014, making certain that important health coverage remains in place until the new law is fully implemented. According to the non-partisan Congressional Budget Office's scoring, the MOE elimination would lead to hundreds of thousands of these vulnerable Americans losing coverage each year.

Reducing Medicaid coverage is not the solution for reining in health care costs. To be exact, cuts to Medicaid and CHIP will only result in costly uncompensated care, which in turn will result in higher health care costs in the private market. Rather than simply continue to shift costs, health care costs should be reduced by pursuing more effective ways to deliver and coordinate care; by working to prevent and treat costly chronic conditions; by carefully expanding home and community-based services; and by reining in costs associated with waste and fraud.

REPEAL OF INCREASED FEDERAL MEDICAID FUNDING CAP AND MATCH FOR TERRITORIES

AARP opposes the reconciliation provision that would replace the ACA's increased Medicaid federal match and cap for the territories with the levels in place prior to the

ACA. We supported raising the cap on Medicaid funding for Puerto Rico, the U.S. Virgin Islands, and the other territories. AARP believes that quality, affordable health coverage should be available to all Americans wherever they reside, and this reconciliation provision would only serve to further increase health care inequities for Americans who live in the U.S. territories. The proposal would cut federal funding for Medicaid in the territories by 65% over the next decade. Such a drastic cut would be a crippling blow that would devastate Medicaid within the territories, as well as budgets within the territories.

ELIMINATING SOCIAL SERVICES BLOCK GRANT (SSBG)

The proposal aims to eliminate the SSBG. SSBG serve a unique purpose and are not duplicative of other funding. The original intent of SSBG funds was to increase the flexibility of state governments to set social services spending priorities outside the constraints of federal program dollars. Since SSBG funds must be directed to services for low income and vulnerable persons and enable them to be more independent or gain greater economic self-sufficiency, around 23 million seniors, children and disabled persons will experience reduced or no services since many states lack the capacity to replace the funds if this proposal were to take effect. Home delivered meals (1.7 million seniors), adult protective services and transportation services are most frequently noted as services for seniors supported by the SSBG. In two recent reports by AARP and the National Association of States United for Aging and Disabilities on a wide array of supportive and long-term care services, states acknowledge that maintaining current services levels is the greatest challenge as the population ages at an increasing rate. About 1.8 million children at risk of abuse and 4.4 million kids may lose child care related care services, while an estimated 1 million disabled persons are affected by a loss of transportation funds. Given the extreme vulnerability of the populations receiving services under SSBG, AARP cannot support this approach to balancing the federal budget and urges rejection of this proposal.

BLOCK GRANT SNAP AND NARROW ELIGIBILITY

The reconciliation proposal aims to cut and block grant the Supplemental Nutrition Assistance Program (SNAP). It contradicts the evidence of the major reputable studies on nutrition programs, including the Government Accountability Office's findings that SNAP was very effective in meeting its mission and targeting goals. Further, all the major bipartisan deficit reduction proposals considered by Congress in the past two years have agreed that the safety net needs to be kept intact so those least able are not asked to bear the burden of balancing the federal budget. The House proposal cuts about \$35 billion over 10 years from nutrition programs without sacrifices from farm subsidies or other agriculture spending. The result is a significant reduction in assistance to buy food. 2.7 million seniors are currently receiving SNAP benefits. Additionally, the proposal results in close to 2 million persons being eliminated from SNAP assistance as application and eligibility requirements are tightened by prohibiting coordination with the Low Income Home Energy Assistance Program (LIHEAP) and other low income benefits, eliminating the Recovery Act enhancement that helped SNAP benefits gain on the inflated cost of food during the recession, and capping the amount that can be spent to provide nutrition to low income households. AARP urges Congress to reject proposals to cap or reduce SNAP funding, restrict eligibility or reduce benefits. Instead

Congress should support proposals to increase benefit adequacy so that households have the resources to purchase a nutritionally adequate diet.

On behalf of our millions of members and all older Americans, we reiterate our concerns about the harm this reconciliation proposal could cause Medicare and Medicaid beneficiaries, as well as other older Americans and their families. We strongly urge you to enact a reconciliation package that will better protect the interests of our nation's seniors and their families. If you have any questions, feel free to call me, or please have your staff contact Joyce Rogers, Senior Vice President of our Government Affairs office at 202-434-3750.

Sincerely,

A. BARRY RAND,
Chief Executive Officer.

THE ARC,
Washington, DC, May 3, 2012.

Chairman DAVE CAMP,
Committee on Ways and Means, House of Representatives, Washington, DC.

Ranking Member SANDER M. LEVIN,
Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN CAMP AND RANKING MEMBER LEVIN, I am writing to express the strong opposition of The Arc of the United States (The Arc) to two proposals approved by the Committee on Ways and Means at its April 18 markup of budget reconciliation language.

The Arc is the largest national community-based organization advocating for and serving people with intellectual and developmental disabilities and their families. We have more than 140,000 members and more than 700 state and local chapters nationwide. We are concerned that the proposals to eliminate the "safe harbor" for individuals and families receiving premium tax credits under the Affordable Care Act (ACA) and to eliminate the Social Services Block Grant (SSBG) could harm people with intellectual and developmental disabilities and their families.

"Safe Harbor" for Premium Tax Credits Under the Affordable Care Act

The ACA protects individuals and families from having excessive penalties if the premium tax credit paid towards insurance coverage during the year exceeds the actual amount the individual or family was due. The protection, through a "safe harbor" that caps the amount of the premium tax credit an individual or family under 400% of poverty will have to re-pay, recognizes that there are certain instances that cannot be easily accounted for that will change the amount of credit due.

Eliminating this "safe harbor" will hurt people with disabilities who have lower average incomes than non-disabled workers and often work part-time. Penalizing low income people for changes in earnings or family status that occur during the year by removing the repayment cap will leave people with disabilities vulnerable to an unaffordable tax bill. This could lead to more people refusing coverage for fear of the repayment penalty.

Social Services Block Grant

The Social Services Block Grant (SSBG) helps provide critical services to approximately 23 million people with disabilities, seniors, and children across the United States. For example, the SSBG helps provide vital services for people with disabilities and their families, including respite care and transportation; Meals on Wheels and other supportive services for seniors; child care and related assistance for children; and child protective services for at risk children.

For people with intellectual and developmental disabilities, the SSBG can provide in-

valuable supports and can help leverage state and local funding to deliver essential services. For example, in New Jersey the SSBG helps fund an independent Living program operated by The Arc of Bergen and Passaic Counties. The program assists low-income people with developmental disabilities who are on a waiting list for services from the State Division of Developmental Disabilities (DDD) or who do not qualify for the full array of state DDD services.

Under the program, The Arc of Bergen and Passaic Counties receives referrals from homeless shelters, mental health providers, and other agencies and often provides emergency stabilization for referred individuals and families who are in crisis. The program provides people with developmental disabilities with individualized supports such as: locating and maintaining housing; landlord relations; job search and employer/employee relations; budgeting, bill paying, and other financial challenges; and accessing medical and mental health care.

SSBG funds leverage matching County contributions as well as funding from the Community Development Block Grant. Without the SSBG portion, the program would not be viable.

New Jersey's program is an example of how the SSBG can fill gaps in the service continuum and act as a lifeline for people with disabilities. Eliminating the SSBG would reduce essential funding at a time when state and local budgets are under severe pressure and people with disabilities, seniors, and families need more help.

Preserving the "Safe Harbor" for Premium Tax Credits and the SSBG

In closing, The Arc believes that eliminating the SSBG and the "safe harbor" for premium tax credits under the Affordable Care Act could harm people with disabilities and their families, and we oppose the proposed elimination of these important supports. Thank you for considering our views.

Sincerely,

MARTY FORD,
Director, Public Policy Office.

NATIONAL FOSTER
CARE COALITION,
April 23, 2012.

DEAR MEMBER OF CONGRESS: We are a coalition of diverse groups opposed to the recent actions of the House Ways and Means Committee to find federal budget savings through the elimination of the Social Services Block Grant (SSBG). The actions taken on Wednesday, April 18, 2012, by the Ways and Means Committee, through budget reconciliation, will hurt some of this nation's most vulnerable families and children.

SSBG is a major funder for state and local child abuse prevention services, child protective services (CPS) and it supplements services for adoptions and for services to infants, children and youth in foster care. In some states, it is a significant source of local funding for adult protective services.

During the 1996 welfare reform debate, the Congress and Governors agreed to reduce SSBG funding to \$2.38 billion temporarily and return it to its former level of \$2.8 billion in 2003. The reductions were agreed to at a time when members of both parties and houses were looking for revenue to balance the federal budget. SSBG contributed to that deficit reduction. It was to be restored when the fiscal condition improved. Instead, Congress reduced SSBG further to \$1.7 billion to help pay for a 1998 transportation bill in lieu of other revenue sources. During this period, deficits not only declined but were eliminated. Although this cut was intended to be temporary, SSBG was never restored. We are disappointed that some would propose to once again use SSBG for deficit reduction—

despite the fact that SSBG funding contributed not a dollar to current deficits.

The champions of SSBG have included the leadership from both parties, including the bipartisan leadership of both the House Ways and Means Committee and the Senate Finance Committee. We hope these champions will remain strong.

SSBG helps to fill the numerous state budget gaps in areas as diverse as senior services, mental health services, and services to people with disabilities. While we focus on SSBG's vital importance to child abuse prevention and child welfare services, it also supports services for those adults in jeopardy of entering a nursing home or institution, it supports other low-income individuals and families including adults who have been abused; children in need of child care; and youth in need of transitional services.

Imposing these cuts to child abuse prevention funding and child welfare services at a time when state and local budgets are under severe pressure and families need more help, will create a human deficit while failing to deal with the current financial one.

The undersigned organizations ask you to reject this proposed elimination of SSBG.

Sincerely,

Alliance for Children and Families; Alliance for Children's Rights; American Academy of Pediatrics; American Association on Health and Disability; American Federation of State, County and Municipal Employees (AFSCME); American Group Psychotherapy Association; American Professional Society on the Abuse of Children; American Psychological Association; Ampersand Families, MN; Association for Ambulatory Behavioral Healthcare; Association of University Centers on Disabilities; Bazelon Center for Mental Health Law; Bill Wilson Center, CA; Black Administrators in Child Welfare; Buncombe County, North Carolina; California Alliance of Child and Family Services; California Youth Connections; Children's Advocacy Institute; Children's Aid Society; Children and Families First, DE; Children and Families Futures; Children's Defense Fund; Children First for Oregon; Children's Home Society of America; Children's Home Society of North Carolina; Children's Rights Project, CA; Child Welfare League of America; CLASP; Clinical Social Workers Association; Coalition on Human Needs; Connecticut Association of Foster and Adoptive Parents; Council of Family and Child Care Agencies, NY; County Welfare Directors Association of California; Dave Thomas Foundation for Adoption; Depression and Bipolar Support Alliance; Every Child Matters; Family Service Center of South Carolina; First Focus Campaign for Children; Foster Care to Success Foundation; Foster Family-Based Treatment Association; Great Circle, MO; John Burton Foundation; Larry Brown Associates; Lutheran Services in America; Mental Health America; Minnesota Association of County Social Service Administrators; Mississippi Children's Home Services; Missouri Coalition of Children's Agencies; National Adult Protective Services Association; National Alliance of Children's Trust and Prevention Funds; National Alliance to End Homelessness; National Association for Children's Behavioral Health; National Association for the Education of Homeless Children and Youth; National Association of Area Agencies on Aging; National Association of Counsel for Children; National Association of

County Human Services Administrators; National Association of Social Workers; National Center on Shaken Baby Syndrome; National Center for Housing and Child Welfare; National Crittenton Foundation; National Federation of Families for Children's Mental Health; National Foster Parent Association; National Indian Child Welfare Association; National Respite Coalition; New York Council on Adoptable Children; New York Public Welfare Association; Nebraska Children's Home Society; Nebraska Families Collaborative; North American Council on Adoptable Children; North Carolina Association of County Directors of Social Services; NYSCCC Support, Information and Advocacy for Foster & Adoptive Families; Oklahoma Therapeutic Foster Care Association; Ohio Job and Family Services Directors' Association; Parents Anonymous; Prevent Child Abuse America; Prevent Child Abuse Indiana; Public Children Services Association of Ohio; School Social Work Association of America; Stop It Now; Three Rivers Adoption Council, PA; The Villages of Indiana; Voice for Adoption; Voices for America's Children; Weill Cornell Medical College's Division of Geriatrics and Gerontology.

CWLA

Washington, DC, April 19, 2012.

Hon. DAVE CAMP,
Chairman, House Ways and Means Committee,
1102 Longworth HOB, Washington, DC.

Hon. SANDER LEVIN,
Ranking Member, House Ways and Means Committee,
1106 Longworth HOB, Washington, DC.

DEAR CHAIRMAN CAMP AND RANKING MEMBER LEVIN: On behalf of the Child Welfare League of America (CWLA) representing hundreds of public and private child-serving member agencies serving millions of children and families in all fifty states, I write this letter to express opposition to the Committee's proposal to eliminate the Social Services Block Grant (SSBG). At its inception, Title XX was an entitlement to fund social services. It was then restructured in 1981 into a block grant that would provide states more flexibility to support an array of services to children, youth, and families.

The Social Services Block Grant (SSBG) has long supported our most vulnerable children and continues to be a critical resource for child welfare. This flexible funding stream creates and sustains strong communities through a broad range of health and human services. SSBG represents 12% of federal funds states spend to provide child abuse prevention, adoption, foster care, child protection, independent and transitional living and residential services for children and youth. Nationwide, more than 2.6 million children received a range of child welfare services funded in part or in total by SSBG.

According to the latest data available, 39 states use SSBG funds for child abuse and neglect prevention, 22 states use them for adoption assistance, while 36 states allocate them to provide foster care services for children who may not be eligible for federal IV-E support. States also use SSBG to fund independent and transitional living services to youth aging out of the foster care system, residential treatment and other prevention and intervention services.

Unfortunately, this Committee has proposed eliminating SSBG in its entirety, despite the fact less than a decade ago this Committee shared bipartisan support for increasing funding to this vital safety net. Elimination of SSBG would place a huge, undue burden on states already facing tight

budgets. At a time when states are struggling to avoid further cuts to the human service delivery systems, arguing that funding for the SSBG should be eliminated because it is duplicative disregards the underlying need for services that will not go away even if funding does.

In closing, I ask that you not turn your back on vulnerable children and families, in an attempt to reduce the deficit. CWLA appreciates your leadership in these trying times.

Sincerely,

CHRISTINE JAMES-BROWN,
President/CEO.

COALITION ON

HUMAN NEEDS,

Washington, DC, April 18, 2012.

DEAR MEMBER OF THE HOUSE COMMITTEE ON WAYS AND MEANS: This morning, the Committee will mark up legislation making reckless and extreme cuts in assistance for poor and vulnerable people, cutting even more deeply than the House budget resolution required of you. It is particularly striking, considering that tax policy is within the jurisdiction of your Committee, that the chokes for reducing the deficit come solely by hurting low-income children and families, seniors, and the uninsured.

The Coalition on Human Needs strongly urges you to reject this course. Here are some of the reasons why the reconciliation cuts proposed are so unwise:

Denying the Child Tax Credit to millions of poor children: By eliminating the Child Tax Credit for working families who use a Taxpayer Identification Number instead of a Social Security Number, you will hurt millions of poor children by raising their families' taxes by an average of \$1,800. Their incomes average \$21,000 a year; four out of five of the children in these families are citizens. A decision to make poverty deeper for millions of children is reckless because it increases the chances that these children will suffer inadequate nutrition, become sick, experience developmental delays, and fall behind in school—all documented outcomes associated with child poverty. It is wrong and makes no sense to compromise children's life chances by deepening their poverty.

Permanently terminating the Social Services Block Grant: Ending this vital source of funds to programs operated by states will mean millions of low-income seniors, children, and families will do without help. In particular, this extreme cut will deny protection to millions of children and older people who are victims of abuse or neglect—a truly reckless choice. Some examples of the services that will be terminated:

Child Protective Services: 41 states used over \$270 million in SSBG funds to protect children from abuse and neglect in FY 2009, providing services to more than 1.75 million children, in a year when child protective services agencies received an estimated 3.3 million reports of child abuse or neglect.

Among other services to protect children from abuse and neglect provided through SSBG:

36 states used \$391 million for foster care services for more than 451,000 children.

Over the course of FY 2009, more than 700,000 children spent at least part of the year in foster, kinship, or residential care. Many states use SSBG funds to pay foster care costs for children not eligible for Title IV-E foster care assistance. 30 states used \$133 million in SSBG funds in FY 2008 for prevention and intervention services for more than 640,000 children.

(Source: the National Foster Care Coalition, citing data collected by the Office of Community Services, HHS (<http://www.acf.hhs.gov/programs/ocs/ssbg/reports/>

[ssbg_focus_2009/](http://www.acf.hhs.gov/programs/ocs/ssbg/reports/ssbg_focus_2009/)

[child_protective_services.html](http://www.acf.hhs.gov/programs/ocs/ssbg/reports/ssbg_focus_2009/child_protective_services.html)).

Adult Protective Services (for seniors); 34 states used \$216 million in SSBG funds to provide adult protective services to seniors who were victims of abuse or neglect in FY 2009. These funds provided protective services to 579,465 seniors in 2009, up from 411,691 in 2005. These funds provided core protective services for older adults: investigations, interventions, and shelters for abused elders. Such services are not funded by the Older Americans Act, and so states use SSBG to carry out these essential protections. Ten states use 10 percent or more of their SSBG funds for adult protective services, among them:

New York: 37%
South Carolina: 23%
West Virginia: 18%
Texas: 16%
Oklahoma: 16%
Tennessee: 13%

A false rationale for terminating the Social Services Block Grant is that its funds are "duplicative." These core protective services are not provided elsewhere. In the case of seniors, the Older Americans Act does not provide them at all. State funding in many states has been reduced, even for services to protect children and seniors from abuse and neglect. (Source: Office of Community Services, HHS, FY 2009 reports, at http://www.acf.hhs.gov/programs/ocs/ssbg/reports/ssbg_focus_2009/

[child_protective_services.html](http://www.acf.hhs.gov/programs/ocs/ssbg/reports/ssbg_focus_2009/child_protective_services.html).)

Child Care: 35 states used \$391 million in FY 2009 to provide child care.

Six states spent more than 20 percent of their SSBG funds for child care:

California: 52%
Oregon: 43%
Connecticut: 35%
Pennsylvania: 31%
Delaware: 21%
Rhode Island: 21%
New Hampshire: 20%

(Source: Office of Community Services, HHS, SSBG focus reports, http://www.acf.hhs.gov/programs/ocs/ssbg/reports/ssbg_focus_2009/child_care.html)

States were struggling to provide child care in the face of severe state budget shortfalls and eroding federal assistance. According to the National Women's Law Center, 37 states reduced their child care assistance in FY 2011 below FY 2010 levels. At the federal level, even the increases proposed in the President's budget for FY 2013 will only support 1.5 million children receiving child care, down from 1.7 million children in FY 2010. (Source: <http://www.nwlc.org/resource/additional-child-care-funding-essential-stop-state-cuts>) To deny child care assistance to the 4 million children who make use of SSBG funds would inflict grossly irresponsible harm to low-income working families. Making work more difficult at a time when the economy remains so fragile makes no sense.

When the Social Services Block Grant was created, its stated purpose was to give states flexibility by pooling funds from previously separate funding streams so states could determine where the funds were most needed. Now to take the funding away because it is "duplicative" misses the point of this flexible funding source, denying states support for the services they have deemed important, because other funding sources are either nonexistent or inadequate to meet need.

Recapturing overpayments In premium subsidies under the Affordable Care Act: There have already been policy changes to get some of the overpayments back when people do not estimate their income correctly. To seek the full cost of the premium subsidies back will be a tremendous disincentive to participating in the program at

all, since many low-income families' earnings fluctuate in a way that makes it impossible to be certain what level of subsidy to claim. Having to repay the entire amount will create significant hardships for families already living on the edge.

Sincerely,

DEBORAH WEINSTEIN,
Executive Director.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to a distinguished gentleman on the Budget Committee, the gentleman from California (Mr. MCCLINTOCK).

Mr. MCCLINTOCK. I thank the gentleman for yielding.

Mr. Speaker, we've heard a lot about fairness, which the Democrats have defined to mean taxing businesses to finance a variety of welfare programs.

The problem is businesses do not pay business taxes. Business taxes can only be paid by consumers through higher prices; by employees through lower wages; and by investors—mainly pension funds—through lower earnings. There is no other way to pay a business tax.

So the net effect of pursuing their definition of "fairness" is to push more consumers into debt, push more employees into unemployment, and push more retirees into poverty, which in turn requires more and more government welfare spending until their financial house of cards collapses. That's the economic spiral their policies are producing in our time.

The House budget, which this act advances, breaks that cycle and restores policies that throughout our history have lifted our Nation from times of want and despair to eras of prosperity and abundance.

Mr. VAN HOLLEN. Mr. Speaker, we're still waiting for this House to take up the President's jobs bill that was submitted last September. We've seen 25 consecutive months of positive private sector job growth. It was a whole lot better than where we were in January when the President was sworn in, losing 800,000 jobs a month. But we need to sustain that recovery, and we're still waiting. The clock is ticking. Let's take that legislation up so that we can accelerate the recovery.

With that, I yield 2 minutes to the gentlelady from Texas, representing the ranking member of the Judiciary Committee, Ms. SHEILA JACKSON LEE.

(Ms. JACKSON LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON LEE of Texas. Mr. Speaker, I thank the ranking member, and I thank the ranking member of the full Judiciary Committee, Mr. CONYERS, who worked extensively to bring reason to this discussion.

I must remind my colleagues that this is a debate that is, of course, necessary, but it is not going anywhere. This is in essence to respond to the potential and pending sequestration and the deadlock of the committee, but the deadlock of the committee gave us an opportunity to work in a bipartisan manner.

My good friend who just spoke on the other side of the aisle talked about abundance and prosperity and talked about welfare. What I would say to the gentleman is that we're not talking about welfare. We're talking about investment in people, and we're talking about not having a siege upon our children.

On April 25, 2012, we were back in the Judiciary Committee again looking at medical malpractice for the umpteenth time. I wondered why we were there. It was because each committee was told to find a way to find money. So the directions of the Republicans for the Judiciary Committee were to oppress the sick and to be able to cap medical malpractice insurance on innocent victims such as women and children and the elderly when the medical system fails us as it relates to medical devices and other elements.

We were told to eliminate for the children of America by limiting non-economic damages, restricting punitive damages, limiting access to courts for poor victims of medical malpractice, shortening the statute of limitations for claims, eliminating the protections of children, and prohibiting joint and several liability. We were simply told to shut the courthouse door for children that needed to be able to have the opportunity to have their lives saved, just like a little boy who needed surgery in a hospital in San Antonio. They told the family it was a serious surgery and they needed to have a cardiologist on staff. He went into surgery, and, of course, things went wrong. There was no cardiologist there; there was a mishap; there was a fault; and that little boy died. They want to deny that poor family access to the courthouse. That is what that bill does.

When my friends begin to talk about what else it does, it cuts SNAP, the nutrition program. It cuts Medicaid.

Mr. Speaker, what I would say is that this bill is a siege on children. We should oppose it. It is not reconciliation. It is oppression. I would ask us to vote against it.

Mr. Speaker, I rise today in strong opposition to H.R. 5652, the "Sequester Replacement Reconciliation Act of 2012" This piece of legislation should really be entitled the "Ryan's Replacement Sequester to Thwart the Bipartisan Budget Control Act of 2012"

Whatever anyone wants to entitle this measure, one thing will still remain true . . . this legislation is unfair. It literally takes money out of programs dedicated to serving low income families, children, seniors, the disabled, the most in need of our assistance. Why isn't the funding coming from war savings. There has been a consistent attack on the other side of the aisle on programs that are proven to be affective at combating the stresses associated with poverty, aging, and long term care. Before us is a measure that is a wolf in sheep's clothing.

In my lifetime, I have never seen such a concerted effort to ransom the American economy in order to extort the American public. While I support bipartisan efforts to decrease the debt and to resolve our differences over

budgetary revenue and spending issues, I cannot support a bill that unduly robs average Americans of their economic security and ability to provide for their families while constraining the ability of Congress to deal effectively with America's economic, fiscal, and job creation troubles.

My colleagues on the other side of the aisle are trying to give the American people the impression that their sentimental and unbridled concern for the military means that it is necessary to take an ax to programs for seniors and low income that is not something that our military would be proud to be connected too. Why not use, instead, war savings and a small finite tax on income over \$1 million dollars.

This unbalanced bill modifies last year's bipartisan Budget Control Act to cancel the sequestration of discretionary spending currently scheduled to occur in January 2013 in order to prevent cuts to defense. That is fine but Republicans have already voted twice this year to pass their budget to end the Medicare guarantee and increase costs for seniors while giving massive tax breaks to the wealthiest Americans.

While the U.S. economy is healing, the world economy continues to be in a fragile state and all economies are linked through trade and finance. In this environment, this bill sends the economy downward. However, over the last few years the economy has been steadily growing. We are not where the American people should be but the economy has gained jobs.

According to Secretary Solis she stated "know where our nation's unemployment rate stands. I have to report it every month. But we've now added private sector jobs to our economy for 26 months running. Since President Obama took office, we've created 4.2 million new jobs. That's no small potatoes when you consider we were bleeding 750,000 jobs a month when this President took office. I know we've got a lot more to do. But we're making progress." During this time of progress, this is no time to cut the social safety net for those still unemployed—no time to cut food stamps, medicaid, or medicare.

The President signed the Recovery Act which invested in mass transit, roads, and bridges to build critical infrastructure and secure construction jobs. The Recovery Act also included strong Davis-Bacon and Buy American provisions, to stimulate local economies and create high-quality jobs. In total, the Recovery Act supported up to 3.5 million jobs through the end of 2010.

It is essential that we allocate the money spent on previous wars to programs to help expand opportunities for the American people.

Mr. Speaker, if you asked the typical American family what they would need to do to balance their family budget, they would respond: spend less. But they would also be quick to acknowledge that without a job, or in the case of the federal budget, tax revenue, the budget will never balance. It is critical to address both sides of the ledger. It is also imperative for the Republicans to place the President's jobs bill on the agenda to vote on and pass.

Sure, save money but cutting benefits without additional revenue, the budget is doomed. Moreover, you surely would not find any family in Texas that would suggest buying luxury items, while struggling to balance the family budget is a sensible approach. But Republicans insist on advocating for tax breaks for the wealthy—the luxury class.

ECONOMISTS

Economists have long pointed to investments in “human capital”—the productive capability that is embedded in people—as one of the most important determinants of economic growth. A large and growing body of literature has examined the returns to investments in human capital from both a societal and individual perspective.

In his book, *Dangerous Half-Truths & Total Nonsense*, Pfeffer writes: “There is compelling evidence that when companies use Human Resources best practices based on the best research, they trump the competition. These findings are replicable in industry after industry, from automobiles to textiles, to computer software to baseball. “We must use our Human Resources wisely.

ENERGY AND DEFICIT REDUCTION

And speaking of saving money and reducing the deficit, I have introduced H.R. 3710 which increases the acreage to 10 percent of what is already allocable under a proposal by Interior Secretary Salazar, as announced on November 8, 2011. In other words, more land will be available for exploration, in line with two objectives: decreasing our dependence on foreign sources for oil, and plugging our budget deficit.

The monies will be deposited into the DRES Fund and invested by the Secretary of the Treasury, until the money is transferred to the Coastal and Ocean Sustainability Health Fund (COSH). Annually, the Secretary of the Interior is required to lease 20 percent of the DRES. In addition, this bill will help foment job creation in an industry that is already responsible for 9.2 million American Jobs.

The bill also establishes the Deficit Reduction Energy Security Fund, housed within the United States Treasury Department, which will receive the accrued funds that are dedicated to deficit reduction. In order to ensure that the putative funds generated from the leasing activities which derive from this bill inure to the goal of deficit reduction, the legislation also sets up the aforementioned COSH.

This bill establishes in the Department of the Treasury, the COSH, which shall fund grants for addressing coastal and ocean disasters; and programs and activities that restore, protect, maintain, manage, or understand marine resources and their habitats, and ocean, and coastal resources, including baseline scientific research, and other programs in coordination with federal and state agencies. Monies will be deposited into the COSH fund from interest accrued on OCS royalties, rents, revenues, and fees that will remain, for the period of one year, in the Fund before moving the entirety of the principle in the general Treasury. The bill authorizes the Secretary of Commerce to make grants for such purposes. I look forward to working with members of this Committee and our colleagues to ensure passage of this legislation.

Simply put Mr. Speaker, my bill does not rob Peter to pay Paul but actually requires that money made from the hard work of drilling by our companies is rededicated to reducing our deficit—common sense fiscal and energy policy.

As called for by the House’s FY 2013 budget resolution, it replaces the \$98 billion sequester in discretionary spending with a \$19 billion reduction in the discretionary cap for FY 2013 and with “reconciliation” savings from mandatory programs recommended by six

House committees. These cuts hurt the American people, children and families.

It also eliminates the separate cap on defense spending for the year to allow for higher spending levels. The measure would modify mandatory programs to save \$19.7 billion through FY 2013 and about \$315 billion over 10 years, including by decreasing benefits and eligibility for the food stamp program, reducing and repealing elements of the 2010 health care law, and requiring all current and future federal workers to pay an additional 5 percentage points of this salary toward their federal pensions.

President Obama and Democrats oppose the GOP measure, and say that preventing the January 2013 sequester and replacing the savings that would come through sequestration should be done in a “balanced” approach in which revenue is part of the solution.

Republicans must abandon their ideological agenda and join Democrats to restore fairness, opportunity, and prosperity to our budget and our economy.

TAXES AND THE BUFFETT RULE AND TAXES

Mr. Speaker, the cloud looming over this Congress is an unintended “triple-watching hour” of tax increases that will take effect at the beginning of 2013.

The expiration of the Bush Tax Cuts, the end of the recently extended Payroll Tax Cut, and increases in capital gains and dividends taxation will shock the conscience and wallets of the American people. That is why Congress needs to enact bi-partisan legislation that helps lower the deficit but does not wreck havoc on the financial soul of the middle class. This is a moral document and frankly, the other side is getting more than a little fresh with the American people. It is May and we are voting on a vacuous budget that will likely pass but is doomed to failure in the Senate.

But again, tax reform that lowers the rate, reduces the deficit, and does not pick winners and losers is not easy, but let’s not forget, if President Reagan and then-Speaker Tip O’Neill could do it in 1986, anything is possible. But this morning we are not doing a bi-partisan dance, but participating in a roller-derby, a truly zero-sum game.

In the budget, the Administration calls for individual tax reform that: cuts the deficit by \$1.5 trillion, including the expiration of the high-income 2001 and 2003 tax cuts. As a matter of sound fiscal policy, I am supportive of this effort. I recognize the economic benefits that many attribute to the Bush Tax Cuts, but we must ask ourselves are they affordable at this time.

The President’s budget also eliminates inefficient and unfair tax breaks for millionaires while making all tax breaks at least as good for the middle class as for the wealthy; and observes the Buffett Rule that no household making more than \$1 million a year pays less than 30 percent of their income in taxes.

The individual income tax is a hodgepodge of deductions, exemptions, and credits that provide special benefits to selected groups of taxpayers and favored forms of consumption and investment. These tax preferences make the income tax unfair because they can impose radically different burdens on two different taxpayers with the same income. In essence, Congress has been picking winners and losers.

THE HOPE AND PROMISE OF THE DEMOCRATIC ALTERNATIVE BUDGET

Preserves the Medicare guarantee and the Social Safety Net. The Democratic budget rejects any policy to end Medicare’s guarantee of health care coverage for seniors and disabled workers, and ensures the social safety net remains intact.

Protects Medicare Beneficiaries. Rejects the Republican budget’s proposal to end the Medicare guarantee. It supports reforms in the Affordable Care Act (ACA) to close the prescription drug “donut hole” for seniors with high prescription drug costs and ensure free preventive care. As a result of these measures, as well as provisions in the ACA to make Medicare spending more efficient, a person in Medicare will save an average of about \$4,200 on premiums and coinsurance from 2011 through 2021. Medicare beneficiaries with high prescription drug costs will save even more—an average of nearly \$16,000 over the same period.

Preserves Medicaid for Low-Income Families and Seniors. Maintains Medicaid to ensure that 57 million low-income people continue to get health care. Seniors and people with disabilities account for two-thirds of Medicaid spending, and children account for another 20 percent.

Preserves Supplemental Nutrition Assistance (SNAP). Fully funds SNAP and supports the President’s proposal to continue certain benefits added because of the economic downturn. Nearly three-quarters of people served by SNAP are in families with children, and one-quarter are in households with someone who is elderly or disabled.

Protects Social Security from Privatization. Social Security is not responsible for our current deficits and should not be cut to reduce the deficit. However, many Republicans continue to advocate privatization, which would put retirees’ financial security at risk and worsen the deficit for decades. Our budget affirmatively rules out privatization.

Helps Create More Jobs Now. Unlike the Republican resolution, our budget includes the President’s jobs initiatives, including the following:

Transportation Jobs. \$50 billion to fund jobs that address immediate surface transportation priorities and \$10 billion to establish an infrastructure bank.

Tax Credits for Job Creation. A temporary 10 percent tax credit for new jobs and wage increases.

Tax Incentives for Manufacturing. Includes a number of incentives for domestic manufacturing, such as providing a tax credit for companies that return operations and jobs to the U.S. while eliminating tax breaks for companies that move operations and jobs overseas.

Education Jobs. \$80 billion to promote jobs creating the infrastructure to help students learn and create a better future workforce, including \$30 billion to put hundreds of thousands of Americans back to work upgrading at least 35,000 crumbling public schools, and \$25 billion to help prevent hundreds of thousands of educator layoffs.

First Responder Jobs. \$5 billion to help states and localities hire police officers and firefighters and reverse previous layoffs.

Jobs for Veterans. \$1 billion for the President’s proposal to establish a Veterans Job Corps and employ at least 20,000 veterans.

Builds a Stronger America through Long-Term Growth. Our budget invests in research,

education, and innovation that will create a globally competitive workforce for the future.

Education Investments. Follows the President's request for increased investment in education and includes his request for \$6 billion to prevent the interest rate on subsidized student loans from doubling this July.

Innovation and Research Investments. Funds science and engineering workforce development and supports innovative manufacturing processes that will reduce costs by using less energy, improving product quality, and accelerating product development.

Small Business Investments. Provides additional resources for the Small Business Administration (SBA) to ensure that the lending volume for loan programs remains the same, rather than shrinking and denying many small businesses' access to capital.

Infrastructure Investments. In addition to short-term jobs initiatives for transportation, our budget includes the President's six-year surface transportation proposal to create construction jobs and fuel long-term economic growth. It also includes additional funding to maintain America's harbors, seaports, and waterways.

Reduces the Deficit through Shared Responsibility. Congress has already reduced projected deficits by more than \$1 trillion through discretionary cuts for 2011 and 2012 and enacting tight spending limits for the next nine years. Our budget further reduces the deficit with policies that balance spending cuts increased revenue.

Gets Deficits Under Control. The deficit falls from 8.7 percent of GDP in 2011 to under 3 percent of GDP by 2015, and it remains there through the ten-year budget window.

Cancels Sequestration and Replaces it with Balanced Deficit Reduction. Replaces the \$1.2 trillion in deficit reduction under the scheduled Budget Control Act sequestration with greater deficit reduction from targeted spending cuts and revenue increases.

Provides Tax Relief for Working Families and Ends Tax Breaks for the Wealthy. Extends the 2001–03 tax cuts for the middle class and rejects tax increases on the middle class. Accommodates expansion of incentives for low- and middle-income families to earn income, save for retirement, and attend college. To increase fairness and reduce the deficit, this budget ends unwarranted and fiscally irresponsible Bush-era tax cuts for millionaires, closes a variety of corporate tax loopholes, and establishes a "Buffett Rule" to ensure that working families do not face a higher tax rate than the wealthiest Americans.

RYAN REPUBLICAN ALTERNATIVE: HURT AND PAIN—PART

II

Ends the Medicare Guarantee. The Republican budget ends the Medicare guarantee, giving seniors a voucher with an artificial price cap to purchase insurance and leaving it up to them to figure out how to keep their costs down as the value of their voucher fails to keep pace with projected growth in health care costs. This plan will raise health care costs for seniors and leave traditional Medicare to "wither on the vine."

Reopens the Medicare "Donut Hole" and Increases Costs of Preventive Care Services. The budget takes away important Medicare improvements for seniors and persons with disabilities by repealing key provisions of the Affordable Care Act. The budget reduces the prescription drug health by re-opening the cov-

erage gap, or "donut-hole," and it increase costs to seniors for preventive care services. Reopening care services. Reopening the donut hole alone will increase costs for Medicare beneficiaries with high prescription drug costs by an average over \$10,000 over the next ten years.

Abandons American Workers. Putting Americans back to work is the fastest and most effective way to reduce the short-term deficit-in fact, the Congressional Budget Office estimates that slow growth and under-employment account for over one-third of the projected deficit for 2012. But the Republican budget turns it back on American workers, ignoring the President's proposals for new jobs for teachers, first responders, construction workers, and veterans involved in building a better infrastructure that will boost our economy now and in the future. Independent analysts have found that the Republican budget could lead to the loss of more than 2 million jobs over two years.

Transportation Jobs. Instead of investing in infrastructure, the Republican budget reduces transportation spending by at least one-quarter over 10 years. Next year, transportation spending would be barely one-half of this year's level, a steep cut that could delay or stop projects already underway. A failure to invest in transportation will also hurt businesses' ability to transport goods and supplies in the long run, weakening future economic growth.

Tax Breaks for Outsourcing jobs. The Republican budget boosts tax incentives that encourage multinational companies to ship profits, intellectual property, and thousands of jobs overseas while costing the American economy billions of dollars.

Makes College More Expensive, Undermining U.S. Competitiveness. The budget eviscerates funding for higher education, eliminating the \$104 billion that Congress has already enacted to help sustain the maximum Pell grant award and to provide for yearly inflationary increases. It adds an average of \$2,800 in higher loan repayment costs to more than 7 million low- and moderate-income college students by letting the interest rate on subsidized students loans double, from 3.4 percent to 6.8 percent. It also eliminate \$47 billion for lower-cost loans for low-income students as well as repayment plans enacted and paid for by previous Democratic Congresses. It even rejects the President's proposal to extend a \$2,500 tax cut to working families to help cover the costs of college, refusing to extend the American Opportunity Tax Credit beyond December. Overall, mandatory higher education funding is cut by \$166 billion over ten years versus current law levels, and by \$285 billion below the President's request.

Slashes the Social Safety Net. The Republican budget shreds the social safety net for seniors, low-income children, persons with disabilities, and families struggling to get by in a challenging economy, all while cutting taxes for the very wealthy.

Slashes Medicaid for Seniors and Low-Income Families. The budget slashes Medicaid by \$810 billion and converts it into a block grant to states. "Block-granting" Medicaid is not entitlement reform it is entitlement destruction. This is simply code for deep, arbitrary cuts in support to the most vulnerable seniors, individuals with disabilities, and low-income children.

Block-grants and Cuts Supplemental Nutrition Assistance (SNAP). The budget slashes

SNAP funding by \$133.5 billion over ten years, harming the million who rely on this aid to feed their families. Nearly three-quarters of people served by SNAP are in families with children, and one-quarter are in households with someone who is elderly or disabled.

Abandons Fairness. The budget provides tax breaks for the wealthy and special interests at the expense of everyone else. Republicans' refusal to ask millionaires to pay one more penny in taxes leads them to place the entire burden of reducing deficits and debts on the shoulders of middle-income families and seniors. This budget dismantles the Medicare guarantee, cuts back and nutritional assistance for low-income children and families, and severely underfunds the crucial health care safety net for more than 56 million Americans provided by Medicaid. At the same time, it showers an additional \$4.6 trillion in tax cuts (over and above extending all of the Bush-era tax cuts) that primarily benefit the wealthy. Overall, millionaires can expect an average tax cut of \$394,000 in this budget, which includes \$129,000 just from extending all of the Bush-era tax cuts.

Mr. Speaker, again I call on my colleagues to vote against H.R. 5652, an unrealistic, unpragmatic, and unPATRIOTIC so-called bill that is a punch to the gut of the most vulnerable Americans.

INTERNATIONAL ASSOCIATION

OF FIRE FIGHTERS®,

Washington, DC, May 10, 2012.

MEMBER OF CONGRESS,

U.S. House of Representatives,

Washington, DC.

DEAR REPRESENTATIVE: On behalf of the nation's 300,000 professional fire fighters and emergency medical personnel, I write to express my strong opposition to H.R. 5652, the Sequester Replacement Reconciliation Act of 2012. This legislation would rewrite the bipartisan Budget Control Act of 2011 by placing greater economic hardships on working class Americans or vulnerable populations.

Although the IAFF is deeply concerned with the impact that defense cuts will have on our federal members employed at defense installations, we cannot support unraveling the Budget Control Act through the unbalanced and draconian approach of H.R. 5652. Balancing the budget on the backs of fire fighters without requiring those who are well off in our society to share more of the burden is simply inexcusable. To solve our fiscal challenges, we must have shared sacrifice from all members in our society. Instead of shared sacrifice, H.R. 5652 just leaves fire fighters sacrificed at the altar.

One of the main ways H.R. 5652 achieves savings in the federal budget is by shifting a greater burden for funding essential services to state and local governments. Over the past five years, states already have cut nearly \$300 billion from their operating budgets as a result of the Great Recession. Even as the private sector recovers, state and local governments are still struggling to balance their budgets, leading to continued job losses among fire fighters and other public sector employees. Since April 2012, the U.S. economy has lost 584,000 jobs in the public sector. Further cuts in federal aid for essential government services will only exacerbate public sector job losses and undermine core functions of government such as fire protection and emergency medical treatment.

Specifically, H.R. 5652 would completely eliminate the Social Services Block Grant, saving the federal government \$18.7 billion. Originally established during the Reagan administration, these critical funds help state and local governments provide essential

services to 23 million seniors, children, and disabled Americans. Home-based services like Meals on Wheels, child-care services for low-income families, and programs to prevent child abuse and neglect all receive funding, in whole or in part, through the Social Services Block Grant.

H.R. 5652 would also cut \$22.7 billion from the Medicaid program. Created along with Medicare in 1965, Medicaid represents an historic joint commitment by the federal government and our states and territories to provide essential health care to our nation's poor. Medicaid is one of our nation's core safety-net programs. As the depths of the Great Recession grew, so too did Medicaid enrollment, creating increased pressures on state budgets. The proposed cuts in H.R. 5652 to Medicaid will only add to state budget pressures. For example, nearly half of the cuts will come from a reduction in the state provider tax threshold. States can use the revenues generated from the provider tax to offset their share of Medicaid payments.

Eliminating the Social Services Block Grant and cutting Medicaid would have disastrous consequences for our local communities. State and local governments would be hard-pressed to fill the budget holes created by H.R. 5652. Without these funds, state and local governments may be forced to eliminate these programs or cut funding from other essential programs such as the fire service to balance their budgets. Either way, the consequences to our local communities would be devastating.

Furthermore, the IAFF strenuously objects to forcing drastically higher pension contributions from current and future federal employees. H.R. 5652 would require all current federal employees to contribute an additional five percent in pay toward their defined benefit pension plan, with no enhancement in benefits. Federal workers have already contributed \$60 billion toward deficit reduction through a two-year pay freeze. Forcing greater economic sacrifices from federal fire fighters is particularly insulting, given the sacrifices these brave men and women already make on the job. The nation's federal fire fighters protect many of America's most vital national assets, ranging from sensitive military bases to Veterans hospitals. Federal fire fighters should not be treated like a piggy bank for Congress.

For these reasons, we urge you to reject H.R. 5652, the Sequester Replacement Reconciliation Act of 2012 when it comes for a vote in the U.S. House of Representatives. Thank you for your consideration of the views of America's front line domestic defenders.

Sincerely,

HAROLD A. SCHAITBERGER,
General President.

□ 1250

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from Oklahoma (Mr. LANKFORD).

Mr. LANKFORD. Mr. Speaker, it is interesting just to hear all the hyperbole. As a freshman that walks in this body, I'm not used to hearing all the back-and-forth. I am used to sitting down at a table and working things out and actually going through the facts. It's always fascinating for me to be able to hear the speeches and to be able to hear how impressive things are when there are some simple things. It reminds me again of how difficult it really is to bring down Federal spending and to actually balance our budget when we can't agree on simple things—simple things like:

Should we write a check and mail it on April 15 to people that are here in this country illegally? Yes or no.

If people do not qualify for food stamps, should we give them food stamps anyway?

If there's a TARP program that's out there that all of us, in a bipartisan manner, have said does not work—it was supposed to give home assistance for mortgages to millions of people, and it's been a miserable failure—can we close down that program and use those dollars?

The answer seems to come back, no, no, and no. And it's this repetitive statement again and again of, if we'll just tax those oil companies, everything will be all right. Well, I'm sorry, but a \$4 billion tax on oil companies, which will cause prices to increase on gasoline, does not solve a \$1 trillion hole.

This is a first step. This is a beginning point to say we've got to get in balance. And this is a real, practical way to begin to deal with fraud and abuse and waste in our system and duplication in government so we do not have the across-the-board sequestration, so we do not have a big hit on our defense. We've got to solve this. And we should be able to come together and say this is waste, abuse, and fraud. Let's settle that before we deal with taxes.

Mr. VAN HOLLEN. Mr. Speaker, we keep hearing about waste, fraud, and abuse. We all need to do everything humanly possible to make sure there's no waste, fraud, and abuse. We keep hearing about these people who are receiving assistance under Food and Nutrition programs like they are cheating the system. They are eligible for the program. And that is why the non-partisan Congressional Budget Office says that 22 million households with kids are going to see their food nutrition cut, not because they're getting it somehow fraudulently. It is because what the Republican proposal does is cut it off. Almost 2 million people will be eliminated from access to the Food and Nutrition program.

I now yield 1½ minutes to the gentleman from Wisconsin (Ms. MOORE), somebody who knows a lot about these issues and is a terrific member of the Budget Committee.

Ms. MOORE. I thank the gentleman from Maryland.

It's important that the American people know the truth about this sequestration replacement bill. And no matter how many times we hear that this package is going to cut welfare programs or socialist programs, like Medicare and Medicaid, things that we call the safety net, all for the sake of reserving every last dime of military spending, ignoring the opportunity to rout out waste, fraud, and peace dividends, it doesn't add up.

The math I was taught is that what you do to one side of an equation, you have to do to the other side of the equation for it to balance out. You

can't just subtract from the social safety net—Medicare, Medicaid, food stamps, cut the Social Services Block Grant, stop the Wall Street bailouts; you can't just add more tax cuts for the wealthiest, add more defense spending, maintain oil subsidies, maintain expensive corporate farm subsidies and say that that's a balanced approach.

I have very limited time, but I want to say to Americans: It don't add up. This dog doesn't hunt. You can't just cut the social safety net and add billions of dollars of corporate welfare and say that that's a balanced equation. It doesn't support simple math.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair reminds all Members to address their remarks to the Chair.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the distinguished chairman of the Agriculture Committee, the gentleman from Oklahoma (Mr. LUCAS).

Mr. LUCAS. Mr. Speaker, I yield to the gentleman from Pennsylvania for the purpose of joining me in a colloquy.

Mr. MURPHY of Pennsylvania. Mr. Speaker, I would like to ask the gentleman from Oklahoma if he could respond to the notion: All of us want to protect the social safety nets for the truly needy, but we also want to stop abuses within the system that take money from those programs and hurt the poor, for example, people who hide their assets to fraudulently qualify, people who misuse food stamps for alcohol and tobacco.

So I would like to ask the gentleman if he is going to be doing more to close the loopholes, to reduce waste and abuse, and reform the system, while really protecting those who qualify.

Mr. LUCAS. The gentleman from Pennsylvania is exactly right. That is the goal of our language in this bill, and it will be the additional efforts that we will undergo in the comprehensive farm bill that will follow soon.

Mr. MURPHY of Pennsylvania. I have one additional question for the gentleman.

In fairness here, will you be bringing forward a bill to the House from the committee that's truly going to reform farm subsidies, produce savings, and result in deficit reduction?

Mr. LUCAS. I would say to the gentleman from Pennsylvania that, when we come with our comprehensive farm bill, things that have been identified by many people as a concern, like the direct payments, will not be there. We will address all spending in all portions of the farm bill. We will make reductions in every part of agricultural spending, as we do our part in helping address this huge, tremendous national deficit.

Mr. MURPHY of Pennsylvania. I thank the gentleman for his responses.

Mr. VAN HOLLEN. Mr. Speaker, I was glad to hear that last colloquy, because this Republican proposal cut the Food and Nutrition programs in the Agriculture Committee's jurisdiction and then

didn't ask for one penny from the ag subsidies. If our Democratic substitute had been made in order, that was one of the cuts that we made in order to prevent devastating cuts to the Food and Nutrition programs for over 22 million American families with children.

I now yield 1 minute to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH. I thank the gentleman.

Mr. Speaker, this bill seeks to achieve a very worthy goal: reduce the debt of the United States and establish a sustainable level of spending. I share that goal, but I oppose this bill for two reasons:

First, the proponents of this bill know—or they certainly should know—that there is absolutely no chance this bill will be passed by the Senate or signed by the President. That turns this into a political manifesto, not a practical proposal.

Second, and most importantly, the design of this bill guarantees that it will fail. Our budget is a three-pronged stool: domestic spending, Pentagon spending, and revenues. And if you want a strong and durable stool, you need three strong legs. This budget cuts two away. It takes revenues off the table completely, and it exempts the Pentagon, with its nearly \$700 billion budget, from making any contribution to debt reduction.

Mr. Speaker, our debt problem is serious but solvable. There were 100 of us in this House—60 Democrats and 40 Republicans—who wrote to the supercommittee, and we said the obvious: Put everything on the table. By doing so, we can succeed.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. MULVANEY), a member of the Budget Committee.

Mr. MULVANEY. I thank the gentleman from Wisconsin.

Mr. Speaker, in my office, as we all do, we get emails, from time to time, from constituents, viral emails alleging, from time to time, some type of violent fraud in the system or some type of bizarre government overreach, and we actually research them in my office to find out if they are true or not.

□ 1300

And we got this one this week—in fact, we got dozens of them this week—about a program that, supposedly, was part of an investigative report by a television station in the Midwest. It said that, supposedly, illegal immigrants were able to file paperwork every April 15 and receive a thousand dollars back from the Federal Government for every child that they had, regardless of whether or not they could prove the child existed, regardless of whether or not the child actually lived in the country.

I was stunned by it, to be quite frank with you, and we gave it to my office to actually research it. And it turns out, Mr. Speaker, stunningly, it's absolutely true. Absolutely true. And it's

not just the radio station or television station in the Midwest. The IRS admits that this is true. The inspector general looked into this and said we are spending \$4 billion every single year—over \$4 billion—on this type of program. They admit that it's true, and the IRS has asked us to act. And we have done nothing.

This is an outrage, Mr. Speaker. I'm surprised to hear anybody defend this system. This is the type of waste, fraud, and abuse that undermines confidence in the way we do business in this town. This is the type of thing that gives people concern that we don't have any idea what we're doing about anything.

The good news here is that, for a change, we actually have a chance to do something about it. We could pass the bill of the gentleman from Texas (Mr. JOHNSON), but we could also do something today. We don't have to wait to fix this type of abuse. We can pass this reconciliation bill today and stop this program and at least take a small step towards restoring confidence in the way the American government provides services to its people. And I hope we do exactly that.

Mr. VAN HOLLEN. I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL), who is on the Ways and Means Committee and knows a lot about this issue.

Mr. NEAL. Mr. Speaker, we just heard a moment ago from the gentleman from South Carolina that there was an illicit or perhaps illegal initiative that was taking place across the country in the Midwest. So the answer in that instance is to notify the U.S. Attorney's Office if it's fraudulent. The answer there is to notify immigration authorities.

But this argument right here is not about illegal immigration. This argument today is about once again asking the wealthiest people in our society just to sacrifice a bit.

When the gentleman talks about \$4 billion of fraud, there isn't anybody on the Democratic side that encourages or countenances the idea of fraud. Tell the American people where the expenditures go.

A million new veterans have been created between Afghanistan and Iraq. You're 20 years old, and you've been wounded in Iraq or Afghanistan, you're going to be in the care of the VA system for the next 50 or 60 years. We are obligated to take care of them. That's where the money goes.

We cut taxes in this country by \$2.3 trillion during the Bush years, and my Republican pals were all culpable in that argument. You can fight two wars in Afghanistan and Iraq, now both north of \$2 trillion, and cut taxes by \$2.3 trillion, and people wonder why we're in the predicament that we're in.

Twelve successive years of tax cuts, and at the same time asking nothing of the people at the very top, who, incidentally, during the Clinton years were not even asking for a tax cut. Their argument was: Pay down the debt.

We are being asked to revisit with this budget what went awry during the Bush years. We are being asked with this budget to go back to the policies that got us into this predicament during the Bush years. We are being asked at this time, once again, to ask the poorest people in our society to shoulder the burden of tax cuts for the wealthiest in America—tax cuts that have not paid for themselves, tax cuts that will not pay for themselves, and tax cuts that do not take us on a sound path to fiscal stability in the near- or long-term future.

This conversation should be about balancing the budget, and it should be done by Democrats and Republicans, not with a sledge hammer, as is being proposed early this afternoon.

Mr. RYAN of Wisconsin. I would say, Mr. Speaker, this is not a tax cut bill, this is a spending cut bill.

With that, I yield 2 minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY of Georgia. Mr. Speaker, I rise in strong support of H.R. 5652, the Sequester Replacement Reconciliation Act. I commend Budget Committee Chairman PAUL RYAN for the leadership in bringing this important legislation to the floor.

This reconciliation legislation will make necessary and strategic reforms to a number of mandatory programs to better ensure that those most in need of government assistance receive it, instead of individuals who are not eligible or indeed may be gaming the system. With these reforms, we will find nearly \$328 billion in savings over 10 years. Furthermore, H.R. 5652 will offset \$78 billion in cuts to the Department of Defense as a result of sequestration.

Mr. Speaker, I am pleased to see that there are two provisions that I authored that have been included in H.R. 5652. The first is H.R. 5, which seeks to address the rising cost of health care through meaningful, fair, and balanced medical liability reform. The second is H.R. 1683, the State Flexibility Act, which seeks to correct a problem created by the failed stimulus and ObamaCare. This provision gives States the opportunity to root out waste, fraud, and abuse in the Medicaid program.

I urge all of my colleagues on both sides of the aisle to support H.R. 5652.

Mr. VAN HOLLEN. I yield 2 minutes to the distinguished Democratic Whip, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank the gentleman for yielding.

Mr. Speaker, the challenging times we live in force us to make difficult choices about our priorities. The reconciliation bill before us today is an example of choosing the wrong priorities.

While we must address our deficits and avert sequestration, the Republican reconciliation bill does it absolutely the wrong way. It places the entire burden of deficit reduction on the

most vulnerable while asking nothing of the best off. Indeed, it asks for more from those who have less, and less from those who have more. It harms seniors and children by eliminating Social Services Block Grants, which provide for programs for our communities like child protection services and Meals on Wheels.

They say they're getting rid of fraud, waste, and abuse—I've heard that for 31 years—while they added \$6.4 trillion to the deficit. It slashes food stamp funding by \$33.2 billion. They say that's waste, fraud, and abuse. CBO does not agree. It's real assistance to families in need. Furthermore, it cuts the pay of middle class workers who serve the public—the only workers it adversely affects.

These are the priorities we've seen throughout the Republican budget: Ending the Medicare guarantee, slashing jobs while cutting taxes for the wealthiest at the expense of seniors. The gentleman from Wisconsin says this bill doesn't do that. He's correct. His budget did that.

Middle class families and those who are the most vulnerable pay the price.

Democrats have our own proposal. Unfortunately, it wasn't made in order. As the gentleman from Maryland, my colleague said, you only had to waive one rule as opposed to the three you waived for your budget, but you wouldn't do it because you didn't want to have the American public see the real alternatives out here. I regret that. To that extent, you closed down this rule which you railed so much against.

The SPEAKER pro tempore (Mr. WOMACK). The time of the gentleman has expired.

Mr. VAN HOLLEN. I yield the gentleman an additional 30 seconds.

Mr. HOYER. Unlike today's Republican bill, our proposal reduces deficits in a balanced way and prevents sequestration through a balanced combination of spending cuts and revenues.

And let me say something: Nobody is asked to make a sacrifice in the richest country on Earth; what we have to do is make appropriate contributions. Nobody is asked to make a sacrifice—and certainly not the most vulnerable in our country, as does this reconciliation bill.

Mr. Speaker, I urge opposition to this bill. We can and should do better.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

Mr. VAN HOLLEN. I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. I thank the gentleman from Maryland and I rise in opposition to this bill.

It should come as no surprise the Republicans in Congress do not take the budget deficit seriously. When they were in total control during 6 of the 8 Bush years, they did nothing to reduce the deficit. Quite the opposite.

Republicans say they're all for cutting spending, just not the spending

they like. So here we have an attempt to replace sequestration so that they can continue to destroy the social safety net while protecting defense spending, Big Oil, and the wealthiest in this country, yet again asking the middle and lower classes to bear the cost of cutting the budget.

I said when they agreed to the sequester that they'd try to back out of the deal to protect their pet policies and gut the social safety net. And that's what we see in this document: cutting food stamps, cutting SNAP, hurting senior citizens, repealing evidence of health care reforms, hurting Federal workers.

□ 1310

I voted against the Budget Control Act because it was an unbalanced budget that put the responsibility of balancing the budget on the backs of the middle class. But at least it was an agreement that put both defense and discretionary spending up for equal cuts. It was an agreement that both parties came to, recognizing the need to cut Federal spending. Now the Republicans are trying to back out of that. And in backing out of that, they are protecting the wealthiest among us, hurting the middle class. This is the wrong way to go. It is a shameful document.

Mr. RYAN of Wisconsin. I continue to reserve.

Mr. VAN HOLLEN. I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, it's called a reconciliation act, but how do we reconcile more money for bombs while cutting money for bread? How do we reconcile our Nation helping oil companies, arms merchants, and war profiteers while cutting assistance to low- and moderate-income families?

My colleagues are worried about abuse of food stamps. I wish they would have additional concern and sympathy for the abuse of the middle class, for 10 million Americans out of work, for millions losing their homes, their retirement security.

Let's look to where the real fraud is in our government—in wars based on lies, over trillions of dollars, billions of U.S. money lost or stolen in Afghanistan. Just in the last week, \$80 million for a consulate that they are not even going to use, they are going to close. And we blame poor people using food stamps?

The real deficit we're dealing with here is a moral deficit, and it's time that we face the truth.

Mr. VAN HOLLEN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. BACA).

Mr. BACA. Mr. Speaker, I rise in strong opposition to this misguided budget that we'll vote on today. This package literally takes food off the table for millions of disadvantaged Americans by cutting \$33 billion from the SNAP program.

I ask my Republican colleagues: Where are your priorities? Is it to take from the poor to give to the rich?

SNAP is a lifeline for 46 million Americans. We continue to spend hundreds of millions of dollars every year to assist foreign countries, but we don't spend money to take care of the struggling families right here at home. It's a shame.

This budget proposal not only cuts benefit levels, but it also keeps thousands of children from receiving school meals. Can you imagine going to school on an empty stomach and having to take a test? In America, this should not happen.

I understand the value of the SNAP program because I once relied on food stamps. Unless you've been in that situation, you don't know what it's like. You have no choice. You have no choice but to receive assistance to feed your family.

I ask my colleagues to make sure that we vote against this and make sure that we put food on the table for the 46 million people who are going hungry right here in the United States. Vote "no" on this.

Mr. VAN HOLLEN. Mr. Speaker, may I inquire as to how much time remains?

The SPEAKER pro tempore. The gentleman from Maryland has 3 minutes remaining. The gentleman from Wisconsin has 7 minutes remaining.

Mr. VAN HOLLEN. Mr. Speaker, I yield myself 2 minutes.

As we said at the beginning, there is no disagreement over the fact that we need to have a plan to reduce our deficit. The question has been how. And there is no dispute about whether we need to replace the sequester, the meat-ax cuts that will take place automatically January 1. Again, the question is how.

The Republican approach once again asks nothing of people who are doing so well in this country, people who are making over \$1 million a year. And because they ask nothing of them, their budget hits everybody else. The figures we're talking about today, these are about real people. These are figures from the nonpartisan Congressional Budget Office as to the impact of their proposal: 300,000 kids will lose their health care coverage under CHIPs; 22 million kids will see their food and nutrition support under SNAP reduced; 2 million people will see all of their food and nutrition support eliminated. Those are facts.

I know people want to pretend that this doesn't impact real people. That makes it easier to say we're not going to ask big oil companies to get rid of their subsidies if we can pretend that the cuts don't have an impact, but they do. And that's why every bipartisan group that's looked at this budget challenge has said we need a combination of cuts. We did a trillion more, and we have cuts in our substitute, but you also need to get some revenue by closing some of these tax loopholes.

Mr. Speaker, the Democrats had a substitute amendment. The Republicans won't even let us have a vote on

it. They waived three provisions in their rules to bring up their proposal. They wouldn't waive one to hear an alternative.

We keep hearing that it's so important to reduce the deficit; apparently, not important enough to ask for one penny from people who are making a million dollars a year.

We keep hearing that the impact of sequester is going to hit defense. But again, not one penny from the oil companies to help take a balanced approach.

I urge rejection of the Republican proposal.

I wish we could have an up-or-down vote on the Democratic substitute. That would be democracy, but maybe that's asking too much these days.

Mr. Speaker, I now yield the balance of my time to a lady who has spent her life fighting for justice and trying to make sure that is reflected in the budgets that we present to the American people, the distinguished Democratic leader, Ms. PELOSI.

The SPEAKER pro tempore. The gentlewoman from California is recognized for 1 minute.

Ms. PELOSI. Mr. Speaker, I want to thank the gentleman for yielding.

I want to call to the attention of all of our colleagues and those who follow the work of Congress the extraordinary contribution that Ranking Member CHRIS VAN HOLLEN has made to this debate. He has led our Democratic members on the Budget Committee in a way that reflects the values of our country: how we can meet the needs of our children, their health, their education, and the economic security of their families.

When people ask me what are the three most important issues facing the Congress, I always say the same thing: our children, our children, our children. And the issues that are addressed in the budget address the needs of our children directly and the families in which they live.

I watched with great pride the debate and the strong distinction that has been made between a values-based budget, put forth by the Democrats, that supports a thriving middle class, and the Ryan Republican Tea Party budget that upholds millionaires over the middle class.

We are here today because the Republicans in the House have decided over and over again to walk away from a bipartisan, bicameral agreement that we reached to avert economic crisis and to reduce our deficit and to honor the full faith and credit of the United States of America. They are walking away and punishing the middle class, because they refuse to close even one special interest tax loophole to reduce our deficit. They are putting Big Oil and millionaires ahead of America's middle-income families.

In recent weeks, House Republicans have voted twice—not once, but twice; here we go again, in the words of a great Republican President—have voted twice to pass a budget that gives

massive tax breaks to the wealthiest Americans while ending the Medicare guarantee and increasing cost for seniors in the meantime. That is an absolute fact. Today Republicans are voting to begin implementing their out-of-touch budget, and middle class people, seniors, women, and children will pay the price.

Consider these few things. I know that members of the committee have made the case, but I just want to focus on a few things that affect people very directly in their lives.

This Republican-Ryan-Tea Party budget will assault women's health by eliminating the Prevention Fund: 326,000 women would not get the breast cancer screening they're slated to receive next year; 248,000 women would not get the cervical cancer screening they're slated to receive next year. Those are big numbers, but every individual case is important to the families that those women live in.

□ 1320

So the numbers are staggering, but the specific cases are what is important, and this is hundreds of thousands.

This budget would harm children and seniors, literally taking food out of the mouths of babies, as nearly 300,000 children would lose free or reduced-cost school meals—300,000 kids. Wait a minute. We're going to give a \$400,000 tax cut to people making over \$1 million a year, and we're going to take food from 300,000 children to do that.

1.7 million seniors would lose Meals on Wheels—people are familiar with that in their neighborhoods, in their communities—and other services.

It would put Wall Street ahead of middle class and working families by weakening the Consumer Financial Protection Bureau. In the Wall Street reform bill, we not only had the biggest changes in regulations so that the recklessness on Wall Street would no longer cause joblessness on Main Street—the recklessness of some. I don't paint everyone with the same brush. The recklessness of some on Wall Street would not create, again, massive joblessness on Main Street.

In that same legislation—and they were the biggest regulation changes in a long time, decades—the biggest change in history was in the Consumer Financial Protection Bureau. This budget weakens consumer protection. That's just not right.

So, here we are again with the Republican budget, to name a few.

In contrast to this draconian Republican bill, Democrats are fighting for a balanced approach that creates jobs, expands opportunity, reduces the deficit, protects the health and economic security of America's families, and honors the entrepreneurial spirit of America.

Republicans are focused on obstruction rather than solutions. Americans have rejected Republican obstructionism and made it clear over and over again: We must work together to find solutions.

Because this legislation will have a devastating impact, it's opposed by numerous organizations, from Easter Seals, to the National Women's Law Center, to the U.S. Conference of Catholic Bishops, and Voices for America's Children.

As the Obama administration wrote in expressing their strong opposition to this bill, the bill's unbalanced provisions fail the test of fairness and shared responsibility. At the same time the House is advancing tax cuts that benefit the most fortunate Americans, this legislation would impose deep budget cuts that cost jobs and hurt the middle class and vulnerable Americans, especially seniors, veterans, and children.

Mr. Speaker, instead of the slash-and-burn approach, let's come together in a bipartisan way, in a balanced way, to cut our deficit by growing the economy, creating growth, creating jobs, bringing in revenue to reduce the deficit, to make the priority choices that reflect the values of our country, the values of fairness and opportunity, of sustaining a thriving middle class for the middle class and all who aspire to it. It is the backbone of our democracy. For that reason, I urge my colleagues to vote "no" on this devastating bill.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself the balance of my time.

First off, Mr. Speaker, let me thank those six committees that contributed to making this possible.

Over 60 percent of the Federal budget is in a category of spending we call mandatory spending. It's a budget term of art that means that part of spending is on autopilot. Congress does not address or oversee or set the levels of that spending in any given year. Congress does address what we call discretionary spending. That's government agency budgets—about 39 percent of the budget every single year. The last time Congress actually looked at this 60 percent of spending on autopilot for savings was 2005. It's important that we make sure that we're scrutinizing how we're spending hard-earned taxpayer dollars, and it's a shame that we haven't revisited this category of spending since 2005. We're doing that here.

Now, the President, the Secretary of Defense, the Speaker of the House, the minority leader of the House, they've all said that this sequester is a mistake; it's bad, it's going to hurt. Not only does it hollow out defense, according to the Defense Secretary, but it also creates an 8 percent across-the-board cut to domestic discretionary spending, like the National Institutes of Health. We think we should prevent that. On a bipartisan basis, we think we should prevent that. That's what we're doing. This is the only plan that says, Prevent that from happening, and here's how you pay for it. Here's our plan to stop that from happening, this event that everybody says should be stopped.

Now, when we take a look at what this package does, I think we want to

look at, is our government working the way it ought to be?

In particular, we're hearing lots of comments about how this hurts people, how this hurts the poor. Let's take a look at our poverty-fighting efforts. And should we measure our poverty-fighting efforts based on inputs or based on outcomes? Should we measure our poverty-fighting efforts based on how much money we're spending and how many programs we're creating? Or should we think about how many people are we getting out of poverty?

Here's the problem: These efforts aren't working. One out of six Americans today are in poverty. We have the highest poverty rates we've had in a generation. These programs aren't working. Let's fix them. Let's pass reforms that instead decrease the poverty rate, which is happening these days, and get people back into lives of self-sufficiency.

Let's go back to the American idea of an opportunity society with a safety net that doesn't keep people in poverty but gets people out of poverty into lives of self-sufficiency. And we're not going to be able to achieve that if we don't grow our economy. We're not going to be able to achieve that if we don't have more opportunities in society so that people who are on the bottom rung of the economic ladder can't climb up and out.

We shouldn't be defining success as how many people we have on these benefit programs. We should be defining success as to how many people we are graduating from these benefit programs into lives of self-sufficiency, into jobs. That's the American idea.

So when you take a look at whether these programs are working well or not, we need to reform them. We haven't touched these programs for decades. Food stamps, we've gone from 17 million people to 45 million people in a decade, a 270 percent spending increase—\$1.8 billion in overpayments last year alone. We're just saying you need to qualify for the benefit to get the benefit.

Medicaid. If we think this is such a success, then why are half the doctors filling out surveys saying they're not going to take any new Medicaid patients. If this program is working so well, then why was \$15.8 billion in overpayments made just last year? Does this devastate Medicaid? Instead of increasing Medicaid by 125 percent over the next decade, this proposal increases it by 123 percent over the next decade—hardly draconian.

What we're saying is we need to make these programs work to achieve their intended results. Give States more flexibility to customize their benefits to meet the needs of the people in their States. That's what these Medicaid reforms are all about.

When we hear the other side talk about no spending cuts but more tax increases, that's going to slow down job creation. We're the first ones who came to this floor saying, "Close these

tax loopholes, but close these tax loopholes to create economic growth by reforming the Tax Code." Treat people fairly in the Tax Code so that a company or a person who makes the same amount of money pays the same level of tax. You do that by getting rid of tax shelters and tax loopholes, not to raise spending, but to lower tax rates so American businesses can survive, can thrive, and create jobs. Upward mobility. Economic opportunity. That's what we're trying to achieve here.

□ 1330

Mr. Speaker, we should not be talking to each other in this society as if we're stuck in some class, as if this person's middle class, that person's lower class, and that person's upper class. Our ancestors left those class-based societies to form this country, which should not be a class-based society. It should be a society of upward mobility, where we can make the most of our lives, based on our own God-given talent and our own effort. We should not be speaking to people as if they're stuck in their current station in life and the government is here to help them cope with it.

We need to get ourselves out of this debt crisis because, if we have a debt crisis, if we keep on this path where we're borrowing 40 cents of every dollar we spend, we're going to have a debt crisis. Europe is in a debt crisis.

And what happens when you're in a debt crisis? Immediate austerity, cutting benefits to seniors, cutting benefits to people in the safety net, raising taxes. That slows down the economy, especially for the youth.

Look what we're doing right now. Half of our Nation's college graduates are either unemployed or underemployed—half.

It's not working. We need to change these policies. We need to grow the economy. And if we have a debt crisis because of this spending, then the people who need government the most, they're the ones who get hurt the first and the worst.

We're leading. The President, no plan to fix this. The Senate, no budget since 2009. And our friends on the other side of the aisle, tax increases, spending increases, no spending cuts.

Mr. Speaker, this is a small step in the right direction. It's something Congress should do every day. I urge passage of this bill.

Mr. CONNOLLY of Virginia. Mr. Speaker, this morning, I met with homeless individuals and families, and community leaders who advocate on their behalf. I can tell you that even in my district the wealthiest in the nation—we have real needs. While our poverty rate may be the envy of most jurisdictions across the nation, that's just a statistic. In real numbers, more than 60,000 people are struggling with poverty—hard working men and women trying to provide for themselves, and tens of thousands of children not knowing where they'll sleep tonight, or if they'll eat. In fact there are more people below the poverty line in Fairfax

County than the total population of more than 100 of Virginia's 139 jurisdictions.

This sequester replacement is a short sighted and cynical action. Make no mistake; this is NOT about fiscal responsibility. It forces sacrifices on the less fortunate among us; seniors and children who will lose supplemental meal assistance; struggling single parents who will lose child care support, threatening their ability to work; lower income families who will lose their health care. What this plan does not do is ask similar sacrifices from the most wealthy in our nation. In fact, it paves the way for another tax cut for the top 1 percent. Oil and gas companies, which have seen \$290 billion in profits over the last 4 years are not asked to contribute even 1 penny of the \$16 billion in special tax breaks they received.

No, this Republican Reconciliation Ruse is really an attempt to fundamentally change American values at the expense of the sick, the old, the young and the disadvantaged. I would ask my colleagues to go home and talk to those individuals struggling to get by in their community, and faith leaders who work with them, and ask how these draconian cuts affect their lives. I urge my colleagues to reject this Republican Reconciliation Ruse and to work toward truly comprehensive, responsible and bipartisan deficit reduction that safeguards the less fortunate among us and is reflective of our nation's shared values.

Mr. GENE GREEN of Texas. Mr. Speaker, I ride in strong opposition to the draconian cuts to health care, food stamps, and other essential programs that are being proposed by the House majority in H.R. 5652.

Last summer, this Congress and the Administration agreed on a path to reduce the national deficit by over \$2.1 trillion. Over half of this amount was going to come either through a bipartisan agreement by the so-called "Super Committee" or through sequestration.

I do not like sequestration. It is an inefficient way to make spending decisions that affect millions of Americans. However, this is what was agreed to and for the House majority to go back on that agreement and not have an open and frank debate on how this chamber can agree to reduce our national deficit while preserving essential programs and services is more than just disappointing. For millions of our fellow Americans, it is a matter of survival.

This legislation would result in cutting food stamps by over \$33 billion dollars. Nearly 50 cents of every dollar into food stamps helps children get the food they need to grow and thrive.

H.R. 5652 would gut vital health care services, including ending the Prevention and Public Health Trust Fund, which is essential for finding better ways to promote wellness, prevent disease, and protect against public health emergencies.

This bill would also reduce matching state funds to Medicaid, as well as make it more difficult to qualify for the program and make devastating cuts to the Children's Health Insurance Program (CHIP).

It would make sharp cuts to the Social Services Block Grant program, which could result in 1.7 million children losing access to protective services, 450,000 children being denied foster care, and 640,000 children losing child abuse prevention services.

This legislation would also eliminate the FDIC's ability to unwind financial institutions

that are “too big to fail” in an orderly way, eliminate the Consumer Financial Protection Bureau’s (CFPB) funding source, and cut pension contributions to federal workers.

I stand with our nation’s servicemembers and am committed to making sure that they have the tools and resources necessary to protect America from any and all threats.

However, support for our nation’s heroes should not and cannot come at a cost to America’s most vulnerable. We can find a better way to balance our priorities, protect those in need, and honor our servicemen and women.

I call on Members on both sides of the aisle to join me in finding a better way to reduce our deficit while protecting children, the needy, and America’s men and women in uniform and vote against this legislation.

Mr. BURTON of Indiana. Mr. Speaker. I rise today to express my strong support in favor of the H.R. 5652, the Sequester Replacement Act of 2012. This legislation reflects the support I have for the Republican Budget and the principles I have stood for during my almost thirty years in this House, a return to fiscal sanity and responsibility. This legislation also makes certain that the brave men and women in our Armed Forces will have the resources to protect this Nation from the many threats we face in an uncertain world.

However, I do have one concern. During my tenure here I have been an advocate for equal treatment for our fellow Americans in Puerto Rico, who have defended this Nation in record numbers in every military conflict since U.S. citizenship was conferred on them in 1917. Puerto Ricans take pride in their American citizenship and our Nation should be grateful for their service.

My dear friend and former colleague, Governor Luis Fortuno, was recently able to accomplish what other Puerto Rican Governors have tried to do for decades in lessening the disparities between the funding of federal healthcare programs in the territories and the states. Through his hard work, persistence and dedication, Governor Fortuno was able to obtain an increase in Medicaid funding for the US territories that reduces the gap. Unfortunately, the available legislative vehicle in which this could be accomplished was Obamacare, which I have been a staunch opponent of for a whole host of reasons that have nothing to do with Medicaid in Puerto Rico. I am, as a result, troubled that we have included the repeal of the expansion of Medicaid for Puerto Rico and the other territories in H.R. 4966. I believe there are other ways to cut spending that do not contribute to the perception that Puerto Ricans are less deserving U.S. citizens than residents of the states.

I want to assure our fellow citizens in Puerto Rico that the action we take today is just a step in what promises to be a long budget negotiation. As we continue to move forward to repeal Obamacare, I know I am not alone among my Republican colleagues in the belief that we should adequately fund federal healthcare programs in Puerto Rico and the other US territories. As we continue to work this year to reach an agreement on the budget with the Senate, I am hopeful that the principle of equal treatment for Puerto Rico will not be lost, and that the final budget product will bring our fellow citizens in Puerto Rico closer than ever to the parity they deserve in federal healthcare programs.

Mr. LANGEVIN. Mr. Speaker, today’s debate is about priorities. The Republican reconciliation bill provides a stark contrast between the measures Democrats know are necessary to get our fiscal house in order—creating jobs and encouraging investments, and those that Republicans covet—tax cuts for special interests and giveaways for millionaires.

It is high time we get serious about our fiscal situation, and I, like most Americans, am prepared to make sacrifices to put us on a sustainable path.

But this reconciliation bill sends our country in the wrong direction—reducing benefits for our children, elderly, and most vulnerable to pay for tax cuts to millionaires and subsidies for oil and gas companies. Under the Republican plan, 22 million families could see their food and nutrition assistance cut, and up to 300,000 children could lose both their health coverage and their school lunch program. Jeopardizing struggling families is not the way to get your country back on track.

I see the importance of these programs to my constituents every day. There are thousands of hard working Rhode Islanders who still can’t make ends meet, who need a little help so their kids don’t go to bed hungry or sleep in a cold house. The economic downturn has been a trying time for everyone, and all of us have a family member or a friend who has been forced to ask for help at one time or another. yet Republicans are trying to pull away the helping hand the government offers to those who are living on the edge.

At a time when we ought to be investing in our future, the Republican budget offers short-sighted measures that will irreparably short-change our most critical national investments. With unemployment at 11.1 percent in my home state of Rhode Island, my number one priority is spurring job growth and development. Unfortunately, this Republican budget, which gives away \$3 trillion in tax breaks to corporations and the super-wealthy, will do just the opposite.

Democrats are offering a fair and balanced approach that keeps the promises made to our seniors, preserves our social safety net, and maintains investments in our economic security. With key recommendations of the bipartisan Simpson-Bowles and Domenici-Rivlin budget commissions as a guide, it addresses both sides of the ledger—through strategic spending cuts and revenues. There is simply no other way to equitably address our fiscal challenges.

Mr. Speaker, the Republican budget is not what the American public wants, it is not what Rhode Islanders need, and it is not what our future generations deserve. I urge my colleagues to reject it.

Mr. PASCRELL. Mr. Speaker, I believe that our Vice President, JOE BIDEN was correct when he said, “Don’t tell me what you value, show me your budget, and I’ll tell you what you value”. Well Mr. Speaker, we have seen the Tea Party budget, and we sure know what their values are.

The majority values millionaires over women and children’s access to healthcare. They value corporate welfare for outsourcing jobs over helping the next generation of workers afford college. And they value oil and gas companies over ensuring that our most vulnerable citizens, including seniors and children, have access to important nutrition and healthcare programs, plain and simple.

As a Member of the Committee on Ways and Means, I fought against that committee’s unfair reconciliation legislation that inordinately placed the burden of increased defense spending and tax cuts for the very wealthy on seniors, the disabled and middle class families.

Instead of asking the wealthiest amongst us to pay just a small fraction of their income more, the majority’s legislation squeezes it out of the 14.5% of U.S. children living in poverty in New Jersey. This bill will snatch \$1,800 from the pockets of a family earning \$21,000 a year. Instead of cutting back on oil and gas subsidies for companies like Exxon, which made an almost \$10 billion profit last quarter, this bill cuts \$47 billion in tax credits for middle class families could to purchase health insurance.

In short, the majority’s choice is to cut \$75 billion from programs that directly benefit seniors, the middle class and poor, in order to protect special interests and millionaires.

We must fight back against the Tea Party assault on the middle class, women, children, and the poor, and I ask my colleagues to vote no on this legislation.

Mr. DAVIS of Illinois. Mr. Speaker, I resolutely oppose H.R. 5652, the Sequester Replacement Act of 2012. As our nation struggles to emerge from one of its worst economic crises, I am profoundly disappointed with the Republican Leadership for offering legislation that would harm tens of millions of Americans to deliver a windfall of additional wealth to already-privileged individuals and companies. Such overt protection for the wealthiest and most secure at the expense of the most vulnerable represents an affront to American values and blatant disregard of a policymaker’s responsibility to protect our nation’s citizens. Robbing the poor, children, elderly, and ill to further balloon the wealth of the most affluent in our country is deplorable.

The Sequester Replacement Act of 2012 clearly demonstrates the fundamental disagreement between parties at present. The Democratic lawmakers believe that the federal government has the responsibility to help it citizens during times of struggle and economic hardship. To achieve this support and revitalize our nation, the Democrats maintain that shared responsibility among the wealthy and the middle class, defense and non-defense initiatives, and spending cuts and revenues are necessary. Strengthening our national and individual economic well-being requires balance. In contrast, the Republican Leadership asserts that the responsibility for helping the poor or vulnerable falls to individual charity and the path to economic revitalization is to eviscerate federal services that support the poor, elderly, children, and ill to deliver billions of dollars in financial assistance to the wealthiest individuals, oil companies, and businesses that ship jobs overseas.

There are multiple provisions within the Republican Sequestration bill that exemplify the approach of giving massive tax breaks to the wealthiest while slashing vital services to the vulnerable.

Take the elimination of the Social Services Block Grant, which provides critical support for child care, child welfare, and elderly services. Nearly all SSBG funds serve the needs of vulnerable adults, children and disabled. Terminating the program will affect approximately 23 million people, half of them children. Cutting

SSBG means the 1.7 million seniors would lose "Meals on Wheels" and other home-based services. Eliminating SSBG means that 1.7 million children likely lose access to protective services, 451,000 children would be denied foster care, and 640,000 children likely lose child abuse prevention services. Stopping SSBG means that 4.4 million children would lose child care and related assistance—a loss that is especially egregious when 22 states reported considerable wait-lists for child care assistance in 2011.

Slashing \$36 billion to the food assistance program for the poor would reduce aid to 47 million Americans, terminate benefits for approximately 2 million low-income individuals, and revoke the automatic eligibility for free school meals for nearly 300,000 low-income children. In my Congressional District alone, there are 40,784 households receiving benefits—with 49.2% of these families having children under 18 and 30.9% having one or more people over the age of 60. These families already are bearing the brunt of our economic hardship. They cannot sustain further cuts to their food aid.

Repealing the Medicaid and CHIP maintenance-of-effort requirements directly threatens the health coverage of millions of pregnant women, infants and children. Medicaid finances about 41% of births each year, serving as THE source of health care for 1 out of 4 children in our country—especially children with special healthcare needs. Removing the maintenance-of-effort protections of coverage would increase the number of uninsured children by at least 300,000 in 2015, as estimated by the Congressional Budget Office.

Eliminating the Prevention and Public Health Fund further jeopardizes the health and well-being of women and children. Specifically, loss of the Prevention Fund means about 2.2 million fewer childhood vaccinations to prevent childhood diseases, 326,000 fewer breast cancer screenings, and 284,000 fewer cervical cancer screenings. Cutting the Prevention Fund means stopping tobacco cessation and obesity prevention programs. I have been a strong proponent of prevention my entire adult life given its proven ability to improve the quality of life for citizens with minimal financial investment. Indeed, proven community-based prevention programs yield an estimated return of \$5.60 for every dollar invested. Since 2010, the state of Illinois has received \$31 million from the Prevention Fund. I cannot support the loss of these funds.

Dramatically reducing the Child Tax Credit by \$7.6 billion means that more than 3 million children would lose the pro-family support that their low-income families need to put food on the tables and roofs over their heads.

The Republican reconciliation bill offers an unacceptable vision for our nation that calls on the most vulnerable of our citizens to support a privileged lifestyle for the most secure. At a time in our history where more than one in five children currently lives in poverty and tens of millions of citizens struggle with unemployment, underemployment, and foreclosure, I cannot support such a vision that would undermine the well-being of millions of Americans. We must pursue a balanced approach to strengthening our nation's and our citizens' economic well-being, asking all to share in the sacrifice.

Ms. RICHARDSON. Mr. Speaker, I rise today in strong opposition to H.R. 5652, "Se-

quester Replacement Reconciliation Act of 2012," which slashes \$238 billion over 10 years and cancels the discretionary sequestration scheduled for 2013 to exempt defense spending from the cuts agreed upon by the Republican majority in the Budget Control Act of 2011. This bill is unfair to children, seniors, women, and working families. This abomination is unworthy of a civilized nation. Little wonder that so many faith-based and leading national organizations, from the U.S. Conference of Catholic Bishops to the National Education Association oppose this bill. I stand with them in strong opposition to this assault on working and middle class families.

My Democratic colleagues and I agree that the scheduled sequester, with its indiscriminate, across-the-board cuts, should be replaced with a balanced deficit reduction package that includes both spending cuts and additional revenues. Republicans disagree and would let the burden and cost of deficit reduction fall on the shoulders of children, seniors, working families, and the middle class rather than close even one special interest tax loophole or ask any sacrifice of the truly wealthy.

This bill makes cuts to critical safety-net programs that millions of people rely on, all while returning to policies that sparked the recession in the first place. They are choosing the wrong programs to cut in order to reduce the deficit. Let me highlight a few examples to illustrate just how extreme and unfair this legislation is.

Mr. Speaker, H.R. 5652 makes cuts in the Supplemental Nutrition Assistance Program (SNAP), the program formerly known as food stamps) that would result in reducing benefits for all 46 million SNAP participants—one million of whom live in Los Angeles County—and terminate assistance for at least two million. Low-income households who do not lose benefits altogether will face monthly reductions of \$50, \$60, or even \$90 a month. In 2010, SNAP kept 4.4 million people from being poor, 1 million of whom were lifted out of poverty just from the increase in SNAP benefits that began in 2009.

You cannot make a nation's economy healthy by impoverishing its people.

A 9-year panel study conducted by the Department of Agriculture showed that the federal food assistance program alone was responsible for lifting low-income persons purchasing power by six percent. This is a program that is proven to work, and yet the this Republican bill seeks to slash it \$33.2 billion. With cuts of this magnitude, eligibility for the program will have to be scaled back dramatically, and benefits will be cut deeply for those who still qualify. This will have serious effects on millions of low-income families who rely on the program just to get by.

The bill also proposes to end the Prevention and Public Health Fund. Since the Affordable Care Act was passed in 2010, the Department of Health and Human Services has awarded more than \$90.6 million in Prevention Fund grants to my home state of California. These grants are used to combat obesity, tobacco use, unhealthy nutrition practices, and to fund other programs that promote good health. If the Republican sequestration replacement were to become law, these essential programs will have to be scaled back or cut entirely.

Mr. Speaker, we need get our fiscal house in order but I will not vote to balance the budget on the backs of the poor, the vulnerable, or the middle class.

My Democratic colleagues and I supported a balanced approach to the current fiscal challenge that preserves Medicare. House Republicans favor ending Medicare as we know it, along with gutting the Children's Health Insurance Program and the Child Tax Credit.

The Republican approach is unfair, unwise, and short-sighted. For example, childhood immunizations are among the most cost effective preventative health measures available. On average each dollar invested in children's immunization saves \$16.50 in medical and societal costs down the road. Given the persistent rise in the cost of treating serious health problems it makes absolutely no sense to cut programs that will lead to substantial cost reductions in the future.

Mr. Speaker, this bill would leave our most vulnerable citizens exposed and unprotected. I cannot and will not support legislation inflicts such grave hardship on the most vulnerable of our citizens while asking nothing of those who benefited most from the reckless economic policies of the previous administration.

We cannot have a serious conversation about getting our budget under control when House Republicans are taking large items like revenue and defense off the table, all while repealing programs like the Social Services Block Grant. This unique grant allows states to help their citizens become more self-sufficient by providing child care, preventing and addressing child abuse, and supporting care for the elderly and disabled. Slashing the Social Services Block Grant program in an effort to avoid the defense cuts reflects poorly upon those who propose do so.

Mr. Speaker, if House Republicans are unwilling to abide the agreement they made just last year, how can they be trusted to keep faith with promises made to seniors, children, the poor and weak, that bind us together as a nation?

What we need right now is for responsible leaders to work together to come to an agreement on a balanced long-term approach to resolve our fiscal challenges. As legislators, our constituents are looking to us to get on with, and serious about, the work that must be done to get our fiscal house in order and make the needed investments that will grow our economy and position our people to compete and with in an increasingly globalized world. That is what they sent us here to do and they deserve no less.

Mr. Speaker, my constituents did not send me to Congress to make the wrong choice for our nation. That is why I cannot support the legislation before us. It places the burden for the nation's financial crisis squarely on the shoulders of the middle class and the poor, while failing to ask anything of those most able to contribute toward economic recovery.

For these reasons, I stand in strong opposition to H.R. 5625, the Sequester Replacement Reconciliation Act of 2012, and urge my colleagues to join me in rejecting this radical and dangerous proposal.

Mr. MARKEY. Mr. Speaker, I rise in strong opposition to H.R. 5652, the Sequester Replacement Reconciliation Act of 2012.

As the Ranking Democrat on the House Natural Resources Committee, which has jurisdiction over the various insular territories of the United States, I wish to call the attention of my colleagues to the adverse impact of this bill on the 4.1 million Americans who live on

the five U.S. territories—Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands.

Of all the cuts being proposed by this bill today, perhaps none is as cynical, thoughtless and irresponsible as the Republican proposal to repeal Section 1204 of the Health Care and Education Reconciliation Act of 2010, which finally mitigated the profoundly unjust treatment that these Americans in the five U.S. territories have always been subject to under the Medicaid program.

If this proposal is enacted, it would cut total federal funding for Medicaid in the territories by 65% over the next decade—a crippling blow that would devastate the territories' Medicaid programs and drastically restrict the ability of millions of Americans to receive care.

The territories' Medicaid programs are already vastly underfunded. By law, they are supposed to receive a 50% federal funding match, but they get nowhere near it. Unlike the 50 states and the District of Columbia, the amount that the federal government can contribute to their Medicaid programs is capped, and so Puerto Rico, for example, receives less than a 20% match.

The 50 states and the District of Columbia, on the other hand, receive up to an 80% match. Even the wealthiest states—which receive the lowest match rates—get 50%.

If the federal match for each of the territories was calculated the same way they are calculated for the states, each of the territories would have Federal Medical Assistance Percentages, (FMAP) in the 75% to 83% range based on their poverty levels.

The results of this chronic underfunding by the federal government are both devastating and predictable: too many patients in the territories receive inadequate care and too many providers in the territories are not adequately compensated for their services.

Because the treatment of the territories under Medicaid was a travesty from both a moral and public policy perspective, the Affordable Care Act (ACA) sought to partially redress this profound inequality. It provided \$6.3 billion in additional Medicaid funding to the territories between the fourth quarter of Fiscal Year 2011 and Fiscal Year 2019.

The territories have already begun to use—and will continue to use—this new funding to increase the number of low-income individuals that can receive Medicaid coverage and to provide beneficiaries with essential health services. Prior to this funding increase, the territory governments could not afford to provide many basic services or to cover many of their neediest residents under Medicaid. Every penny of this money will be used.

H.R. 5652 cuts funding that would merely narrow the inequality gap between the states and the territories. It still would not come close to eliminating it.

It is important to remember that residents of the territories are Americans who, if they are not receiving adequate health care, can relocate to the states and become eligible for fully-funded Medicaid whenever they wish. Thus, treating territory residents like second-class citizens under Medicaid is extraordinarily short-sighted.

It is also important to remember that residents of the territories serve in disproportionate numbers in the U.S. military. Residents of the territories have made tens of thousands of deployments to Iraq, Afghanistan and the

Horn of Africa since 2001, and nearly 170 service members from the territories have lost their lives.

The Republicans should explain to the hundreds of thousands of soldiers and veterans from the territories why they are “American enough” to defend our country in combat, but somehow not “American enough” to receive a modicum of fair treatment under critical health care programs.

I urge my colleagues to vote against this mean-spirited bill.

Ms. LEE of California. Mr. Speaker, I rise in strong opposition to the Sequester Replacement Reconciliation Act.

Today, House Republican leadership is asking low and middle income families to sacrifice their health care and basic services in order to protect bloated and wasteful Pentagon spending and to protect tax cuts for millionaires.

This out of touch budget to end the Medicare guarantee while giving massive tax breaks to Big Oil and the wealthiest is not a serious proposal, Mr. Speaker.

In these difficult times for millions of struggling families, Republicans are asking that we vote to cut \$36 billion from the food stamp program and children's health services so we can spend more money on cold war weapons that do nothing to improve our national security.

Our budget should reflect our values. We should not be balancing our budget on the backs of the most vulnerable.

We do not have to make these heartless cuts that hurt our poor and struggling families so we can spend more money to build two more nuclear submarines or buy more over budget V-22 helicopters.

We do not have to make choices that abandon the needy, our seniors and the futures of our children.

We must come together to protect people who are struggling, our Nation's children and our elderly during economic downturns, not make them more vulnerable.

We must protect and invest in the futures of our most vulnerable families, not dole out more money to the Pentagon for outdated and over budget weapons programs that we don't need and doesn't make America any safer.

We should not be shortchanging the education of our children, risk the health of our seniors and allow our infrastructure to crumble beneath our feet so that bloated defense contractors can keep getting contracts.

The priorities on display in this bill are clear and shameful. Once again, the Republicans put millionaires and billionaires, subsidies for big oil and gas, and bloated Pentagon spending above everyone and everything else.

As co-chair of the Out of Poverty caucus, I urge my colleagues to reject this attack on our most vulnerable.

Mr. STARK. Mr. Speaker, the legislation we are considering today is quite possibly the moral low-point of this House Republican Majority. Not only does it negate a law that was agreed to just last year to cut the deficit, it makes unconscionable cuts to safety net programs that help to feed hungry children and seniors and to protect them from abuse. It could also cause 14 million children to lose health insurance due to massive cuts to Medicaid and the Children's Health Insurance Program (CHIP).

Republican leaders are claiming that this legislation is needed to reduce the deficit. That

is false. The reality is that we are voting today to protect the bloated defense budget and tax breaks for millionaires.

The choice before us could not be clearer: will you stand with families, children, and seniors? Or will you stand with special interests? Do you believe America should be a nation that cares if children have enough to eat and seniors can age with dignity? Or do believe our country should be run by and for the wealthiest among us?

The Sequester Replacement and Reconciliation Act (H.R. 5652) is designed to prevent the pending automatic spending cuts, or “sequester,” that Congress passed last year in the Budget Control Act. Half of the \$110 billion in cuts under the sequester would come from the defense budget. That makes sense, as roughly half of our discretionary budget is dedicated to defense. Medicare and other vital programs will also take a hit under the sequester.

As an alternative to the reckless Reconciliation Act before us today, Congress could come up with a balanced approach to replace the sequester while still cutting the deficit. Such an approach should include ending taxpayer subsidies for oil companies, rolling back subsidies for agri-business, allowing the Bush tax cuts for millionaires to expire, closing tax loopholes that allow lawyers and lobbyists to avoid paying Medicare taxes. A balanced approach should also include cuts to defense, bringing the Afghan War to an end, and eliminating federal programs that do not work.

Yet Instead of trying to legislate responsibly, the Republican Majority is doubling down on their Budget and bringing legislation to the floor that only asks families, children, seniors, and federal workers to sacrifice. H.R. 5652 eliminates the Social Services Block Grant, which funds Meals and Wheels and child abuse prevention programs. It continues the assault on Health Reform by making it harder for working people to afford insurance. It undermines the new Wall Street Reform law by de-funding the Consumer Financial Protection Agency. It makes devastating cuts to Food Stamps, Medicaid, and CHIP. Our nation will be a sicker and crueler place if this legislation is allowed to become law. I urge all of my colleagues to oppose this immoral and irresponsible bill.

Mr. QUIGLEY. Mr. Speaker, today the House will consider the Sequester Replacement Reconciliation Act.

This bill is a broken promise.

It would eliminate the Social Service Block Grant, which funds essential services like child abuse prevention and Meals on Wheels.

It would cut off food assistance for 1.8 million Americans, and leave 100,000 children and senior citizens without health insurance, so we can increase defense spending.

We spend nearly as much on defense every year as the rest of the world combined.

This includes billions maintaining a nuclear arsenal designed for the Cold War, and \$500 million a year for military bands.

We can protect ourselves and our allies with a leaner, smarter defense.

Yet if we make cuts like these, our military will have little to defend.

We will only solve our debt crisis with a balanced, bipartisan approach that honors our commitments.

Mr. SENSENBRENNER. Mr. Speaker, I rise today in regards to H.R. 5652, the Sequester Replacement Reconciliation Act of 2012.

Eliminating the threat of our massive national debt must be a top priority for this Congress. I am pleased that House Republicans have identified and put forward a sensible plan. This reconciliation bill will forestall the Budget Control Act's sequestration cuts to defense while, at the same time, offer alternative reductions in federal spending. This measure is a critical first step in getting our fiscal house in order and doing so in a responsible manner.

In addition to the number of spending reforms that are included in H.R. 5652, there is an important reform that was proposed—meaningful medical liability reform. Specifically, H.R. 5, the Help Accessible, Efficient, Low-cost, Timely Healthcare, which seeks to ensure that the cost of frivolous litigation is not passed on to consumers in the form of higher health-care premiums by capping non-economic damages in medical liability lawsuits. While I am supportive of these efforts, I currently own shares in multiple corporations that may benefit from its enactment.

While my participation in legislative consideration of H.R. 5652 would not appear to violate current House Rules and established precedent, as in all matters susceptible to subjective examination, there are no bright line rules to determine whether a Member should recuse himself or herself in legislation that may benefit that Member in a personal or financial manner. While this may be a gray area, I do not want to raise any potential ethical questions regarding my participation in this legislation. As a result, I have acted to dispel any appearance of conflict by recusing myself from legislative consideration of H.R. 5652 in the 112th Congress.

Mr. YOUNG of Alaska. Mr. Speaker, I commend our Leaders and Chairman RYAN for the bold budget which we are going to approve today. Many of the programs targeted for cuts in the Reconciliation Package are worthwhile initiatives that I have and will continue to support such as childhood nutrition programs and family support services. However, the future of this nation and that of our children and grandchildren depends on our resolve to address the debt crisis while making certain that our national security is protected. This is not an easy vote, but it is a necessary one.

Despite my willingness to support our Leadership in making these tough choices, I rise to express some concern over one particular provision which would eliminate the Medicaid expansion in the U.S. territories. While on this side we have all voted for the full repeal of Obamacare, this provision had very little to do with that measure. The territories provision was instead intended to close the gap between healthcare funding on the mainland and in the U.S. territories. Puerto Rico, for example, had previously funded 80% of its Medicaid, while states with similar demographics funded only 20%. The provision I am concerned about helped to close that gap.

While we will continue to pursue the full repeal of Obamacare, I will continue to stand for the closing of that gap and for fully funding healthcare in the U.S. territories. The citizens of those jurisdictions are Americans and deserve to be treated with equality.

Mr. REYES. Mr. Speaker, I rise today in opposition to the "Sequester Replacement Reconciliation Act of 2012." While my Democratic colleagues and I are working to stimulate the economy and create jobs, protect and extend

health care coverage, and promote affordable, high-quality education for all Americans, Tea Party Republicans have launched a radical, ideological, and partisan attack on American families. The "Sequester Replacement Reconciliation Act" is yet another misguided attempt to eliminate critical support for middle-class Americans, seniors, veterans, and children in favor of Bush Administration policies that caused the recent economic recession. It is utterly and truly irresponsible to balance the budget on the backs of our seniors, veterans, children, and families.

This bill is a joke. The Tea Party Republicans have proposed to reduce the deficit by slashing more than \$300 billion dollars from programs on which millions of ordinary Americans rely. For example, this bill cuts over \$33 billion dollars in funding for nutrition programs that help millions of hard-working Americans feed their families. I am appalled that my colleagues across the aisle are more concerned with cutting taxes for millionaires and billionaires than supporting programs which ensure that our nation's children have enough to eat.

In addition, this extreme, hyper-partisan bill would eliminate the Social Services Block Grant program. This vital program provides much needed social services—including daycare and protective services, foster care and adoption services, and transportation and meals for elderly and disabled individuals—to roughly 23 million of the most vulnerable Americans. If that was not enough, this irresponsible piece of legislation would also slash funding for Medicaid, cut pension contributions for federal workers, and eliminate funding for the Consumer Financial Protection Bureau—an office established to protect consumers engaged in financial transactions.

Our nation's seniors, veterans, children, and families should not be forced to bear the burden of fiscal austerity measures while millionaires and billionaires are not asked to pay their fair share in taxes. I urge my colleagues to stand together in opposition to yet another right-wing attack on programs that have a significant impact on the residents of my district and millions of ordinary Americans. I remain committed to working with my colleagues to fight against fundamentally flawed bills like the "Sequester Replacement Reconciliation Act of 2012," and to support a budget proposal that creates jobs, expands health care coverage, and promotes access to affordable education.

The SPEAKER pro tempore. Pursuant to House Resolution 648, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. LOEBSACK. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LOEBSACK. I am opposed in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Loeb sack moves to recommit the bill H.R. 5652 to the Committee on the Budget with instructions to report the same back to

the House forthwith with the following amendment:

At the end of title V, add the following:

SEC. 504. PROHIBITION ON TAXPAYER-FUNDED PENSIONS FOR MEMBERS OF CONGRESS WHO BECOME HIGHLY-PAID LOBBYISTS.

(a) IN GENERAL.—Any former Member of Congress who is registered as a lobbyist, and whose annual income from lobbying activities exceeds \$1,000,000, shall not be eligible to receive benefits under either the Civil Service Retirement System or the Federal Employees' Retirement System for the period of time during which such former Member is employed as such a lobbyist and receiving from lobbying activities an annual income that exceeds \$1,000,000.

(b) DEFINITION.—For purposes of this section, the term "former Member of Congress" means an individual who becomes a former Member of Congress after the date of the enactment of this Act.

SEC. 505. ENSURING THAT MEMBERS OF CONGRESS PAY THEIR FAIR SHARE FOR RETIREMENT BENEFITS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8334(c) of title 5, United States Code, is amended—

(A) by striking "(c) Each" and inserting "(c)(1) Each"; and

(B) by adding at the end the following:

"(2) Notwithstanding any other provision of this subsection, the applicable percentage of basic pay under this subsection shall, for purposes of computing an amount with respect to a Member for Member service—

"(A) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 2.5 percentage points;

"(B) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under subparagraph (A) or this subparagraph, as the case may be), plus an additional 1.5 percentage points; and

"(C) for a period in any calendar year after 2017, be equal to the applicable percent age under this subsection for calendar year 2017 (as determined under subparagraph (B))."

(2) GOVERNMENT CONTRIBUTIONS.—Section 8334(a)(1)(B) of title 5, United States Code, is amended—

(A) in clause (i), by striking "Except as provided in clause (ii)," and inserting "Except as provided in clause (ii) or (iii)."; and

(B) by adding at the end the following:

"(iii) In the case of a Member, the amount to be contributed under clause (i) shall, with respect to a period in any year beginning after December 31, 2012, be equal to—

"(I) the amount which would otherwise apply under clause (i) with respect to such period, reduced by

"(II) the amount by which, with respect to such period, the withholding under subparagraph (A) exceeds the amount which would otherwise have been withheld from the basic pay of the Member involved under subparagraph (A) based on the percentage applicable under subsection (c) for calendar year 2012."

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8422(a)(3) of title 5, United States Code, is amended—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by inserting after subparagraph (A) the following:

"(B) Notwithstanding any other provision of this paragraph, the applicable percentage under this subsection shall, for purposes of computing an amount with respect to a Member (other than an individual who is a

revised annuity employee by virtue of becoming a Member after December 31, 2012)—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this paragraph for calendar year 2012, plus an additional 2.5 percentage points;

“(ii) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (as determined under clause (i) or this clause, as the case maybe), plus an additional 1.5 percentage points; and

“(iii) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under clause (ii)).”; and

(C) in subparagraph (C) (as so redesignated by subparagraph (A)), in the line relating to a Member, by striking “9.3” and inserting “12”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8423(a)(2) of title 5, United States Code, is amended—

(A) by striking “(2)” and inserting “(2)(A)”; and

(B) by adding at the end the following:
“(B)(i) Subject to clauses (ii) and (iii), for purposes of any period in any year beginning after December 31, 2012, the normal-cost percentage under this subsection for Members shall be determined and applied as if section 505(b)(1)(B) of the Sequester Replacement Reconciliation Act of 2012 had not been enacted.

“(ii) Any contributions under this subsection with respect to Members in excess of the amounts which (but for clause (i)) would otherwise have been payable shall be applied toward reducing the unfunded liability of the Civil Service Retirement System.

“(iii) After the unfunded liability of the Civil Service Retirement System has been eliminated, as determined by the Office, Government contributions under this subsection shall be determined and made disregarding this subparagraph.”.

SEC. 506. ANNUITY SUPPLEMENT TERMINATION APPLICABLE TO MEMBERS OF CONGRESS ONLY.

Section 8421(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”; and

(2) in paragraph (2), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”; and

(3) by adding at the end the following:
“(4) No annuity supplement under this section shall be payable in the case of any individual who, after December 31, 2012, first becomes subject to this chapter by virtue of being a Member.”.

SEC. 507. EXCLUSION OF MEMBERS OF CONGRESS FROM PROVISIONS ALLOWING CONTRIBUTIONS TO THRIFT SAVINGS FUND OF PAYMENTS FOR ACCRUED OR ACCUMULATED LEAVE.

Notwithstanding any other provision of this title, nothing in section 503 or any amendment made by section 503 shall apply with respect to a Member (within the meaning of section 8331 or 8401 of title 5, United States Code).

Mr. LOEBSACK (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading.

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

Mr. RYAN of Wisconsin. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

The Clerk continued to read.

Mr. RYAN of Wisconsin (during the reading). Mr. Speaker, I ask unanimous

consent that further reading be dispensed with.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa is recognized for 5 minutes in support of his motion.

PARLIAMENTARY INQUIRY

Mr. LOEBSACK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state the inquiry.

Mr. LOEBSACK. Mr. Speaker, is it not the case that if my final amendment is adopted, the underlying bill is amended and we immediately vote on final passage of the bill, as amended?

The SPEAKER pro tempore. If a motion to recommit with forthwith instructions is adopted, the amendment is reported by the chair of the committee and is immediately before the House.

Mr. LOEBSACK. Thank you, Mr. Speaker.

Mr. Speaker, while I oppose the underlying bill, I am offering this amendment to prohibit former Members of Congress who cash in to become million-dollar lobbyists from collecting their pensions. My amendment also stops Members of Congress from getting a better deal than everyone else by asking them to contribute the same amount to their pensions as other Federal employees.

We all know that Americans' faith in their government has been severely damaged. If Congress does not take action to stop the revolving door between Capitol Hill and Washington lobby firms, there is little chance that that faith can be restored. It is time we take action and put a stop to these practices.

Members of Congress who choose to take this route, especially those making exorbitant salaries as millionaire lobbyists, should forego their pensions. It's that simple. It is patently ridiculous that these Members are finding a way to have their cake and eat it, too. It is just another example of special Washington privileges for out-of-touch elites, privileges that I have promised not to take and that should be ended.

I have vowed never to use my public service for personal gain to become a lobbyist. I first ran for office because, having grown up in poverty, I know that Iowa families need a strong voice and an advocate who will ensure that their voices are heard over the voices of the special interests who dominate Washington.

I came here for one reason: to serve the people of Iowa. I go back to Iowa every weekend and visit with my constituents so that I know what's on their minds and what they want to happen here in Washington.

Sadly, some people come to Washington to cash in, and I think we can all agree that this is unacceptable. I believe that former Members of Con-

gress who become millionaire lobbyists should never be able to collect their pensions. It's that simple.

My final amendment would make sure that millionaire lobbyists aren't using their status as former Members to line their pockets at the expense of middle class Americans.

In these tough economic times, we have had to make difficult choices in order to improve our Nation's fiscal status. While I might not like all the cuts that have been made or are being proposed, I know that we need to be on better footing if our economy is to recover.

□ 1340

The unemployment rate remains far too high, and we need to get the economy moving again and get people back to work. Americans need jobs. That is my number one priority here in Congress, and it is something I think about each and every day.

With all of the sacrifices that Iowa families are making as a result of the economic downturn and as a result of all of the cuts that are affecting their communities, Members of Congress also need to find ways to tighten their belts. Maintaining special benefits for Members of Congress at a time like this is both intolerable and inexplicable. That is why my final amendment would also increase the contributions that Members of Congress make to their pensions by the same amount that the underlying bill increases them for Federal employees.

This is the final amendment to the bill. It will not kill the bill or send it back to committee. If adopted, the bill, as amended, would be immediately voted upon. I urge my colleagues on both sides of the aisle to join me in putting the interests of the American people before those of the lobbyists and special interest groups by supporting my amendment.

I yield back the balance of my time. Mr. RYAN of Wisconsin. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. RYAN of Wisconsin. Mr. Speaker, I appreciate the gentleman for bringing this to our attention. We just received the legislation about 3 or 4 minutes ago, and there are a couple of observations I want to make.

Number one, I think this is an intriguing policy with respect to denying pensions to the Members who become lobbyists. I think the gentleman should introduce legislation and send it to committee, like the legislation should be passed, and we should give it proper review instead of springing it at the last minute.

The second point I would make is on an area where we completely agree, which is that Members of Congress should bear an even higher burden than we're asking of other Federal employees. This bill does that. The underlying bill does that. The underlying bill says:

In addition to Federal employees going from paying .8 percent to their

pensions, they go to 5.8 percent from their paychecks to contribute to their pensions so that they pay half of their pension benefits as is required through most private sector arrangements. Members of Congress will pay 9.8 percent to their pensions under this bill. This bill has an 8.5 percent pay cut to Members of Congress, and it only has a 5 percent pay cut to all other Federal employees.

So we are already incorporating the idea, which we agree with. Members of Congress, in order to exercise moral authority, are the ones who should take the biggest pay cuts and have the biggest pension contributions relative to anybody else. That's why we have it in this bill already. While I understand the gentleman's interest—I appreciate it—it is something that we are already accommodating in this bill. As a result, I would urge a "no" vote.

With that, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. LOEBSACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 170, nays 232, answered "present" 11, not voting 18, as follows:

[Roll No. 246]

YEAS—170

Ackerman	Courtney	Honda
Altmire	Critz	Israel
Andrews	Crowley	Jackson Lee
Baca	Cuellar	(TX)
Baldwin	Cummings	Johnson, E. B.
Barrow	Davis (CA)	Jones
Bass (CA)	Davis (IL)	Kaptur
Becerra	DeFazio	Keating
Berkley	DeLauro	Kildee
Bishop (GA)	Deutch	Kind
Bishop (NY)	Dicks	Kissell
Blumenauer	Dingell	Kucinich
Bonamici	Doggett	Langevin
Boren	Doyle	Larsen (WA)
Boswell	Edwards	Larson (CT)
Brady (PA)	Engel	Lee (CA)
Braley (IA)	Eshoo	Levin
Butterfield	Farr	Lewis (GA)
Capps	Fattah	Lipinski
Capuano	Frank (MA)	Loebsack
Carnahan	Garamendi	Lofgren, Zoe
Carney	Gonzalez	Lowe
Carson (IN)	Green, Al	Lujan
Castor (FL)	Green, Gene	Lynch
Chandler	Grijalva	Maloney
Chu	Gutierrez	Markey
Cicilline	Hahn	Matheson
Clarke (MI)	Hanabusa	Matsui
Clay	Hastings (FL)	McCarthy (NY)
Clyburn	Higgins	McCollum
Coble	Himes	McDermott
Cohen	Hinche	McGovern
Connolly (VA)	Hinojosa	McIntyre
Conyers	Hirono	McNerney
Cooper	Hochul	Michaud
Costa	Holden	Miller (NC)
Costello	Holt	Miller, George

Moore	Richardson	Speier
Moran	Richmond	Stark
Murphy (CT)	Ross (AR)	Sutton
Nadler	Rothman (NJ)	Thompson (CA)
Neal	Roybal-Allard	Thompson (MS)
Oliver	Ruppersberger	Tierney
Owens	Ryan (OH)	Tonko
Pallone	Sanchez, Linda	Towns
Pascarella	T.	Tsongas
Pastor (AZ)	Sanchez, Loretta	Van Hollen
Pelosi	Sarbanes	Velázquez
Perlmutter	Schakowsky	Visclosky
Peters	Schiff	Walz (MN)
Peterson	Schrader	Wasserman
Pingree (ME)	Schwartz	Wasserman
Polis	Scott (VA)	Schultz
Price (NC)	Scott, David	Waters
Quigley	Serrano	Welch
Rahall	Sewell	Wilson (FL)
Rangel	Sherman	Woolsey
Reyes	Smith (WA)	Yarmuth

NAYS—232

Adams	Gibbs	Mulvaney
Aderholt	Gibson	Murphy (PA)
Akin	Gingrey (GA)	Myrick
Alexander	Gohmert	Neugebauer
Amash	Goodlatte	Nugent
Amodei	Gosar	Nunes
Austria	Gowdy	Nunnelee
Bachmann	Granger	Olson
Bachus	Graves (GA)	Palazzo
Barletta	Graves (MO)	Pearce
Bartlett	Griffin (AR)	Pence
Barton (TX)	Griffith (VA)	Petri
Bass (NH)	Grimm	Pitts
Benishek	Guinta	Platts
Berg	Guthrie	Poe (TX)
Biggert	Hall	Pompeo
Bilbray	Hanna	Posey
Bilirakis	Harper	Price (GA)
Bishop (UT)	Harris	Quayle
Black	Hartzler	Reed
Blackburn	Hastings (WA)	Rehberg
Bonner	Hayworth	Reichert
Bono Mack	Heck	Renacci
Boustany	Hensarling	Ribble
Brady (TX)	Herger	Rigell
Brooks	Herrera Beutler	Rivera
Buchanan	Huelskamp	Roby
Bucshon	Huizenga (MI)	Roe (TN)
Buerkle	Hultgren	Rogers (AL)
Burton (IN)	Hunter	Rogers (KY)
Calvert	Hurt	Rogers (MI)
Camp	Issa	Rokita
Campbell	Jenkins	Rooney
Canseco	Johnson (IL)	Ros-Lehtinen
Cantor	Johnson (OH)	Roskam
Capito	Johnson, Sam	Ross (FL)
Cardoza	Jordan	Royce
Carter	Kelly	Runyan
Cassidy	King (IA)	Ryan (WI)
Chabot	King (NY)	Scalise
Chaffetz	Kingston	Schilling
Coffman (CO)	Kinzinger (IL)	Schmidt
Cole	Kline	Schock
Conaway	Labrador	Schweikert
Cravaack	Lamborn	Scott (SC)
Crawford	Lance	Scott, Austin
Crenshaw	Landry	Sessions
Culberson	Lankford	Shimkus
Davis (KY)	Latham	Shuler
DeGette	LaTourrette	Shuster
Denham	Latta	Simpson
Dent	Lewis (CA)	Smith (NE)
DesJarlais	LoBiondo	Smith (NJ)
Diaz-Balart	Long	Smith (TX)
Dold	Lucas	Southerland
Dreier	Luetkemeyer	Stearns
Duffy	Lummis	Stivers
Duncan (TN)	Lungren, Daniel	Sullivan
Ellison	E.	Terry
Elmiers	Manzullo	Thompson (PA)
Emerson	Marchant	Thornberry
Farenthold	Marino	Tiberi
Fincher	McCarthy (CA)	Tipton
Fitzpatrick	McCaul	Turner (NY)
Flake	McClintock	Turner (OH)
Fleischmann	McCotter	Upton
Fleming	McHenry	Walberg
Forbes	McKeon	Walden
Fortenberry	McCollum	Walsh (IL)
Fox	McMorris	Webster
Franks (AZ)	Rodgers	West
Frelinghuysen	Meehan	Westmoreland
Gallely	Mica	Whitfield
Gardner	Miller (FL)	Wilson (SC)
Garrett	Miller (MI)	Wittman
Gerlach	Miller, Gary	Wolf

Womack	Yoder	Young (FL)
Woodall	Young (AK)	Young (IN)

ANSWERED "PRESENT"—11

Brown (FL)	Hoyer	Sensenbrenner
Clarke (NY)	Jackson (IL)	Watt
Cleaver	Rohrabacher	Waxman
Fudge	Rush	

NOT VOTING—18

Berman	Flores	Noem
Broun (GA)	Heinrich	Paul
Burgess	Johnson (GA)	Paulsen
Donnelly (IN)	Mack	Sires
Duncan (SC)	Meeks	Slaughter
Filner	Napolitano	Stutzman

□ 1406

Messrs. GUTHRIE, HUNTER, BENISHEK, KINZINGER of Illinois, HALL, WOODALL, and LAMBORN changed their vote from "yea" to "nay."

Mr. SCHRADER, Ms. BERKLEY, Ms. TSONGAS, Mr. NEAL, Ms. HOCHUL, Messrs. CARSON of Indiana, RICHMOND, and Mrs. DAVIS of California changed their vote from "nay" to "yea."

Messrs. CLEAVER, JACKSON of Illinois, RUSH, and Ms. BROWN of Florida changed their vote from "aye" to "present."

Ms. FUDGE, Messrs. WATT, ROHR-ABACHER, and WAXMAN changed their vote from "nay" to "present."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall 246, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted "yea."

Mrs. NAPOLITANO. Mr. Speaker, on Thursday, May 10th, 2012, I was absent during roll-call vote No. 246 in order to attend my grandson's graduation. Had I been present, I would have voted "yea" on the Motion to Recommit with Instructions H.R. 5652, To provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2013.

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

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. VAN HOLLEN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 218, noes 199, answered "present" 1, not voting 13, as follows:

[Roll No. 247]

AYES—218

Adams	Berg	Brooks
Aderholt	Biggert	Broun (GA)
Akin	Bilbray	Buchanan
Alexander	Bilirakis	Bucshon
Amodei	Bishop (UT)	Buerkle
Austria	Black	Burton (IN)
Bachmann	Blackburn	Calvert
Bachus	Bonner	Camp
Barletta	Bono Mack	Campbell
Barton (TX)	Boustany	Canseco
Benishek	Brady (TX)	Cantor

Capito Huizenga (MI)
 Carter Hultgren
 Cassidy Hunter
 Chabot Hurt
 Chaffetz Issa
 Coble Jenkins
 Coffman (CO) Johnson (OH)
 Cole Johnson, Sam
 Conaway Jordan
 Cravaack Kelly
 Crawford King (IA)
 Crenshaw King (NY)
 Culberson Kingston
 Davis (KY) Rohrabacher
 Denham Kinzinger (IL)
 Dent Kline
 DesJarlais Lamborn
 Diaz-Balart Lance
 Dold Landry
 Dreier Lankford
 Duffy Latham
 Duncan (SC) Latta
 Ellmers Lewis (CA)
 Emerson Long
 Farenthold Lucas
 Fincher Luetkemeyer
 Flake Lummis
 Fleischmann Lungren, Daniel
 Fleming E.
 Flores Manzullo
 Forbes Marchant
 Fortenberry Marino
 Foxx McCarthy (CA)
 Franks (AZ) McCaul
 Frelinghuysen McClintock
 Gallegly McCotter
 Gardner McHenry
 Garrett McKeon
 Gerlach McKinley
 Gibbs McMorris
 Gingrey (GA) Rodgers
 Goodlatte Meehan
 Gosar Mica
 Gowdy Miller (FL)
 Granger Miller (MI)
 Graves (GA) Miller, Gary
 Graves (MO) Mulvaney
 Griffin (AR) Murphy (PA)
 Griffith (VA) Myrick
 Grimm Neugebauer
 Guinta Nugent
 Guthrie Nunes
 Hall Nunnelee
 Hanna Olson
 Harper Palazzo
 Harris Pence
 Hartzler Petri
 Hastings (WA) Pitts
 Hayworth Poe (TX)
 Heck Pompeo
 Hensarling Posey
 Hergert Price (GA)
 Huelskamp Quayle

NOES—199

Ackerman Clay
 Altire Cleaver
 Amash Clyburn
 Andrews Cohen
 Baca Connolly (VA)
 Baldwin Green, Al
 Barrow Green, Genes
 Bartlett Grijalva
 Bass (CA) Costa
 Bass (NH) Costello
 Becerra Courtney
 Berkley Critz
 Bishop (GA) Crowley
 Bishop (NY) Cuellar
 Blumenauer Cummings
 Bonamici Davis (CA)
 Boren Davis (IL)
 Boswell DeFazio
 Brady (PA) DeGette
 Braley (IA) DeLauro
 Brown (FL) Deutch
 Butterfield Dicks
 Capps Dingell
 Capuano Doggett
 Cardoza Doyle
 Carnahan Duncan (TN)
 Carney Edwards
 Carson (IN) Ellison
 Castor (FL) Engel
 Chandler Eshoo
 Chu Farr
 Cicilline Fattah
 Clarke (MI) Fitzpatrick
 Clarke (NY) Frank (MA)
 Fudge

Reed Kissell
 Rehberg Kucinich
 Reichert Labrador
 Renacci Langevin
 Ribble Larsen (WA)
 Rigell Larson (CT)
 Rivera LaTourette
 Roby Lee (CA)
 Roe (TN) Levin
 Rogers (AL) Lewis (GA)
 Rogers (KY) Lipinski
 Rogers (MI) Lofgren
 Rohrabacher Loeb
 Rokita Lofgren, Zoe
 Rooney Lowey
 Ros-Lehtinen Lujan
 Roskam Lujan
 Ross (FL) Lynch
 Royce Maloney
 Runyan Markey
 Ryan (WI) Matheson
 Scalise Matsui
 Schilling McCarthy (NY)
 Schmidt McCollum
 Schock McDermott
 Schweikert McGovern
 Scott (SC) McNeerney
 Sessions Meeks
 Shimkus Michaud
 Shuster Miller (NC)
 Simpson Miller, George
 Smith (NE) Moore
 Smith (NJ) Moran
 Smith (TX) Murphy (CT)
 Southerland Nadler
 Stearns
 Stivers
 Sullivan
 Terry
 Thompson (PA)
 Thornberry
 Tiberi
 Tipton
 Turner (NY)
 Turner (OH)
 Upton
 Walberg
 Walden
 Walsh (IL)
 Webster
 West
 Westmoreland
 Wilson (SC)
 Wittman
 Womack
 Woodall
 Yoder
 Young (AK)
 Young (FL)
 Young (IN)

Neal Scott (VA)
 Oliver Scott, David
 Owens Serrano
 Pallone Sewell
 Pascrell Sherman
 Pastor (AZ) Shuler
 Pelosi Sires
 Perlmutter Smith (WA)
 Peters Speier
 Peterson Stark
 Pingree (ME) Sutton
 Platts Thompson (CA)
 Polis Thompson (MS)
 Price (NC) Tierney
 Quigley Tonko
 Rahall Towns
 Rangel Reyes
 Richardson Van Hollen
 Richmond Velázquez
 Ross (AR) Visclosky
 Rothman (NJ) Walz (MN)
 Roybal-Allard Wasserman
 Ruppersberger Schultz
 Rush Waters
 Ryan (OH) Watt
 Sánchez, Linda Waxman
 T. Welch
 Sanchez, Loretta Whitfield
 Sarbanes Wilson (FL)
 Schakowsky Wolf
 Schiff Woolsey
 Schrader Yarmuth
 Schwartz

ANSWERED "PRESENT"—1

Sensenbrenner

NOT VOTING—13

Berman Mack
 Burgess McIntyre
 Donnelly (IN) Napolitano
 Filner Noem
 Heinrich Paul

Paulsen
 Slaughter
 Stutzman

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
 The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1415

Mr. RUSH changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. FILNER. Mr. Speaker, on rollcall 247, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted "no."

Mrs. NAPOLITANO. Mr. Speaker, on Thursday, May 10, 2012, I was absent during rollcall vote No. 247 in order to attend my grandson's graduation. Had I been present, I would have voted "no" on final passage of H.R. 5652, To provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2013.

COMMERCE, JUSTICE, SCIENCE,
 AND RELATED AGENCIES APPROPRIATIONS ACT, 2013

The SPEAKER pro tempore (Mr. WEST). Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 5326) making appropriations for the Departments of Commerce and Justice, Science, and Related Agencies for the fiscal year ending September 30, 2013, and for other purposes, will now resume.

The Clerk read the title of the bill.

MOTION TO RECOMMIT

Mr. NADLER. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. NADLER. I am opposed.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Nadler moves to recommit the bill H.R. 5326 to the Committee on Appropriations with instructions to report the same back to the House forthwith with the following amendment:

Page 17, line 6, after the dollar amount, insert "(reduced by \$1,500,000)".

Page 21, line 23, after the dollar amount, insert "(reduced by \$3,000,000)".

Page 37, line 23, after the dollar amount, insert "(increased by \$20,500,000)".

Page 38, line 18, after the dollar amount, insert "(increased by \$2,000,000)".

Page 39, line 11, after the dollar amount, insert "(increased by \$10,000,000)".

Page 39, line 17, after the dollar amount, insert "(increased by \$4,500,000)".

Page 39, line 20, after the dollar amount, insert "(increased by \$500,000)".

Page 40, line 5, after the dollar amount, insert "(increased by \$2,500,000)".

Page 40, line 8, after the dollar amount, insert "(increased by \$1,000,000)".

Page 65, line 1, after the dollar amount, insert "(reduced by \$9,000,000)".

Page 70, line 6, after the first dollar amount, insert "(reduced by \$7,000,000)".

Mr. NADLER (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from New York is recognized for 5 minutes.

Parliamentary Inquiry

Mr. NADLER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. NADLER. Mr. Speaker, if the final amendment I am offering were to be adopted, is it not the case that the bill will be amended and that the House will then proceed to final passage right away?

The SPEAKER pro tempore. As the Chair stated earlier today, if a motion to recommit with forthwith instructions is adopted, the amendment is reported by the chair of the committee and is immediately before the House.

Mr. NADLER. Thank you, Mr. Speaker.

Mr. Speaker, whether it is an attempt to deny women reproductive or other health services, or a refusal to support efforts to achieve equal pay for equal work, many women in America today feel under siege. Indeed, many women across the country feel a war is being waged upon them by policymakers.

Today, with this final amendment to the CJS Appropriations bill, Members of the House will have a chance to say where they stand.

□ 1420

This is the final amendment to the bill. It will not kill the bill or send it back to committee. If adopted, the bill,