

THE INTRODUCTION OF THE  
REHAB AND AHMED AMER FOSTER  
CARE IMPROVEMENT ACT  
OF 2013

**HON. JOHN CONYERS, JR.**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, January 3, 2013*

Mr. CONYERS. Mr. Speaker, today, I introduced the Rehab and Ahmed Amer Foster Care Improvement Act of 2013, which is substantively identical to a bill I introduced in the 112th Congress. It will enhance the existing federal policy of encouraging state foster care programs to place children in the care of willing and able relatives.

This legislation accomplishes that goal by requiring States that receive federal funding for foster care programs to add certain procedural enhancements to their foster care programs so as to ensure a more fair placement decision-making process.

Specifically, my bill requires that, within 90 days after a State makes a foster care placement decision, the State must provide notice of such decision to the following affected parties: the child's parents; relatives who have informed the State of their interest in caring for the child; the guardian; the guardian ad litem of the child; the attorney for the child; the attorney for each parent of the child; the prosecutor involved; and the child if he or she is able to express an opinion regarding placement.

Additionally, States must establish procedures that: allow any of the parties who receive notice of the State's placement decision to request, within five days after receipt of the notice, documentation of the reasons for the State's decision; allow the child's attorney to petition the court involved to review the decision; and require the court to commence such review within seven days after receipt of the petition and conduct such review on the record.

The harrowing story of Rehab and Ahmed Amer of Dearborn, Michigan prompted me to craft this bill.

In 1985, the Amers lost two of their children to Michigan's foster care system after Rehab had been subject to criminal charges related to the death of her two-year-old son Samier, who died because of head injuries resulting from a fall in a bathtub.

Although Rehab had been acquitted in August 1986 of any criminal wrongdoing in connection with Samier's death, the State refused to return the Amers' other two children to them and, in fact, removed a third child from the Amers' custody four months after Rehab's acquittal.

As a temporary alternative, Rehab's brother petitioned to be a foster parent to the Amers' three children, but was denied his petition even though he had previously served as a foster parent for other children.

It is important to note that the Amers are Muslim. Nevertheless, the State, rather than placing the Amers' children with a foster family of the same faith and cultural background, sent them to live with an evangelical Christian family, which re-named the Amers' children—Mohamed Ali, Sueheir, and Zinabe—with Christian names and raised them as Christians.

Today, only the oldest of the Amers' three living children, Mohamed Ali, now known as Adam, communicates with them.

In reaction to the Amers' story, Michigan enacted what became known as the Amer Law. That law requires foster care placement agencies in Michigan to consider and give special preference for relatives when making a foster care placement decision.

The Amer Law is consistent with federal foster care policy, which also seeks to give preference to a child's relatives and, for Native American children, a family of the same cultural background as the child, when making placement decisions.

The Amer Law, however, has several provisions that go beyond current federal law to ensure due process. In sum, this law gives parents, relatives, guardians, and the child in certain cases additional procedural rights, including the right to written notice and an explanation of a placement decision. In addition, it authorizes judicial review of a placement decision by a foster care agency.

My legislation simply adds these enhanced due process features of the Amer Law to existing federal foster care law.

The best interests of the child should always be the overriding consideration when making foster care placement decisions. That standard should also require foster care agencies to give special preference to placing a child with relatives, where the child can be raised in the same culture or religion as his or her own, all other things being equal.

I thank Rehab and Ahmed Amer for bringing this issue to light and for their tireless efforts to make the foster care placement process fairer for everyone, first in Michigan, and, now, nationally.

RECOGNIZING SPRINGFIELD  
CATHOLIC HIGH SCHOOL BOYS  
SOCCER

**HON. BILLY LONG**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, January 3, 2013*

Mr. LONG. Mr. Speaker, I rise today to recognize the Springfield Catholic High School Boys Soccer Team and its back-to-back victories in the 2011 and 2012 Class 1 State Championships.

Springfield Catholic has the honor of being the first boys' soccer state champion team from Southwest Missouri. The Springfield Catholic Fightin' Irish finished their season with 27 wins and 4 losses after their 1-0 victory over Southern Boone in the championship. The Irish soccer program is just 6 seasons old but holds 5 straight "Final Four" appearances and two back-to-back state championships.

I congratulate Head Coach Tom Guinn, Assistant Coach Matthew Walton and all of the players on their victory and applaud the hard work that has brought them so much success. I am proud to recognize the athletic achievements of the residents of the Seventh District of Missouri.

INTRODUCTION OF A 3-PART BALANCED  
BUDGET CONSTITUTIONAL  
AMENDMENT

**HON. BOB GOODLATTE**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, January 3, 2013*

Mr. GOODLATTE. Mr. Speaker, I rise to reintroduce legislation that will amend the United States Constitution to force Congress to rein in spending by balancing the federal budget.

We have a spending addiction in Washington, D.C., and it has proven to be an addiction that Congress cannot control on its own and which is bringing dire consequences. We have gone in a few short years from a deficit of billions of dollars to a deficit of trillions of dollars. We are printing money at an unprecedented pace, which presents serious risks of massive inflation. Our national debt recently surpassed an astonishing \$16 trillion and continues to rapidly increase, along with the waste associated with paying the interest on that debt.

Our first Secretary of State, Thomas Jefferson, warned of the consequences of out-of-control debt when he wrote: "To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude." Unfortunately, it increasingly appears that Congress has chosen the latter path.

Our current Secretary of State, Hillary Clinton, issued a similar warning when she recently declared: "I think that our rising debt levels [sic] poses a national security threat, and it poses a national security threat in two ways. It undermines our capacity to act in our own interest, and it does constrain us where constraint may be undesirable. And it also sends a message of weakness internationally." Despite these warnings, Congress has refused to address this crisis.

Congress' spending addiction is not a partisan one. It reaches across the aisle and afflicts both parties, which is why neither party has been able to master it. We need outside help. We need pressure from outside Congress to force Congress to rein in this out-of-control behavior. We need a balanced budget amendment to our Constitution.

That is why I am introducing this legislation—a commonsense, 3-part balanced budget Constitutional amendment which garnered the support of 133 bipartisan cosponsors last Congress. This bill would (1) amend the Constitution to require that total spending for any fiscal year not exceed total receipts; (2) require that bills to raise revenues pass each House of Congress by a 3/5 majority; and (3) establish an annual spending cap such that total federal spending could not exceed 1/5 of the economic output of the United States.

The bill would also require a 3/5 majority vote for any increases in the debt limit.

The legislation provides an exception in times of war and during military conflicts that pose imminent and serious military threats to national security.

Our federal government must be lean, efficient and responsible with the dollars that our nation's citizens worked so hard to earn. We must work to both eliminate every cent of waste and squeeze every cent of value out of each dollar our citizens entrust to us. Families

all across our nation understand what it means to make tough decisions each day about what they can and cannot afford and government officials should be required to exercise similar restraint when spending the hard-earned dollars of our nation's citizens.

By amending the Constitution to require a balanced budget, establish measurable spending limits, and make it harder to raise taxes, we can force the Congress to control spending, paving the way for a return to surpluses and ultimately paying down the national debt, rather than allow big spenders to lead us further down the road of chronic deficits and in doing so leave our children and grandchildren saddled with debt that is not their own.

49 out of 50 states have a balanced budget requirement, and it is time that the federal government had one too.

Our nation faces many difficult decisions in the coming years, and Congress will face great pressure to spend beyond its means rather than to make the difficult decisions about spending priorities. Unless Congress is forced to make the decisions necessary to create a balanced budget, it will always have the all-too-tempting option of shirking this responsibility. A Constitutional balanced budget requirement, combined with the spending and tax limitations in this legislation, will set our nation's fiscal policies on the right path. This is a common sense approach to ensure that Congress is bound by the same fiscal principles that guide America's families each day. I urge support of this important legislation.

#### INTRODUCTION OF THE PROTECTING EMPLOYEES AND RETIREES IN BUSINESS BANKRUPTCIES ACT OF 2013

**HON. JOHN CONYERS, JR.**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 3, 2013

Mr. CONYERS. Mr. Speaker, throughout our Nation's history, hardworking American men and women have labored to make our businesses become the most productive and dynamic in the world. Unfortunately, when some of these businesses encounter financial difficulties and seek to reorganize their debts under Chapter 11 of the Bankruptcy Code, these very same workers and retirees are often asked to make major sacrifices through lost job protections, lower wages, and the elimination of hard-won pension and health benefits, while the executives and managers of these business are not required to make comparable sacrifices.

Particularly now, as our economy continues to struggle and more businesses falter, we must do more to ensure that America's most important resource—workers and retirees—are treated more fairly when these businesses seek to reorganize their financial affairs under the protection of our bankruptcy laws.

The Protecting Employees and Retirees in Business Bankruptcies Act of 2013 accomplishes this goal by amending the Bankruptcy Code in several respects. First, it improves recoveries for employees and retirees by: (1) increasing the amount of worker claims entitled to priority payment for unpaid wages and contributions to employee benefit plans up to \$20,000; (2) eliminating the difficult to prove

restriction in current law that wage and benefit claims must be earned within 180 days of the bankruptcy filing in order to be entitled to priority payment; (3) allowing employees to assert claims for losses in certain defined contribution plans when such losses result from employer fraud or breach of fiduciary duty; (4) establishing a new priority administrative expense for workers' severance pay; and (5) clarifying that back pay awards for WARN Act damages are entitled to the same priority as back pay for other legal violations.

Second, the legislation reduces employees' and retirees' losses by: (1) restricting the conditions under which collective bargaining agreements and commitments to fund retiree pensions and health benefits may be eliminated or adversely affected; (2) preventing companies from singling out non-management retirees for concessions; (3) requiring a court to consider the impact a bidder's offer to purchase a company's assets would have on maintaining existing jobs and preserving retiree pension and health benefits; and (4) clarifying that the principal purpose of Chapter 11 bankruptcy is the preservation of jobs to the maximum extent possible.

Third, the bill restricts excessive executive compensation programs by: (1) requiring full disclosure and court approval of executive compensation packages; (2) restricting the payment of bonuses and other forms of incentive compensation to senior officers and others; and (3) ensuring that insiders cannot receive retiree benefits if workers have lost their retirement or health benefits.

This legislation is identical to H.R. 6117, which was introduced in the prior Congress. It is supported by the AFL-CIO and many of its largest affiliates, and the United Steelworkers.

#### SECTION-BY-SECTION EXPLANATION OF THE "PROTECTING EMPLOYEES AND RETIREES IN BUSINESS BANKRUPTCIES ACT OF 2013"

*Sec. 1. Short Title.* Section 1 sets forth the short title of the bill as the "Protecting Employees and Retirees in Business Bankruptcies Act of 2013." It also includes a table of contents for the bill.

*Sec. 2. Findings.* Section 2 sets forth various findings in support of this bill.

#### TITLE I—IMPROVING RECOVERIES FOR EMPLOYEES AND RETIREES

*Sec. 101. Increased Wage Priority.* Bankruptcy Code section 507 accords priority in payment status for certain types of claims, i.e., these priority claims must be paid in full in the order of priority before general unsecured claims may be paid.

Section 507(a)(4) accords a fourth level priority to an unsecured claim up to \$10,000 owed to an individual for wages, salaries, or commissions (including vacation, severance, and sick leave pay) earned within the 180-day period preceding the filing of the bankruptcy case or the date on which the debtor's business ceased, whichever occurs first. Section 101 amends section 507(a)(4) to increase the amount of the priority to \$20,000 and eliminate the 180-day reachback limitation.

Bankruptcy Code section 507(a)(5) accords a fifth level priority for unsecured claims for contributions to an employee benefit plan arising from services rendered within the 180-day period preceding the filing of the bankruptcy case or the date on which the debtor's business ceased (whichever occurs first). The amount of the claim is based on the number of employees covered by the plan multiplied by \$10,000 less the aggregate amount paid to such employees pursuant to section 507(a)(4) and the aggregate amount paid by the estate on behalf of such employees to any other employee benefit plan.

Section 101 amends Bankruptcy Code section 507(a)(5) to: (1) increase the priority amount to \$20,000; (2) eliminate the offset requirements; and (3) eliminate the 180-day limitation.

*Sec. 102. Claim for Stock Value Losses in Defined Contribution Plans.* Section 102 amends the Bankruptcy Code's definition of a claim to include a right or interest in equity securities of the debtor (or an affiliate of the debtor) held in a defined contribution plan for the benefit of an individual who is not an insider, senior executive officer or one of the 20 next most highly compensated employees of the debtor (if one or more are not insiders), providing: (1) such securities were attributable to employer contributions by the debtor (or an affiliate of the debtor), or by elective deferrals, together with any earnings thereon; and (2) the employer or plan sponsor who commenced the bankruptcy case either committed fraud with respect to such plan or otherwise breached a duty to the participant that proximately caused the loss of value.

*Sec. 103. Priority for Severance Pay.* Bankruptcy Code section 503(b) establishes an administrative expense payment priority for certain types of unsecured claims. Among all types of unsecured claims, administrative expenses are accorded the highest payment priority, i.e., they must be paid in full before priority and general unsecured claims may be paid.

Section 103 amends section 503(b) to accord administrative expense priority for severance pay owed to the debtor's employees (other than an insider, other senior management, or a consultant retained to provide services to the debtor) under a plan, program or policy generally applicable to the debtor's employees (but not under an individual contract of employment) or owed pursuant to a collective bargaining agreement for termination or layoff on or after the date the bankruptcy case was filed. Such pay is deemed earned in full upon such termination or layoff.

*Sec. 104. Financial Returns for Employees and Retirees.* Bankruptcy Code section 1129(a) specifies various criteria that must be satisfied before a chapter 11 plan of reorganization may be confirmed. Section 104 amends section 1129(a) to add a further requirement. The plan must provide for the recovery of damages for the rejection of a collective bargaining agreement or for other financial returns as negotiated by the debtor and the authorized representative under section 1113 to the extent such returns are paid under, rather than outside of a plan.

Section 104 also replaces Bankruptcy Code section 1129(a)(13), which pertains to the payment of retiree benefits under section 1114. As revised, section 1129(a)(13) requires that a plan provide for the continuation after the plan's effective date of the payment of all retiree benefits at the level established under either section 1114(e)(1)(B) or (g) at any time prior to confirmation of the plan, for the duration of the period for which the debtor has obligated itself to provide such benefits. If no modifications are made prior to confirmation of the plan, the plan must provide for the continuation of all retiree benefits maintained or established in whole or in part by the debtor prior to the petition filing date.

In addition, the plan must provide for recovery of claims arising from the modification of retiree benefits and other financial returns as negotiated by the debtor and the authorized representative to the extent such returns are paid under, rather than outside of a plan.

*Sec. 105. Priority for WARN Act Damages.* Section 105 amends Bankruptcy Code section 503(b)(1)(A)(ii) to provide administrative expense status to wages and benefits awarded