It is not my practice to have this issue decided by a hold, and I recognize the need for the Senate to have an opportunity for all Members to go on record on that issue. My intention is to try to get comments from the Attorney General with regard to its antitrust implications, and once those comments are back, to allow it to come to the floor for a full vote. If, indeed, the Attorney General does not respond to our inquiries, I will withdraw the hold in any case in early September so that the Senate can work its will on that issue.

## PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Thank you very much, Mr. President.

Pursuant to the order, we have not decided how long we will be here, but I think it will work out because of Senators agreeing to take their amendments up today. We will not be here late. Here is what I know to this point. I say to the Senator, we are going to try to go back and forth. Senator D'AMATO's amendment has been agreed to as being the next in order. I ask Senator D'AMATO if he will agree to a time limit?

Mr. D'AMATO. Fifteen minutes, twenty minutes.

Mr. DOMENICI. How about 15 minutes on a side for Senator D'AMATO?

Mr. EXON. I have no instructions on this side.

We will agree to the 15 minutes.

Mr. DOMENICI. Thirty minutes equally divided on Senator D'AMATO's amendment. Senator FEINSTEIN has an immigration amendment. Let me make a unanimous consent request on her behalf. Senator FEINSTEIN had an amendment called ''work requirement'' on our previous consolidated finite list of amendments. She has asked if she could substitute, for that work requirement, an immigration amendment that has to do with prospective application of the alien law in this bill.

So I ask unanimous consent that it be in order that she substitute that measure for the one that she had previously listed as reserved. That means she will not take up the previously reserved one. It will be gone.

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

Mr. DOMENICI. Would the Senator agree to a half-hour equally divided?

Mr. EXON. I talked to Senator FEINSTEIN about this. She wants to reserve the full 1 hour. Hopefully, we can cut that down, but she has others who want to speak. So at least we have agreed to have a half-hour equally divided on D'Amato. We would have to insist on 2 hours equally divided. Maybe that can be cut down on the Feinstein-Boxer amendment.

Mr. DOMENICI. Well, then, just a moment. Does the Senator have an early departure time?

Mrs. FEINSTEIN. The cosponsor of the amendment, Senator BOXER, does.

Mr. DOMENICI. I say to the Senator, we have a number of Senators who would like to go in a short period of time and not take very long. I am wondering if we might try to get a couple of those in at 30 minutes, and then come back to the Senator for the full time.

Mrs. BOXER. Will the Senator yield? I say to my senior Senator, I think we should agree to an hour equally divided. I only need 10 minutes, giving the Senator 20 minutes. I think that Senator DOMENICI has been very gracious to us. I am willing to cut mine back even further to 5 or 6 minutes, if you needed more time than that.

Mrs. FEINSTEIN. Mr. President, if I might address the Chairman, I will do my level best and will agree to the half hour, with the proviso that if there is something I need to respond to, I have an opportunity to do so.

Mr. DOMENICI. We will see if we can do it that way.

Mr. President, an hour equally divided on the Feinstein amendment.

Senator CHAFEE, you are next. How much would you desire?

Mr. CHAFEE. Half hour equally divided.

Mr. DOMENICI. Any objection to a half hour equally divided?

Mr. EXON. No objection here.

Mr. DOMENICI. Following that is a food stamp block grant amendment by Senator CONRAD.

Mr. EXON. We have no instructions on that at the present time. I told him he would be later. I cannot agree to that at this time. We will check with Senator CONRAD in a few moments and let you know.

Mr. DOMENICI. I will move ahead. I have one on behalf of Senator GRAMM. It will take exactly 1 minute on my side. Could you agree to a limited time on that amendment?

Mr. LEAHY. Mr. President, I heard some reference to the Conrad amendment, which I want to speak about for 2 minutes at some point. I will do it at any time.

Mr. EXON. I think we can agree to a shortened time on Gramm, but I will check on that.

Mr. DOMENICI. I think we will waste more time this way than if we just proceed. Let me stop with the Chafee amendment as a request on time limits, and just indicate the order, thereafter, without time agreements.

Mr. EXON. Right.

Mr. DOMENICI. Following Chafee, we agreed that Senator CONRAD's amendment would be the next order of business on food stamps. Following that would be a Gramm amendment—I am supposed to offer that—on drugs. If I am not here, Senator SANTORUM will do that. Following that will be Graham-Bumpers on funding formula. That would be the sixth amendment, if they are looking at when they would come up today. Following that is a Democratic amendment.

Mr. EXON. We do not have anything after Graham-Bumpers at this juncture. It does not mean we may not have more, but we cannot make agreement on something we do not have on the list.

Mr. DOMENICI. After the Graham-Bumpers funding formula, we would put in the order, Helms on food stamps, to be followed by a Democratic amendment, if they come up with one, to be followed by a Shelby amendment, to be followed by a Democratic amendment, if they come up with one, to be followed by an Ashcroft amendment. That is all we have on our side.

I ask that be the order for this afternoon.

Mr. EXON. Have you placed Shelby above Pressler in your list?

Mr. DOMENICI. We are working to clear Pressler.

Mr. EXON. OK. Is it proper to say Pressler, then Shelby?

Mr. DOMENICI. Correct. Then you have one and we have Ashcroft.

If there are no Democratic amendments, the Republican amendments will be taken in that order.

Mr. EXON. I will get back with you on Senators GRAHAM and CONRAD.

The PRESIDING OFFICER. The Chair considers that a proposed order, and there is no unanimous consent request propounded yet.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order announced as agreed upon be the order of business for the Senate.

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

Mr. DOMENICI. I thank the Chair.

AMENDMENT NO. 4927

(Purpose: To require welfare recipients to participate in gainful community service)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself, Mr. LEVIN, Mr. SANTORUM, Mr. GRAMM, Mrs. HUTCHISON, Mr. PRESSLER, Mr. FAIRCLOTH, Mr. CRAIG, Mr. STEVENS, Mr. BURNS, Mr. SMITH, Mr. COVERDELL, Mr. GRASSLEY, Mr. ASHCROFT, Mr. BROWN, Mr. THOMPSON, Mr. MCCONNELL, Mr. BOND, Mr. GRAMS, Mr. SHELBY, Mr. JEFFORDS, Mr. MACK, Mr. MURKOWSKI, Mr. BENNETT, Mr. LOTT, and Mr. NICKLES, proposes an amendment numbered 4927.

Mr. D'AMATO. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

''(iii) Not later than one year after the date of enactment of this Act, unless the State opts out of this provision by notifying

the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for two months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.''

Mr. D'AMATO. Mr. President, I offer this amendment on behalf of myself and 24 other colleagues, 24 Senators, who join with me in saying we should really end welfare as we know it. That is something that President Clinton has spoken about and has been a concern of the American people, a bona fide concern. It is a concern of even welfare recipients themselves, who tell us time and time again in a unifying voice, ''Reform this system, change this system; the system entraps us; it does not give us hope; it does not give us opportunities.''

What this amendment does, it goes right to the core of one of the great problems. That is, seeing to it that able-bodied recipients who have, in some cases, become trapped in the welfare syndrome be given an opportunity for work experience, to become self-sustaining, so they can feel part of this great country, that they can experience pride in work, so that even those, Mr. President, who do not have a job, under this amendment will have the opportunity to participate and to feel they are earning their way in their community.

What this amendment does, it says a State can require able-bodied recipients to take community service in lieu of a job, where there is no job, where they are not involved in a job-training program. Why should we have to wait 2 years, have a recipient on welfare for 2 years, before we say to them, ''You should report to a community service project, work at a hospital, work in the park, work helping to clean the highways''? We are talking about able-bodied recipients.

Let me make clear this in no way will impinge upon that single parent who is the custodian of a child. Understand that. Indeed, there is a specific exemption which indicates that if there is a custodial parent caring for a child under the age of 11, that adult can demonstrate an inability to obtain needed child care, then they are relieved of this burden.

Let me also point out that many, many middle-class Americans, working middle-class families, have single-parent moms who are working. They begin to see, by the way, ''Am I a second-class citizen? I go to work. I support one, two, three children.'' We have millions of Americans today, moms and dads, who leave the house every day, they have children. They go to work.

What we are saying here is really very, very modest. We are saying, ''Look, you are on welfare. You are receiving benefits. At the end of 2 months, you take community service. You can participate.'' If there is no job available in the private sector, let that person help his or her community. Everybody gains self-respect, dignity. I am tired of hearing we want to change the welfare system as we know it and then not do much about it.

Yesterday I spoke about a great American who had more empathy for poor people, immigrants, for people who needed help and opportunity and training, and who did more in establishing hope and opportunities. I speak to my parents, and my dad tells me during the Depression days, what the WPA, the Works Progress Administration, what it meant and how it gave people an opportunity for dignity. Young people had a job and could report to work and help build the highways and schools, et cetera. It was a form of community service. It really was. It gave people that self-fulfillment.

When Franklin Delano Roosevelt, one of the great architects of trying to give people the ability to lift themselves out of poverty, certainly a figure that working poor people looked to for hope during the most terrible times, when he gave us an admonition and warned of the evils of entrapping people in a welfare system, his words should take on meaning. Forget about someone running for office today, a Democrat or Republican, someone in the Congress or someone who wants to get here. Look at someone who said, ''If people stay on welfare for a prolonged period of time, it administers a narcotic to their spirit.'' That is President Roosevelt. ''If people stay on welfare for a prolonged period of time,'' he said, ''it administers a narcotic to their spirit.''

He went on to say that ''this dependence on welfare''—listen to this—''this dependence on welfare undermines their humanity, makes them wards of the State, and takes away their chance at America.'' How prophetic. How prophetic, because here we are 50 years later, and what have we seen? We have seen the decline of the human spirit—the decline of it. Now we have a system where people figure out how they can beat the system, bring people here, put them on the welfare rolls, and how they feel good about beating the system. By the way, if a State does not want to do this, it can opt out. By gosh, it is about time we said, hey, after 2 months on welfare, if you are able-bodied and if you do not have a job, you are not in job training, you report for community service. If you do not want to do that, you are off the rolls. If you do not want to help yourself and be part of this process of earning one's way and contributing either to your benefit or to the benefit of a community that is helping you because you do not have a job, why, then, that community has no longer a responsibility and obligation. Indeed, we are doing something that President Roosevelt warned us about. We are entrapping those people; we are destroying their dignity, destroying the human spirit, destroying their opportunity of understanding the greatness of a free capital system where people work and are rewarded on the basis of their ability.

This amendment was adopted unanimously last year. It was offered by Senator Dole. I proudly offer it on behalf of Senator Dole again, in the spirit of overcoming adversity and giving people hope and opportunity and ending that dependency that acts as a narcotic and seduces the best in people. That is what it has done for far too long.

So I hope that we can pass this unanimously. Again, I say Senator Dole offered this last year. I am proud to offer it on behalf of my 24 colleagues. I daresay that this should pass unanimously this time. I yield the floor.

Mr. DOMENICI. Mr. President, I ask unanimous consent to be added as an original cosponsor.

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

Mr. DOMENICI. Mr. President, yesterday, I was on the floor when the Senator gave his speech with reference to the whole problem of welfare. I commend him for it. Today, I commend him for his remarks and for the amendment he has offered. I believe there is a great deal of concern out there about whether there will be enough private sector jobs. I think what we are saying is, you know, it is not just the private sector job we are looking for, we are looking for a change in the behavioral pattern of people on welfare.

This is a very good test. If, after a couple of months on welfare, the State finds or the locality finds community service-type jobs, the point of it is that you have to get up, go to work, sign in, do what you are supposed to do, which is part of getting you ready, it seems to me, if you have had less of an opportunistic life and have not had a chance. I see it as part of the new weave that may very well yield a different kind of tapestry in terms of a life for people who are on welfare. I hope it passes and is retained in conference.

Mr. D'AMATO. Mr. President, I yield back any remaining time on my amendment.

Mr. EXON. We yield back our time.

Mr. D'AMATO. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote on the D'Amato amendment will occur on Tuesday, with 1 minute for debate before the vote.

AMENDMENT NO. 4928

(Purpose: To increase the number of adults and to extend the period of time in which educational training activities may be counted as work)

Mr. EXON. Mr. President, this has been cleared with the chairman of the committee.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, Mrs. MURRAY, Mr. KERREY, Mr. SPECTER, and Mr. JEFFORDS, proposes an amendment numbered 4928.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 233, strike line 15, and all that follows through line 13 on page 235, and insert the following:

''(4) LIMITATION ON EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 30 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

''(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

''(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

''(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

''(B) participates in education directly related to employment for at least the minimum average number of hours per week specified in the table set forth in paragraph (1).

''(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

''(1) unsubsidized employment;

''(2) subsidized private sector employment;

''(3) subsidized public sector employment;

''(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

''(5) on-the-job training;

''(6) job search and job readiness assistance;

''(7) community service programs;

''(8) educational training (not to exceed 24 months with respect to any individual;

Mr. EXON. Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I would like to thank the chairman of the committee for the opportunity to offer this amendment. This amendment is on behalf of Senators BOXER, GRAHAM, and myself.

AMENDMENT NO. 4929

(Purpose: This amendment provides that the ban on SSI apply to those entering the country on or after the enactment of this bill and exists until citizenship)

Mr. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mrs. BOXER, and Mr. GRAHAM, proposes an amendment numbered 4929.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mrs. FEINSTEIN. Mr. President, Senator GRAHAM offered an amendment which deals with the receiving of benefits by people who are newcomers to this country but here in a legal status as legal aliens. This amendment relates to that amendment. It provides that the ban on public benefits for newcomers to this country become effective September 1 of this year and last until they become citizens of this country, which can take place in 5 years. In essence, what we would do is take the provision of the bill which effectively prevents and throws off of any benefit program people in this country legally and we would make that prospective.

I do this as a Californian. This bill and this amendment has an enormous impact on California, and I want to say why.

Presently, in California, are 52.4 percent of all of the legal immigrants in the country on SSI. Fifty-two percent of all the legal immigrants in the country on SSI, aged, blind and disabled, are in the State of California.

This bill is where a good deal of the savings are gathered, whether the savings are $16 or $18 billion, clearly, 52 percent of those savings comes from California. I am here with my colleague, Senator BOXER, to tell you that 1 million people—bigger than the population of many States—on the date this bill becomes effective will be thrown OFF of AFDC, will be thrown off of SSI immediately. This includes in my city, San Francisco, very elderly and very senior Russian immigrants.

I remember watching a woman walk down Grant Avenue, she happened to be Chinese. She was so hunched over, she could barely walk. She is on SSI. She is a legal immigrant to this country. She would be summarily thrown off of SSI.

I happen to agree with something Albert Schweitzer once said: How you treat the least among us is a test of our civilization. Yet, I understand the need to make the changes. The costs have become so great and people are hesitant to pay these costs through their taxes. Therefore, what do you do?

Do you throw people off into the streets without no source of support, or do you send a message to the world and say: henceforth, when you come to this country as a newcomer, know that for the time you are not a citizen, you will not be able receive any of these benefits; know that before you come; know that your children will not be eligible for AFDC; the grandmothers will not be eligible for SSI or health benefits—know that before you come, the term on which you are coming to this country.

I think that is a fair judgment to make, to send that message. But, I think it is an unfair judgment, and possibly a very difficult judgment. It is easy to come up to this Chamber and come up to the desk and cast that aye vote. It is not going to be so easy when you see that crippled woman, whether she be Hispanic, or whether she be Chinese, Russian, African, or any other newcomer, white too, unable to survive, unable to participate in a program like Self-help for the Elderly or Unlock in My City, which deals with Chinese elderly newcomers to a great extent. I think that is a real dilemma in this bill.

Let me talk about what it does in California. It is estimated by the State and by the Department of Health and Human Services that the loss for California is anywhere from $7 billion over the period of this bill to $9 billion. The 20 highest-loss metropolitan areas are: No. 1, Los Angeles and Long Beach; then San Jose, Stockton, Anaheim, Santa Ana, Fresno, Modesto, San Francisco, San Diego, Sacramento, Oxnard, Ventura, Santa Barbara, and Lompoc. Those are the areas that are impacted with the largest numbers.

LOS ANGELES COUNTY

This measure is an unfunded mandate, essentially, on Los Angeles County. Its numbers and costs are a huge transfer of funds. Los Angeles County does not have the right to say ''OK, we have canceled SSI and your AFDC, so go home.'' People will still be there. If they can't walk down the street, if they are senile, if they are blind, if they are totally disabled, they will have no recourse but to fund them.

Let's take a look at how many people are involved in Los Angeles County, and what this transfer of cost is in the largest county in the United States.

This will immediately, in this county alone throw off of SSI 93,000 people who are aged, who are blind and who are disabled. The transfer to the county is $236 million this year and every year. It will throw off of AFDC 190,313 families. On the Medicaid provisions alone, the cost to the county is $100 million. So, the cost to Los Angeles County per year in just basic, preliminary estimates in terms of what would end up being a transfer is $336 million a year. I am told from some this could create a situation of bankruptcy for the county.

Is this really what we want to do? Some say welfare reform is a battle for the soul. Some say it is a battle for the heart. I really think it is a battle for the future. I understand the need to save costs, but I also understand that truly how we treat the least among us is the ultimate test of this Nation.

I would submit to you that, yes, if this amendment passes, we will reduce the savings of the bill. I would also

submit to you that unless we do this, in the largest State in the Union, in 2 or 3 years, we are going to see an absolute picture of devastation.

Forty percent of the Federal funding losses over the 6 years come from California. The bill, the way it stands, is estimated to cost $7 billion to $9 billion, nearly a million people are effected in the State of California, and in Los Angeles County alone, the estimate is 400,000 to 500,000 people impacted unless this amendment passes.

My statement to this body is, in essence, ''you could establish your principle, your public policy, which is, after all, what this body is all about, without actually harming and hurting people now who are deserving, whose total ability to live and exist in this country depends on their ability to receive SSI, or their ability to receive AFDC, or their ability to receive the medical care that they are covered to get under the law today. In essence, we change the law midstream on the most vulnerable people and are in this country legally.

I have a real problem with that. I would think anybody looking at this bill would have a real problem with that, at least I would hope they would. Come to Chinatown in San Francisco, for example, and stand on a corner for an hour and watch the elderly go by. Take 52 percent of all of them that you see and know that they are SSI, and know that tomorrow or September 1, they won't be. That is what this bill does. It has a very profound implication for California.

That is why Senator BOXER and I stand here today, and why Senator GRAHAM has tried to move the amendment he did and now supports our amendment. I would submit to you that the big States, the growth States, are going to have the biggest impact.

I would submit to you that they will be: California, on a tier all by itself; certainly Florida; certainly Texas; certainly New York; certainly Illinois; and certainly to an extent New Jersey. These are the big States that will be affected by this bill.

I know the votes are here to defeat the amendment.

The ultimate test of a civilization is how we treat the least among us. It is one thing to change the rules ahead, so everybody knows what rules we as a country play by, and both Senator BOXER and I are willing to do that. It is another thing to say, when you have no other means of subsistence, ''we are going to change the rules on you today.''

I yield 10 minutes of my time to Senator BOXER.

The PRESIDING OFFICER. The Senator from California, Mrs. BOXER.

Mrs. BOXER. I thank the Chair.

I thank the senior Senator from California [Mrs. FEINSTEIN] for her work and the staff work on this excellent amendment. Both Senators from California have been, shall we say, very upset about the impact of this bill on our great, wonderful, and beautiful State. We have been talking for several days about what approach we can take to keep with the principle of welfare reform but to make sure we do not change these rules in the middle of the game so that innocent children, innocent families, even refugees who come here without a sponsor but to escape persecution, are not thrown out on the street.

I was discussing this with a friend of mine who said, ''Well, they will be taken care of. Someone is going to take care of them.'' I said that I used to be a county supervisor, and I know that we have the general assistance program, and we are required to take care of those who are completely destitute. Where are the counties going to get the funds to do this? This friend of mine said, ''Well, maybe they will just change the law, and they won't have to do it anymore.''

My friends, we need welfare reform. The system does not work. It is broken. The senior Senator and I want to fix it. We want to put work first. We also want to make sure that the most vulnerable, as she has stated, are protected. It is perhaps easy to sit in this beautiful Chamber, in all the luxury of this beautiful Chamber, far away from the problem, and vote to say we are cutting off legal immigrants. It is easy to say it. I understand that. It is politically popular to say it.

I remind my friends that we are talking about people who are here legally, who waited their turn to come here. We are talking about refugees, people who sought asylum. And we are changing the rules. This bill will harm them even if they are blind, even if they are helpless, even if they are children. I think what Senator FEINSTEIN has crafted in her amendment goes a long way to resolving this issue. The amendment would say to those who are here legally, you came knowing the rules and we will keep you under those rules. However, let the word go out across the world that times are changing. America is changing the rules, and if you come here after September of this year, you will no longer have those same benefits. The senior Senator from California and I believe this is eminently fair. It does no damage to the thrust of the underlying bill.

As Senator FEINSTEIN has pointed out, our State of California is going to get hit with a tremendous unfunded mandate. With well over $50 billion of savings in this bill, we know that over a third of those savings come from legal immigrant cutbacks—40 percent of which will come from our great State of California. That simply is not fair. We are talking about a loss of $7 to $9 billion to California alone.

This is an Earth-shattering bill we are considering. This is a bill that will bring much needed change to the welfare system. It is putting work first. It is changing in many ways the social contract in this country. It is putting responsibility on the shoulders of many people in this country.

I think it is a very important bill, and I very much want to support it, but I have to say, how can we be proud to vote for a bill that would take a blind, elderly woman with no other means of support and throw her out on the street? How can we be proud of a bill that takes children and puts them out on the street?

Today, there are an estimated 4 million legal immigrant children in this country. Some of them will be harmed if the Feinstein-Boxer amendment is not adopted. Out of those 4 million legal immigrant children, about 1.5 million live in the State of California. How can we stand here and say that we care about children and yet in the same breath vote for a bill that could cause harm to scores of legal immigrant children? It is hard for me to comprehend that.

Senator FEINSTEIN and I have heard from our counties and cities all over the State. She has listed for you in descending order the cities and counties that would be affected the most. I had an opportunity to speak with one of Los Angeles' County supervisors, Zev Yeroslavsky. He provided me with information which shows what would happen to Los Angeles. This bill could be cataclysmic for that city. Again, it is easy to say let the counties worry about it. But I thought this body decided we would not put unfunded mandates on local governments. And yet that is what we are doing.

I have to say this. Last night, the Senator from Florida and the Senator from Pennsylvania [Mr. SANTORUM], got into a debate about just what happens to legal immigrants in this country. The Senator from Pennsylvania made an eloquent statement that this bill does not adversely impact refugees. He said we are true to the American principle of give us your tired and your poor. If you escape from your country and you come here, we take you in. I was very moved by that eloquence, and then learned, as Senator GRAHAM pointed out, in a copy of the most recent bill, refugees would also be cut off 5 years after they entered.

The Feinstein amendment would say we are going to make these changes, but we are going to make them prospectively, from September of this year forward.

I cannot imagine that we would knowingly hurt the most vulnerable in our society—who are here legally—by immediately changing the rules. By immediately telling the aged, blind, and disabled, with the most severely disabling diseases and conditions, that they are thrown out. And to tell the counties that this is your problem.

I just remember those days when I was a county supervisor, and a little child came before me with her family and looked into my eyes and the eyes of my colleagues. We, two Democrats and three Republicans on that board, would never turn people away.

That would be a violation of every ethic—be it religious, moral, ethical,

or governmental. Yet, without the Feinstein-Boxer amendment, which is also supported by Senator GRAHAM, that is exactly what we will do. We will force an unfunded mandate on the local governments. We will hurt the most vulnerable in our society. We are changing the rules in the middle of the game.

If we support this amendment, which I think is a fine amendment, it does no harm at all to the premise of this bill. It just means that we phase-in some of the more restrictive aspects of this bill.

I urge my colleagues—indeed, I implore my colleagues—think about what you are doing. Because if this goes forward and we see the most vulnerable people on the streets of our cities and our counties and we see our counties without the means to handle it, we will be very sorry, indeed, that we went forward. The Feinstein-Boxer-Graham amendment gives us the opportunity to phase-in all of this.

Again, I thank my colleague. I urge support for the amendment, and I yield back the time to my colleague.

The PRESIDING OFFICER. The senior Senator from California.

Mrs. FEINSTEIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The senior Senator from California has 7 minutes exactly.

Mrs. FEINSTEIN. Just one thought for this body. Take the most conservative cost for California, $7 billion; 7-year bill, $1 billion a year, most of it coming from Los Angeles County, let us say $500 million a year. California is a proposition 13 State. This all has to come from general assistance. General assistance is locally funded. Los Angeles cannot raise its property tax rate under proposition 13.

How does the county fund it? The county cannot fund it. This will force, if the county is to fund it—this will force the reduction of other county programs. It could be the sheriff, it could be the jail. There is no way around it. The dollars are too big.

The distinguished chairman of the committee indicated that the savings, by taking all legal immigrants off of all benefits, is $18 billion. What we are telling you is we know 52 percent of this comes from California. Therefore, if California is a prop 13 State and it presses the local jurisdictions and they are funded by property taxes and they cannot raise their property taxes and they cannot say ''legal immigrants, leave the country and go home,'' it is a real catch-22 for the local government.

If I might, just quickly, ask unanimous consent to have printed in the RECORD a letter dated July 17 from the Democratic floor leader of the California Assembly and President pro tempore of the California Senate; and a memorandum from the California State Association of Counties.

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

CALIFORNIA LEGISLATURE,
STATE CAPITOL,
*Sacramento, CA, July 17, 1996.*

Hon. DIANNE FEINSTEIN,
*U.S. Senator, Hart Senate Office Building, Washington, DC.*

DEAR SENATOR FEINSTEIN: We write to convey major concerns raised by the most recent proposed welfare reform legislation currently being considered by Congress.

SERVICES FOR AGED AND DISABLED LEGAL IMMIGRANTS

Denying federal benefits to *legal* immigrants disproportionately harms California communities. Over 230,000 non-citizen legal immigrants currently receive SSI in California, excluding refugees. This aid is provided to the aged, blind and disabled, who could not support themselves by going to work if their SSI benefits ended. Under HR 3507, SSI and Food Stamps would be denied to non-citizens already legally residing in California as well as to new legal entrants unlike the immigration reform legislation currently under consideration in Congress, which permits continued benefits for existing legal residents.

The proposed bar on SSI and Food Stamps for all legal immigrants, and the denial of other federal means-tested programs to new legal entrants for their first five years in the country would have a devastating effect on California's counties, which are obligated to be the providers of last resort. It is estimated that these proposed changes would result in costs of $9 billion to California's counties over a seven-year period. At a minimum, the very elderly, those too disabled to become citizens and those who become disabled after they arrive in this country should be exempted from the prohibition on SSI—if for no other reason than to lessen to counties the indefensible cost of shifting care from the federal government to local taxpayers for a needy population admitted under U.S. immigration laws.

PROTECTION FOR CHILDREN

While we agree that welfare dependence should not be encouraged as a way of life, it is essential in setting time limits on aid that adequate protections be provided for children once parents hit these time limits. Some provision must be made for vouchers or some other mechanism by which the essential survival needs of children such as food can be met. The Administration has suggested this sort of approach as a means of ensuring adequate protection for children whose parents hit time limits on aid.

California's child poverty rate was 27 percent for 1992 through 1994, substantially above the national rate of 21 percent. HR 4, which was vetoed by the President, would have caused an additional 1.5 million children to become poor. Though estimates have not been produced for HR 3507, it is likely that it also would result in a significant additional number of children falling below the poverty level.

ADEQUATE FUNDING FOR CHILD CARE

Funds provided for child care are essential to meet the needs of parents entering the work force while on aid and leaving aid as their earnings increase. For California to meet required participation rates, about 400,000 parents would have to enter the work force and an additional 100,000 would have to increase their hours of work. Even if only 15 percent of these parents need a paid, formal child care arrangement, California will need nearly $300 million per year in new child care funds.

Thank you for your consideration of these concerns. If your staff have any questions about these issues, they can contact Tim Gage, at (916) 324–0341.

Sincerely,

BILL LOCKYER,
*President pro tempore, California Senate.*
RICHARD KATZ,
*Democratic Floor Leader, California Assembly.*

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CALIFORNIA STATE ASSOCIATION OF COUNTIES,
*Sacramento, CA, July 15, 1996.*

To: California Congressional Delegation.
From: Mike Nevin, CSAC President.
Re Welfare reform legislation.

I am writing once again to bring to your attention a very important issue involving the impact of the welfare reform bill on local government. As I understand it, the Congress plans to submit a new welfare reform bill to the President that does not contain Medicaid reform. However, the bill will still contain measures which pose serious and substantial cost shifts to local government including drastic health care costs.

The measures, H.R. 3507 and S. 1795, propose to eliminate SSI and food stamps to legal immigrants including those already legally residing in California. In addition, it would eliminate future immigrants from eligibility for 50 to 80 federal programs for five years and disqualifies those same immigrants from these programs until citizenship. The fiscal effect of these provisions would be to drain $23 billion of federal money nationwide from major welfare programs over seven years. California, which is home to the largest number of noncitizen legal immigrants in the country would lose at least $9 billion over seven years.

Once legal immigrants are no longer eligible for federal social service programs, California's 58 counties will still be responsible for providing social services and medical care to them. A recent study issued by the University of California at Los Angeles indicates that an estimated 830,000 immigrants would converge onto county health programs if changes are made at the federal level to exclude them from health coverage. The counties in California are legally and fiscally responsible under state law to provide a ''safety net'' to indigent persons in the form of cash aid and health care. Currently, local governments are bursting at the seams from the impact of these programs.

Changes of this magnitude at the federal level could cause many counties to meet the same fate as Orange County did two years ago when it declared bankruptcy. Counties are already struggling financially as year after year they have been forced to absorb reductions in payments because of local, state and federal budget difficulties. We cannot now absorb these costs as well. We strongly urge you to consider your vote on these very important pieces of legislation and the long-range impact they will have on local government once the publicity is over. We would request that you do not support these measures should they contain these faulty policies which would merely shift the cost and responsibility to the counties.

There are additional concerns that we have with the proposal and Margaret Pēna of my staff is available to discuss them with you. She can be reached at (916) 327–7523. Thank you for your consideration.

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NEW CALIFORNIA COALITION,
*San Francisco, CA, July 17, 1996.*

To: Kathleen Reich, Office of Senator Feinstein.
From: Tanya Broder.
Re Welfare bills pending before the House and Senate floor—the California impact of the immigrant provisions.

Attached, as you requested are:

1. A letter from the California State Association of Counties on this issue.

2. A one-pager prepared by the National Immigration Law Center on the current welfare bills.

3. A 2-pager on the California impact. I put this together, based largely on materials prepared by NILC. It is being refined—let me know if anything is unclear.

Please do not hesitate to call me at 243–8215, extension 319, if you have any questions or need additional information. Please inform us of the Senator's position on any or all of these issues as soon as you can. Thank you for your interest.

Mrs. FEINSTEIN. Mr. President, how much of my time is remaining?

The PRESIDING OFFICER. The Senator has 4 minutes and 46 seconds.

Mrs. FEINSTEIN. I yield 4 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, this is certainly an issue of dollars. It is certainly an issue of impact on local institutions required to provide services. But it is also fundamentally an issue of fairness, fairness in many dimensions. Let me just mention two.

One of those is the fact that very few of these local communities requested the circumstance in which they find themselves. Immigrants, legal and illegal, come into this country for a variety of reasons but virtually none of them come in because they receive an invitation from a particular community. It is Federal policy that determines who can come legally. It is Federal willingness to allocate resources that will determine whether we can enforce the immigration laws that we have enacted or will we be faced with floodtides of illegal immigration. Unfortunately, my State, as does California, peculiarly has to deal with this issue. We have had hundreds of thousands of immigrants in all categories, from refugees to parolees to asylees to special categories of entrants, come into our State, as well as those who have come through the normal immigration process. All those decisions are made by those of us who are privileged to be Federal officials.

The consequences of those decisions almost always fall at a local level: At a hospital attempting to cope with overwhelming numbers of persons seeking medical assistance; at an educational institution, a school that is overcrowded because of the large surge of immigrant children—the social institutions. My State was so overwhelmed that we went to Federal court with a request, under litigation, that we be compensated for the expenses the State had paid on behalf of those persons who came to the United States as a result of Federal action.

The U.S. Supreme Court ruled on that case just a few weeks ago. Unfortunately for the State of Florida, the ruling was: You may have a good case. You may have a strong moral basis for your litigation. But it is not a justiciable case before the Federal courts. You have to find your relief through the political processes, not through the judicial processes. That is what we are about today. Fundamental fairness in terms of the Federal Government assuming its appropriate responsibility for the financial cost of the immigration decisions that it has made.

There is a second issue of fairness and that is as it relates to the individual affected. These people who came here under the current immigration law did so under a set of standards and expectations that did not include that they were going to have their benefits peremptorily terminated. If this is a good idea to have in effect today, we should have done it 10 or 20 years ago.

I think it is fundamentally unfair to have these people in the country under the rules that have applied—we are dealing, here, with legal aliens, people who pay the same taxes we do and are subject to the same responsibilities; but now, at the last moment, we are going to say you are not going to get the same benefits. I think that is unfair. The amendment that has been offered by the Senators from California would relieve us from that unfairness. I hope it will be adopted.

The PRESIDING OFFICER. The 4 minutes of the Senator has expired. The Senator from California has 26 seconds remaining.

Mrs. FEINSTEIN. I yield to the other side and request I be allowed to reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, this is a debate that is virtually identical to the debate we engaged in last night at a rather late hour with the Senator from Florida on his amendment. His amendment removes all the provisions dealing with legal immigrants from the bill, for current participants in the welfare system and future participants in the welfare system. What the Feinstein amendment does is simply makes the provisions in the bill prospective but grandfathers in everybody who is in the system. The Graham amendment, to my understanding, was going to reduce the savings in the budget by somewhere from $16 to $18 billion. My understanding is the Feinstein amendment reduces the savings in the reconciliation bill from $10 to $12 billion. It is still a dramatic revenue loss. As was in the case of the Graham bill, in the Feinstein bill there are no offsets. This is just a reduction in savings, going to pay for legal immigrants to continue to receive welfare benefits.

Let me, for the benefit of those who were not up at 11:30 last night listening to this debate, go through how the underlying bill works and, in fact, a little bit of the history of the underlying provisions in this act, the underlying bill. What is in this legislation before us are provisions that were passed in H.R. 4 last year and passed both the House and Senate. They were in the Senate bill that passed the Senate last year 87 to 12. They are in the Democratic substitute, which I believe—I might be wrong—the Members who are debating this amendment and advocating this amendment voted for. The Daschle substitute has this identical provision in the bill, the same provision as the Republican bill.

What the Senators from California and Florida are attempting to do is to remove what has passed the Congress once, what has passed this Senate twice, what has been included in both Democratic and Republican bills.

I suggest this has been a fairly well-tested provision. It is clear the vast majority of the Members of this Senate believe that we have been too generous with legal immigrants coming into this country, and I will explain why they feel that way.

In fact, the Graham amendment today was tabled; in other words, defeated, on a motion of 62 to 34. So this is not, frankly, even a partisan issue, as you see. It has very strong bipartisan support.

Let me explain what the underlying bill does, what the Feinstein amendment is attempting to change. What we do in this bill is recognize that there are various classes of immigrants.

For purposes of simplification, we will talk about three major classes of immigrants. One is what are called refugees. These are people who come to this country who are seeking refuge from political persecution or other kinds of persecution in a foreign country, and they come to our shores seeking help and refuge in the United States.

What we say to those people, as the Senator from California referred to earlier, just like the Statue of Liberty says, we are open and we allow those people in, and we do even more. The Statue of Liberty did not say, ''Give us your poor, your hungry,'' and all the other things it says, ''and the Government will feed them.'' It says, come on in here and have a chance at American life, come on in and have a chance at the opportunity of America. Nowhere that I see on the Statue of Liberty does it say anything about the Government having welfare programs for everybody for as long as they are in this country. I do not think that is on there. I can check, but I am pretty sure it is not on there. What is on there is an opportunity that America presents to the people in this country, and we continue that, certainly.

Second, we, in this bill, provide for welfare benefits for refugees for 5 years. They are eligible for every benefit that a citizen of this country is eligible for.

Now, why 5 years? Because after 5 years, they are eligible for citizenship, and if they apply for citizenship and go through the program to get their citizenship and are successful, they are citizens and are eligible for every right with respect to social services as any other American. So that is why we limit it to 5 years.

Some would say, ''What you're doing here is sort of coercing people to become citizens.'' I think that is, frankly, not true. I do not think most refugees come here because they are looking for welfare benefits. I think most people come here because they are looking for the things that are on the Statue of Liberty; they are looking for the opportunity that is America. In fact, the vast majority of those people do not end up on welfare, for the long term, anyway. So what we do is we say, ''Look, we have an expectation in this country that people are not coming here for social services,'' and all we are doing is patterning a law to reflect that expectation.

What I just described with respect to refugees also applies to asylees. Asylees are people like the two players from the Cuban baseball team last week, or the week before, who were in this country and escaped from their hotel and claimed political asylum and were granted that asylum. Those two players are probably not going to be needing any welfare benefits, given their talent level.

But there are people who do claim asylum here and end up on welfare, and they are treated the same as refugees: 5 years until they are eligible for citizenship, and then the expectation is you can either decide to be a citizen of this country and avail yourselves of all the benefits and responsibilities of citizenship, or you take the option you are not going to be a citizen and no longer be eligible for these programs. That is a decision you make. It is not a decision we are forcing on anybody. You make that decision. I think that is a reasonable time. It is 5 years. It is a very generous offer. So that is the one side of the immigrant calculation.

The other side is what is called ''sponsored immigrants.'' Those are the majority of immigrants who come to this country. They are people who come here under what is called a sponsorship agreement wherein most—I would not say all—but in the vast majority of cases, these are family members under the family reunification provisions of the immigration law. They are mothers and fathers of people who live in this country; they are sisters and brothers or children of the people who live in this country. They come into this country under this sponsorship agreement.

What does the sponsorship agreement say? If you are the sponsor, if you are the citizen of the country who is bringing in your mother, then you sign a piece of paper that says, ''I will take responsibility for providing for the needs of the person I want to bring to this country. I will provide for them. My income, my assets will be deemed available to them for purposes of determining whether they are eligible for benefits.'' That is under current law.

What does the immigrant who comes to this country sign? They sign a piece of paper that says, ''I am willing and capable, able to work, and I will not be a public charge.'' They sign a legal document saying they will not be a public charge. You say, ''That should take care of it. That is pretty solid. They are contracts.'' One would think they are legally binding when they sign them. The fact is, they are not legally binding.

Mrs. BOXER. Will the Senator yield on that point for a question?

Mr. SANTORUM. Yes, I will yield.

Mrs. BOXER. I want to make sure the Senator realizes that Senator FEINSTEIN and I, in this amendment, do not change any of the things my friend is talking about. We do not touch anything in the underlying bill.

All the Senator does, and I back her 100 percent, as does the Senator from Florida, is to say that since we are changing the rules that have been in effect for a long time, let's make them apply to people who are coming as of September of this year rather than change the rules for the folks who are here now. But everything the Senator says, Senator FEINSTEIN's amendment does as much for future immigrants. I want to make sure the Senator was clear on that point.

Mr. SANTORUM. For the Senator to suggest the Feinstein amendment does not touch it is not accurate. You say it does not apply to anybody here, so you would remove all the provisions of this act with respect to people in this country.

Mrs. BOXER. It is prospective. Our amendment makes it prospective, but it says to the folks here, ''We are not going to change your rules in the middle of the game.'' All the things my friend is explaining, none of those are touched by the Feinstein-Boxer amendment.

Mr. SANTORUM. They are not touched prospectively. Again, all these provisions I am explaining do apply and will apply to people who are in this country. So, for example, if you have a sponsored immigrant who is in this country receiving welfare benefits, maybe has been receiving them for 20 years, we suggest after 20 years, if you are not a citizen, if you are here receiving welfare benefits, which in many cases—and I was getting to the point with respect to sponsored immigrants, because what has been happening is that we have seen a chronic trend, and the Senator from New Mexico was on the floor yesterday with a chart that illustrates this, what happens with a lot of the sponsored immigrants—and these people are in this country now—is that son and daughter are bringing over mom and dad, and mom and dad come into this country, they sign these documents, they have signed them already, but they are not legally enforceable, No. 1.

No. 2, the welfare departments in the States do not know what the Immigration and Naturalization Service is doing. They do not talk to each other. There is no communication. So mom comes into the country. She is 70 years old. She goes down to the SSI office, and guess what? She is on SSI. By the way, when she qualifies for SSI, she qualifies for Medicaid. When she qualifies for SSI, she qualifies for food stamps, and she qualifies for a whole variety of other programs, all paid for by the taxpayer.

So what we have become in this country, not prospectively, but now, is a retirement home for millions of people all over the world to come here and have you, the taxpayer, pay for their retirement.

Now, I do not think that is right. What the amendment of the Senator from California says is, ''Well, they are here, let them stay, and we'll continue to pay for them.'' If it is wrong, it is wrong. And whether it is prospective or not, it is wrong.

Mrs. FEINSTEIN. Will the Senator yield for a question?

Mr. SANTORUM. I will be happy to yield.

Mrs. FEINSTEIN. Thank you very much for yielding.

Let me make this point. Under present law, affidavits of support are not legally enforceable. In the immigration bill, that is one of the things that is achieved. It is a binding contract, an affidavit, so that in the future these contracts will be legally enforceable. I support that. I agree with you on this point. But the point that we are trying to make is that at present they are not. Therefore, there has been a kind of a change.

The other point that I want to make to you is that this is not the same as the Daschle bill. This bill is not the same as the Daschle bill on this point. The Daschle bill has certain exemptions. The disabled are exempted. Refugees are exempted. Battered women and children are exempted. Veterans are exempted. That is a point I really appreciate the opportunity to make.

Mr. SANTORUM. With respect to this list, I know in this bill—and I have not read every page of all of this—my belief is veterans are exempted, also. I say to the Senator from California, having worked on this issue for quite some time, I think you may have a legitimate point with respect to a refugee who is 90 years old who is in this country and has been here for a long time as to whether we want to knock them off this system. I suggest to the Senator that, while I will not be a conferee, I would be sympathetic and would communicate my sympathy with respect to some very difficult, isolated cases for the very old or the severely disabled who may be on these programs today. But yours goes well beyond that.

I mean, I think we can look at the hard cases, but I think what your bill does is basically let people who signed a document—it is true that it is not a legally binding document, but I can guarantee you when they set that in front of them, and it is fairly legal looking, when they signed that—I mean, I do not know about you, but when I sign a document, put my name

on something saying I am going to do something, I want to live up to that end of the bargain.

We want them to live up to their end of the bargain. What your bill does is let them off the hook. We do not want to let them off the hook. We want people who come to this country who say they are not going be a public charge and people who bring their relatives into this country who say they are going to take care of them to live up to the deal.

What your bill does is say there is no deal, you do whatever you want, and we will pay the charge. I do not think that is what we want to say in this country. I do not think that is what we want to do.

While I understand what your concern is—and the Senator from California is a thoughtful person, and I find myself in agreement with her many times. I think the point you have made with the impact on California, I cannot argue the fact that the impact on California will be disproportionate with respect to this particular provision.

The fact of immigration has, as you know, its pluses and its minuses. You can make the decision, not me, as to whether it is a plus or a minus in California. But what I say is the Congressional Budget Office has said—and I will read from their report that they sent to the Senator from Delaware with respect to unfunded mandates.

Both Senators from California talked extensively about the impact of unfunded mandates as a result of this legislation. Unfunded mandates was a bill that we passed last year that said that we are tired of the Government, the Federal Government, passing bills, imposing mandates on State and local Governments without coming up with the money for these State and local governments to fulfill the mandate, requiring them to do something but not paying them the money to do it.

According to the Congressional Budget Office, this bill does not have unfunded mandates. I will read the section. ''On balance''—obviously in every bill there are pluses and minuses. I accept that:

> On balance, spending by State and local governments on federally mandated activities could be reduced by billions of dollars over the next 5 years as a result of the enactment of this bill.

I, again, have some sympathy for the Senator from California because you have a disproportionate impact with respect to legal immigrants. You may be one of those States that is on the minus side while another State is on the plus side. But on balance, in this country, this is not an unfunded mandate. That is the way I think we have to look at things.

Mrs. FEINSTEIN. Will the Senator yield?

Mr. SANTORUM. I will be happy to.

Mrs. FEINSTEIN. Just on that one point, if I may. I appreciate what the Senator is saying. But when you continue to read the report that you were reading from the Congressional Budget Office, it does say:

> While the new mandates imposed by the bill would result in additional costs to some States, the repeal of existing mandates and the additional flexibility provided are likely to reduce spending by more than the additional costs.

That cannot be true for California. In a way, it is a play with words because the numbers are so big in California in terms of 52 percent of the impact of this section of the bill with SSI falling on California. Fifty-two percent of all of the SSI users are in California. That is who you are talking about. Those are the elderly. Those are the blind. Those are the disabled. By this bill, boom, they are off. That is the issue that both of us are trying to bring respectfully to your attention.

What I do not understand is—and I understand the savings. See, the reason this section of the bill has the large amount of savings that it does is because of California, because $7 to $9 billion of it is California. The minute you transfer it and it goes to the county—because California alone is a proposition 13 State and cannot raise its property tax to accommodate the general assistance added burden—you could force some counties—and LA could be one under this; you just have to know this because the numbers are so huge in Los Angeles. It is a very precipitous situation.

Mr. SANTORUM. I suggest a couple things to the Senator from California. No. 1, this is a policy that I think needs to be changed, and, No. 2, the fact of the matter is that there are a lot of people on these programs who can and should be working, as a result of their coming into this country and signing this document, should be working under the law.

What your bill does is take those people off the hook. You can say, well, there is going to be a tremendous impact to these counties. Yeah, well, that may be true. But I guess the point I am making is, we should stand up for what people sign their names on, which is that they were going to not be a public charge and the people who are going to take care of them—I go back to the sponsorship agreement.

Mrs. BOXER. Will the Senator yield?

Mr. SANTORUM. Let me finish my point. I go back to the sponsorship agreement. What you are ignoring here is, you say, well, it is going to fall on the counties. Under what I described, under the system I described of SSI, for example, who should the burden fall on? Clearly, it should fall on the sponsor—not the county.

Sponsors, when they bring people into this country—there is a certain economic criteria to be able to bring someone in with a sponsor. These people have in fact taken a walk. They have said, well, you know, let the Government pick up this cost. I do not want to pick up mom's cost. I want to buy my other Mercedes. Well, let us not buy another Mercedes. Let us pay for mom.

What you are suggesting is that all these people who have three cars in their garage are going to let mom starve or put them on LA County's welfare rolls, which may not exist as you so eloquently state. I am saying that a lot of these people who sponsor people into this country are going to have to start footing the bill. That is what we are pushing here. You make the assumption that everybody who is on SSI is going to fall on to the county or the State. I do not make that assumption. I make the assumption that people who sign legal documents saying they were going to take care of people are going to now have to belly up. They are going to have to pay the bill.

Mrs. BOXER. Will the Senator yield?

Mr. SANTORUM. Yes.

Mrs. BOXER. We do not disagree with you. I want to make it clear. I want to make it clear. The senior Senator from California and I do not disagree with you. We believe that the sponsors who can, should and must pay for people they sponsor to come to the country.

But I want to make a point to my friend. It is worthy to note that approximately 400,000 legal immigrants receive AFDC in California. Out of those, 62 percent are refugees. They do not have a sponsor. This goes back to your debate with the Senator from Florida last night. We also have a situation where many of those on SSI, who are sponsored, something may have happened to their families or their sponsors in the interim.

So, my friend is talking about a principle that we agree with. But yet in the underlying bill there is no recognition of the fact that a lot of these legal immigrants do not have a sponsor to fall back on. A lot of these elderly do not have a sponsor to fall back on.

I think before we pass this sweeping reform, what Senator FEINSTEIN and my amendment does is say, we are willing to say as of September, even though we have some reservations and we know it is tough and we know it will hurt our State, we are willing to go along with it. But please, we say to you, Senator from Pennsylvania, taking a lead in this bill, consider what we are telling you. Rather than just have an argument, maybe there is some room here where we can work together so when we bring this bill out, we will not hurt a lot of kids and a lot of very sick, elderly, and blind people.

Thank you for your generosity.

Mr. SANTORUM. Reclaiming my time to make a couple of points. All the refugees you talk about have a 5-year exemption from the ineligibility for benefits. Anyone that is in this country is eligible for benefits up to the first 5 years they are in this country.

Mrs. BOXER. They are cut off after 5 years.

Mr. SANTORUM. After the fifth year they are no longer eligible. As the Senator from California knows they are eligible, after a 5-year period, to apply

for citizenship. Once they apply for citizenship and are accepted, they would again be eligible if, in fact, they need be.

As the Senator from California knows, the hurdle for getting their citizenship in this country is not extraordinary. So if people are, in fact, in such desperate condition as the Senator suggests, I think the answer would be, in fact, to get these people into citizenship programs. I suggest that is a positive thing.

As we all know, those who are noncitizens who do not know the language or cannot, in many cases, successfully interact into the economic mainstream of our country, obviously have a much more difficult time succeeding. So, in fact, forcing or encouraging citizenship would be a positive thing for many of the people that we are talking about here. I think that has to be looked at.

No. 2, we are talking about a 1-year transition. In some cases we will have people who have exhausted their 5 years who now say wait, I will not be eligible for benefits, and I will be brought in for some sort of redetermination here. It will be basically a year process. I suggest during that year process, if they still are concerned or they still are, in fact, disabled or believe they would not be able to work, they can begin to go through the process during that transition year to get their citizenship. I think we provide plenty of avenues for the truly disabled refugees and asylees to be able to stay on these benefits if, in fact, they are truly disabled. It takes some initiative on their part, but my goodness, should we not expect some initiative on the people's part, to create some link between themselves and this country in order to receive benefits?

I remind the Senators from California, I believe, and I can be corrected, but I believe we are the only country in the world who actually provides welfare benefits for their immigrants as soon as they come into this country. We are, in a sense, already very generous. I am not saying we should not be generous to those who are in need. But, at some point, like we are saying to moms who are having children and are on AFDC, there is a contract here. If we are going to limit moms with children on AFDC to 5 years, I think we have every right to limit refugees in this country who come here for 5 years. What we are saying to the refugees, unlike what we are saying to the moms, you get your citizenship in the fifth year, you can get back on the rolls. We do not let moms back on the rolls.

We are being painted as being cruel and knocking all these people off, when in fact what we are being is somewhat principled. I believe it will actually work to the benefit of the refugees who will seek citizenship, which will make them more likely to be successful in their economic life in America.

I think there are a lot of positive things we can say. This is not, as I am sure will be noted in some publications, any kind of immigrant-bashing—nothing like that. We think people who are sponsored immigrants should live up to their contract, and people who are refugees, and immigrants, and asylees should have a period of time in which we will help them, and then at some point they have to help themselves, just like a lot of other people who are going to be dealing with the welfare system with AFDC.

The PRESIDING OFFICER (Mr. KYL). The Senator from Pennsylvania has a minute and a half remaining, and the Senator from California has 1 minute remaining.

Mr. SANTORUM. I yield back the balance of my time.

Mrs. FEINSTEIN. I say, and I think I speak on behalf of my colleague, Senator BOXER, as well, we are not disputing that the time has come to make some changes. We are not even disputing that perhaps there are some who are on SSI or AFDC that can find other ways of support. What we are disputing is that this language is so ironclad that it throws the baby out with the bath water.

I was mayor of San Francisco for 9 years, a member of the board of supervisors for 9, for a total of 18 years. I know these communities. I can tell you that there are several hundred thousand people who do not have another source of support. In Los Angeles, I know, I have seen it with my own eyes. This bill does not allow for any fine tuning.

I think both Senator BOXER and I would be happy to sit down with the other side and try to work out a process of evaluation whereby you could fine tune this bill so people who truly are blind, who truly can barely walk down a street, who truly have no access to three meals a day can have a source of subsistence in this country.

The PRESIDING OFFICER. All time is expired.

Mr. SANTORUM. Mr. President, pursuant to section 310(d)(2), I raise a point of order against the pending amendment because it reduces outlay savings for the Finance Committee below the level provided in the reconciliation instructions, and the amendment would not make compensating outlay reductions or revenue increases.

Mrs. FEINSTEIN. Pursuant to Section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized.

Mr. CHAFEE. I understand I am recognized for 15 minutes.

AMENDMENT NO. 4931

(Purpose: To maintain current eligibility standards for Medicaid and provide additional State flexibility)

Mr. CHAFEE. Mr. President, yesterday we voted not to reform the Medicaid Program. This is a welfare bill we are on, not a Medicaid bill. We put off any Medicaid reforms, if you would, until another day. Because of the link between welfare eligibility and Medicaid eligibility, this bill will repeal the guarantee—the word I am using is ''guarantee''—it will repeal the guarantee of Medicaid coverage for 1.5 million children age 13 through 18, and 4 million mothers.

Mr. President, once again, this is not a Medicaid bill, yet we repeal existing Medicaid guarantees.

Under our amendment, the amendment I am presenting, and I send to the desk now on behalf of myself, Senators BREAUX, COHEN, GRAHAM, JEFFORDS, KERREY of Nebraska, HATFIELD, MURRAY, SNOWE, LIEBERMAN, REID, and ROCKEFELLER.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. BREAUX, Mr. COHEN, Mr. GRAHAM, Mr. JEFFORDS, Mr. KERREY, Mr. HATFIELD, Mrs. MURRAY, Ms. SNOWE, Mr. LIEBERMAN, Mr. REID, and Mr. ROCKEFELLER, proposes an amendment numbered 4931.

Mr. CHAFEE. I ask unanimous consent reading of the amendment be dispensed with.

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

Beginning with page 256, line 20, strike all through page 259, line 4, and insert the following:

''(12) ASSURING MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

''(B) CONSTRUCTIONS.—

''(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

''(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

''(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

''(C) ELIGIBILITY CRITERIA.—

''(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

''(I) the income and resource standards for determining eligibility under such plan; and

''(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a), as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

''(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

''(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

''(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

''(iii) ADDITIONAL STATE OPTION WITH RESPECT OF TANF RECIPIENTS.—For purposes of applying this paragraph to title XIX, a State may, subject to clause (iv), treat all individual (or reasonable categories of individuals) receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) as individuals who are receiving aid or assistance under a State plan approved under this part (and thereby eligible for medical assistance under title XIX).

''(IV) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

''(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

''(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

''(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 302 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out provided that the State is otherwise participating in title XIX of this Act.

Mr. CHAFEE. Mr. President, under our amendment, we make sure that no low-income mothers and children who are eligible for Medicaid under current law, under the existing law, will lose their health care coverage under Medicaid if the State lowers its eligibility standards for cash assistance or AFDC.

Now, this is not some open-ended lifetime entitlement to Medicaid coverage. I am sure that will be raised, and we are ready for that one. All this amendment does is apply current law income and resource standards and methodologies in determining eligibility for Medicaid. If a family's income increases, if there is no longer a dependent child in the home, these folks will lose Medicaid eligibility under our amendment, just as they would under current law.

Exactly who are we talking about, Mr. President? First, the individuals we are talking about, their incomes, on an average, are about 38 percent of the poverty level. Some will argue that we do not need this amendment because children under 100 percent of poverty are already covered. In other words, we are worried about these children. Some will say, oh, do not worry about them because if they are at 100 percent of poverty or less, they are covered. But that is not true, Mr. President. By 2002, they will all be covered up to the age of 18, but not until then. Thus, children between the ages of 13 and 18 will not be guaranteed coverage. Their mothers, unless they are pregnant, will lose the guarantees as well.

Mr. President, I refer everyone to this chart. Under the bill that we have, pregnant women continue to be covered. Children under 13 are covered. That is under 100 percent of poverty or less. The aged, blind, and disabled are covered. Who loses out? Who is losing out on the guarantees? It is nonpregnant women and children 13 to 18 that are going to fall through the cracks.

So, Mr. President, some will argue that we are backtracking from previous welfare reform measures by removing this guarantee. I want to remind my colleagues that both the House and the Senate-passed versions of H.R. 4, which passed here 87 to 12, had the very provision in it that I am talking about, which I am seeking to obtain. You might say, well, if the House version had it and the Senate version had it, then, obviously, when we came to conference, it was there. But it was dropped in conference, in some type of maneuver. Even though it was in both bills that were passed, it was dropped from the freestanding welfare reform bill that passed.

I also point out, Mr. President, that the welfare reform bill that passed yesterday in the House of Representatives has this same language that I am talking about here and trying to put into our legislation. Mr. President, if we really want this welfare reform proposal to achieve the results of moving women off of welfare and into work, we should not, in one fell swoop, remove their cash assistance and their medical coverage. This is a prescription, I believe, for failure of welfare reform.

Mr. President, I will conclude my section of the remarks before turning it over to the Senator from Louisiana by saying this. In the Finance Committee, we had all kinds of hearings in connection with welfare reform, and two points came clearly through; that, if you want to get individuals off of welfare—and we are particularly talking, in most of these cases, about women—they need support. One of the two things they need in the form of support is child care, adequate child care and the availability of that; second is Medicaid coverage for themselves and for their children.

So, Mr. President, I earnestly hope that this amendment will be adopted. I think it is one that the managers will accept.

I yield 5 minutes to the Senator from Louisiana.

Mr. BREAUX. Mr. President, I thank the distinguished Senator for yielding me some time and for his continued outstanding work in trying to make sure that whatever we do in this body is fair. All of us want to be tough on work. We have said that many times. We also should be fair to children and to pregnant women. We should be fair to those who are the neediest among us.

This legislation makes fundamental changes in the Medicaid Program, and that is not supposed to be what we are doing. Our Republican colleagues have offered an amendment which has taken Medicaid out of the equation. We are working on a welfare bill. But without the Chafee-Breaux amendment and a number of our colleagues, this legislation will still adversely affect those people who are on Medicaid and health care assistance. The question is, why? Very simple. Because under the current law, people who are eligible for AFDC assistance are also eligible for Medicaid. Therefore, under this legislation, the States could be changing all of the eligibility requirements for AFDC and, in doing so, kick off, potentially, 4 million people who are on Medicaid because of their eligibility for AFDC. It sounds complicated, but it is not really. We made a decision in the Congress and the people who run the Medicaid Program that the standards for AFDC would be the standards for Medicaid eligibility. That was a decision that should not now be changed without a careful consideration of whether that is good policy or not.

Nobody is debating Medicaid eligibility on this floor. But when you change the welfare program, you, in fact, will be changing the Medicaid eligibility for millions of Americans. As Senator CHAFEE shows, we are talking about pregnant women, children under 13, people who are the least able to take care of themselves in our country. I think that is just not what we are all about in this country.

It is interesting to note that both the House and the Senate bills that were passed last year contained a provision just like the Chafee amendment. We have already adopted this before. By a vote of 87 to 12, the legislation that

contains the Chafee-Breaux amendment was passed by this Senate body. That language in the House bill and in the Senate bill said very clearly that we would continue Medicaid coverage, health care coverage, for poor children and their parents who would have qualified for AFDC assistance under the rules in effect at that time.

Now we have essentially the same bill before the Senate, but it does not have that provision in it anymore. I do not know where it was dropped or how it got dropped. This is almost a technical amendment because we have already adopted this amendment. When the welfare reform bills were previously before the House and the Senate, there was no disagreement in the House and no disagreement in the Senate that the people who are Medicaid-eligible because of AFDC eligibility would continue to have that eligibility. That is what the policy should be. If we want to come back later on and change Medicaid eligibility, let us do it that way. Let us have a fair debate about whether we are going to take the aged, the blind, the disabled, pregnant women, or children, the people least advantaged among us, and kick them off of not only welfare but off of Medicaid, too. At least allow us to have some discussion about it.

With that, Mr. President, I reserve the remainder of the time that was yielded to me from Senator CHAFEE.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I will soon offer a second-degree amendment to the Chafee-Breaux amendment.

The PRESIDING OFFICER. The amendment would not be in order until the time has expired.

Mr. CHAFEE. Mr. President, I wonder if the Chair would be good enough to point that out again on a second-degree amendment? It cannot be offered until all time has expired?

The PRESIDING OFFICER. That is correct.

Mr. ROTH. Mr. President, let me discuss the purpose of my amendment. The purpose of my amendment to the Chafee-Breaux amendment is to ensure Medicaid coverage to all individuals currently receiving Medicaid benefits because of their eligibility through the current AFDC Program.

By this approach we would ensure that no child or adult currently receiving Medicaid benefits would lose coverage because of welfare reform.

Let me first explain that under our bill as currently written we believe that no child would lose Medicaid coverage because of welfare reform. The Congressional Budget Office has not scored any Medicaid babies because of the change in AFDC. But how can that be?

The overwhelming reason for this is because Medicaid eligibility is no longer tied exclusively to AFDC eligibility. Medicaid eligibility was expanded in the late 1980's and is now tied to the national poverty level as well as to AFDC eligibility. This is an important point. Medicaid eligibility is higher than State AFDC eligibility. We believe that children currently receiving Medicaid would not be affected by the change to the AFDC Program. The minimum Federal standard is that pregnant women, infants, and children, and children under the age of 6, under 133 percent of the Federal poverty level, must be covered by Medicaid. Children age 6 to 13 must be covered if under 100 percent of the poverty level.

Moreover, the General Accounting Office recently reported that 40 States have already expanded Medicaid coverage to pregnant women, infants, or children beyond these Federal mandates. One State has chosen to go as high as 300 percent of the Federal poverty level. Thirty-two States extend coverage to pregnant women and children up to 150 percent of the poverty level. Some States have extended coverage to children up to 19 years of age.

So the overwhelming evidence points to the conclusion that States are expanding Medicaid eligibility, not reducing it.

For 3 years President Clinton has been saying that the key to getting people off welfare is giving child care and Medicaid coverage. Governors already know this, and that is what they are doing. But to be on the cautious side, the bill, as amended, in committee provides for a 1-year transition period for anyone who may lose Medicaid eligibility as States change AFDC into the block grants, if there is still some concern that this is not enough. That is the reason that at the appropriate moment I will offer my amendment to grandfather in those individuals currently receiving Medicaid benefits so long as they are still under the poverty level.

Let me point out, Mr. President, that there is no difference between the Chafee-Breaux amendment and my amendment in the second degree in regard to individuals currently receiving Medicaid. As I have already indicated, those individuals will continue to receive Medicaid, an approach which I think is, indeed, fair and equitable. The difference is that the Chafee-Breaux amendment applies to categories rather than people. That means that someone 5 or 10 years from now may not qualify for Medicaid under a State's new welfare program. Nevertheless, they could claim eligibility under the old program.

It seems to me that this creates serious issues of inequity. I think it also is very burdensome to the State as it would require them to maintain these eligibility standards without end. I know that the Governors are deeply concerned about the Chafee-Breaux approach. They think it is unduly administratively burdensome to have to maintain two sets of systems. It is in contrast with the purpose of this legislation which is to create flexibility as we move forward with welfare reform, Medicaid, and other reforms. What we hope to do is to develop the kind of flexibility that will enable the States to develop approaches to these problems that brings some positive result. But it is hard to see how requiring a State to continue indefinitely an old program as the Chafee-Breaux amendment does. It is, indeed, hard to grasp.

So I hope that my good friends and colleagues, Senator CHAFEE and Senator BREAUX, would look at the amendment which I intend to offer as soon as all time has expired. As I said, it seems to me that this is, indeed, a fair and equitable approach. We are protecting those who are currently receiving Medicaid under AFDC. They will continue indefinitely to be eligible so long as they meet the requirements of AFDC. But I find it hard to see the equity, the fairness, the reason for, or the principle behind that we should continue in effect old programs that are going to be modified.

The basic purpose of welfare reform is to provide flexibility to the States. We think that the Chafee-Breaux amendment is a step in the opposite direction.

Mr. President, I yield the floor.

Mr. CHAFEE. Mr. President, I yield the Senator from West Virginia 2 minutes.

Mr. President, I have how much time?

The PRESIDING OFFICER. Five minutes.

Mr. ROCKEFELLER. Mr. President, I hope Members on both sides of the aisle will vote for this amendment offered by my colleagues from Rhode Island and Louisiana, Senators CHAFEE and BREAUX. It is the kind of amendment that deserves strong support from this body.

There is absolutely no reason for welfare reform to cause innocent children to lose health insurance. We can and we should enact a bill that is very tough and very clear about requiring adults to work or prepare for work if they want to get public assistance. But we do need to pass the Chafee-Breaux amendment to make sure that children who are eligible for Medicaid do not lose their health coverage as we change the welfare system. We need to pass this amendment to make sure that losing health care is not the price of leaving welfare and getting a job.

Mr. President, with this amendment, we are not proposing a new benefit or new spending. We are just trying to protect the way that poor children now can see a doctor when they're sick, get their vaccinations and their checkups, and receive basic medical care. Up to 1.5 million children and 4 million parents are at serious risk of losing their Medicaid coverage unless this amendment prevails.

Mr. President, I truly believe the American people, including West Virginians, want us to adopt this amendment. The public has made it very clear that they expect Congress to make distinctions between responsible

reform and reckless change. Americans want all children to have a chance in this country, and they know that health care is where that chance starts and lasts. You have to be healthy to learn, to grow, and to become productive.

As our constituents demand changes in welfare, they are not asking us to abandon children or take health care away from those who need it. In fact, they get pretty upset when they see Congress doing something that will hurt children or health care.

It is counterintuitive, counterproductive, and just plain wrong to push the parents of poor children into the workplace, and then pull health care out from under them. The mothers who succeed in leaving welfare for work are rarely going to start with jobs that offer health insurance for themselves or their families. According to one study, 78 percent of women who worked their way off welfare ended up in jobs that did not offer health insurance. Two-thirds of these women were still not able to get insurance after 18 months.

It is cruel to ask a mother to make the choice between working and holding onto health insurance.

This amendment is the critical way we can make sure parents have every reason to get a job and get off welfare—because Medicaid will be a source of coverage for a limited amount of time, for the transition from welfare to work.

Congress is going to make bold changes in the welfare system. But please, let's not take the country backward in this life-and-death issue of health care for children and their parents as they leave welfare for work. It's our responsibility to deal with this part of the health care system, because unfortunately, the private sector just isn't there. Medicaid has to be there for them, or these families and children join the uninsured and have a much more difficult time getting out of the rut they're trying to escape.

Ask any doctor, hospital, or community—when families don't have health insurance, they end up using the emergency room as their source of health care. That's costly, inefficient, and burdens the health care system.

Mr. President, as we act on welfare reform, I hope we realize it is not just about saving money. We want to promote personal responsibility, the work ethic, and stronger families. The Chafee-Breaux amendment is a very specific way all of us in this body can make sure that poor families are not punished in the cruelest way, by losing their health insurance. All we want to do is to make sure basic health care is still there for these children and families while we get much tougher about the parents getting work and getting off welfare for good. I urge all of my colleagues to support this amendment, which will make it even more possible for low-income parents to join the work force.

Congress decided more than 10 years ago that the Federal Government had an important role in setting minimum standards of health coverage for pregnant women and children. Congress voted for—and two Republican Presidents signed—legislation in 1986, in 1987, in 1988, in 1989, and in 1990 that no matter where they lived, children were guaranteed a decent standard of health coverage.

Texas currently sets its overall eligibility for Medicaid at 18 percent of poverty except for pregnant women and young children because, frankly, Congress forced it and many other States to set higher standards for pregnant women and children. While many of my colleagues do not want to, in any way, impinge on a State's flexibility, there is a time and place for decent minimal standards. Mr. President, this is the time, and this is the place. This is for some of our country's neediest children.

Mr. President, let us not go back in time, and repeal extremely important health care protections for pregnant women and children.

Mr. CHAFEE. Mr. President, I would like to save 2 minutes for the Senator from Florida, who is expected. So I will save that time for him.

The PRESIDING OFFICER. Who seeks recognition?

Who yields time?

The time runs equally if neither side seeks recognition.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 20 seconds.

Mr. CHAFEE. I will use up the remainder of my time.

Mr. President, the second-degree amendment, as I understand it, by the Senator from Delaware says that all those individuals who are currently eligible for Medicaid would be eligible in the future even though the eligibility standards might be lowered, and thus if a new person came along, they would not be eligible for Medicaid because the cash assistance payments standard would have been lowered.

Mr. President, to me that is a very impractical proposal because what you have to do is get a list of everybody who is currently, I presume, on Medicaid, who meets the eligibility standards, and then I presume that is the permanent list.

If somebody comes along who is at the same level, so you have two women side by side, one who qualifies because of the existing standards and another comes along in the future who does not quite get there by whatever date this bill passes and the AFDC standards or the cash assistance standards have then been dropped, this other woman does not qualify, she and her children. She has dependent children. You might say, ''Oh, no, do not worry about those children; they are taken care of under the 100 percent poverty.''

No, they are not. That is very clear—100 percent of poverty only covers those under 13. Next year it will be 14 and 15. But a woman who has a 15-year old child comes along, with the same financial situation as her neighbor, who came in time to qualify and gets it, and the second one does not, that is not very fair.

So I hope, Mr. President, when we come to vote on this second-degree amendment, as I understand it and as it has been explained, it will be rejected, and then we can get to the Chafee-Breaux amendment as originally proposed and take care of these individuals who are being knocked off—nonpregnant women and children 13 through 18.

How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 3 minutes and 59 seconds.

Mr. ROTH. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. All time has been yielded or used.

AMENDMENT NO. 4932 TO AMENDMENT NO. 4931

(Purpose: To maintain the eligibility for medicaid for any individual who is receiving medicaid based on their receipt of AFDC, foster care or adoption assistance, and to provide transitional medicaid for families moving from welfare to work)

Mr. ROTH. Mr. President, I now call up my amendment in the second degree.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 4932 to amendment No. 4931.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

''(12) CONTINUATION OF MEDICAID FOR CERTAIN LOW-INCOME INDIVIDUALS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this Act, a State to which a grant is made under section 403 shall take such action as may be necessary to ensure that—

''(i) any individual who, as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, is receiving medical assistance under title XIX as a result of such individual's receipt of aid or assistance under a State plan approved under this part (as in effect on July 1, 1996), or under a State plan approved under part E (as so in effect)—

''(I) shall be eligible for medical assistance under the State's plan approved under title XIX, so long as such individual continues to meet the eligibility requirements applicable to such individual under the State's plan approved under this part (as in effect on July 1, 1996); and

''(II) with respect to such individual, any reference in—

''(aa) title XIX;

''(bb) any other provision of law in relation to the operation of such title;

(cc) the State plan under such title of the State in which such individual resides; or

''(dd) any other provision of State law in relation to the operation of such State plan under such title, to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996; and

''(ii) except as provided in subparagraph (B), if any family becomes ineligible to receive assistance under the State program funded under this part as a result of—

''(I) increased earnings from employment;

''(II) the collection or increased collection of child or spousal support; or

''(III) a combination of the matters described in subclauses (I) and (II), and such family received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the family shall be eligible for medical assistance under the State's plan approved under title XIX during the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income taxes made by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit), is less than the poverty line, and that the family will be appropriately notified of such eligibility.

''(B) EXCEPTION.—No medical assistance may be provided under subparagraph (A) to any family that contains an individual who has had all or part of any assistance provided under this part (as in effect on July 1, 1996, or as in effect, with respect to a State, on and after the effective date of chapter 1 of subtitle A of title II of the Personal Responsibility and Work Opportunity Act of 1996) terminated as a result of the application of—

''(i) a preceding paragraph of this subsection;

''(ii) section 407(e)(1); or

''(iii) in the case of a family that includes an individual described in clause (i) of subparagraph (A), a sanction imposed under the State plan under this part (as in effect on July 1, 1996).

Mr. ROTH. Mr. President, I have, of course, already discussed the purpose of my amendment. As I said, the purpose of my amendment is to ensure Medicaid coverage to all individuals currently receiving Medicaid benefits because of their eligibility through the current AFDC program. As I said, this would ensure no child or adult currently receiving Medicaid benefits would lose coverage because of welfare reform. I believe this is fair. I think it is equitable. I think it just makes common sense.

Yes, there are going to be changes in the future. That is the reason we are providing for welfare reform. Hopefully, at a later stage we will have Medicaid reform. I personally thought it was a mistake to separate the two reforms because they are interrelated. But it makes no sense to me, when we are trying to provide greater flexibility to the Governors, to require that two sets or systems of eligibility be maintained if a State changes the welfare program under TANF.

As far as the administrative burdens are concerned, I would say to my good friend from Rhode Island, that his plan, too, will require the maintenance of two books. The difference is that in time ours will become less important.

But I hope the sponsors of the basic amendment will review and look at my proposal, as I believe it is an approach that does provide for equity in that it guarantees all those who are currently receiving Medicaid benefits under AFDC would continue to do so.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, do I understand we have 15 minutes on the new amendment? Is that the proposal? I guess there was never any time agreement, was there?

The PRESIDING OFFICER. For the second-degree amendment there is 1 hour equally divided, controlled half an hour on each side.

Mr. CHAFEE. I will just take a couple of minutes.

Mr. President, it seems to me we have to make up our minds around here. Are we dealing with Medicaid reform or are we not? The ground rules were—what we did in the Finance Committee, we dealt with welfare, we dealt with Medicaid. Then we came to the floor and we dropped off the Medicaid provisions.

Now what we are trying to do, it seems to me, in a back-door way, is make very severe changes in Medicaid without us considering it a Medicaid bill. If we are dealing with Medicaid we get into all kind of different things. We get into the Boland amendment and matters we dealt with in the Finance Committee. But that is not the approach.

Yes, it was very clear, we are severing the two: Welfare is here, Medicaid is here; we are dropping Medicaid off and sticking with welfare. Yet in one fell swoop here, because of the eligibility standards of AFDC, or cash assistance, Medicaid goes along with it. And you have to be very, very careful then. When you have dropped the major Medicaid portions of the bill, what are you going to do about this group that loses their Medicaid coverage, the ones I am talking about? It does not do any good to say that is all right, we will take care of those on the list now. What about in the future? Are we going to let a State just drop right down on its cash assistance way below the levels they are not permitted to go now—which is May 1, 1988—and then go right down? OK, that is welfare reform. We say if they are 38 percent of poverty on May 1, 1988, if they want to go down to 15 percent of poverty, all right. That is welfare reform. But they should not, the individuals should not lose their Medicaid coverage in those changes. That is the problem with the second-degree amendment that was presented here.

We will have a chance to visit more on this, I presume. I do not know what the arrangement is for Tuesday. I suppose we will go right into the votes. Maybe a minute or 2 minutes equally divided and an explanation of some type, as we have done here today. I might say, as you know all, the amendments we voted on today and were debated last evening, all were under an arrangement of no second-degree amendments. Today is different, apparently. So the chairman of the Finance Committee came forward with a second-degree amendment.

Mr. President, I would like, on my time, to ask the chairman of the Finance Committee if I am correct in believing that you could end up with a situation where you have two similar individuals, let us say women on welfare currently. Let us just look ahead a year from now. Under this proposal, you could find one individual currently receiving Medicaid coverage and another individual in exactly the same position—exactly, children the same age, earned income exactly the same, welfare benefits exactly the same. One would be entitled to Medicaid coverage and one would not be, because that second woman is not on the rolls currently? Am I correct in that? I ask the distinguished chairman of the Finance Committee.

Mr. ROTH. Mr. President, I say to the Senator from Rhode Island, that is correct. What we have provided here is a transition rule, trying to ease the change by providing that all women and children who are currently receiving Medicaid benefits because of AFDC programs will continue to do so. But, to answer him directly, yes, that is true for a year from now and it will be true 5 years from now. It would be true 10 years from now.

Mr. CHAFEE. I wonder if I am also correct in suggesting that, under the proposal of the Senator from Delaware, under his second-degree amendment, you could have a situation where the woman is on the rolls now and therefore she is Medicaid eligible. Then suppose she goes off as a result of earnings. Can that individual come back on if her earnings fall below the earnings limitation? Yes, fall below, so she would be eligible once again for cash assistance? Would she get Medicaid?

Mr. ROTH. Once people go off the rolls, their eligibility in the future would depend upon the new program. So they would not go back on the basis of AFDC.

Mr. CHAFEE. So it seems to me that an individual who is locked in under the present system, as suggested by the second-degree amendment, that individual would make a great mistake to get off Medicaid, because, let's say, the eligibility was dropped and they would not currently qualify. So the key thing is to stay on Medicaid, do not get off.

Mr. SANTORUM. Will the Senator yield?

Mr. CHAFEE. Sure.

Mr. SANTORUM. I do not think that would be correct. If the person is no longer eligible for AFDC, what you are

suggesting is they should keep working in a low-wage job just for the purposes of keeping Medicaid and not try to get a promotion where you can get benefits and other kinds of things. I am not sure that would be a logical economic move for somebody.

Mr. CHAFEE. I am sorry, did I miss a question?

Mr. SANTORUM. I said, what you are suggesting is that someone who is no longer on AFDC but is Medicaid eligible because of this grandfathering is not going to have an incentive to take a better job, potentially with benefits, potentially with opportunities for greater advancement, because if they come into a situation where they lose that job, they would not be able to get back on Medicaid. I am looking at someone making an economically rational decision. To me that would not be an economically rational decision.

I think the grandfathering does take care of that situation, and if that mother does have a problem and falls back on AFDC, she is then eligible for Medicaid again. I do not think I see the problem that the Senator from Rhode Island has put forward.

Mr. CHAFEE. That is not the testimony that we had before the Finance Committee. The testimony we had was very clear that the Medicaid situation is a big factor, not just for the adult, but for the children likewise. It affects people's behavior.

Mr. SANTORUM. These are people who are not on AFDC anymore. These are people who are working, because if they were on AFDC, they would be included under the new program.

Mr. CHAFEE. What we are talking about here are two different standards. Let's say under current law, somebody is eligible for AFDC. Automatically that individual gets Medicaid. In the welfare reform bill that we have before us, we are saying to the States, ''You're not bound by that May 1988 level. You can go below that, if you want.''

OK, that is fine, we all agree with that. That is what we voted on. But let's say the May 1988 levels were in the State 50 percent of the poverty level, and the State decides, ''We're going to get tougher on welfare eligibility. We're going to make it so you can't get it if you are above 38 percent of the poverty level.''

Under the Roth proposal, he is saying, ''That is right, you drop it down, but if you are currently receiving Medicaid at the 50 percent level, that is all right, forget the 38 percent, you are taken care of.''

What I am saying is that that person who now is covered is going to be very, very reluctant to get off Medicaid and take a job, because that person cannot get back on, according to the information I received from the manager of the bill.

Mr. ROTH. Inherent in what the Senator from Rhode Island is saying is that the Governors, in developing new programs, are inherently going to shortchange those on welfare. The fact is, and as you know, in the Finance Committee, it was clearly shown that much of the spending in welfare, Medicaid and other programs is beyond what is required by the Federal Government. In fact, I think in the case of Medicaid, they were spending more than 50 percent on a voluntary basis.

So I think it is wrong to assume necessarily that the programs that are going to be developed under TANF are going to be less desirable.

Let me say, a family could increase earnings and drop off AFDC but still be eligible for Medicaid if less than 100 percent of poverty. So there are alternatives.

I yield the floor.

Mr. CHAFEE. I am ready to yield my time back, if the manager of the bill is ready to yield his back.

The PRESIDING OFFICER. All time is yielded back.

Under the previous order, the Senator from North Dakota, Mr. CONRAD, will be recognized to offer his amendment.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I did not say I yielded my time back, I said ''ready to yield my time back.''

The PRESIDING OFFICER. The Chair misunderstood.

Mr. CHAFEE. So I still have time.

The PRESIDING OFFICER. The Senator has 26 minutes; the other side has 18 minutes.

AMENDMENT NO. 4933 TO AMENDMENT NO. 4931

(Purpose: To maintain current eligibility standards for medicaid and provide additional State flexibility)

Mr. CHAFEE. Mr. President, I do now yield back my time, and send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. BREAUX, Mr. COHEN, Mr. GRAHAM, Mr. JEFFORDS, Mr. KERREY, Mr. HATFIELD, Mrs. MURRAY, Ms. SNOWE, Mr. LIEBERMAN, Mr. REID, and Mr. ROCKEFELLER, proposes an amendment numbered 4933 to amendment No. 4931.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word and insert the following:

MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

''(B) CONSTRUCTIONS.—

''(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

''(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

''(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

''(C) ELIGIBILITY CRITERIA.—

''(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

''(I) the income and resource standards for determining eligibility under such plan; and

''(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a), as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

''(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

''(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

''(ii) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

''(iv) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

''(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

''(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

''(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out provided that the state is otherwise participating in title XIX of this Act.

The PRESIDING OFFICER. Under the previous order, there is 1 hour for debate equally divided. Who yields time?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. If I could just have 30 seconds to explain the perfecting amendment. What that does is make sure that that population that I was previously discussing, who now or in the future qualify under the present eligibility rules, will continue to be eligible for Medicaid.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. We yield back the remainder of our time.

Mr. CHAFEE. I yield back my time.

The PRESIDING OFFICER. The Senator yields back the remainder of his time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENT NO. 4934

(Purpose: To strike the State food assistance block grant)

Mr. CONRAD. Mr. President, I call up my amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself, Mr. JEFFORDS, Mr. KERREY, Mr. LEAHY, Mrs. MURRAY, and Mr. REID, proposes amendment numbered 4934.

Mr. CONRAD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 8, line 24, strike ''for fiscal year 1996'' and insert ''for the period beginning October 1, 1995, and ending November 30, 1996''.

On page 9, strike lines 1 through 5 and insert the following:

''(ii) for the period beginning December 1, 1996, and ending September 30, 2001, $120, $206, $170, $242, and $106, respectively;

''(iii) for the period beginning October 1, 2001, and ending August 31, 2002, $113, $193, $159, $227, and $100, respectively; and

''(iv) for the period beginning September 1, 2002, and ending September 30, 2002, $120, $206, $170, $242, and $106, respectively.

Beginning on page 94, strike line 14 and all that follows through page 111, line 6.

Mr. CONRAD. Mr. President, I am proud to be joined by my colleague, Senator JEFFORDS, the distinguished occupant of the Chair, Senators KERREY, LEAHY, MURRAY, and REID in offering an amendment to preserve our Nation's Food Stamp Program by eliminating the food stamp block grant.

This is one of the most important issues in the pending welfare reform legislation. Members in this Chamber and people around the country often talk of the need for a real bipartisan effort to reform our welfare system. Our amendment is a true bipartisan undertaking.

I am hopeful that my colleagues will consider the amendment and the benefits it will provide for our Nation's children and elderly, our cities and our rural areas. Block granting the Food Stamp Program is a mistake for this country. I am confident that if my colleagues give careful consideration to the Food Stamp Program, how it works, who it serves, and how it was developed, that they will vote for our amendment.

I want to make clear to my colleagues and others who are watching what this amendment is about. It is about providing food to hungry people. That is what is at issue. This amendment is about making certain that hungry people are fed. That is the most basic test of the fundamental decency of any society. Are hungry people fed? This amendment provides the answer. It says that in America hungry people will not go without food.

Mr. President, I want to make clear at the outset that the cost of our amendment is fully offset over the 6-year budget period. This amendment reduces the standard deduction in order to provide the revenue necessary to pay for the amendment. With our amendment, the Agriculture Committee will still be in full compliance with its budget reconciliation target.

Mr. President, the Food Stamp Program is the anchor for our Nation's nutritional safety net. The program developed from a decision by Congress that no child, indeed no person, in our wealthy country with its abundant food supply should go hungry.

My colleagues will remember that former Senator Dole, the apparent Republican Presidential nominee, was a leader in this effort. So, too, was former Senator George McGovern, a former Democratic Presidential nominee. In fact, we ought to wish former Senator McGovern a happy birthday because this is Senator McGovern's birthday today.

So we had a fully bipartisan effort that formed the Food Stamp Program. It remains a valid goal for our country and for those of us in this Chamber who share with our colleagues in the House of Representatives and the President of the United States the responsibility for making these decisions.

My colleagues should know that fully 51 percent of food stamp recipients are children, 7 percent are elderly, and 9 percent are disabled.

To further illustrate, I have brought with me this chart indicating the distribution of food stamp benefits to households. And 82 percent of food stamp households are households with children. This chart shows that. Now, 82 percent of the food stamp eligible households in this country are households with children. Only 18 percent are without children.

Mr. President, I want to make clear, we are defending the basic notion of a Food Stamp Program. That does not mean that we are not supportive of changes to reform the Food Stamp Program, to improve its implementation and to save money, because this bill has substantial savings out of the Food Stamp Program, over $20 billion.

We are not affecting those savings. But we are saying, do not block grant the Food Stamp Program. Do not do that. That is a mistake for this country. And it will fundamentally undermine the Food Stamp Program and the nutritional safety net that it provides.

Mr. President, currently every child who needs food is eligible for food stamps. Under a block grant, a State would have no obligation to provide benefits to children—none, no obligation to provide for children. There are no standards whatsoever regarding who should receive benefits or how much in benefits they should receive under the bill we have before us.

Mr. President, block granting the Food Stamp Program would tear a hole in the safety net that makes certain 14 million children do not go to bed hungry at night or do not go to school with hunger pains. This is what preserving our Nation's Food Stamp Program is about. And these are the people we place at risk by block granting the Food Stamp Program and eliminating the food safety net.

The Food Stamp Program, as my colleagues know well, is a carefully crafted program that has a tremendously impressive history of responding to economic fluctuations in our country and changes in child and adult poverty levels. The Food Stamp Program has been successful in fighting hunger because it automatically covers more people when economic downturns or natural disasters push more Americans below the poverty line.

Block granting the Food Stamp Program would eliminate this automatic response to increases in poverty that the current program provides. I have brought two charts which illustrate the Food Stamp Program's responsiveness to fluctuations in poverty.

The first is a chart that shows from 1979 to 1993 how the Food Stamp Program responded directly to changes in the overall poverty rate. My colleagues can see the red line shows the poverty population in this country. The blue line shows food stamp participation. As poverty rates have changed, as the incidence of poverty has changed, one can see that the food stamp participation rate has moved in tandem with it. In other words, responding directly to increases in poverty.

The second chart is perhaps more compelling to those who think the Federal Government should protect kids but are less sympathetic to their parents. This chart illustrates how the Food Stamp Program responds to changes in the child poverty rate. Again, the red line shows increases in the child poverty rate from 1979 through 1993. Again, the food stamp participation rate tracks closely with it. Make no mistake, the Food Stamp Program is the most important part of our arsenal to fight the battle against poverty in America.

This responsiveness, the responsiveness of the Food Stamp Program to economic fluctuations, led the National Governors' Association and the drafters of this welfare bill to improve the AFDC block grant contingency fund trigger by basing it on an increase in food stamp participation.

Mr. President, it does not make sense to turn around and block grant the program and eliminate the program's ability to respond to dramatic changes caused by economic downturns or natural disasters. It makes no sense to take away that automatic stabilizer that is a central feature of the Food Stamp Program.

Again, this does not mean we cannot make changes in the Food Stamp Program. We can. We should. We should achieve additional savings, and we will. This amendment does not affect those changes and those savings.

A block grant with limited funding cannot respond to changes in poverty levels, nor can it respond to a severe economic downturn or to a natural disaster. The need for a State to help its children, elderly, and working families, would come precisely at a time when the State's economy is least able to support increased food assistance expenditures.

Let me just share with my colleagues the example from the State of Florida, because I think it is most instructive. I want to make clear this is not a question of Governors or States being mean-spirited or wanting to limit food stamps in a time of need. We are not questioning here the good faith of our Nation's Governors. We are not questioning the good faith of our Nation's State legislators. This is a question of economic reality. There simply is no way for any State to accurately plan in advance for dramatic increases in food aid required by severe economic downturns or natural disasters.

Governor Chiles of Florida gave testimony at the Senate agriculture hearing on nutrition in May of last year that illustrated this point. He included a chart with his testimony which outlined Florida's food stamp participation benefits from October 1987 to January 1995. I have brought the chart of Governor Chiles because I think it can help Members understand why block granting the Food Stamp Program could have unintended consequences we would all regret.

The way the food stamp block grant is structured in the bill before the Senate, a State is required to decide several months before the beginning of the next fiscal year if it wants to exercise the block grant option. A State would then be bound to its decision for the remainder of the fiscal year. Therein lies the problem, Mr. President.

We will look at the chart from Florida that Governor Chiles presented. From October 1987 to October 1989, we can see the demand for food stamps in Florida was level. No block grant demands were increasing. They were basically stable. So a Governor could have felt confident that his or her State would have been better off with the block grant and would not put anyone at risk of going hungry if they were basing that on the experience of 1987 to 1989.

However, from October 1989 to mid-1992, there was a national recession, and Florida's food stamp caseload exploded. One can see how the food stamp caseload just went up on almost a straight line in the State of Florida. No block grant could have responded to the increase in families that needed food stamps in Florida during this time. No State would be able to predict or prepare for this dramatic growth in demand for food assistance.

That was not the end of the story in Florida because we will recall the testimony of Governor Chiles. Then the big one hit, a natural disaster. The natural disaster was Hurricane Andrew, and its devastating blow was felt all across Florida. The sharp increase in demand for food aid help in September 1992 shows the impact of Hurricane Andrew. A block grant could not have responded to the immediate and massive need for food created by this natural disaster.

Mr. President, this is a central point with respect to this amendment. If we adopt a circumstance in which a State must commit to a flat amount of funding, a flat block grant amount for food stamps, and then that State is hit by either an economic downturn, impossible to predict, or a natural disaster, again, impossible to predict, and the demand for food aid skyrockets as it did in Florida, the need for food for that State's children and for other people could not and would not be met.

Mr. President, Florida is not alone. Natural disasters hit nearly every State in the last year, from a drought in Texas to flooding in Missouri, to earthquakes in California. We all know the litany of natural disasters over the last several years. Are we really going to abandon the children in those States to a flat amount of funding for food stamps with no ability to adjust for an economic downturn or a natural disaster? I think not. I think America is better than that. The National Food Stamp Program should respond to the needs of families that temporarily need food during these times of crisis.

As a matter of fact, using almost exactly the same formula as is in the current welfare proposal, the U.S. Department of Agriculture estimated if a block grant proposal had been enacted in 1990, in 1994 every State would have fallen short of the funding needed to provide food aid for their children. Choose any State and children would have suffered.

Mr. President, the case for this amendment does not end there. The obligation that is in the bill before the Senate could destroy the Food Stamp Program. I believe we have a strong national interest in ensuring that children and other vulnerable members of our society do not go hungry. Others may argue this is a State option, that the decision to take the risk that children go hungry should be left to each State.

It is not that simple, Mr. President. The block grant option contains within it the potential to destroy the National Food Stamp Program. That is because if States opt for the block grant, their representatives no longer have a stake in the Federal program. They could vote for deep cuts in the Food Stamp Program without any adverse impact on their States or districts.

Mr. President, I believe the underlying bill has in it the seeds of the destruction of the Food Stamp Program. Too many of us have labored for too long on a bipartisan basis to make certain that if people are hungry in this country, they have a chance of being fed, to allow that to happen.

I also want to emphasize there is a different rationale for block granting the AFDC Program than the Food Stamp Program. We have heard many calls for block granting the AFDC Program. That has a certain logic to it. Many States have indicated their desire to block grant the AFDC Program in order to make better use of the significant number of State dollars that are spent on the AFDC Program. States may also want block grants for AFDC, in the hope of eventually achieving savings at the State level. These arguments do not apply to the Food Stamp Program because it is a Federal program. Food stamp benefits are fully funded by the Federal Government. There is no State match. There is no State maintenance of effort requirement.

Mr. President, I also want to address the issue of State flexibility. I firmly believe that real welfare reform requires greatly increased State flexibility. I introduced an entire welfare reform package of my own, which provided for a dramatic increase in tax flexibility. That made sense. I have already explained why a block grant approach to food stamps is bad policy and completely undermines the benefits and integrity of the Food Stamp Program.

I know, however, that there are those in this Chamber who support the block grants solely on the basis of supporting anything that increases State flexibility. I will address this issue because it is important. Without the block grant, the welfare bill before us makes the

biggest steps to expand State flexibility in operating the Food Stamp Program that the program has experienced in two decades. States will have broad, new authority to simplify food stamp rules and develop their own policies to promote work and responsibility. That is as it should be.

States will have broad, new flexibility to streamline food stamp benefits to coordinate with their application of benefits under the AFDC block grant. They have the option to convert food stamp benefits to wage subsidies, and the option to determine if they want to provide benefits to people who are delinquent in child support payments. States also have almost complete flexibility to structure programs to promote employment and self-sufficiency and to impose strict work requirements.

Federal rules impeding implementation of State electronic benefit transfer systems would be eliminated under the current bill, as would a large number of provisions which micromanage food stamp administration. We do not change any of that, Mr. President. That dramatically increased State flexibility is completely preserved under the amendment we are offering. I understand and support the need for State flexibility. But, as I have already pointed out, this is a Federal program, part of a national commitment to ensure that children and vulnerable Americans do not go hungry. And it works. We here in the Senate have a responsibility to ensure that Federal tax dollars applied to the Food Stamp Program succeed in fulfilling this commitment. We should not use the doctrine of State flexibility to put millions of American children and seniors at risk of going to bed hungry at night. We are a better nation than that. We are a better people than that. We are a better Senate than that.

I hope my colleagues will join me in saying that, in America, the hungry will be fed.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. I thank the Chair. First, let me say, Mr. President, that we have had votes on block grants here in the Senate in the past. We had one on the bill last year. In fact, when it came out of the Agriculture Committee, there was no block grant. The block grant was offered here on the floor of the Senate and was passed in the Senate. It was included in the welfare reform bill that was passed here in the Senate. It was included in the bill that passed originally, as I said before, in the Senate, which passed 87 to 12. The Senator from North Dakota voted for that, as well as other provisions in the bill. The block grant included in the Senate bill—

Mr. CONRAD. If the Senator will yield, I would like to correct the RECORD. The Senator from North Dakota did not vote for the block grant. The Senator from North Dakota voted against the block grant. But when a Senator is presented with the question of supporting the overall bill, that is a different question.

Mr. SANTORUM. It was included in the Senate bill, which passed 87 to 12 here, in the reconciliation bill, and in the welfare bill that was vetoed by the President. In fact, the block grant provision that is in this bill actually has a lot higher hurdles for States to jump over to get a block grant, because in the bill that originally came through here, there was a requirement in the original Senate bill that 85 percent of the money be spent on food.

In this bill, 94 percent of the money has to be spent on food stamp aid. So States have a higher requirement. In this bill, you can get a block grant only if you have EBT, electronic benefits transfer, a computerized way of providing food stamps. In the other bill, there was no such electronic benefits transfer.

In this bill, you have to meet one of these criteria to get in. An error rate of under 6 percent. The national error rate is between 9 and 10 percent. So you have to have a pretty good error rate to be able to qualify for a block grant. There are only a few States who qualify—Massachusetts, Alabama, Kentucky, Arkansas, Louisiana, South Dakota, and the Virgin Islands. Maryland, Texas, and South Carolina qualify for electronic benefits transfer. If you have an error rate above 6 percent, you have to use State dollars to, in fact, pay down the error rate to make up the difference—obviously, an expense of the States.

So we have a much higher standard here of qualifying, and the standard is set for the purpose of making sure that the States that do take a block grant either have a technologically advanced program like electronic benefits transfer, where you get the debit card instead of the stamps, which you then use to purchase your food, or you have a good system which has a low error rate. I think when you consider the fact that only 7 jurisdictions out of the 50-some that we have receiving these programs have such a low error rate, I think we have set the standard pretty high here. So this is not an easy thing that lots of States are going to jump into. Most States will not qualify for these block grants. So we believe we have set an appropriate standard.

The Senator from South Dakota talked about the Florida rate and how it was going along at a nice rate, and then jumped up, and they got caught and they were stuck. Well, as the Senator from North Dakota knows, they are not stuck. Under this bill, as under the previous block grant proposals, the Governor and legislature of Florida can opt in, but they can also opt out. It is a one-time thing. You stay in, or when you go out, you are out forever. If they do not want to swim in the pond and do not like the water temperature, they can get out. They would have to sit on the beach and watch. They had their chance to swim. We think that is fair and that gives an adequate chance for States who run into difficult situations.

This is certainly a safety valve for a State that might find itself in some sort of cataclysmic situation. The other things we allow States to do, which is positive, is to take the money that they have had—I cannot see the exact years on the chart, but say they had 3 or 4 good years, where it was perking along at a low rate, and because we have given them a block grant, they do not have to comply with all the bells and whistles that we require in Washington; they can run their own program. As most Governors told me, they can run it a heck of a lot more efficiently than we make them run it out of Washington. So let us assume—and I do not think it is unreasonable to assume this—if the food stamp rate stays the same and we are giving increases in funding, then they would be able to save money. We allow them to keep up to 10 percent of the total amount that they—I will rephrase that. If they do not spend all of the money that has been allocated to them in the block grant, and they spend, let us say 95 percent of it, well, the 5 percent they do not spend they can put in a fund and carry it over. They can carry over up to 10 percent every year, and up to 30 percent of an annual allocation, which means they can have a rainy day fund here to take care of situations where you have that little spike because of a hurricane or something like that. That is what prudent State planners should do when it comes to these kinds of programs. We provide for that in this bill.

So we think that there are adequate safeguards there for these kinds of spikes in benefits. The Senator also said there is no maintenance of effort provision. Under the current Food Stamp Program, 50 percent of the administrative costs are paid for by the Federal Government, and 50 percent are paid for by the State government.

They said we do not require them to maintain their effort; in other words, require them to pick up 50 percent of the cost. That is true and it is not true. Specifically, do we require them to pick up the effort? No. But what we say, as I referred to earlier, is that now 94 percent of the money they get must go for food stamps; 6 percent is administrative. What is the average administrative cost for the Food Stamp Program today? Coincidentally, 12 percent. What does that mean? That means that 6 percent now is going to be federally funded. That is the 6 percent you can use for administrative costs, and, if they want to continue their spending at a rate of 12 percent for administrative costs, who is going to pick up the other 6 percent? The State with State funds. No, we do not specifically say you have to maintain effort. But we give you only half of the money you would normally use to administer the program. So, if they can do a better job

administering the program, if they get from 12 percent down to 10 percent, we say you can keep the savings, and you can use State dollars for the savings.

I do not think that is a bad thing. I think if they can reduce their administrative costs they should get the benefit of reducing those costs.

So we have set up a system that says we want to give you the opportunity, if you think you can run this program better than we can, if you think you can feed more people, if you think you can do it more efficiently, we are going to give you the opportunity. When you do that, you have to submit a plan to HHS. They have to get approval. You have to say in that plan how you are going to serve a specific population. As you know, when we submit plans here, as we had this discussion earlier today about getting waivers approved by the Department of Health and Human Services, that is not an easy thing to do sometimes.

So we put hurdles in place to make sure that these plans are adequate to serve the needs of hungry people in the respective States, and we require them to maintain a quality control program, and, frankly, you know that just makes sense. So we have adequate controls in there to make sure this is a good plan for the people of the State. We give them the option to do it. If they have a bad year, or some doom on the horizon, they can get out. So we give them the flexibility to get out. We give them the opportunity to save money on administrative costs by putting in a better system, and we set standards so they have to either be technologically advanced like an EBT system—that is a much more efficient system to get into this program in the first place—or they have to have lower error rates, which means they have to have a well-run program to get in here.

So, I believe we have come up with a plan here that provides adequate safeguards for the hungry in those respective States, gives States an incentive to be innovative, to be efficient, to provide actually more and better food services to the people in their State, and in the end provide the safety valve for States that might find themselves in the situation which Florida found themselves in with an escape hatch, a one-time escape hatch in the bill.

So, I think what this bill has done is it has taken what was—frankly, no offense to the author—a relatively crude Food Stamp Block Program that was offered here on the floor and has been refined through conference because some of these cases are made in the conference bill, and additionally refined by the Agriculture Committee, which the Senator from North Dakota and I both sit on. As you know, excellent work comes out of that committee. We have refined it, and now we are at the point where I suggest we have a fairly solid, responsible program that is going to be limited in impact because of the limitation of States and their ability to get in here and have adequate safeguards to make sure that not only people who are in this program are fed, but that States that run into problems can get out.

I reserve the remainder of my time.

Mr. CONRAD. Mr. President, our colleague from Pennsylvania has not only misplaced me by putting me in South Dakota—I represent North Dakota——

Mr. SANTORUM. I apologize. I am sorry.

Mr. CONRAD. But also misplacing his argument as well. The simple reality is Florida did not get advance notice of Hurricane Andrew. Nobody called up the Governor and said, when he would have had to make the decision under this bill to opt in and take the block grant that, ''Hey, Governor, 9 months from now you are going to be hit by a hurricane.'' You know, if the Governor would have looked back to the pattern back in 1987 to 1989, any Governor might have concluded it is a safe bet to go with a block grant.

The problem is people do not have advance notice of an economic downturn. That is what happened here. They do not have advance notice of an actual disaster. That is what happened here. All the opt in and opt out would not have done them a bit of good in Florida. When these hungry people showed up, these were not people who have been on the welfare rolls for 10 years, these were not people who did not work. These are people who were hit by a natural disaster and needed food. The State of Florida would not have been able to provide it under a block grant.

Is that what we want to do in this country? I think not.

Mr. SANTORUM. Will the Senator yield?

Mr. CONRAD. Let me conclude.

We want a plan and a program that is going to assure us, as the Food Stamp Program does now, that if people are hungry, if they have been hit by a sharp economic downturn and a natural disaster, that they are going to have a chance to be fed.

Let me just say, with respect to the notion of opt in and opt out, that you have a one-time opt out here; one time. Does that mean Florida is never going to be hit by another natural disaster? Does that mean that Florida is never going to be hit again by an economic downturn?

Mr. President, this is not well-crafted. This is not well thought through. It goes right to the heart of the Food Stamp Program. More importantly, it goes right to the heart of the question in America: Are we going to make sure that hungry people are fed?

I am happy to yield.

Mr. SANTORUM. Mr. President, in response to the last assertion that Florida would not be hit by another natural disaster if Florida opts out of a block grant, in the Federal entitlement program they are covered under the existing Food Stamp Program.

I do not understand why the opt out is such a bad idea. The fact is that what you want to accomplish is to put them back into the main program.

Mr. CONRAD. If I may say to my colleague, the opt out is not just a bad idea. What is a bad idea is the opt in because once you have opted in you are stuck for that year. You are stuck. Florida would have been stuck. They would not have been able to feed these people who are hungry. The problem is the opt in.

That is what this amendment seeks to say. It says, ''Look, we are not going to have a program that endangers children. We are not going to have a program that endangers people who are vulnerable.''

Mr. President, it seems to me that this is a circumstance in which we should all understand that half of the States are eligible immediately, I am told under this bill, to go under the Block Grant Program; 40 would be eligible within 2 years. This is not some narrow, finely crafted amendment. This is a wholesale assault on the Food Stamp Program. That is what this is.

I do not think that is what this Senate ought to be doing. I do not think that is what this Congress ought to be doing.

Further, there is no guarantee under this legislation that protects children who are now eligible. There is no individual guarantee to children in this legislation. And most serious of all, there is absolutely no protection for a State that is hit by a natural disaster or a sharp economic downturn. That is the reality of the underlying legislation.

I do not think we want to take that risk with America's kids. I do not think we want to take that risk with the States that may face something they are wholly unprepared for.

What is going to happen in California? What if California opted in and decided in July of a year that the next year they were going to be block granted? They are going to take a set amount of money for food stamps. And then California has the big one, has a huge earthquake, and millions of people are displaced and hungry, and they show up at Federal centers looking for food assistance. Are we really going to have a system that says that we are sorry, California is out of money; you just are going to have to go hungry, and maybe you can go over to Nevada and find some food over there?

This is not well thought through, this provision of block granting food stamps. We ought to make this change, the change that is contained in this amendment.

I say to my friend that he has established a new standard. The standard here is it is good because it passed the Senate sometime in the past, or that it is acceptable because it passed the Senate sometime in the past. That is a new standard. I do not think that is the standard we want to apply in judging whether or not legislation is well-crafted.

I am afraid all too often things that have passed this Chamber, perhaps even things that passed the other

Chamber, are things that need a lot more work. And that is why we have offered this amendment on a bipartisan basis.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, from the numbers that I have, I have four States that would be eligible for block grant under the EBT provision, seven States would be under the error rate of under 6 percent. That is out of 53 jurisdictions that are eligible for the program. So I have 11 jurisdictions of 53 that would be eligible today, not 40.

Now, I will say that all 53 jurisdictions are eligible, if the States are willing to pay down the error rate. That would be unlikely, we suspect, for any jurisdiction that would want to put up money, State money in advance to get a Federal block grant. So what we are looking at here is 11 States today.

Now, the Senator from North Dakota may be anticipating a lot more States going on with electronic benefits transfer, and I know that is being worked on in several States, but as we speak right now we are looking at 11 jurisdictions. So this is not opening the floodgates by any stretch of the imagination.

What the Senator also has talked about is the State of Florida being stuck if, in fact, they get hit with a bad economy and on top of that, in the case of Florida, a natural disaster.

I suggest that if the Senator from North Dakota looks at his chart, he will see several—I cannot tell the months or years, but an extended period of time where the rate did not go up, the number of people on food stamps did not go up. As I said before, under our program, States would be able to save a portion of the money, up to 10 percent of the annual block grant, and let it go into next year. So they could build up a rainy day fund or a reserve fund for bad times.

Now, if you look at the Florida example, and let us say Florida is one of those States that is a little skittish and wanted to get out, before Hurricane Andrew there looked to be a substantial period of time where benefits were increasing fairly dramatically prior to the hurricane. So they certainly would have had ample notice of a rising food stamp roll and been able to get out, if they were concerned, well before the hurricane.

That is just using Florida's example. They would have been able to get out during the period of economic downturn, but I think what is more important is that they are able to plan for this by taking the good times—and we have, as in most capitalist economies, economic business cycles. During the good times, they can save some money, and during the bad times, they can draw down that surplus.

The Senator from North Dakota also indicated that they would not be able to pay these people benefits; they would run out of money. Well, the Senator knows that hurricane, I think, occurred sometime in the summer, which is only halfway through the year.

At that point, they still have half the block grant left. They could move that funding forward and fill that need and then come in at the end, I would suspect, with State dollars to make sure they get to the end of the year. The State can always put up their own money to fill the need and, in fact, having created a plan which creates an entitlement for food stamps, they would be required to come up with their own money. Then they have to make the decision, as I said before, whether they want to continue a program that puts them at some sort of risk. My feeling is that is a decision for the States to make.

But to suggest that the State will have no money to pay people food stamps is just not accurate. They will have the money. It will be their own money, not the block grant. But that is the choice they make. The Governors and State legislators are not stupid. They know there are good times and there are bad times, there are natural disasters, and on balance they are going to make a decision that they can run a program so much better than we let them run it today that, given all these exigencies, and they know they exist, they are going to run a better program and save money in the process.

That is a decision we leave up to them to make. We trust the Governors in the State. We trust State legislators to be able to sit down and rationally come up with a decision, that they want to take responsibility for this because they can do it better and serve the needs of their people better. I want to give people the option to do it, but there are sufficient safeguards that they have a good program to start, which is why these hurdles are in place, and that they have a good plan and that they implement it, which is why we require HHS approval. And if they screw up, frankly, they have a chance to get out.

So we make them have a good plan to start. We require them to submit a good plan to continue, and if they end up having a lousy plan, they can get out. That, to me, is as well thought out as you can possibly get and is as flexible as you can possibly get for an opportunity for States to take control of this very important program that feeds millions of people.

I reserve the remainder of my time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. The problem with the argument of the Senator from Pennsylvania is that it is wholly focused on what is in the interest of the State government. What he forgets about is who we are trying to serve here. We are talking about hungry people. He is worried about what happens to the structure of the State government. I am worried about what happens to the people who are hungry in that State if the State officials make this mistake.

Let us go back to the example of Florida. From 1987 to 1989, their caseload was flat. Then they had economic downturn and the caseload started to explode. They did not have advance warning of an economic downturn. More clearly, they did not have warning of what happened here where we see the spike in demand for food aid for people caused by a natural disaster. They would have had to make the decision to go to the block grant under this proposal back here in July of the previous year.

Now, unless they were prophetic, they might have thought if they had a pattern like they saw back in 1987 to 1989, it was safe to take a block grant. But then if they would have had a natural disaster like Andrew, what would have happened to the people who were hungry that lined up for help? The Senator says, well, the State could have put in their money. That is at the very time the State is having to put their money into every other part of this disaster.

You go find out about the budget of the State of Florida during this period. They were under enormous stress because of the combination of economic downturn and natural disaster. That is the very time this underlying bill would say: State, come up with some more money.

That is a dream. That is not connected to reality. That is a wish. That is a hope. People cannot eat wishes and hopes. People need food when they are hungry. This, to me, is one of those circumstances where we have before us a proposal that does not meet the needs of the people. I am not so worried about the State government. I am worried about the people who in my State or any other State would be denied food because of an economic downturn or a natural disaster that was unforeseen, unpredicted, and the State bet the farm that nothing bad was going to happen.

How much time remains?

The PRESIDING OFFICER (Mr. SANTORUM). Twenty-nine minutes.

Mr. CONRAD. I yield whatever time the Senator from Vermont desires.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Senator.

Mr. President, I rise to urge my colleagues to join Senator CONRAD, myself, and our cosponsors in supporting the amendment to remove the optional block grant from the welfare bill.

I have three major objections to block granting the Food Stamp Program. First, I am very concerned about the opportunity for fraud if we turn the Food Stamp Program over to the States. Second, I am fearful that a food stamp block grant could put our most vulnerable populations at risk. Finally, I believe the bill as crafted proposes a solid program that will afford the States a great deal of flexibility without irretrievably compromising our national nutritional safety net. I think the program proposed in the bill should be given an opportunity to prove itself.

Under current food stamp law, the USDA operates a sophisticated computer system that identifies suspicious food stamp redemption patterns. Federal undercover agents visit the suspicious stores and gather evidence of illegal activity. If food stamps are converted to a block grant, much of this responsibility will shift to the States. Few States will be able to match the antifraud capabilities and resources of this Federal operation. Although I understand the States' desire for greater flexibility, we know that at this time only a handful have developed an electronic system that could provide the assurances of fraud prevention that we have at the Federal level. In this time of quickly diminishing Federal resources, I am reluctant to sacrifice the efficiencies and success of the program that the Department of Agriculture has developed.

Next, let me share my concern that the optional food stamp block grant would end the assurance of a nutritional safety net under the Nation's poor—particularly its children. Poor families and elderly individuals would be left at serious risk during economic downturns in States opting for the block grant. The block grant fails to provide any adjustment during a recession for increases in unemployment and poverty. States also would receive no additional funds in the event that food prices rise unexpectedly. States would be forced to curtail eligibility and benefits during these times. Unemployed workers who need food stamps temporarily could end up on a waiting list—depriving their families of critical food assistance. After unemployment compensation, the Food Stamp Program is the Nation's principle countercyclical tool to respond to recessions.

Block granting the Food Stamp Program puts children at risk. Preserving national standards for food stamps takes on even greater importance if the AFDC Program is converted to a block grant since no poor child is assured of receiving cash assistance under an AFDC block grant. Maintaining the National Food Stamp Program at least guarantees that a food assistance safety net of last resort is in place for poor children. Given this very great risk, I frankly am not sure why a State would choose a block grant, nonetheless it is possible a State would, and I fear its poorest citizens could end up suffering the consequences.

Finally, I believe there is no reason for a State to choose a block grant—the welfare bill as drafted gives the States unprecedented flexibility to run their own food stamp programs without a block grant.

Under this reform bill:

States get flexibility to set their own food stamp benefit rules for families that receive AFDC. If they choose, States could drop many of the rules that now apply to families, and then substitute their own rules—without securing a waiver. States also may integrate food stamp and cash assistance benefit eligibility as they see fit. States have asked for a long time for this flexibility, and the bill as drafted gives it to them.

States can convert food stamp benefits to wage subsidies provided to employers. In other words, States may require food stamp recipients in wage subsidy projects to work for wages rather than food stamps. Again, this is something many States have asked for, and the bill as drafted gives it to them.

States have the flexibility to disqualify custodial parents who do not cooperate with efforts to establish paternity or child support orders. States may also disqualify absent parents who fail to make their child support payments.

States are freed from federally imposed administrative requirements. The bill lifts an array of Federal requirements regarding food stamp application forms, the application process, and how States should coordinate with other assistance programs would be removed. States can make their own decisions on how to administer their food stamp programs. This is flexibility the States asked for, and the bill gives it to them.

I have listed four ways that this bill provides much greater flexibility to the States than they have ever had in the Food Stamp Program—and there are many more provisions in the bill that give the States the flexibility they have asked for with regard to the Food Stamp Program.

For the reasons described above, I urge my colleagues to join me in supporting this amendment to remove the optional block grant from the bill.

Mr. KERREY. Mr. President, I am proud to be an original cosponsor of this amendment to strike the optional food stamp block grant. This bill provides States ample flexibility to develop their food assistance programs without a block grant structure. We should not place minimum national eligibility and benefit floors for this important food assistance safety net at risk in an effort to provide States with even more flexibility.

Maintaining the national standards for food stamps is particularly important under this bill. Children and their families may lose cash assistance under the welfare block grant—even if parents are unable to find work. The National Food Stamp Program ensures that a basic food assistance safety net is still available to these families and prevents children from being at risk for unmet nutritional needs. If we are going to cut funding for cash assistance and block-grant the welfare program, we need to be very conscious of the changes we make to other safety-net programs that also serve poor Americans.

Block grants will place both States and food stamp beneficiaries at risk. These block grants would not adjust for increases in unemployment or poverty, or unexpected increases in food prices. States would need to stretch their block grant dollars by providing fewer benefits to each enrollee under these circumstances—or they may be forced to cut eligibility.

States do not need an optional food stamp block grant. This bill provides States with substantial new flexibility to design their food stamp programs. For example:

States could largely develop their own food stamp benefit rules and they may integrate the food stamp eligibility process with welfare.

Federal requirements for employment and training programs related to food stamp eligibility would be repealed—States could design these programs as they choose.

States could convert food stamp benefits to wage subsidies.

Federal rules that make electronic benefit systems difficult to implement would be repealed, while Federal requirements for food stamp applications, coordination with other safety-net programs, and other administrative rules would also be deleted.

These are significant changes to the current Food Stamp Program. States will be better able to design and administer their programs using innovative approaches to promoting work and self-sufficiency for food stamp beneficiaries. We should not also establish a food stamp block grant, thereby eliminating the national floor for eligibility and benefits, thereby threatening low-income children and their families.

I encourage my colleagues to join me in voting for this amendment.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from North Dakota.

Mr. CONRAD. Mr. President, just a couple of quick additional points so we can, hopefully, persuade the occupant of the chair of the wisdom of this amendment. I think he is perhaps right on the brink, now, of coming over to our side. If we can just provide him some additional information, he will come to our side on this argument.

The Senator from Pennsylvania was indicating that just a handful of States would be eligible. That strikes me as an indication of the weakness of their argument. If the argument is this underlying bill is not so bad because only a handful of States can qualify, that does not speak very well of the position in the legislation. The fact is, not a handful of States qualify; every State can qualify. Every State can qualify. Every State could be in a position of not meeting the needs of hungry people at the time of economic recession or natural disaster.

The facts I have suggest that about half the States now could take block grant with no cost. Others could come in by paying a small cost. But within 2 or 3 years, nearly 40 States would be in a position to be in the block grant at no cost. In addition to that, with respect to what happens to participation rates during a recession, I have a chart that shows what has happened in various States during an economic downturn, during the period of 1989 to 1992, when the country was in a recession.

Nevada's participation rate went up over 90 percent; Florida's rate went up over 100 percent; Delaware's rate went up over 70 percent; Vermont's rate went up nearly 60 percent. These are not things that a State does a very good job of forecasting. They even do less well at forecasting natural disasters.

In my own State of North Dakota, we had a natural disaster back in 1988 and 1989. It was a drought. Nobody forecasted the drought was coming. Out of the blue we have a drought. All of a sudden our participation rates jumped, and not just in food stamps, but other programs as well. Food stamps are different because we are talking about hungry people. We are talking about preventing people who cannot get food from having some alternative that is humane.

The Florida example is just as clear as it can be. You have to opt in the year before. If they had opted in, they would have been stuck with the level of funding provided for in this block grant. If you look at it, in 1994, Florida, their actual money, because of the flexibility of the National Food Stamp Program—they got $1.4 billion. Under the block grant they would have gotten $440 million. That is a $1 billion hole that would have had to be filled in somewhere.

The Senator from Pennsylvania suggests they just take it out of other State money. What other State money? Every State I know budgets their money right up to the full ability of the State revenue sources to cover those expenditures. They may have a bit of a rainy day fund, but it is not enough to cover a natural disaster when the State is faced with expenditures for all manner of other requirements. They have to deal with roads. They have to deal with bridges. They have to deal with all kinds of other extraordinary expenses at the time of a natural disaster. The last thing we should have people worrying about is whether, in the midst of a natural disaster, hungry people are going to get fed. That is what this amendment addresses. I hope my colleagues will support it.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the Senator from North Dakota keeps mentioning how, under this program, we are not worried about people who are in need of food. The very fact is, States must submit a plan to be approved by HHS to satisfy the Department of Health and Human Services of that very fact, whether we are going to meet the needs. In fact, we require them to specify how they are going to serve everybody, and specific populations.

To suggest we have not set up adequate safeguards to make sure, through these block grants, people will be adequately served is not reflective of what is actually in the legislation.

Second, you mentioned——

Mr. CONRAD. Will the Senator yield on that point?

Mr. SANTORUM. Sure.

Mr. CONRAD. I ask my colleague, what in the State plan enables it to deal with a natural disaster like Hurricane Andrew? The State plan has the States setting out what they are going to do with the resources that they have under the block grant. When they are hit with a natural disaster and the need skyrockets, they are not given any more money. What good does the plan do that does not anticipate this disaster? Obviously, they would not be taking the option of going to the block grant if they were anticipating it, so clearly it would not be in their plan.

Mr. SANTORUM. To answer your question, as the Senator from North Dakota knows, the State of Florida during the time of Hurricane Andrew was eligible for disaster assistance, and that covers a variety of things. Having just gone through that in Pennsylvania, a substantial amount of disaster assistance was funneled through the Department of Agriculture, and, in fact, there are programs available for people to meet some of the needs that are there during the time of disaster.

Mr. CONRAD. Will the Senator yield?

Mr. SANTORUM. We are not attempting nor would I recommend we block grant emergency assistance. So you keep pointing back to one State in one instance and draw a bad case for that. It would be—I am not arguing there would not be a severe strain. But I suggest the Governor of Florida and the State Legislature of Florida knows that occasionally they are hit by hurricanes. It is not like these hurricanes are just, ''Gee, wow, in Florida we had a hurricane. We never see that.'' They see them all the time and they know they can be disastrous, and that should go into their calculation whether they want to go into this in the first place.

We are assuming, and I think it is a good assumption, that the Governor and the State legislature are not going to take on this enormous responsibility without having thought through what the different consequences would be, given natural disasters or given economic downturn, and a whole lot of other things.

We believe that there still will be States out there that, because of the enormous burden that the Federal Government forces upon them with this program that drives up costs for them and makes their program inefficient, can take the money and take the risk and still do a better job, and they are willing to assume that risk.

They do so with eyes open wide. If their eyes were not open, they certainly are open now as a result of our discussion. That if they do not have the money, if they have an economic downturn or disaster, they have to come up with their own State money.

I will announce to State Governors now, if you take a block grant under this proposal and run out of money at the end of the year, it is your responsibility. Now everybody has been warned, and they are going to have to make a decision based on what they think is the best thing to do.

I think what this whole welfare reform bill is about is trying to get away from the paternalism of the Federal Government and the inefficiency of the Federal Government in trying to micromanage programs out of Washington, DC, for Fargo, ND, and other places. What we are trying to do here is assure, to the extent we can, that States that get involved have good programs. We make sure they have low error rates or high technology to run an efficient system.

We ensure that when they take the program, after they now run a good program, that when they opt for a block grant, which is to cut the ties to the Federal program, in fact, take it and let them run it themselves, that they have to submit a plan, which adequately covers all the people we are concerned about, and is approved by HHS. Again, a prudent step to making sure they are not taking the money and spending it on a fleet of Volvos for all the Cabinet Secretaries; that, in fact they are spending it on helping the poor who need food.

We have adequate safeguards in here to make sure that the poor who are in need of food assistance get it; that the States run a good operation. We have those safeguards in place.

One other thing. The Senator from North Dakota voted for in committee and supported in committee an amendment that was put forward by the Senator from Vermont, the ranking member, Senator LEAHY, as a further, frankly, disincentive for these States to take a block grant.

Under the old formula, States could either take the 1994 allocation for food stamps or the average of 1992, 1993, and 1994. Senator LEAHY, and others on your side of the aisle, were saying, ''Gee, well, with the reductions in food stamp benefits under our bill, that may be a very attractive thing for them to take—take that high figure, since our numbers are going to be coming down.''

So what you added in committee was a provision that said that in no case could either the 1992, 1993, 1994 average or 1994 allocation be higher than the 1997 levels after the reforms have been put in place. So you make it even less tantalizing to go ahead and take a block grant.

All I suggest is, we spent a lot of time on this amendment. It has been a good debate and discussion. I hope those who were listening are still listening after an hour of this debate. I think it has been informative. I think what we have seen here is we set very high hurdles; we have not made this to be the most attractive block grant proposal out there. What we have said to States is, ''If you think you can do it better, given these high hurdles to get into this program, we are going to give you the opportunity to do it.''

I think that is only fair to give States the opportunity to run a better program that helps the people in their State.

Mr. CONRAD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. CRAIG). The Senator has 17 minutes 5 seconds remaining.

Mr. CONRAD. Mr. President, the argument of the Senator from Pennsylvania with respect to a natural disaster reveals the weakness of his argument. The Senator from Pennsylvania suggests, if you have a natural disaster and you are stuck with this block grant program that provides only a set amount of money, it cannot be adjusted for the magnitude of the disaster, that, well, you have economic assistance.

Economic assistance is not for food assistance, that is why we have the Food Stamp Program. Economic assistance is to meet the other disaster needs that a State meets in a circumstance of unforeseen natural disaster. Economic assistance programs are not designed to replace the Food Stamp Program.

Mr. President, if that is what he is suggesting is out there for people to be counting on, if they face a natural disaster, those people are going to be in a world of hurt.

I might also say, the notion that Governors are put on notice because we in the Senate have a debate at 3 o'clock in the afternoon on Friday is probably not a very reliable thing for any of us to depend upon. I doubt if any Governor is watching this debate or paying very close attention to what goes on in the Senate Chamber.

Mr. SANTORUM. I will be happy to send each Governor a copy of this debate so they will be fully informed as to what they are getting into.

Mr. CONRAD. I welcome that. No question, they will be riveted by the comments of the two of us this afternoon.

Let me just end on this note. The harsh reality is, if a State opts into this block grant—and we go back to the example of Florida, but we do not need Florida's example, we could take dozens of examples of what has happened to States in times of economic downturn or natural disaster—what we would find, without exception, is that these things are unpredictable; that if a State had opted into the block grant, taken a flat amount of money to provide for the food needs of its people and then have something unforeseen occur, whether it was an economic downturn, a drought, a hurricane, an earthquake, they only have that set amount of money, no matter what the need is.

What happens to those people? What would have happened to hungry people in Florida if there was not the automatic adjustment provided by the Federal Food Stamp Program? I can tell you what would have happened. The State of Florida would have been presented with an impossible choice: meet the other disaster needs of the State in that circumstance or divert money to food which would have otherwise been provided for with the Federal Food Stamp Program.

What a hellacious choice to present the State officials of Florida or the State officials of Pennsylvania. They have had natural disasters. They just had one. Or the State of North Dakota, or the State of California. We saw California beset by one disaster after another. We saw them have landslides, fires, earthquakes all in 1 year. Their caseload skyrocketed. But if they would have had a set amount of money for food stamps, some people who had legitimate needs would not have been served.

Mr. President, America is better than that. America is better than that. This Senate is better than that. When there is a disaster, we have a spirit of neighborliness in this country and we go to help out. When there was a disaster in Pennsylvania, the Federal Government helped out. When there was a disaster in my State, the people of America rallied, through their Federal Government, and helped us, and it made a difference in people's lives.

This bill, as it is written, is just a mistake. We should not leave a circumstance in which people who are hungry do not have the opportunity to be fed.

This amendment, which is a bipartisan amendment, addresses that need. I hope my colleagues will support it.

Mr. SANTORUM. Mr. President, I yield back the remainder of our time.

Mr. CONRAD. I yield back the balance of our time.

AMENDMENT NO. 4935

(Purpose: To deny welfare benefits to individuals convicted of illegal drug possession, use or distribution)

Mr. SANTORUM. Mr. President, I send an amendment to the desk on behalf of Senator GRAMM of Texas.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. GRAMM proposes an amendment numbered 4935.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 364, between lines 14 and 15, insert the following new section:

**SEC. . DENIAL OF BENEFITS FOR CERTAIN DRUG RELATED CONVICTIONS.**

(a) IN GENERAL.—An individual convicted (under Federal or State law) of any crime relating to the illegal possession, use, or distribution of a drug shall not be eligible for any Federal means-tested public benefit, as defined in Section 2403(c)(1) of this Act.

(b) FAMILY MEMBERS EXEMPT.—The prohibition contained under subsection (a) shall not apply to the family members or dependants of the convicted individual in a manner that would make such family members or dependents ineligible for welfare benefits that they would otherwise be eligible for. Any benefits provided to family members or dependents of a person described in subsection (a) shall be reduced by the amount which would have otherwise been made available to the convicted individual.

(c) PERIOD OF PROHIBITION.—The prohibition under subsection (a) shall apply—

(1) with respect to an individual convicted of a misdemeanor, during the 5-year period beginning on the date of the conviction or the 5-year period beginning on January 1, 1997, whichever is later; and

(2) with respect to an individual convicted of a felony, for the duration of the life of that individual.

(d) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following Federal benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of communicable diseases if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(e) EFFECTIVE DATE.—The denial of Federal benefits set forth in this section shall take effect for convictions occurring after the date of enactment.

(f) REGULATIONS.—Not later than December 31, 1996, the Attorney General shall promulgate regulations detailing the means by which Federal and State agencies, courts, and law enforcement agencies will exchange and share the data and information necessary to implement and enforce the withholding of Federal benefits.

Mr. SANTORUM. This amendment, to my understanding, is an amendment that says that if you are convicted of a Federal drug crime, that if it is a misdemeanor crime you are ineligible for a means-tested benefit for 5 years, if it is a felony you are ineligible permanently. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 4903

Mr. GRAHAM. Mr. President, on behalf of Senator EXON, I ask unanimous consent that the amendment offered and withdrawn by the Senator from Washington, Senator MURRAY, remain on the list of amendments that are in order to offer today or Monday.

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

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, I am going to be offering an amendment prior to that. I also ask unanimous consent that the amendment which I am going to offer be subject to modification prior to the time of the vote on Tuesday.

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

Mr. GRAHAM. Thank you, Mr. President.

AMENDMENT NO. 4936

(Purpose: To modify the formula for determining a State family assistance grant to include the number of children in poverty residing in a State)

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Mr. BUMPERS, proposes an amendment numbered 4936.

Mr. GRAHAM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 196, strike line 16 and insert the following:

DEFINED.—Except as provided in subparagraph (C), as used in this part, the term

On page 198, between lines 9 and 10, insert the following:

''(C) RULES FOR FISCAL YEARS 1997, 1998, 1999, 2000, AND 2001.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of fiscal years 1997, 1998, 1999, 2000, and 2001, the State family assistance grant for a State for a fiscal year shall be an amount equal to the sum of—

''(I) the applicable percentage for such fiscal year of the State family assistance grant for such fiscal year, as determined under subparagraph (B), and

''(II) an amount equal to the State child poverty allocation determined under clause (iii) for such fiscal year.

''(ii) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage for a fiscal year is as follows:

| *''If the fiscal year is:* | *The applicable percentage is* |
|---|---|
| 1997 | 80 |
| 1998 | 60 |
| 1999 | 40 |
| 2000 | 20 |
| 2001 | 0. |

''(iii) STATE CHILD POVERTY ALLOCATION.—For purposes of this subparagraph, the State child poverty allocation for a State for a fiscal year is an amount equal to the poverty percentage of the greater of—

''(I) the product of the aggregate amount appropriated for fiscal year 1996 under subparagraph (G) and the child poverty ratio for such State for such fiscal year, as determined under clause (iv); and

''(II) the minimum amount determined under clause (v).

For purposes of this clause, the poverty percentage for any fiscal year is a percentage equal to 100 percent minus the applicable percentage for such fiscal year under clause (ii).

''(iv) CHILD POVERTY RATIO.—For purposes of clause (iii), the term 'child poverty ratio' means, with respect to a State and a fiscal year—

''(I) the average number of minor children in families residing in the State with incomes below the poverty line, as determined by the Director of the Bureau of the Census, for the 3 preceding fiscal years; divided by

''(II) the average number of minor children in families residing in all States with incomes below the poverty line, as so determined, for such 3 preceding fiscal years.

''(v) MINIMUM AMOUNT.—For purposes of clause (iii), the minimum amount is the lesser of—

''(I) $100,000,000; or

''(II) an amount equal to 150 percent of the total amount required to be paid to the State under former section 403 for fiscal year 1995 (as such section was in effect on June 1, 1996).

''(vi) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for all States increases for a fiscal year under this paragraph exceeds the aggregate amount appropriated for such fiscal year under subparagraph (G), the amount of the State family assistance grant to a State shall be reduced by an amount equal to the product of the aggregate amount of such excess and the child poverty ratio for such State.

''(vii) 3-PRECEDING FISCAL YEARS.—For purposes of clause (iv), the term '3-preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

''(D) PUBLICATION OF ALLOCATIONS.—Not later than January 15 of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this paragraph for the fiscal year that begins on October 1 of such calendar year.

On page 198, line 10, strike ''(C)'' and insert ''(E)''.

On page 200, line 11, strike ''(D)'' and insert ''(F)''.

On page 200, line 17, strike ''(C)'' and insert ''(E)''.

On page 200, line 23, strike ''(C)'' and insert ''(E)''.

On page 201, line 5, strike ''(C)'' and insert ''(E)''.

On page 201, line 20, strike ''(C)'' and insert ''(E)''.

On page 201, line 25, strike ''(C)'' and insert ''(E)''.

On page 202, line 5, strike ''(C)'' and insert ''(E)''.

On page 202, line 9, strike ''(E)'' and insert ''(G)''.

Beginning with page 205, line 4, strike all through page 211, line 3.

Mr. GRAHAM. Mr. President, if there is one phrase that has characterized the debate on welfare reform, it is the phrase that ''we are going to end welfare as we have known it.'' What we have known welfare as has a number of dimensions. We have focused a great deal of attention, for instance, on the issue of what will it take to cause welfare to be seen as a temporary program, not as a permanent lifestyle.

There is another dimension to welfare as we have known it. And that is how the Federal Government has participated financially with the States in financing the cost of welfare. And I speak specifically to the cash payments under the Aid to Families with Dependent Children.

The current law is essentially a matching formula in which the States indicate what they are prepared to commit to this program and then the Federal Government matches that amount. There are nuances to that statement but that is fundamentally the status quo.

This bill, with a minor modification, intends to retain that aspect of welfare as we have known it. That is, we would continue to maintain the State by State Federal allocations as they have developed under the current system. And those State by State allocations, as you would imagine, are extremely divergent.

As an example, to use the State of the Presiding Officer, Idaho, in 1996, per child in poverty—that is of all the children in Idaho who live at or below the poverty level—if you divide the number of dollars that are coming from the Federal Government to the State of Idaho by that number of children, the result is $495. That is what Idaho receives per poor child.

Just to move across the line into your adjoining State of Washington, the State of Washington, with the same mathematical formula, in 1996 will receive $1,948 or approximately four to five times, per child in poverty, what Idaho receives.

That result is now going to be cast into the stone of block grants. That is the basis upon which Idaho will be receiving its money between now and the year 2001 so that essentially those same discrepancies will be maintained.

What has not been retained, however, Mr. President, is what is the purpose of the allocation of funds. Under the current system, the purpose of the allocation of funds from the Federal Government to the States and into the eligible families is essentially economic support. It pays for the rent, the lights, the food, the school supplies, the diapers, all the things that a family needs.

What we are now about to do is shift to a different goal. And that different goal is to, yes, continue to provide some economic support, but with a heavy emphasis on funding those activities which will facilitate people getting off of welfare and into work.

What are those kinds of activities that are now going to be funded? Well, they include job training. They include child care. They include some of the support services such as transportation for people to get to the job training or to get to the job. Those types of expenditures, within a range, tend to be fairly consistent from State to State.

It does not cost a great deal less or more to provide that set of services in Moscow, ID, as in Spokane, WA. Yet Washington is going to have four to five times as many dollars per child in poverty to pay for those services as is Idaho. Therefore, Idaho is going to have a much more difficult time financially in terms of being able to pay for those kinds of transitional services and have anything left over to cover the economic needs of families who are in poverty than will States that commence this process at a much higher level.

That, Mr. President, is the preface for the amendment that is offered today by Senator BUMPERS and myself entitled ''Children's Fair Share.'' And our premise is that we ought to, over time, have as a national goal to treat each child in poverty in America as being of equal worth, and equal dignity and equal importance to their opportunities for the future of our Nation.

Our approach is a simple one. Rather than take the status quo, which is predicated on the old welfare system and the old objectives, we should focus on a needs-based formula. As a result, over time, States would receive funding based on the number of poor children in their State.

Why are Senator BUMPERS and I offering this amendment? Any formula

allocation should be guided by some underlying principles and policy justifications. One fundamental principle is fairness—fairness to America's children, fairness to the States, fairness to the Nation. If we are going to block grant welfare, we must be very careful that we are block granting with fairness.

The General Accounting Office issued a report in February 1995 entitled, ''Block Grants: Characteristics, Experience, and Lessons Learned.'' What are the lessons that have been learned from our previous history with block grants that we should take into account as we start on the block grant for welfare?

The General Accounting Office report stated, ''Because initial funding allocations used in current block grants were based on prior categorical grants, they were not necessarily equitable.'' That, Mr. President, describes the circumstance that we face this afternoon with this legislation—inequitable allocations of block grant funds because they were based on prior categorical grants.

Senator BUMPERS and I propose a funding formula that would clearly meet the following principles. First, block grant funding should reflect need or the number of persons in the individual States that would need assistance. Think about that principle, that one that seems rational.

Second, a State's access to Federal funding should increase if the number of people in need of assistance increases; conversely, a State's access to Federal funding should decrease if the number of people in need of that assistance decrease. Does that sound logical and reasonable?

Third, States should not be permanently disadvantaged because of the old categorical policies. In this case, the policies and circumstances surrounding welfare as we have known it, which we are attempting to discard.

Fourth, if requirements and penalties are to be imposed upon the States, as envisaged by this bill, then fairness dictates that all States have an equitable and reasonable chance of reaching those goals.

Mr. President, I suggest these principles sound rather simple. In sharp contrast, the legislation which is before the Senate fails to meet these tests of fairness. In fact, the formula used in this bill would perpetuate inequities into the future. Those inequities would, in fact, grow.

Let me give an example. I cited the example of two neighboring States, Idaho and Washington. Let me cite two neighboring jurisdictions, the District of Columbia and the State of Virginia. Today, the District of Columbia per child in poverty receives $1,611; in the State of Virginia, $728. That is what the situation is today.

Now, what is the proposal of the underlying bill for the year 2001? Are we going to bring these together? Are we going to move toward eliminating the $680 difference between the District of Columbia and the State of Virginia? Unfortunately, it is just the opposite, Mr. President. In the year 2001, under the plan that is before the Senate, the District of Columbia will receive $1,752 per child in poverty; the State of Virginia will receive $748. Rather than closing toward fairness, we will see a widening in which, in the year 2001, the District of Columbia will have approximately $1,000 more per child in poverty than does the State of Virginia. I find it hard to think of a policy rationale that would justify such a result.

Mr. President, ironically, in the name of reform, in the name of change, we are locking in past inequities, repackaging them as block grants and failing to take into account future populations or economic changes among the States, failing to take into account the very obligations we are about to give to the States to perform and the necessity that if all States are going to achieve those objectives and if all States are going to be held to both sanctions and rewards for their success or failure in achieving those objectives, that all States should commence this new adventure of welfare reform from an essentially equitable position.

By allocating future spending on the basis of 1995 allocations, this bill fails to distribute money based on any measure of need. It fails to take into account population growth or economic changes. It would permanently disadvantage States well into the future based upon choices and circumstances of 1995. It would unfairly impose penalties on States.

The formula in this welfare bill would result in extreme disparities between States in Federal funding for poor children. I have given four examples to date. I might say all of these examples and all of the statistics I am using are the product of a report done by the Congressional Research Service dated July 18, 1996.

In this report, it points out that under the underlying bill the State of our leader, the State of Mississippi, would receive $355 per child in poverty, while the State of New York would receive $1,998, or almost six times more than the poor child in Mississippi. In fact, if we combine the amount per poor child in the States of Alabama, Arkansas, Louisiana, South Carolina, and Texas, the total of funds per poor child in those five States would not equal what a poor child, for instance, in the State of Massachusetts would receive. To put it another way, the Federal Government effectively values some poor children five times more than it does children in the State of Alabama, Arkansas, Louisiana, South Carolina, and Texas.

That is not the end of it, Mr. President, because under this bill, States that fail to meet the work requirements, States that are not able to put the money into effective job training, job search, job placement, child care, transportation, the other activities that have been found as necessary in order to get people from welfare to work, they are going to be subject to a penalty.

Now, in a previous version of this bill, that penalty was 5 percent of the State's grant. So if the State was going to receive $1 million, it would be penalized 5 percent if it failed to meet the work requirement. This bill, Mr. President, if we believe it, makes that 5 percent cumulative, so that in the first year, you are penalized a percent; if you fail in the second year, you get penalized 10 percent; in the third year, you get penalized 15 percent, and so forth, up until you are penalized one quarter, or 25 percent of your State grant.

That is not the only penalty in this bill, Mr. President. The language goes so far as to say a State can be penalized up to 25 percent per quarter in terms of the allocation of grant funds.

Mr. President, today is a historic day. It is the opening of the centennial Olympics in Atlanta. Much of the world's focus for the next few days will be on Atlanta and on the Olympic events. I would liken this funding formula dilemma to a variation of one of the most celebrated contests in the Olympics. Let us say you have Dennis Mitchell and Gail Devers lined up at the start of the 100-meter dash. Then you have a less talented runner lined up 30 yards behind these two Olympic superstars. Then you have Senator BUMPERS—who, unfortunately could not join us this afternoon, but will make some remarks on Monday—and I, who have been assigned a position 200 yards behind these superstars. The gun goes off. Now, we are all going to be judged on whether we can reach the finish line in the 100-meter dash in under 11 seconds. If you do, you get the acclaim of the crowd and you may even get a medal. If not, you are subject to penalty.

Well, not surprisingly, Dennis and Gail reach that goal easily. The runner that started 30 meters further behind makes it in about 13 or 14 seconds, failing to meet the goal despite a valiant attempt. Now, Senator BUMPERS and I, I hate to admit, we do not even come close to making the goal. Even Michael Johnson, the world-record holder, can only run the 200-meter dash in 19.66 seconds. However, even he would be penalized in this scenario. That would be a travesty of the Olympic spirit. That would be a sad race to observe.

But, Mr. President, it gets worse. Since Senator BUMPERS and I lost the race, and the runner at 130 yards also failed to meet the standard, we would have to move further back for the next race. Since they had reached the goal, Dennis and Gail would move 10 meters closer for the next race.

That is essentially the structure of this bill. Those who start out in an advantaged position are placed in the prospect that they will get rewards because they have achieved the goals. Those who start—as Senator BUMPERS

and I are going to have to do—200 yards behind the regular starting line and therefore have relatively little expectation of reaching the goal, we are going to be further penalized, now having to be 300 yards behind the starting line.

That, Mr. President, is an absurd result. However, it is exactly the situation that our States must deal with if this bill passes with its combination of funding formulas, incentives, and penalties.

Mr. President, as we change welfare as we know it, we should recommit ourselves to the value that we place upon all of America's children. We should want to see that all of those children have the same opportunity to succeed and that they start from the same place in life's starting line. There is no justification for poor children to be treated with less or more value by the Federal Government depending upon in which State they happen to live.

Mr. President, I urge the adoption of the Graham-Bumpers amendment.

Mr. SANTORUM. Mr. President, I rise in opposition to the amendment. I will respond as to why. The Senator from Florida repeatedly talked about how those States that are currently disadvantaged that are way behind from the start are going to get put further behind, as if the States who were far behind were there—as I heard this term a lot on the floor—through ''no fault of their own.'' I hear that all the time. They are disadvantaged for no fault of their own. The fact is that the reason they are so far behind is directly a result of the decisions that those States made with respect to how much money they want to put forward in State dollars to help the poor in their States.

If you look at the chart of the Senator from Florida, the majority of the States that are advantaged, according to him, by the current system are States like New York, Pennsylvania, Michigan, Ohio, California New Jersey—those States who have invested significant State dollars in AFDC, Medicaid, and a lot of other programs that are aimed at helping the poor. They are high-benefit States; they are States that are willing to spend tax dollars to meet a Federal match, to help the poor in their State. Therefore, they have a higher per capita spending rate on the poor than States like Florida, Texas, Arkansas, and the others.

So when it comes to them redoing the formulas in a block grant, we look at what States are spending now and what the Federal Government puts in now. What the Federal Government puts in now is based on what the State puts in. It is a match. So the Federal share, yes, in Pennsylvania is higher than it would be if you start all over and say we are going to pay so much for everybody. But, by doing what, you would take Pennsylvania and a program in Pennsylvania that has been established for a long time and has been supported by the State and just cut the legs out from under it to give it to a State who has not been providing those services in the past. How is that fair?

If you want to talk about fair, you have a State actually spending dollars, putting forth an effort and putting together a program they believe better meets the needs and is willing to spend money to help the poor, and you are going to create a block grant and take money away from them because they were being better neighbors—I will use that term. I do not think that is fair. The whole premise of the Hutchison formula—Senator HUTCHISON was the one who worked tirelessly, and I mean tirelessly, because there have been a lot of contentious issues I have dealt with in the area of welfare reform over the past 2 years. I do not want to use too strong of a term, but nothing approaches the animosity that is raised on an issue than when you are talking about dollars for the States back home. That is really where people draw the line.

So to be able to come up, as we have done, with a compromise formula that says we want to make sure no one is hurt, that no State is cut, that they are held harmless in the allocation they get from the Federal Government, and we set a separate growth fund for States that are hydro-States to give them money, a separate pot of money, $800 million, almost $1 billion, to use for growth. Florida gets over $100 million of the $800 million in that fund. We try to take care of both. For those who have been doing a good job, spending resources, taking care of the poor in their States, hold them harmless and, at the same time, provide for growth for the other States that, frankly, have not been meeting the national average when it comes to providing services for the poor.

We think that is a fair balance. If we had all the money in the world, we would give everything to everybody. But we do not. We do not have enough money to provide the same level for everybody that the State of New York, for example, provides for their beneficiaries. So we have to make, as the Senator from Florida, and I am sure everybody listening, realizes, you have to compromise. This was the compromise we came up with. Is it perfect? Absolutely not. Is it fair from an objective standpoint? I think the Senator from Florida can make the argument that, no, it is not fair. Is it fair given where we had to start? I make the argument that, yes, given the situation we found ourselves in, it is. If we were going to redo this and go back to 1965, instead of developing an AFDC Program, or whatever current revision of the AFDC Program was created, and start all over, would we have done it differently? Absolutely. But we are not there. We are here. We have a history of States that have invested. We have a history of programs. And to go in and just decimate those programs because of this block grant, I think would be tragic to a lot of people and a lot of States, and certainly it would be an enormous hardship on, frankly, the States that are having some of the very worst budgetary times and a lot of economic problems like in the Northeast, in the upper Midwest, and in the case of California and the west coast.

So we think what we have done here is a balance given where we had to start. It is not—and I agree with the Senator from Florida—from an objective position, as if we were starting from day one a fair solution. I will not argue that. But what I will argue is that given where we had to start, which is a long history of providing services to the poor, this is the best and the fairest we could come up with given those set of circumstances and the hand we were dealt.

So, I do not fault at all the Senator from Florida for standing up, as he has done not only on this bill but last year on several amendments, and articulately advocating for his State and for other States that do not get as much money as they think they deserve. He certainly has a right to do that, and he is certainly justified in doing that. I think what we have done here is to accommodate him and his State as best we can given the circumstances, in providing funds for them to be able to get some more resources.

I will anticipate the comment, which is that it is not enough. I cannot even argue that it is not enough. But what I am saying is you would find that the States like Pennsylvania and New York, which are not going to see any growth at all in their allocation, would tell me that is not enough. Nobody has enough. This is a situation where everyone is getting squeezed, and we are hoping that even though they are getting a smaller allocation, that they will be able to take this block grant and be able to redesign this program. That is what this is all about—giving them the flexibility. Yes, less money in a sense, but more flexibility to be able to design a program that more efficiently provides for the poor in their States, that more efficiently transitions people off welfare into productive lives than the current system does, which will save money if they do so in a proper fashion.

So, we think there is a good balance between enough money and certainly maximum flexibility to be able to accomplish the purpose without any additional money, or any change in the funding formulas here.

I reserve the remainder of my time.

Mr. GRAHAM. Mr. President, let me just make a few points.

The Senator from Pennsylvania has made a very good argument, if we were going to leave the welfare program as we have known it for the last three-plus decades. The whole premise of us being here today until this job is done is that we want to change that welfare system as we have known it.

So, to say that we are going to change the whole chassis drivetrain

and other aspects of this vehicle, but keep the engine of how we distribute the money to pay to make the vehicle mobile, exactly the same as we had in the past, is, I think, an intellectual disconnect. If we are going to change the program, we have to look at what is going to be required on a nationwide basis and on a State-by-State basis in order to accomplish the objectives of the new—not the old—welfare system.

The fact is that the change that is going to be most fundamental to the States is that they are now going to take on the requirement subject to both carrots and sticks in sanctions to move people from welfare to work. We have had some experience with this, Mr. President. Two of the longest term pilot programs in welfare reform are in the cities of Gainesville and Pensacola, FL. They have been working for several years to try to determine, not in theory, but in practice, with real people.

What does it take to get folks off welfare? What does it take to get them that first job and then get them in the position that they can hold the job in the future? The fact is it takes, for many of those people, a significant investment. We have to invest in job training for people who do not have any job skills. You have to invest in job placement for people who have never gone out to get a job before. You have to invest in child care so that there is somebody there to look after the kids while the mother is in training and in the first months of employment.

Those all have significant costs. Those costs are within ranges fairly consistent from State to State across the country. Yet, we are going to start some States with four, or five, or six times more money than others with poor children in order to be able to pay for those common transitional expenses.

I am afraid that we are about to build into the architecture of welfare reform failure for many States, and then after we have built in failure, we are going to impose heavy sanctions on those States that fail, which will make it even less likely that they will be able to achieve success.

I fear that the result of all of that is going to be that we will waste several years in accomplishing the objectives that we all see, which is to move people from dependence to independence and self-sufficiency and pride that comes with the ability to support oneself, that we are going to lose that opportunity over the next period as we start this process with a fundamentally, structurally failed architecture.

Mr. President, if I thought that we were starting this from a suspect place but that was just a necessary political accommodation in order to get off the blocks, and then we would soon be moving towards a greater level of equity, I could accept that as a pragmatic means of moving from the old to the new.

Are we going to be making that transition? Let us just look at two of the States that I cited: the State of Mississippi and the State of New York. How long under the Hutchison amendment will it take for the State of Mississippi to reach the State of New York in its funds available for poor children? Will the Senator from Pennsylvania think that maybe when we celebrate the 300th anniversary of the country in the year 2076, would we have done it by then? Sadly not. Will we have done it when we celebrate the 400th anniversary of the country in the year 2176? Mr. President, sadly not.

It will, in fact, not be until the year 2202, exactly 206 years from today, 2202, before Mississippi will finally close the gap and be the equivalent of New York. That means that it will be some six to seven generations before that gap is closed.

My colleague and friend from Pennsylvania is a patient man. He is prepared to wait until the year 2202 to achieve equity. I am more impatient. I do not believe that my life expectancy is going to extend to that year. I would like to see some more reasonable date at which we will begin to achieve parity among the States so we can then expect the States to be subject to a parity of sanctions and incentives in terms of whether they have, in fact, achieved the goal of moving people from welfare to work.

We have suggested a 5-year transitional plan to achieve that result. The Senator from Pennsylvania was very gracious in recognizing that this is a legitimate concern, and I recognize that it is not easy to do. You have people who have been operating under the old system with certain sets of expectations. But, frankly, we are asking lots of people to change their whole pattern. We are asking people who have been essentially waiting to receive a check once a month now to get up every day and go to work. That is a change. We are asking communities that have previously closed the door to employment opportunities for many of these people to open the door and create the chance for them to become self-sufficient.

I think that we ought to, as politicians, challenge ourselves, be willing to make some of the same kinds of adjustments in this new system. And certainly one of those adjustments ought to be fundamental fairness in the way we treat American children wherever those children happen to live in this great Nation.

That is the purpose of the Graham-Bumpers amendment. Mr. President, as I indicated earlier, by unanimous consent I have reserved the right to modify this amendment up to the time of the vote on Tuesday. We would be receptive to further ideas as to how to better achieve this objective.

I also indicated that my friend and cosponsor, Senator BUMPERS, will utilize some time on Monday to speak further on this matter. I hope that over the next few days my colleagues will study this issue of fundamental fairness—the fact that some 35 States would be benefited as we move, over time, toward fairness—and ask themselves, is it not time as we change welfare as we have known it to also change a pattern of expenditure of Federal funds which has seriously disadvantaged many of the poorest children in America?

Thank you, Mr. President.

Mr. SANTORUM. Mr. President, if I could just make one quick comment, and that is I think the Senator's example of Mississippi and New York actually illustrates the point as to why the formula in the underlying bill is a fairer formula. To suggest the cost of living to provide for a poor child in Mississippi is the same as it is to provide for a child in Manhattan I think is obvious. It is not the same. The cost of living in a lot of areas in this country is substantially lower than it is elsewhere. California is one of the States that would be harmed by the Senator's amendment. There is a much higher cost of living in the States that are highlighted than in the other States.

So there is a disparity, and one of the reasons that States like Pennsylvania, California, and New York have to spend more money is because the Federal grants are set at a flat level, which may be very adequate for Mississippi but certainly not for New York City or San Francisco or Philadelphia and a lot of other places. So the States have had to make up that difference and, in fact, drawn more Federal dollars as a result. There is in a sense, it sounds, an inequity, that a child in Mississippi should be given the same as a child in New York when in a sense the child in Mississippi, to maintain the standard of living, needs less money than a child in New York, where the cost of living is higher.

So that is part of what makes these discussions on formulas so incredibly complex and difficult, and very difficult to resolve. But I think we have done the best we possibly can.

Mr. President, I yield back the remainder of my time. If the Senator from Florida is finished, if he will yield back his time, we will then move on to the next amendment.

Mr. GRAHAM. Mr. President, I yield back the remainder of my time.

I would like to, however, submit for the RECORD a list of the penalties and rewards contained in this bill as a means of underscoring the discrepancy in the likelihood of States being subject to sanction or receiving incentives based on the amount of funds that they will receive under this bill per child in poverty.

I ask unanimous consent that ''Use of Rewards and Penalties for the Welfare Work Requirements'' be printed in the RECORD.

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

USE OF REWARDS AND PENALTIES FOR THE WELFARE WORK REQUIREMENTS

PENALTIES

Failure to Satisfy Minimum Participation Rates

Failure to Comply with Paternity Establishment and Child Support Enforcement Requirements

Failure to Timely Repay a Federal Loan Fund for State Welfare Programs

Failure of Any State to Maintain Certain Level of Historic Effort

Substantial Noncompliance of State Child Support Enforcement Program Requirements

Failure of State Receiving Amounts from Contingency Fund to Maintain 100% of Historic Effort

Failure to Comply with Provisions of IV–A Or the State Plan

Required Replacement of Grant Fund Reductions Caused by Penalties

REWARDS

Reduction of Required State Spending from 80% to 72% for States that Achieve Program Goals

Grant to Reward States that Reduce Out-of-Wedlock Births

Bonus to Reward High Performance States

AMENDMENT NO. 4937

(Purpose: To Change retention rates under the food stamp program)

Mr. SANTORUM. Mr. President, on behalf of the Senator from South Dakota, Mr. PRESSLER, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. PRESSLER, for himself and Mr. DASCHLE, proposes an amendment numbered 4937.

The amendment is as follows:

Beginning on page 70, strike line 21 and all that follows through page 71, line 3, and insert the following:

''(c) RETENTION RATE.—The provision of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking ''25 percent during the period beginning October 1, 1990'' and all that follows through ''section 13(b)(2) of this Act'' and inserting ''35 percent of the value of all funds or allotments recovered or collected pursuant to subsections (b)(1) and (c) of section 13 and 20 percent of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act''.

Mr. DASCHLE. Mr. President, I want to take a few minutes to explain the pending amendment. Eliminating food stamp fraud and abuse is of paramount importance, both in my State of South Dakota and across the Nation. Clearly, if there are steps that can be taken to curb the fraudulent use of food stamps, then we, as lawmakers, have a responsibility to take them. This amendment is one such step, and I believe it is fundamentally sound policy.

This amendment provides States incentives to police the fraudulent use of food stamps. By granting States the authority to retain 35 percent of a food stamp overissuance in instances of intentional fraud and 20 percent in the event of nonintentional overissuance, they are encouraged to pursue perpetrators to the fullest extent of the law. A recent study by the South Dakota Department of Social Services demonstrated unequivocally that a two-tiered system, such as the one proposed by this amendment, is far more effective at encouraging States to pursue food stamp fraud than the flat retention rate system proposed in the underlying reconciliation bill.

Moreover, this amendment has been scored by the Congressional Budget Office as having no significant cost. I urge my colleagues on both sides of the aisle to support the amendment.

Mr. SANTORUM. Mr. President, this amendment has been agreed to by both sides, and I ask unanimous consent it be agreed to and that the motion to reconsider be laid upon the table.

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

The amendment (No. 4937) was agreed to.

AMENDMENT NO. 4930

(Purpose: To strengthen food stamp work requirements)

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

I call up amendment No. 4930 which is at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from North Carolina [Mr. HELMS], for himself, Mr. FAIRCLOTH, Mr. GRAMM, Mr. NICKLES, Mr. SHELBY, and Mr. SMITH, proposes an amendment numbered 4930.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike section 1134 and insert the following:

**SEC. 1134. WORK REQUIREMENT.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

''(o) WORK REQUIREMENT—

''(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

''(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

''(2) WORK REQUIREMENT.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not—

''(A) work 20 hours or more per week, averaged monthly;

''(B) participate in and comply with the requirements of a work program for at least 20 hours or more per week, as determined by the State agency; or

''(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

''(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

''(A) a parent residing with a dependent child under 18 years of age;

''(B) mentally or physically unfit;

''(C) under 18 years of age;

''(D) 50 years of age or older; or

''(E) a pregnant woman.''.

Mr. HELMS. Mr. President, as we so frequently say around this place, I will be brief. The pending amendment, offered by Senator FAIRCLOTH and me, and cosponsored by the distinguished Senator from Texas, [Mr. GRAMM], the distinguished Senator from Oklahoma, [Mr. NICKLES], the distinguished Senator from Alabama, [Mr. SHELBY], and the distinguished Senator from New Hampshire, [Mr. SMITH], is very simple. It requires able-bodied food stamp recipients to go to work for at least 20 hours a week—if they expect to continue to receive food stamps free of charge—at the expense, I might emphasize, of those taxpayers who work 40 hours a week or more to pay the bill.

I must be candid—other food stamp proposals do not go nearly far enough, in my judgment, in making workfare a reality. I do not believe it is fair to working Americans, many of whom have to work two jobs or more in order to feed and clothe their families, to have to pay taxes to support those who are not motivated to get off their rear ends and join the work force of America.

Who knows, Mr. President, if they tried it, they might like it. If they are obliged to go to work a little bit for their free food stamps, they might just be surprised to discover that it is rewarding to work regularly and permanently like most other Americans have to do.

Excluded from the requirements of this amendment—let me emphasize this—excluded are young people under 18, although some young people under 18 are busy many nights shooting each other, parents of youngsters under 18, physically disabled people, pregnant women, and people over 50 years of age.

Credible evidence indicates there are at least 12 million able-bodied people in this country presently receiving food stamps, many without doing one lick of work to get them. My fellow sponsors of this amendment and I are simply proposing that these people must start working for at least 20 hours a week to qualify for free food stamps. That will leave the other 20 hours for them to get busy and find full-time jobs so that they can be supported by themselves instead of the Federal taxpayers.

I am convinced that there are many kinds of honest work for food stamp recipients to do. The pending amendment allows recipients to sign up for job training programs at the Federal level as well as for employment and training programs at the State level.

The pending amendment puts accountability into the Federal Food Stamp Program by putting an end to

giving food stamp benefits to able-bodied people who just refuse to work. If they are not willing to work, then the working taxpayers should not be forced to finance deliberate idleness.

Mr. President, in a moment I shall move to table my own amendment because I have been informed that an effort is being contemplated to try to avoid an up-or-down vote on it. I want to go on record regarding the significance of what this amendment proposes, and I want all other Senators to go on record likewise.

So I will move to table this amendment (No. 4930) and ask for the yeas and nays. And, of course, I will vote against tabling, as will the other Senators who are cosponsoring this amendment, and I do hope that there will be enough Senators who will vote against tabling to make it a viable amendment.

I am quite confident that some attention will be given to how Senators will vote on this tabling motion. So let me reiterate, just to make it perfectly clear, that Senators favoring the requirement that able-bodied food stamp recipients must go to work for at least 20 hours a week in order to be eligible for free food stamps, those Senators should vote against tabling this amendment as I will vote against tabling. Senators not favoring this work requirement for those receiving free food stamps should, of course, vote aye, in favor of tabling the amendment sponsored by the Senator from North Carolina.

Therefore, Mr. President, I move to table amendment No. 4930. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield the floor and yield such time as I may have.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, our colleague, Senator LEAHY of Vermont, was unable to be here this afternoon. He has asked me to make a statement on his behalf in reference to the amendment that has just been offered by the Senator from North Carolina.

Speaking on Senator LEAHY's behalf:

I oppose the Helms amendment. It would deny food stamps to millions of unemployed workers, including factory workers who have worked for 10 or 20 years and then are laid off when a plant closes. The Helms amendment would replace the tough work requirements already in the bill with a flat prohibition on the provision of food stamps to unemployed workers between the ages of 18 and 50 who are not disabled and do not have children under the age of 18. The Senate defeated a version of Senator HELMS' amendment last year by a vote of 66 to 32. Under the Helms amendment, no unemployed worker without a minor child in the household, no such worker could receive food stamps unless he or she was working at least 20 hours per week in a workfare slot. If the worker was furloughed or laid off, he or she generally would be immediately removed from the Food Stamp Program.

The amendment does not provide funding to create workfare positions to which these individuals could be referred. The amendment simply denies food stamps to laid-off workers who are looking for a new job but have not yet found one.

Mr. President, I offer that statement in behalf of our colleague, Senator LEAHY.

The PRESIDING OFFICER. The record will so note.

AMENDMENT NO. 4936

Mr. GRAHAM. Mr. President, I ask for the yeas and nays on the amendment which I offered.

The PRESIDING OFFICER. Is there objection to it being in order? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4938

(Purpose: To preserve eligibility of immigrants for programs of student assistance under the Public Health Service Act)

Mr. GRAHAM. Mr. President, I ask unanimous consent I may offer an amendment on behalf of the Senator from Illinois, Senator SIMON.

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

Mr. GRAHAM. Mr. President, I send an amendment to the desk for Mr. SIMON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for Mr. SIMON, proposes an amendment numbered 4938.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In Section 2403(c)(2)(H), after ''1965'' and before the period at the end, add '', and Titles III, VII, and VIII of the Public Health Service Act''.

Mr. GRAHAM. Mr. President, I ask unanimous consent all time on this amendment be yielded back.

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

Mr. GRAHAM. Mr. President, I ask the amendment be laid aside.

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

Mr. GRAHAM. I thank the Chair.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, my colleague, Senator SHELBY, from Alabama, will be coming over shortly to lay down an amendment in relation to adoption tax credit. In cosponsoring this amendment with him to the welfare reform bill that would provide a refundable tax credit for the adoption expenses, I am excited about this legislation and feel that this is an important time to move it.

It has not even been a year since our last joint effort to pass the amendment to H.R. 4. That amendment was overwhelmingly supported, and I hope my colleagues will respond to our efforts today in an equally positive manner. This amendment provides tax credit support to families as they struggle with the bureaucratic process involving adoption. Many people who are aware that I have become an adoptive parent recognize the roadblocks that all of us face when we choose this course in the process of building a family.

I have had that experience. I do not want others to have the kind of difficulty that many families do in this process. That is why I have worked with others to assure that we make all-out efforts to build an adoption tax credit so that adoptive families, or those who use adoption to build families, can find it as rewarding and no more difficult than those who are successful in building a family in a natural way.

This amendment changes the Internal Revenue Code of 1986 by providing a refundable tax credit for adoption expenses. It also excludes employees and military adoption assistance benefits and withdrawals from IRA's used for adoption expenses from gross income.

What does an adoption tax credit have to do with welfare reform? Frankly, not much, Mr. President, if we are discussing our current welfare system, but a great deal, I think, if we are discussing a dramatically reformed system. Then we want innovation and creativity. The current welfare system has created a dependence on Federal programs while the envisioned system encourages independence. Welfare spending has been growing at an alarming pace, but so has the number of children living in poverty, and so has the number of children who need families.

Providing a future for these children by uniting them with loving families who can provide not only their financial welfare but also their emotional welfare has to be a goal of this Congress. As we move toward a system that promotes greater strength in the American family, we ought to encourage efforts like this by using the adoption tax credit.

Too often we read stories about the tragic experiences couples have endured in order to adopt a child. It is my hope that our work here will lead to more happy stories and fewer heartbreaking reports.

Adoption is a too often overlooked option to get the best of all worlds: uniting a child with a loving, nurturing family. I think we need to keep focused on that single fact by continuing our efforts to improve this process.

I am pleased to be here again, with my colleague from Alabama, Senator SHELBY to offer this important amendment today. We need to give adoptive families a fairer shake. I urge my colleagues to support improving access to adoption, by voting for the SHELBY amendment.

I certainly hope this Senate will respond as willingly as they did on H.R.

4 in the inclusion of this amendment in our welfare reform package.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

Mr. LEVIN. Mr. President, it was my intent to send an amendment to the desk which would strengthen and accelerate the work requirement that is contained in this bill. My amendment, in the form of the Levin–Dole amendment, was added to the Senate-passed welfare reform bill last September. I offered it, Senator Dole at that time cosponsored it, and it was adopted.

The reason that I offered the amendment then and support this approach now is that I believe work requirements should be clear and should be strong and should be applied promptly.

The amendment would add a requirement that welfare recipients either be in job training, be in school, or be working in private-sector jobs within 3 months of the receipt of benefits. That was the heart of the Levin–Dole amendment.

If private sector jobs cannot be found, then those recipients would be required to perform community service employment. Community service employment is the backup in the Levin–Dole amendment, in the approach which is essential, and it would be required that somebody engage in that community service within months.

This requirement would be phased in to allow States the chance to adjust administratively, and States would be permitted the option to opt out of the requirement by notification to the Secretary of Health and Human Services.

The bill before us requires welfare recipients to work within 2 years of the receipt of benefits—2 years. The question is, why wait 2 years? Why should an able-bodied person receiving welfare benefits not be required to work for 2 years? That was a flaw in the bill last time, which was corrected with the Levin–Dole amendment; it is a flaw in this bill, which would have been corrected in the Daschle substitute; and is now, hopefully, going to be corrected in a manner that I am going to describe.

But the heart of my approach, which we have fought for now for 2 years, is that able-bodied welfare recipients who are not in private sector jobs, who are not in job training, who are not in school, work within months and not be allowed to go without working for 2 years. There is no reason to wait 2 years when we are talking about able-bodied people receiving welfare benefits. There is no reason why those folks should not be working within months.

Last night, I shared with the Democratic and Republican staffs my amendment, which would do the same thing as the Levin–Dole amendment did last year. We were informed this morning that the Democratic staff had been able to clear this amendment on this side. We were awaiting clearance on the Republican side.

Earlier today, Senator D'AMATO offered an amendment on this subject. We have now had a chance to review the D'Amato amendment. The D'Amato amendment, with one or two very technical changes, is the Levin–Dole amendment. So we are happy to cosponsor the D'Amato amendment. It is indeed the same amendment.

Mr. President, I ask unanimous consent that I be listed as a cosponsor of the D'Amato amendment immediately following Senator D'AMATO's name.

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

Mr. LEVIN. Mr. President, when the D'Amato amendment was offered, since the Democratic staff had not had an opportunity to review the amendment to see if it was the same amendment, to see whether or not it could be cleared on this side, it was not cleared on this side at that time. As I said, we have subsequently had the opportunity to read this amendment. It is the same amendment. I am happy to cosponsor it.

I see no particular reason, unless somebody wishes there to be a rollcall, why this ought to be necessarily held up for a rollcall. It makes no particular difference to me because I think it will pass overwhelmingly if it is put to a rollcall.

But I do want to inform the Chair and our colleagues that, as far as I know, this amendment has been cleared on our side because, in fact, my amendment had been cleared on this side. So I will yield the floor and simply state that, should the floor managers wish to have a voice vote on this amendment at this time, as far as I know on this side that would be fine.

Mr. President, I ask unanimous consent that the so-called Levin–Dole amendment and the two amendments that I have referred to in my remarks be printed in the RECORD.

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

LEVIN-DOLE AMENDMENT NO. 2486, AS MODIFIED

On page 12, between lines 22 and 28, insert the following:

(G) COMMUNITY SERVICES.—Not later than 2 years after the date of the enactment of this Act, consistent with the exception provided in section 401(d), require participation by, and offer to, unless the State opts out of this provision by notifying the Secretary, a parent or caretaker receiving assistance under the program, after receiving such assistance for 3 months—

(i) is not exempt from work requirements; and

(ii) is not engaged in work as determined under section 401(c)

in community service employment, with minimum hours per week and tasks to be determined by the State.

AMENDMENT TO REQUIRE TANF RECIPIENTS TO PARTICIPATE IN COMMUNITY SERVICE EMPLOYMENT

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end of the following:

''(iii) Not later than 2 years after the date of the enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 3 months and is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

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AMENDMENT NO. 4927

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding the end the following:

''(iii) Not later than 1 year after the date of enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.''

Mr. LEVIN. Mr. President, I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I send an amendment to the desk.

Mr. LEVIN. I wonder if the Senator would yield?

Mr. SHELBY. Certainly.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I wonder if I could make inquiry of the manager of the bill on the other side whether or not it is their wish to continue to list this, now the D'Amato-Levin amendment, for a rollcall on Tuesday or whether they would like to have this voice voted now since it has been cleared on this side.

Mr. ROTH. I say to my distinguished friend from Michigan that, as he knows, the yeas and nays have been ordered. There are people on this side who want a recorded vote.

Mr. LEVIN. I thank my friend. And I thank my friend from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

AMENDMENT NO. 4939

(Purpose: To amend the Internal Revenue Code of 1986 to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses)

Mr. SHELBY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SHELBY], for himself, Mr. CRAIG, Mr. Grams, Mr.

COATS, and Mr. HELMS, proposes an amendment numbered 4939.

Mr. SHELBY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert:

**SEC. . REFUNDABLE CREDIT FOR ADOPTION EXPENSES.**

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

**''SEC. 35. ADOPTION EXPENSES.**

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

''(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

''(B) $40,000.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expenses to the extend that funds for such expense are received under any Federal, State, or local program.

''(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State of Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

''Sec. 35. Adoption expenses.
''Sec. 36. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

**SEC. . EXCLUSION OF ADOPTION ASSISTANCE.**

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

**''SEC. 137. ADOPTION ASSISTANCE.**

''(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

''(b) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

''(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such term by section 127(c).

''(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

''(4) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

''Sec. 137. Adoption assistance.
''Sec. 138. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1996.

**SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.**

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

''(i) such amount exceeds the sum of—

''(I) the amount excludable under section 137, and

''(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

''(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

''(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

Mr. SHELBY. Mr. President, I rise today to offer an amendment on behalf of myself, Senators CRAIG, GRAMS, COATS, and HELMS. The amendment will help provide, Mr. President, homes for thousands of children who are waiting to be adopted in this country. This amendment is the same amendment which was agreed to by a vote of 93 to 5 right here in the Senate during its consideration of welfare reform this past fall.

Mr. President, this strong bipartisan vote shows that the Senate is committed—committed—to making adoption more affordable for working families in America.

Mr. President, regardless of what kind of welfare reform we pass in this Chamber, the grim reality is that the out-of-wedlock birthrate in this country is projected to reach 50 percent very soon after the turn of the century, which is only a few years away.

Mr. President, we are not far from having one out of every two children born in this country born into a home where there is no father. That is a profound change in our culture which will have enormous consequences for American society as we have known it. One of these consequences, no doubt, will be an increase in the number of children neglected and, yes, abandoned. It is therefore more important than ever—more important than ever—for us to help find ways to provide for these children.

Mr. President, study after study shows and common sense tells us that a child is much better off being adopted by a stable, two-parent family than being shipped around from foster homes to State agencies, and back again. There are currently hundreds of thousands of children in America waiting to be adopted. But the current financial burden prevents many parents from doing so.

Many people do not realize how expensive it is to adopt a child. There are many fees and costs involved with adopting a child, including maternity home care, normal prenatal and hospital care for the mother and the child, preadoption foster care for an infant, ''home study'' fees and, yes, legal fees. These costs range anywhere from about $13,000 to $36,000 according to the National Council for Adoption.

Mr. President, I know of many families in my State, and perhaps your State, that would love to adopt a child into their family but simply do not have $13,000, much less $36,000 to do so. As a result of this enormous cost, children are denied homes, and parents are denied children.

Mr. President, the amendment I am offering today will help make adoption financially possible for many children and families. It provides a $5,000 fully

refundable tax credit for adoption expenses. It also provides that when an employer pays for adoption expenses incurred by an employee, the employee does not have to count that assistance as income for taxable purposes.

Finally, Mr. President, this amendment provides that withdrawals from an IRA can be made penalty free and excluded from income if used for qualified adoption expenses. These measures are a first step in tearing down the massive financial barriers to adoption in this country.

Mr. President, I believe the question before us today is not if the number of abandoned children is going to increase over the next few years; no one disputes that. We know the answer to that. The real question for us to answer is, what are we going to do about it? This amendment would be a big first start in America. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I agree with my good friend, Senator SHELBY, that we need tax incentives to promote adoptions. Adoption is good for the child, is good for the family, and it is good for society. It was for this reason that the Finance Committee unanimously passed out of committee an adoption tax credit bill.

The Shelby amendment, unlike the Finance Committee adoption tax credit bill, provides a refundable tax credit. The Finance Committee decided against a refundable credit in its legislation because of the very, very serious history of problems we have had with fraud in refundable credits.

I also point out that unlike the Shelby amendment, the Finance Committee bill, which, as I said, passed out of the committee unanimously, provides not only a $5,000 credit for non-special-needs adoptions, but also a $6,000 credit for special-needs adoptions. I think this is a very important provision of this legislation that addresses a very, very special need.

Going back to the Shelby amendment, I must point out also that it is not paid for. If the Shelby amendment were to pass, we would be required to find additional savings in the welfare bill of $1.515 billion over the next 6 years. The Finance Committee bill, on the other hand, is fully offset.

Let me also say that I have been assured by the majority leader that he will schedule the adoption tax credit legislation which passed out of the Finance Committee for floor consideration before the end of the year.

Although I strongly support giving tax incentives for the promotion of adoptions, Senator SHELBY's amendment is not germane to the welfare legislation. Therefore, it is my intent when the time on this amendment has expired to make a point of order.

Mr. SHELBY. The Senator from Delaware talked about refundables. Why do we have in our bill a refundable tax credit? Basically, because many low-income people in America want to adopt a child and would not have the $5,000 tax liability, and thus would not benefit as much from the Finance Committee proposal. The adoption community supports our version. I hope the Senate will continue to support it.

I yield back the remaining time, if the Senator from Delaware will yield back his time.

Mr. ROTH. I make the additional comment that under our legislation, the tax credit can be carried over for 5 years. I believe, therefore, we have addressed the problem about which Senator SHELBY is concerned.

I yield back the balance of my time. It is my understanding the Senator has yielded back his time.

Mr. SHELBY. I yield back my time.

Mr. ROTH. Mr. President, I make a point of order against the Shelby amendment under sections 305 and 310 of the Budget Act on the grounds that the amendment is not germane.

Since the amendment, if adopted, would reduce revenue by $1.515 billion over the next 6 years, I also make a point of order against the amendment under section 310(d)(2) of the Budget Act.

Mr. SHELBY. Mr. President, I move to waive any provisions of the Budget Act which might impinge upon my amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, the Frist amendment is a sense of the Senate amendment which would state the view of Congress that the President should ensure that the Secretary of the Department of Health and Human Services approve some 22 welfare waiver requests submitted from 16 States.

I cannot support such a sweeping blanket amendment.

My own State of Michigan has a waiver application pending which was submitted late in June which contains some 75 individual waivers. This request has much merit. The proposal contains work requirements which seem to be similar to legislation which I succeeded in adding to the Senate-passed welfare reform bill last year and which I will offer to this bill. However, we have not been given any opportunity to evaluate the various waiver requests of the other 15 States embodied in this amendment. We just do not know the details of welfare waiver submissions from Utah or Georgia or Kansas or Wyoming or other States included in the amendment.

The President and the Department of Health and Human Services have approved more than 60 waivers, more than any previous President. I support this kind of flexibility. I hope that before this session of Congress ends, we will have, in law, comprehensive bipartisan welfare reform which makes such waivers unnecessary.

I want to comment on several other amendments to the pending legislation.

I cannot support two Ashcroft amendments which would mandate that States take specific actions with respect to drug testing and with respect to recipients who have not immunized their children. The underlying bill permits States to test welfare recipients for use of illegal drugs and to sanction recipients who test positive. The bill also does not preclude States from sanctioning recipients who are negligent in failing to properly immunize their children. Requiring States to take these actions is not consistent with the intent of this legislation which is to provide greater flexibility to the States to better design their specific welfare measures in ways that better suit needs and circumstances in their States and localities.

I support the Graham amendment to strike certain provisions relative to legal, I repeat, legal, immigrants. The underlying bill goes too far because it would deny food stamps to severely disabled legal immigrants who have worked, and then become disabled, and because it would take food stamps away from legal immigrants, who waited their turn and came here under the rules, retroactively. I will support a Feinstein amendment which would make the prohibition against legal immigrants receiving food stamp assistance prospective. That is more fair. That will serve as a warning to future immigrants that they cannot expect to receive these benefits, but it does not yank the rug out from under legal immigrants who have played by the rules.

Mr. LIEBERMAN. Mr. President, the country's primary welfare program—aid to families with dependent children [AFDC]—is a failure, both for those participating in it and for those paying for it. What started as a well-intentioned program in the 1930's to help widows today has become an enormous program that takes basic American values—work, reward for work, family, and personal responsibility—and turns them on their head.

The incentives in the current welfare system contradict our shared values and motivates harmful behavior by welfare recipients. Today's welfare program financially rewards parents who don't work, don't marry, and have children out-of-wedlock.

The program is failing to move welfare recipients off dependency and into the work force. It is a factor in the breakdown of two-parent families and the buildup of teen pregnancy. AFDC started as a program to assist families in poverty but now is seen as a program that perpetuates poverty.

Mr. President, there is bipartisan agreement that our welfare system must be changed so welfare incentives reward our society's shared values of work, marriage, and personal responsibility. Both parties have included work requirements as integral parts of their welfare proposals. I believe that

Democrats and Republicans alike wish to use our Nation's welfare programs to combat social ills—particularly the growth in out-of-wedlock pregnancies among teenagers. I am convinced that members of both parties are concerned with the impact of any type of welfare reform on children—who comprise 9 of the 14 million recipients of Federal AFDC dollars.

The first priority for welfare reform is to put welfare recipients to work. The public demands that we stop giving cash to adults on welfare, and start giving them jobs, and they're right. Virtually all welfare experts, both liberal and conservative, agree that work and its rewards are the solution to the welfare crisis.

We have considerable experience with work programs. The Job Opportunities Basic Skills Program, which has come to be known as JOBS, was passed in 1988 under the leadership of Senator MOYNIHAN. Evaluations of the JOBS Program that have been conducted have shown that the programs have had some success; they have begun to make a difference.

Our experience with that program has taught us several important lessons. First, programs that emphasize placing welfare recipients in jobs as quickly as possible are the most successful and cost-effective. Inevitably, setting placement as a priority creates a degree of conflict with other program goals such as assisting in training and education. Yet, long delays in job placement can occur while welfare recipients are routed through a succession of training programs.

Second, assessing recipients' individual needs and addressing those needs is critical to placing them successfully. Do they have appropriate child care? Do they need supplementary education or training? Do they have the skills and ability necessary for the proposed job? Little purpose is served in placing a welfare recipient in a job if their child care needs can not be addressed, transportation to and from the job is unworkable, or special skills are needed.

Third, successful programs form strong links with local employers and work hard to maintain those links with the local employers, who are the source of the jobs. The work requirements in the bill before us will apply to over 1.5 million adults. By comparison, approximately 4 million individuals currently work at or below the minimum wage. Finding jobs for an additional 1.5 million adults, without simply displacing current workers, is going to be a massive challenge.

I am pleased that the current legislation includes funds for a performance bonus to States that move people into real jobs and off of welfare. In the current welfare system, income maintenance is the focus—processing applications and mailing checks to people. The welfare proposals that I voted against last fall, equated reform with savings rather than returning recipients to work. We must change that focus, and put a premium on getting people into the work force, where their lives can be sounder on a sounder foundation. States that embrace the ''work first'' philosophy and turn their welfare systems into effective employment offices ought to be rewarded. Otherwise, a welfare maintenance system will be perpetuated.

The performance bonus requires the Secretary of Health and Human Services (HHS) to develop and publish a formula that allocates the bonus fund to States based on the number of welfare recipients who become ineligible for cash assistance because of employment in an unsubsidized job. The incentive payments provided by this amendment will be distributed based on the State's success in getting long-term recipients off welfare and into lasting jobs and on the unemployment conditions of a State.

I am also pleased to introduce amendments to reduce teen pregnancy and help young mothers and their children avoid the cycle of long-term welfare dependency. As part of last year's welfare debate, I joined with Senator CONRAD to introduce an amendment that proposed numerous provisions to prevent teen pregnancy. Most of the provisions in that amendment are included in the bill before us, and I appreciate that very much. The legislation requires teen mothers to live at home or in safe, adult-supervised living arrangements—so-called second chance homes. It establishes national goals regarding education strategies and reduction of pregnancy rates. It includes a sense of the Senate provision attacking pregnancies that result from statutory rape.

However, there is more that can be done. The birth rate for single teenage parents has tripled since 1960, signaling that the battle against teenage pregnancy is ever more critical. The power to change any community must involve an internal structure at the grassroots level. The battle against teenage pregnancy must begin at the local level, because changing the attitudes and behavior of teens requires an intimate, hands-on involvement.

My amendment requires States to dedicate 3 percent of their share of the title XX social service block grant—an amount equal to $71.4 million—to programs and services that stress to minors the difficulty of being a teenage parent. By teaching minors to delay parenthood, these programs will infuse our children with a clear understanding of the consequences of teenage childbearing.

I will also offer an amendment to reduce the incidence of statutory rape in the Nation which many studies link to teenage pregnancies in the Nation.

Shockingly, the majority of the men who father the families of teenage mothers are adults. The National Center for Health and Statistics reported in 1991 that almost 70 percent of births to teenage girls were fathered by men age 20 or older. Moreover, the younger the mother, the greater the age gap between her and the father. There are men who are impregnating girls age 14 and younger, and they are on average 10 to 15 years older, according to a 1990 study by the California Vital Statistics Section. Similar studies bear out this result.

These adult men are impregnating an increasing number of girls age 11–14. Despite a slight drop in the overall teen birth rate in the last few years, the birth rate for girls age 14 and under increased 26 percent in the late 1980's. These girls are not just young mothers—they are children. And sexual predators are taking advantage of their inability to form and articulate a decision about their bodies. In order to choose abstinence for young girls and to make this choice clear to adult men, the Federal Government must focus some resources on predatory adult men in order to both stop and hopefully dissuade them from their illegal behavior.

Kathleen Sylvester of the Progressive Policy Institute says that the most recent research indicates that in those States where awareness of this problem has been raised, prosecutors have organized themselves to be aggressive and obtained adequate sentences for convicted offenders. California, Connecticut, and New York have all established special units in their district attorneys' offices to target sexual predators and counsel their victims. Florida is getting tough as well. Pending legislation would charge a man over the age of 18 who has intercourse with a girl under the age of 15 with second-degree statutory rape, a felony. To spur the other States to follow their example and stop these criminals, the Federal Government must send them unequivocal proof that we are serious in this intent.

To this end, I applaud the inclusion in the present bill that it is the sense of the Senate that States should aggressively enforce statutory rape laws. I propose an amendment which would add three additional steps for us to take. First, it appropriates $6 million to the Attorney General of the United States to fight statutory rape, particularly by predatory older men who commit repeat offenses. The appropriation will enable the Justice Department to pay strict attention to the crime of statutory rape, as part of its violence against women initiative. The money should be used to research both the linkage between statutory rape and teen pregnancy, as well as those predatory older men who are repeat offenders. It should also provide for the education of State and local law enforcement officials on the prevention and prosecution of statutory rape.

Second, my amendment requires the States to work to reduce the incidence of statutory rape. Activities would include the expansion of criminal law enforcement, public education, and counseling services, as well as the restructuring of teen pregnancy prevention

programs to include men. Third, it requires States to certify to the Federal Government that they are engaged in such activities to stop statutory rape.

A 1992 sampling of 500 teen mothers revealed that two-thirds had histories of sexual abuse with adult men averaging age 27. Another study conducted in Washington State studied 535 teen mothers and discovered that 62 percent of them experienced rape or molestation before their first pregnancy, and the mean age of the offenders was 27. Clearly, the reality of mothers sacrificing educational opportunities to give birth to fatherless babies and live in poverty is not a choice but a symptom and a result of a greater problem. Large numbers of older men are crossing legal and social boundaries to engage in sexual activity with girls below the age of consent, and thereby emotionally rob them of their power to say ''no'' in later years.

This bill makes strides in demanding the responsibility of fathers. It stipulates and enforces their duty to own up to their paternity, to pay child support, and to set a good example for their children by working in private sector or community service jobs. It should further impress upon a certain group of men their duty to refrain from sexually preying on young girls and dispossessing them of their fundamental right to make sexual, educational, and career choices.

Although the American public supports tough welfare measures, they are reluctant to cut people off and leave defenseless children without some means of basic support. Welfare reform, therefore, must balance cutbacks with programs that create training and employment opportunities. The reform movement must include a component that provides those on public assistance with the necessary skills and training required to genuinely compete in the work force. Welfare reform demands accountability not just from the poor, but from government as well.

The Senate bill is better than the House bill in many ways. Welfare must change to focus on work and on personal responsibility—but it need not be unfair to children. The Senate bill contains more funding for child care, it maintains existing child protection programs such as adoption assistance, foster care, and child abuse and neglect. It does not require, but gives States the option to employ a family cap and to deny payments to minor, single mothers, and it does not allow States to penalize mothers who can't work because they can't find or afford child care.

There are still serious problems with the Senate bill most of which have to do with the prospects for children who parents are not acting responsibly.

Under the proposed bill, States can opt out of the Federal Food Stamp Program and receive a State block grant. This provision will put many poor children and elderly at risk. Under a flat block grant, States will be unable to meet the needs of poor families during periods of recession or high unemployment. The Food Research and Action Center estimates that S. 1795 will reduce food and nutrition assistance to 14 million children and 2 million elderly persons due to the overall cuts in the Federal Food Stamp Program.

The bill repeals the Mickey Leland Child Hunger Relief Act which removed the cap on the food stamp shelter deduction for low income families. Food stamp shelter deduction provides families who are not receiving housing aid additional food stamp benefits. The Senate Finance-passed bill will reduce cash assistance for families who qualify for this deduction—forcing them to choose between providing food for their children or paying the rent.

The new legislation will also have a very unfair and potentially very harmful impact on nearly a million legal immigrants. The bill bans legal immigrants, many of whom have been here over 10 years, from the Supplemental Security Income [SSI] assistance program, Medicaid and food stamps. Recipients of SSI, most of who are poor elderly or disabled immigrants will remain impoverished. The rapid phase-in period will leave many who are currently receiving assistance without any basic means of support.

The bill also does little to maintain a contingency fund and serious maintenance of effort requirements for the States. And it fails to provide sufficient bonuses to States that are successful in moving welfare recipients into unsubsidized jobs.

This bill is far from perfect, but it can bring some measure of consistency back to our values and the incentives in our welfare system. It can lead a national effort to cut down on the number of people on the welfare rolls and add to the number in to jobs. It can attack the intertwined problems of teenage pregnancy and welfare dependency.

There is a tragic link between welfare and a host of other problems facing our society today, including crime, illegitimacy, drug abuse, poverty, and illiteracy. This legislation attempts to severe that link. In effect, we're trying to destroy the welfare cycle and return welfare to its original purpose—a temporary form of assistance for the very poor as they seek to work their way out of hard times.

If the promise of the legislation is realized, millions of American families will move off welfare into real jobs, and we will see a resulting decrease in poverty, crime, illegitimacy, and an increase in economic development and family stability.

I hope that my amendments will be adopted so that we can obtain improvements in the conference committee with the House of Representatives.

ASSETS FOR INDEPENDENCE AMENDMENT

Mr. COATS. Mr. President, many of the congressional efforts at reforming the welfare system have focused on the elimination of the Federal bureaucracy, the devolution of Federal authority, and the transfer of funds to the State bureaucracy. In some respects, these reforms may be effective and efficient. In other areas, the devolution will prove too limited in that authority and funds remain remote from the people and communities who would most benefit from change and who are most capable of effecting that change.

Devolution to the States almost certainly will not change one critical flaw in traditional welfare programs—a focus on income maintenance and spending instead of a focus on asset-building and saving. The current welfare system in fact punishes the accumulation of assets by terminating eligibility for assistance when minimal asset levels are achieved.

There is then a need to help low-income individuals and families, whether working or on welfare, to develop and reaffirm strong habits for saving money and to invest that money in assets rather than spending it on consumer goods or other items that may not help lift the individual or family from poverty. There is particularly a need to focus on the building of assets whose high return on investment propels them into economic independence and personal and familial stability.

In addition, there is a recognized need to help revitalize low-income communities by reducing welfare rolls and increasing tax receipts, employment, and business activity with local enterprises and builders.

Mr. President, the assets for independence amendment approved by the Senate yesterday would allow States to use part of their block grant moneys to establish an individual development account [IDA] savings accounts to help welfare recipients and low-income families build the family's assets and strengthen its ability to remain independent from Government income-maintenance programs.

In some respects, IDA's are like IRA's for the working poor. Investments using assets from IDA savings accounts are strictly limited to three purposes: purchase of home, post-secondary education, or business capitalization. These purposes are connected with extremely high returns on investment and can propel both the communities and the families benefiting from the home, education, or small business into a new economic and personal prosperity.

Just how might an IDA work? The individual or family deposits whatever they can save—typically $5 to $20 a month—in the account. The sponsoring organization matches that deposit with funds provided by local churches and service organizations, corporations, foundations, and State or local governments. With Federal block granted welfare funds, a State match of these deposits can also be deposited in the account.

Just what are some of those benefits? Most fundamentally, participants will develop and reaffirm strong habits for

saving money. To assist this, sponsor organizations will provide participating individuals and families intensive financial counseling and counseling to develop investment plans for education, home ownership, and entrepreneurship.

In addition, participating welfare and low-income families build assets whose high return on investment propels them into independence and stability. The community will also benefit from the significant return on an investment in IDA's: We can expect welfare rolls to be reduced; tax receipts to increase; employment to increase; and local enterprises and builders can expect increased business activity. Neighborhoods will be rejuvenated as new microenterprises and increased home renovation and building drive increased employment and community development.

In fact, it is estimated that an investment of $100 million in asset building through these individual accounts would generate 7,050 new businesses, 68,799 new job years, $730 million in additional earnings, 12,000 new or rehabilitated homes, $287 million in savings and matching contributions and earnings on those accounts, $188 million in increased assets for low-income families, 6,600 families removed from welfare rolls, 12,000 youth graduates from vocational education and college programs, 20,000 adults obtaining high school, vocational, and college degrees.

Source: Corporation for Enterprise Development, ''The Return of the Dream: An Analysis of the Probable Economic Return on a National Investment in Individual Development Accounts,'' May 1995.

IDA's are planned or now available on a small scale across the country, including Indiana, Illinois, Virginia, Oregon, and Iowa. The assets for independence amendment has been developed after a review of numerous, similar, successful programs, and most notably one run by the Eastside Community Investments community development corporation in Indianapolis, IN. The amendment incorporates a number of protections developed with their assistance and based on their experience. For example, accounts will be held in a trust. In addition, sponsor organizations must cosign any withdrawal of funds; withdrawals are strictly limited to home purchase, education, and microenterprise.

I challenge this Congress to consider the $5.4 trillion we have spent on welfare programs in the past 30 years. Have these programs that focus on income maintenance been successful? Do we honestly believe that we can give money to low-income citizens and have them spend their way out of poverty? Or is it time to consider a new approach, not just an approach that focuses on a Federal bureaucracy or even a substituted State bureaucracy, but an approach that empowers families and communities directly to build assets with high returns on investment—returns whose economic and personal growth approaches the exponential?

The assets for independence amendment does just this. It does not concentrate on Government programs but focuses on community efforts to put high-return assets in the hands of families. I am very pleased that we have included it in this vital legislation.

COATS-WYDEN KINSHIP CARE AMENDMENT

Mr. WYDEN. Mr. President, I rise in support of the Coats-Wyden kinship care amendment, which was agreed to by the Senate last night. I would like to thank my colleague, Senator COATS, for his assistance with this important amendment.

Grandparents caring for grandchildren represent an underappreciated natural resource in our Nation. They hold tremendous potential for curing one of our society's most pressing maladies: The care of children who have no parents, or whose parents simply aren't up to the task of providing children a stable, secure, and nurturing living environment.

There is such a great reservoir of love and experience available to us, and more especially to the tens of thousands of American children who desperately need basic care giving. We provide public assistance to strangers for this kind of care, but the folks available to provide foster care homes are in short supply.

It is time that States and the Federal Government begin to promote policies that open doors to relatives who are ready, willing and able to care for these children. Some States have already been moving in this direction for over a decade. Over the past 10 years the number of children involved in extended family arrangements has increased by 40 percent. Currently, more than 3 million children are being raised by their grandparents. In other words, 5 percent of all families in this country are headed by grandparents.

However, in many places States still lack a system that includes relatives in the decisionmaking process when children are removed from the home. I have heard case after case of relatives who never heard from the child protection agency when a grandchild or other related child was removed from the home. Once the child was taken, extended family members had no contact and no way of finding out what then happened to the children. Sometimes brothers and sisters have been separated and a grandparent has spent years in court trying to reunite their family.

I have repeatedly heard the frustration of grandparents whose grandchildren, as far as they knew, disappeared in the night, and once the children entered the State child protection system they literally disappeared from their families' lives.

The amendment that we proposed, similar to one that was adopted by the House last spring, and to language that has been in almost every welfare bill since then, would give relatives preference over stranger caregivers when the State determines where to place a child who has been removed from the home. It's time we start developing policies that make it easier, instead of more difficult, for families to come together to raise their children.

As we rethink our child protection system, we need to rededicate ourselves to looking to families, including extended families, for solutions. When a child is separated from their parents, it is usually a painful and traumatic experience. Living with people that a child knows and trusts gives children a better chance in the world and gives families a better chance to rebuild themselves.

Again, I thank my colleague from across the aisle, Senator COATS, for his help with this amendment.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

## MORNING BUSINESS

Mr. BINGAMAN. Mr. President, I ask unanimous consent that we go into morning business with Senators allowed to speak for up to 5 minutes each.

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

## THE FEDERAL OIL AND GAS ROYALTY SIMPLIFICATION AND FAIRNESS ACT OF 1996

Mr. BINGAMAN. After extensive negotiations over the past year with the Department of the Interior, the affected States, and the industry, the Federal Oil and Gas Royalty Fairness Act is now before the Senate for final passage. This bipartisan reform of the Federal Royalty Program is identical to the version passed by the Senate Energy and Natural Resources Committee in May.

The Federal Oil and Gas Royalty Fairness Act will result in a simpler, fairer and more cost effective way to administer oil and gas royalty collections on Federal lands. This is important legislation for the independent producers in New Mexico and for independent producers throughout the Nation.

The bill, H.R. 1975, amends the Federal Oil and Gas Royalty Management Act of 1982 with respect to royalty collections on Federal lands and the Outer Continental Shelf. It does not apply to Indian lands.

The bill establishes a statute of limitations to ensure royalty audits and collections are final within 7 years from the date of production; establishes reciprocity with respect to payment of interest on royalty overpayments and underpayments; simplifies