the auxiliary police; block watchers for the 73d precinct; and tenant patrol. In recognition of her commitment, Christine McFadden is also the recipient of numerous community and church awards and citations.

Christine McFadden was born in Fuquay Springs, NC and at the age of 14 moved to Brooklyn, NY where she completed her education. After marrying James McFadden, they moved to the Brownsville housing complex where they raised two daughters.

Christine McFadden is a Beacon-of-Hope for central Brooklyn and for all Americans.

COMMUNITY AND GREEN SPACE CONSERVATION

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is no secret that some of the Nation's most scenic open spaces are disappearing at a time when many cities—large and small—are decaying. This phenomenon is commonly referred to as sprawl. The causes are many: the development of the Interstate Highway System, relatively inexpensive commuting expenses, and tax incentives for home ownership have made it easier for people to live further from the cities in which they work. In more recent years, jobs have followed families to the suburbs, and breakthroughs in telecommunication have spawned telecommuting, eliminating proximity to the office as a factor for many people in deciding where to work or live. Obviously, public safety, the quality of schools, and the financial health of the Nation's cities figure prominently in decisions to move businesses and families to the suburbs.

The situation in my hometown of New Britain, CT, illustrates another facet of the dilemma faced by aging, industrial cities and towns, especially in the Northeast and Midwest. A huge, old factory near the center of town sat unused for years, as fears over asbestos and groundwater pollution blocked rehabilitation and re-use of the building and adjacent property.

Only recently, thanks to a cooperative effort that includes Federal, State, and local resources, is the old Fafnir site finally being reclaimed. A powerful incentive for manufacturers and retailers to flee the city is being addressed and the promise of new, centrally located job growth is once again on the horizon.

In a broader sense, it is tragic that many cities are suffering at a time when the countryside is disappearing. The American Farmland Trust estimates that the United States converts to other uses 2 million acres of farmland annually, much of it on the edge of urban America. The USDA natural resources inventory found that developed land increased by 14 million acres between 1982 and 1992.

Many provisions of tax law have come into play as well. Last summer, the Ways and Means Subcommittee on Oversight held a hearing on the impact of tax law on land use decisions. We learned that it is sometimes more difficult to recover many of the costs of development in urban areas. We also learned that estate taxes can have a tremendous impact on land use decisions. According to one of our witnesses, the Piedmont Environmental Council, farmland that sold for $500 an acre in the 1960's is selling for $10,000 to $15,000 an acre today. The tax costs of passing along such expensive acreage to the next generation, coupled with the pressure for development in many areas, is a major reason for the disappearance of open spaces. We learned more about proposals to build on or expand current empowerment zones and enterprise communities.

In recent Congresses, several of our colleagues introduced important legislation addressing these issues. The gentleman from Florida [Mr. SHAW] and the gentleman from New York [Mr. RANGEL] introduced a bill providing for more realistic cost recovery for improvements to commercial buildings. The gentleman from Florida and my colleague from Connecticut [Mrs. KENNELLY] introduced a bill to provide a tax credit for qualified rehabilitation expenditures of historic properties used as owner-occupied homes. Our colleague from Missouri [Mr. TALENT] and our colleague from Oklahoma [Mr. WATTS] introduced the American Community Renewal Act, which would create 100 ''renewal communities'' and provide a number of incentives for conducting business within the communities.

Our colleague from New York [Mr. HOUGHTON] introduced the American Farm Protection Act, to exempt from estate taxes the value of certain land subject to a qualified easement. The legislation targets the benefit to land adjacent to metropolitan areas and national parks where development pressure and land values tend to be greatest. Our former colleague from New Jersey [Mr. ZIMMER] introduced two bills related to conservation easements. One would permit an executor to donate land or a conservation easement to a government agency and credit the value of the donation against estate taxes owed. Under current law, donations must be provided for before the owner's death. Mr. ZIMMER's other bill would change the way that the gain on bargain sales of land or conservation easements is calculated for tax purposes.

We should all be grateful for the many hours of hard work our colleagues have devoted to these initiatives. With so many factors contributing to urban decay and sprawl, there is not single solution. Certainly, I would not suggest that all of the challenges facing our Nation's communities can be addressed by tax policy. But there are several provisions of tax policy that are important. That is why several of our colleagues have come up with some important ideas. I believe several others merit consideration as well. Early this session, I intend to introduce a series of measures to address some of the factors that contribute to sprawl.

First, I intend to re-introduce a bill I offered in the last Congress, related to the costs of cleaning up contaminated land and buildings in urban areas so that they can be put to productive use. The rules surrounding the tax treatment of environmental remediation expenses are so convoluted and confusing that it is no wonder that a number of businesses decide to sidestep them altogether and invest in previously undeveloped land and newer buildings outside of environmentally distressed urban areas.

Repairs to business property can be deducted currently as a business expense, but capital expenditures that add to the value of property have to be capitalized. This means that some environmental remediation costs are treated as a business expense, but others are treated as capital expenditures, depending on the facts and circumstances of each case.

The administration in its brownfields initiative has proposed to allow an immediate deduction for cleaning up certain hazardous substances in high-poverty areas, existing EPA brownfields pilot areas, and Federal empowerment zones and enterprise communities. This is commendable, as far as it goes, but there is a disturbing trend in urban policy to pick and choose among cities. If expensing environmental remediation costs is good tax policy and good urban policy, and I believe that it is, then it should apply in all communities. My bill would apply this policy to all property wherever located, and would expand the list of hazardous substances to include potentially hazardous materials such as asbestos, lead paint, petroleum products, and radon. This would remove a disincentive in current law to reinvestment in our cities and buildings.

Another proposal would address the blight of the many boarded up buildings. Of course, many of these buildings should be rehabilitated. But many buildings that have no economic viability are still standing because the current tax rules provide a disincentive to tearing them down.

Before 1978, costs and other losses incurred in connection with the demolition of buildings generally could be claimed as a current deduction unless the building and the property on which it was located were purchased with an intent to demolish the building. In that case, costs and other losses associated with demolition were added to the basis of the land.

To create a disincentive to demolishing historic structures, the 1978 tax bill required that costs incurred in connection with the demolition of historic structures would have to be added to the basis of the land.

Under the Deficit Reduction Act of 1984, the special rule for the treatment of costs associated with demolishing historic structures became the general rule. There was concern that the old rule may have operated as an undue incentive for the demolition of existing structures. But the new rule is a disincentive for tearing down buildings with unrecovered basis. Many boarded up buildings are still standing because the owners are still depreciating them.

My proposal would restore the old rule for nonhistoric buildings.

While many people prefer the amenities offered by living in our Nation's cities, many new jobs are being created outside urban areas. As the cities are losing their manufacturing industries, 95 percent of the growth in office jobs occurs in low density suburbs. These office jobs accounted for 15 million of the 18 million new jobs in the 1980's. Mass transit is important if people in the cities are to reach the new jobs in the suburbs.

Under current law, some employer-provided transportation assistance can be excluded from income. The value of transportation in a commuter highway vehicle or a transit pass that may be excluded from income was $65 per month in tax year 1996. On the other hand, up to $170 per month in qualified parking can be excluded from income. I am proposing to establish parity by raising the cap for transportation in a commuter highway vehicle or a transit pass to the same level as that for qualified parking.

Another proposal I introduced in the last Congress addresses a provision in current tax law that limits the deduction for a gift of appreciated property to 30 percent of adjusted gross income. Under current law, the limit for gifts of cash is 50 percent of adjusted gross income. This provision would raise the cap for qualified gifts of conservation land and easements from 30 percent to 50 percent. Under the bill, any amount that cannot be deducted in the year in which the gift is made can be carried over to subsequent tax years until the deduction has been exhausted. Current law gives the donor 5 years in which to use up the deduction.

Conservation easements are a partial interest in property transferred to an appropriate nonprofit or governmental entity. These easements restrict the development, management, or use of the land in order to keep the land in a natural state or to protect historic or scenic values. Easements are widely used by land trusts, conservation groups, and developers to protect valuable land.

The 30-percent limit in current law actually works to the disadvantage of taxpayers who may be land rich but cash poor.

Our former colleague from New Jersey [Mr. ZIMMER] introduced two proposals in the last Congress related to the donation of land or easements. One would encourage heirs to donate undeveloped land to the Federal Government. If the inherited land is desired by a Federal agency for conservation, the heirs would be allowed to transfer the land to the Government and take a credit for the fair market value. The other would provide for more equitable taxation of the gains from selling land or an easement at below market value to a government entity or a nonprofit organization. I intend to introduce these measures, with a few modifications, in the new Congress.

Mr. Speaker, to save our Nation's green spaces, we must save our cities as well. There is no single, simple solution, but we here in Congress must do what we can to help our communities. I am looking forward to working with my colleagues to address these challenges in the coming weeks and months.

THE MEDICAL EDUCATION TRUST FUND ACT OF 1997, THE HONORABLE KENNETH E. BENTSEN, JR. OF TEXAS, BEFORE THE U.S. HOUSE OF REPRESENTATIVES, TUESDAY, JANUARY 7, 1997

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. BENTSEN. Mr. Speaker, I rise to introduce legislation, the Medical Education Trust Fund Act of 1997, to ensure that our nation continues to invest in medical research through the training of medical professionals in a time of declining federal expenditures and as our health care system makes its transition to the increased use of managed care.

This legislation establishes a new Trust Fund for medical education that would be financed primarily by Medicare including managed care plans. This trust fund would provide a guaranteed source of funding for graduate medical education at our nation's teaching hospitals and help ensure that we continue to train a sufficient number of physicians and other health care providers particularly in the advent of managed care. Without such a guarantee, I am deeply concerned that the availability and quality of medical care in our country could be at risk.

Teaching hospitals have a different mission and caseload than other medical institutions. These hospitals are teaching centers where reimbursements for treating patients must pay for the cost not only of patient care, but also for medical education including research. In the past, teaching hospitals were able to subsidize the cost of medical education through higher reimbursements from private and public health insurance programs. With the introduction of managed care, these subsidies are being reduced and eliminated.

As the representative for the Texas Medical Center, home of two medical schools, Baylor College of Medicine and University of Texas Health Science Center at Houston, I have seen firsthand the invaluable role of medical education in our health care system and the stresses being placed on it today. Baylor College of Medicine offers medical training in 21 medical specialities and currently teaches 668 medical students, 341 graduate students, and 1325 residents. Baylor College of Medicine also employs 1,470 full-time faculty and 3,007 full-time staff. The University of Texas Medical School at Houston has 833 medical students, 799 accredited residents and fellows, and 1,532 faculty.

Under current law, the Medicare program provides payments to teaching hospitals for medical education. These reimbursements are paid through the Direct Medical Education (DME) and Indirect Medical Education (IME) programs. DME and IME payments are based upon a formula set by Congress.

Last year, the Republican budget resolution adopted by the House proposed cutting DME and IME payments by $8.6 billion over 7 years. I strongly opposed these efforts and will continue to fight any cuts of this magnitude to these payments. Such cuts would be detrimental enough in a stable health care market. But they are especially harmful given the impact of our changing health care market on medical education.

As more Medicare beneficiaries enroll in managed care plans, payments for medical education are reduced in two ways. First, many managed care patients no longer seek services from teaching hospitals because their plans do not allow it. Second, direct DME and IME payments are cut because the formula for these payments is based on the number of traditional, fee-for-service Medicare patients served at these hospitals. Managed care does not pay for medical education.

My legislation would provide new funding for graduate medical education by recapturing a portion of the Adjusted Average Per Capita Cost (AAPCC) payment given to Medicare managed care plans. The AAPCC is the Medicare reimbursement paid to insurance companies to provide health coverage for Medicare beneficiaries under a managed care model. These recaptured funds would be deposited into a Trust Fund. I believe managed care plans should contribute toward the cost of medical education and my legislation would ensure this. This is a matter of fairness. All health care consumers, including those in managed care, benefit from this training and should contribute equally towards this goal.

These funds would be deposited into a trust fund at the U.S. Department of the Treasury. All funds would be eligible to earn interest and grow. The Secretary of Health and Human Services would be authorized to transfer funds from the trust fund to teaching hospitals throughout the nation. The formula for distribution of funds would be determined by a new National Advisory Council on Post-Graduate Medical Education that would be established by this legislation. This legislation would also allow Congress to supplement the Trust Fund with appropriated funds which the Secretary of Health and Human Services (HHS) would distribute. All of this funding would be in addition to the current federal programs of direct and indirect medical education. This supplemental funding is necessary to enable medical schools to maintain sufficient enrollment and keep tuition payments reasonable for students.

My legislation would also take an additional portion of the AAPCC payment given to managed care plans and return it to the Secretary of Health and Human Services to spend on the disproportionate share program. Disproportionate share payments are given to those hospitals which serve a large number of uncompensated or charity care patients. Many of our nation's teaching hospitals are also disproportionate share hospitals. Thus, my legislation would create two new and necessary funding sources for teaching hospitals.

This legislation would also create a National Advisory Council on Post-Graduate Medical Education. This Advisory Council would advise Congress and the Secretary of Health and Human Service about the future of post-graduate medical education. The Council would consist of a variety of health care professionals, including consumer health groups, physicians working at medical schools, and representatives from other advanced medical education programs. The Council would also advise Congress on how to allocate these new dedicated funds for medical education. This Council will provide Congress with needed information about the current state of medical education and any changes which should be made to improve our medical education system.

Our nation's medical education program are the best in the world. Maintaining this excellence requires continued investment by the federal government. Our teaching hospitals need and deserve the resources to meet the challenge of our aging population and our changing health care marketplace. This legislation would ensure that our nation continues to have the health care professionals we need to provide quality health care services to them in the future.

I urge my colleagues to support this effort to provide guaranteed funding for medical education.

THE HOMELESS HOUSING PROGRAMS CONSOLIDATION AND FLEXIBILITY ACT OF 1997

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. LAZIO of New York. Mr. Speaker, today I am introducing the Homeless Housing Programs Consolidation and Flexibity Act of 1997, a bill designed to help one of this Nation's most vulnerable populations, the homeless.