MOMENT OF SILENCE IN REMEMBRANCE OF MEMBERS OF ARMED FORCES AND THEIR FAMILIES

The SPEAKER. The Chair would ask all present to rise for the purpose of a moment of silence.

The Chair asks that the House now observe a moment of silence in remembrance of our brave men and women in uniform who have given their lives in the service of our Nation in Iraq and in Afghanistan and their families, and all who serve in our Armed Forces and their families.

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE AMENDMENT TO H.R. 1586, EDUCATION JOBS AND MEDICAID ASSISTANCE ACT

The SPEAKER pro tempore (Ms. EDWARDS of Maryland). Without objection, 5-minute voting will continue.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 229, nays 173, not voting 30, as follows:

[Roll No. 517]

YEAS—229

Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Costello
Courtney
Critz
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
Delahunt
DeLauro
Deutch
Dicks
Dingell
Doggett
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Fudge
Garamendi
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Grijalva
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Higgins
Himes
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McMahon
McNerney
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Nadler (NY)
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Perriello
Peters
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Space
Spratt
Stark
Stupak
Sutton
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wilson (OH)
Woolsey
Wu
Yarmuth

NAYS—173

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Boehner
Bonner
Bono Mack
Boozman
Brady (TX)
Bright
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Cooper
Costa
Crenshaw
Culberson
Dahlkemper
Davis (KY)
Dent
Diaz-Balart, M.
Djou
Donnelly (IN)
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Goodlatte
Granger
Graves (GA)
Graves (MO)
Griffith
Guthrie
Harper
Hastings (WA)
Heller
Hensarling
Herger
Herseth Sandlin
Hill
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Lamborn
Lance
Latham
Latta
Lee (NY)
Lewis (CA)
LoBiondo
Lucas
Luetkemeyer
Lummis
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McIntyre
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Minnick
Mitchell
Moran (KS)
Murphy, Tim
Myrick
Nunes
Nye
Olson
Paul
Paulsen
Pence
Peterson
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Stearns
Sullivan
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf

NOT VOTING—30

Berry
Bishop (GA)
Blunt
Boustany
Broun (GA)
Buchanan
Buyer
DeGette
Diaz-Balart, L.
Gingrey (GA)
Gohmert
Gutierrez
Hall (TX)
Hinojosa
Jones
LaTourette
Linder
Lungren, Daniel E.
Meek (FL)
Miller, Gary
Neugebauer
Radanovich
Rooney
Roskam
Snyder
Speier
Tanner
Wamp
Young (AK)
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 1346

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BISHOP of Georgia. Madam Speaker, I regret that I was unavoidably absent this afternoon, August 10. Had I been present for the vote which occurred today, I would have voted "aye" on H. Res. 1606, rollcall vote No. 517.

EDUCATION JOBS AND MEDICAID ASSISTANCE ACT

Mr. OBEY. Madam Speaker, pursuant to House Resolution 1606, I call up the bill (H.R. 1586) to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes, with the Senate amendment to the House amendment to the Senate amendment thereto, and offer the motion at the desk.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will designate the Senate amendment to the House amendment to the Senate amendment.

The text of the Senate amendment to the House amendment to the Senate amendment is as follows:

Senate amendment to House amendment to Senate amendment:

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

SHORT TITLE

SECTION 1. This Act may be cited as the "___________Act of_______".

TITLE I

EDUCATION JOBS FUND

EDUCATION JOBS FUNDS

SEC. 101. There are authorized to be appropriated and there are appropriated out of any money in the Treasury not otherwise obligated for necessary expenses for an Education Jobs Fund, $10,000,000,000: Provided, That the amount under this heading shall be administered under the terms and conditions of sections 14001 through 14013 and title XV of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) except as follows:

(1) ALLOCATION OF FUNDS.—

(A) Funds appropriated under this heading shall be available only for allocation by the Secretary of Education (in this heading referred to as the Secretary) in accordance with subsections (a), (b), (d), (e), and (f) of section 14001 of division A of Public Law 111–5 and subparagraph (B) of this paragraph, except that the amount reserved under such subsection (b) shall not exceed $1,000,000 and such subsection (f) shall be applied by substituting one year for two years.

(B) Prior to allocating funds to States under section 14001(d) of division A of Public Law 111–5, the Secretary shall allocate 0.5 percent to the Secretary of the Interior for schools operated or funded by the Bureau of Indian Affairs on the basis of the schools' respective needs for activities consistent with this heading under such terms and conditions as the Secretary of the Interior may determine.

(2) RESERVATION.—A State that receives an allocation of funds appropriated under this heading may reserve not more than 2 percent for the administrative costs of carrying out its responsibilities with respect to those funds.

(3) AWARDS TO LOCAL EDUCATIONAL AGENCIES.—

(A) Except as specified in paragraph (2), an allocation of funds to a State shall be used only for awards to local educational agencies for the support of elementary and secondary education in accordance with paragraph (5) for the 2010–2011 school year (or, in the case of reallocations made under section 14001(f) of division A of Public Law 111–5, for the 2010–2011 or the 2011–2012 school year).

(B) Funds used to support elementary and secondary education shall be distributed through a State's primary elementary and secondary funding formulae or based on local educational agencies' relative shares of funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the most recent fiscal year for which data are available.

(C) Subsections (a) and (b) of section 14002 of division A of Public Law 111–5 shall not apply to funds appropriated under this heading.

(4) COMPLIANCE WITH EDUCATION REFORM ASSURANCES.—For purposes of awarding funds appropriated under this heading, any State that has an approved application for Phase II of the State Fiscal Stabilization Fund that was submitted in accordance with the application notice published in the Federal Register on November 17, 2009 (74 Fed. Reg. 59142) shall be deemed to be in compliance with subsection (b) and paragraphs (2) through (5) of subsection (d) of section 14005 of division A of Public Law 111–5.

(5) REQUIREMENT TO USE FUNDS TO RETAIN OR CREATE EDUCATION JOBS.—Notwithstanding section 14003(a) of division A of Public Law 111–5, funds awarded to local educational agencies under paragraph (3)—

(A) may be used only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services; and

(B) may not be used for general administrative expenses or for other support services expenditures as those terms were defined by the National Center for Education Statistics in its Common Core of Data as of the date of enactment of this Act.

(6) PROHIBITION ON USE OF FUNDS FOR RAINY-DAY FUNDS OR DEBT RETIREMENT.—A State that receives an allocation may not use such funds, directly or indirectly, to—

(A) establish, restore, or supplement a rainy-day fund;

(B) supplant State funds in a manner that has the effect of establishing, restoring, or supplementing a rainy-day fund;

(C) reduce or retire debt obligations incurred by the State; or

(D) supplant State funds in a manner that has the effect of reducing or retiring debt obligations incurred by the State.

(7) DEADLINE FOR AWARD.—The Secretary shall award funds appropriated under this heading not later than 45 days after the date of the enactment of this Act to States that have submitted applications meeting the requirements applicable to funds under this heading. The Secretary shall not require information in applications beyond what is necessary to determine compliance with applicable provisions of law.

(8) ALTERNATE DISTRIBUTION OF FUNDS.—If, within 30 days after the date of the enactment of this Act, a Governor has not submitted an approvable application, the Secretary shall provide for funds allocated to that State to be distributed to another entity or other entities in the State (notwithstanding section 14001(e) of division A of Public Law 111–5) for support of elementary and secondary education, under such terms and conditions as the Secretary may establish, provided that all terms and conditions that apply to funds appropriated under this heading shall apply to such funds distributed to such entity or entities. No distribution shall be made to a State under this paragraph, however, unless the Secretary has determined (on the basis of such information as may be available) that the requirements of clauses (i), (ii), or (iii) of paragraph 10(A) are likely to be met, notwithstanding the lack of an application from the Governor of that State.

(9) LOCAL EDUCATIONAL AGENCY APPLICATION.—Section 442 of the General Education Provisions Act shall not apply to a local educational agency that has previously submitted an application to the State under title XIV of division A of Public Law 111–5. The assurances provided under that application shall continue to apply to funds awarded under this heading.

(10) MAINTENANCE OF EFFORT.—

(A) Except as provided in paragraph (8), the Secretary shall not allocate funds to a State under paragraph (1) unless the Governor of the State provides an assurance to the Secretary that—

(i) for State fiscal year 2011, the State will maintain State support for elementary and secondary education (in the aggregate or on the basis of expenditures per pupil) and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for each of the two categories, respectively, for State fiscal year 2009;

(ii) for State fiscal year 2011, the State will maintain State support for elementary and secondary education and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for each of the two categories, respectively, for State fiscal year 2010; or

(iii) in the case of a State in which State tax collections for calendar year 2009 were less than State tax collections for calendar year 2006, for State fiscal year 2011 the State will maintain State support for elementary and secondary education (in the aggregate) and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students)—

(I) at not less than the level of such support for each of the two categories, respectively, for State fiscal year 2006; or

(II) at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for each of the two categories, respectively, for State fiscal year 2006.

(B) Section 14005(d)(1) and subsections (a) through (c) of section 14012 of division A of Public Law 111–5 shall not apply to funds appropriated under this heading.

(11) ADDITIONAL REQUIREMENTS FOR THE STATE OF TEXAS.—The following requirements shall apply to the State of Texas:

(A) Notwithstanding paragraph (3)(B), funds used to support elementary and secondary education shall be distributed based on local educational agencies' relative shares of funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the most recent fiscal year which data are available. Funds distributed pursuant to this paragraph shall be used to supplement and not supplant State formula funding that is distributed on a similar basis to part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.).

(B) The Secretary shall not allocate funds to the State of Texas under paragraph (1) unless the Governor of the State provides an assurance to the Secretary that the State will for fiscal years 2011, 2012, and 2013 maintain State support for elementary and secondary education at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for such purpose for fiscal year 2011 prior to the enactment of this Act.

(C) Notwithstanding paragraph (8), no distribution shall be made to the State of Texas or local education agencies therein unless the Governor of Texas makes an assurance to the Secretary that the requirements in paragraphs (11)(A) and (11)(B) will be met, notwithstanding the lack of an application from the Governor of Texas.

TITLE II

STATE FISCAL RELIEF AND OTHER PROVISIONS; REVENUE OFFSETS

Subtitle A—State Fiscal Relief and Other Provisions

EXTENSION OF ARRA INCREASE IN FMAP

SEC. 201. Section 5001 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended—

(1) in subsection (a)(3), by striking ''first calendar quarter'' and inserting ''first 3 calendar quarters'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)''; and

(B) by adding at the end the following:

''(3) PHASE-DOWN OF GENERAL INCREASE.—

''(A) SECOND QUARTER OF FISCAL YEAR 2011.—For each State, for the second quarter of fiscal year 2011, the FMAP percentage increase for the State under paragraph (1) or (2) (as applicable) shall be 3.2 percentage points.

''(B) THIRD QUARTER OF FISCAL YEAR 2011.—For each State, for the third quarter of fiscal year 2011, the FMAP percentage increase for the State under paragraph (1) or (2) (as applicable) shall be 1.2 percentage points.'';

(3) in subsection (c)—

(A) in paragraph (2)(B), by striking ''July 1, 2010'' and inserting ''January 1, 2011'';

(B) in paragraph (3)(B)(i), by striking ''July 1, 2010'' and inserting ''January 1, 2011'' each place it appears; and

(C) in paragraph (4)(C)(ii), by striking ''the 3-consecutive-month period beginning with January 2010'' and inserting ''any 3-consecutive-month period that begins after December 2009 and ends before January 2011'';

(4) in subsection (e), by adding at the end the following:

''Notwithstanding paragraph (5), effective for payments made on or after January 1, 2010, the increases in the FMAP for a State under this section shall apply to payments under title XIX of such Act that are attributable to expenditures for medical assistance provided to nonpregnant childless adults made eligible under a State plan under such title (including under any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) who would have been eligible for child health assistance or other health benefits under eligibility standards in effect as of December 31, 2009, of a waiver of the State child health plan under the title XXI of such Act.'';

(5) in subsection (g)—

(A) in paragraph (1), by striking ''September 30, 2011'' and inserting ''March 31, 2012'';

(B) in paragraph (2), by inserting ''of such Act'' after ''1923''; and

(C) by adding at the end the following:

''(3) CERTIFICATION BY CHIEF EXECUTIVE OFFICER.—No additional Federal funds shall be paid *to a State as a result of this section with respect to a calendar quarter occurring during the period beginning on January 1, 2011, and ending on June 30, 2011, unless, not later than 45 days after the date of enactment of this paragraph, the chief executive officer of the State certifies that the State will request and use such additional Federal funds.''; and*

(6) in subsection (h)(3), by striking ''December 31, 2010'' and inserting ''June 30, 2011''.

TREATMENT OF CERTAIN DRUGS FOR COMPUTATION OF MEDICAID AMP

SEC. 202. Effective as if included in the enactment of Public Law 111–148, section 1927(k)(1)(B)(i)(IV) of the Social Security Act (42 U.S.C. 1396r–8(k)(1)(B)(i)(IV)), as amended by section 2503(a)(2)(B) of Public Law 111–148 and section 1101(c)(2) of Public Law 111–152, is amended by adding at the end the following: '', unless the drug is an inhalation, infusion, instilled, implanted, or injectable drug that is not generally dispensed through a retail community pharmacy; and''.

SUNSET OF TEMPORARY INCREASE IN BENEFITS UNDER THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

SEC. 203. Section 101(a) of title I of division A of Public Law 111–5 (123 Stat. 120), as amended by section 4262 of this Act, is amended by striking paragraph (2) and inserting the following:

''(2) TERMINATION.—The authority provided by this subsection shall terminate after March 31, 2014.''.

Subtitle B—Revenue Offsets

RULES TO PREVENT SPLITTING FOREIGN TAX CREDITS FROM THE INCOME TO WHICH THEY RELATE

SEC. 211. (a) IN GENERAL.—Subpart A of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 909. SUSPENSION OF TAXES AND CREDITS UNTIL RELATED INCOME TAKEN INTO ACCOUNT.

''(a) IN GENERAL.—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by the taxpayer, such tax shall not be taken into account for purposes of this title before the taxable year in which the related income is taken into account under this chapter by the taxpayer.

''(b) SPECIAL RULES WITH RESPECT TO SECTION 902 CORPORATIONS.—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by a section 902 corporation, such tax shall not be taken into account—

''(1) for purposes of section 902 or 960, or

''(2) for purposes of determining earnings and profits under section 964(a),

before the taxable year in which the related income is taken into account under this chapter by such section 902 corporation or a domestic corporation which meets the ownership requirements of subsection (a) or (b) of section 902 with respect to such section 902 corporation.

''(c) SPECIAL RULES.—For purposes of this section—

''(1) APPLICATION TO PARTNERSHIPS, ETC.—In the case of a partnership, subsections (a) and (b) shall be applied at the partner level. Except as otherwise provided by the Secretary, a rule similar to the rule of the preceding sentence shall apply in the case of any S corporation or trust.

''(2) TREATMENT OF FOREIGN TAXES AFTER SUSPENSION.—In the case of any foreign income tax not taken into account by reason of subsection (a) or (b), except as otherwise provided by the Secretary, such tax shall be so taken into account in the taxable year referred to in such subsection (other than for purposes of section 986(a)) as a foreign income tax paid or accrued in such taxable year.

''(d) DEFINITIONS.—For purposes of this section—

''(1) FOREIGN TAX CREDIT SPLITTING EVENT.—There is a foreign tax credit splitting event with respect to a foreign income tax if the related income is (or will be) taken into account under this chapter by a covered person.

''(2) FOREIGN INCOME TAX.—The term 'foreign income tax' means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

''(3) RELATED INCOME.—The term 'related income' means, with respect to any portion of any foreign income tax, the income (or, as appropriate, earnings and profits) to which such portion of foreign income tax relates.

''(4) COVERED PERSON.—The term 'covered person' means, with respect to any person who pays or accrues a foreign income tax (hereafter in this paragraph referred to as the 'payor')—

''(A) any entity in which the payor holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value),

''(B) any person which holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value) in the payor,

''(C) any person which bears a relationship to the payor described in section 267(b) or 707(b), and

''(D) any other person specified by the Secretary for purposes of this paragraph.

''(5) SECTION 902 CORPORATION.—The term 'section 902 corporation' means any foreign corporation with respect to which one or more domestic corporations meets the ownership requirements of subsection (a) or (b) of section 902.

''(e) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provides—

''(1) appropriate exceptions from the provisions of this section, and

''(2) for the proper application of this section with respect to hybrid instruments.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 909. Suspension of taxes and credits until related income taken into account.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) foreign income taxes (as defined in section 909(d) of the Internal Revenue Code of 1986, as added by this section) paid or accrued in taxable years beginning after December 31, 2010; and

(2) foreign income taxes (as so defined) paid or accrued by a section 902 corporation (as so defined) in taxable years beginning on or before such date (and not deemed paid under section 902(a) or 960 of such Code on or before such date), but only for purposes of applying sections 902 and 960 with respect to periods after such date.

Section 909(b)(2) of the Internal Revenue Code of 1986, as added by this section, shall not apply to foreign income taxes described in paragraph (2).

DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS

SEC. 212. (a) IN GENERAL.—Section 901 of the Internal Revenue Code of 1986 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS.—

''(1) IN GENERAL.—In the case of a covered asset acquisition, the disqualified portion of any foreign income tax determined with respect to the income or gain attributable to the relevant foreign assets—

''(A) shall not be taken into account in determining the credit allowed under subsection (a), and

''(B) in the case of a foreign income tax paid by a section 902 corporation (as defined in section 909(d)(5)), shall not be taken into account for purposes of section 902 or 960.

''(2) COVERED ASSET ACQUISITION.—For purposes of this section, the term 'covered asset acquisition' means—

''(A) a qualified stock purchase (as defined in section 338(d)(3)) to which section 338(a) applies,

''(B) any transaction which—

''(i) is treated as an acquisition of assets for purposes of this chapter, and

''(ii) is treated as the acquisition of stock of a corporation (or is disregarded) for purposes of the foreign income taxes of the relevant jurisdiction,

''(C) any acquisition of an interest in a partnership which has an election in effect under section 754, and

''(D) to the extent provided by the Secretary, any other similar transaction.

''(3) DISQUALIFIED PORTION.—For purposes of this section—

''(A) IN GENERAL.—The term 'disqualified portion' means, with respect to any covered asset acquisition, for any taxable year, the ratio (expressed as a percentage) of—

''(i) the aggregate basis differences (but not below zero) allocable to such taxable year under subparagraph (B) with respect to all relevant foreign assets, divided by

''(ii) the income on which the foreign income tax referred to in paragraph (1) is determined (or, if the taxpayer fails to substantiate such income to the satisfaction of the Secretary, such income shall be determined by dividing the amount of such foreign income tax by the highest marginal tax rate applicable to such income in the relevant jurisdiction).

''(B) ALLOCATION OF BASIS DIFFERENCE.—For purposes of subparagraph (A)(i)—

''(i) IN GENERAL.—The basis difference with respect to any relevant foreign asset shall be allocated to taxable years using the applicable cost recovery method under this chapter.

''(ii) SPECIAL RULE FOR DISPOSITION OF ASSETS.—Except as otherwise provided by the Secretary, in the case of the disposition of any relevant foreign asset—

''(I) the basis difference allocated to the taxable year which includes the date of such disposition shall be the excess of the basis difference with respect to such asset over the aggregate basis difference with respect to such asset which has been allocated under clause (i) to all prior taxable years, and

''(II) no basis difference with respect to such asset shall be allocated under clause (i) to any taxable year thereafter.

''(C) BASIS DIFFERENCE.—

''(i) IN GENERAL.—The term 'basis difference' means, with respect to any relevant foreign asset, the excess of—

''(I) the adjusted basis of such asset immediately after the covered asset acquisition, over

''(II) the adjusted basis of such asset immediately before the covered asset acquisition.

''(ii) BUILT-IN LOSS ASSETS.—In the case of a relevant foreign asset with respect to which the amount described in clause (i)(II) exceeds the amount described in clause (i)(I), such excess shall be taken into account under this subsection as a basis difference of a negative amount.

''(iii) SPECIAL RULE FOR SECTION 338 ELECTIONS.—In the case of a covered asset acquisition described in paragraph (2)(A), the covered asset acquisition shall be treated for purposes of this subparagraph as occurring at the close of the acquisition date (as defined in section 338(h)(2)).

''(4) RELEVANT FOREIGN ASSETS.—For purposes of this section, the term 'relevant foreign asset' means, with respect to any covered asset acquisition, any asset (including any goodwill, going

concern value, or other intangible) with respect to such acquisition if income, deduction, gain, or loss attributable to such asset is taken into account in determining the foreign income tax referred to in paragraph (1).

''(5) FOREIGN INCOME TAX.—For purposes of this section, the term 'foreign income tax' means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

''(6) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

''(7) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including to exempt from the application of this subsection certain covered asset acquisitions, and relevant foreign assets with respect to which the basis difference is de minimis.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to covered asset acquisitions (as defined in section 901(m)(2) of the Internal Revenue Code of 1986, as added by this section) after December 31, 2010.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any covered asset acquisition (as so defined) with respect to which the transferor and the transferee are not related if such acquisition is—

(A) made pursuant to a written agreement which was binding on January 1, 2011, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before July 29, 2010, or

(C) described on or before January 1, 2011, in a public announcement or in a filing with the Securities and Exchange Commission.

(3) RELATED PERSONS.—For purposes of this subsection, a person shall be treated as related to another person if the relationship between such persons is described in section 267 or 707(b) of the Internal Revenue Code of 1986.

SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATION, ETC., TO ITEMS RESOURCED UNDER TREATIES

SEC. 213. (a) IN GENERAL.—Subsection (d) of section 904 of the Internal Revenue Code of 1986 is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

''(6) SEPARATE APPLICATION TO ITEMS RESOURCED UNDER TREATIES.—

''(A) IN GENERAL.—If—

''(i) without regard to any treaty obligation of the United States, any item of income would be treated as derived from sources within the United States,

''(ii) under a treaty obligation of the United States, such item would be treated as arising from sources outside the United States, and

''(iii) the taxpayer chooses the benefits of such treaty obligation,

subsections (a), (b), and (c) of this section and sections 902, 907, and 960 shall be applied separately with respect to each such item.

''(B) COORDINATION WITH OTHER PROVISIONS.—This paragraph shall not apply to any item of income to which subsection (h)(10) or section 865(h) applies.

''(C) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance which provides that related items of income may be aggregated for purposes of this paragraph.''.

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

LIMITATION ON THE AMOUNT OF FOREIGN TAXES DEEMED PAID WITH RESPECT TO SECTION 956 INCLUSIONS

SEC. 214. (a) IN GENERAL.—Section 960 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(c) LIMITATION WITH RESPECT TO SECTION 956 INCLUSIONS.—

''(1) IN GENERAL.—If there is included under section 951(a)(1)(B) in the gross income of a domestic corporation any amount attributable to the earnings and profits of a foreign corporation which is a member of a qualified group (as defined in section 902(b)) with respect to the domestic corporation, the amount of any foreign income taxes deemed to have been paid during the taxable year by such domestic corporation under section 902 by reason of subsection (a) with respect to such inclusion in gross income shall not exceed the amount of the foreign income taxes which would have been deemed to have been paid during the taxable year by such domestic corporation if cash in an amount equal to the amount of such inclusion in gross income were distributed as a series of distributions (determined without regard to any foreign taxes which would be imposed on an actual distribution) through the chain of ownership which begins with such foreign corporation and ends with such domestic corporation.

''(2) AUTHORITY TO PREVENT ABUSE.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which prevent the inappropriate use of the foreign corporation's foreign income taxes not deemed paid by reason of paragraph (1).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to acquisitions of United States property (as defined in section 956(c) of the Internal Revenue Code of 1986) after December 31, 2010.

SPECIAL RULE WITH RESPECT TO CERTAIN REDEMPTIONS BY FOREIGN SUBSIDIARIES

SEC. 215. (a) IN GENERAL.—Paragraph (5) of section 304(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) SPECIAL RULE IN CASE OF FOREIGN ACQUIRING CORPORATION.—In the case of any acquisition to which subsection (a) applies in which the acquiring corporation is a foreign corporation, no earnings and profits shall be taken into account under paragraph (2)(A) (and subparagraph (A) shall not apply) if more than 50 percent of the dividends arising from such acquisition (determined without regard to this subparagraph) would neither—

''(i) be subject to tax under this chapter for the taxable year in which the dividends arise, nor

''(ii) be includible in the earnings and profits of a controlled foreign corporation (as defined in section 957 and without regard to section 953(c)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions after the date of the enactment of this Act.

MODIFICATION OF AFFILIATION RULES FOR PURPOSES OF RULES ALLOCATING INTEREST EXPENSE

SEC. 216. (a) IN GENERAL.—Subparagraph (A) of section 864(e)(5) of the Internal Revenue Code of 1986 is amended by adding at the end the following: ''Notwithstanding the preceding sentence, a foreign corporation shall be treated as a member of the affiliated group if—

''(i) more than 50 percent of the gross income of such foreign corporation for the taxable year is effectively connected with the conduct of a trade or business within the United States, and

''(ii) at least 80 percent of either the vote or value of all outstanding stock of such foreign corporation is owned directly or indirectly by members of the affiliated group (determined with regard to this sentence).''.

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

TERMINATION OF SPECIAL RULES FOR INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS

SEC. 217. (a) IN GENERAL.—Paragraph (1) of section 861(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) GRANDFATHER RULE WITH RESPECT TO WITHHOLDING ON INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS.—

(1) IN GENERAL.—Subparagraph (B) of section 871(i)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) The active foreign business percentage of—

''(i) any dividend paid by an existing 80/20 company, and

''(ii) any interest paid by an existing 80/20 company.''.

(2) DEFINITIONS AND SPECIAL RULES.—Section 871 of such Code is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and by inserting after subsection (k) the following new subsection:

''(l) RULES RELATING TO EXISTING 80/20 COMPANIES.—For purposes of this subsection and subsection (i)(2)(B)—

''(1) EXISTING 80/20 COMPANY.—

''(A) IN GENERAL.—The term 'existing 80/20 company' means any corporation if—

''(i) such corporation met the 80-percent foreign business requirements of section 861(c)(1) (as in effect before the date of the enactment of this subsection) for such corporation's last taxable year beginning before January 1, 2011,

''(ii) such corporation meets the 80-percent foreign business requirements of subparagraph (B) with respect to each taxable year after the taxable year referred to in clause (i), and

''(iii) there has not been an addition of a substantial line of business with respect to such corporation after the date of the enactment of this subsection.

''(B) FOREIGN BUSINESS REQUIREMENTS.—

''(i) IN GENERAL.—Except as provided in clause (iv), a corporation meets the 80-percent foreign business requirements of this subparagraph if it is shown to the satisfaction of the Secretary that at least 80 percent of the gross income from all sources of such corporation for the testing period is active foreign business income.

''(ii) ACTIVE FOREIGN BUSINESS INCOME.—For purposes of clause (i), the term 'active foreign business income' means gross income which—

''(I) is derived from sources outside the United States (as determined under this subchapter), and

''(II) is attributable to the active conduct of a trade or business in a foreign country or possession of the United States.

''(iii) TESTING PERIOD.—For purposes of this subsection, the term 'testing period' means the 3-year period ending with the close of the taxable year of the corporation preceding the payment (or such part of such period as may be applicable). If the corporation has no gross income for such 3-year period (or part thereof), the testing period shall be the taxable year in which the payment is made.

''(iv) TRANSITION RULE.—In the case of a taxable year for which the testing period includes 1 or more taxable years beginning before January 1, 2011—

''(I) a corporation meets the 80-percent foreign business requirements of this subparagraph if and only if the weighted average of—

''(aa) the percentage of the corporation's gross income from all sources that is active foreign business income (as defined in subparagraph (B) of section 861(c)(1) (as in effect before

the date of the enactment of this subsection)) for the portion of the testing period that includes taxable years beginning before January 1, 2011, and

''(bb) the percentage of the corporation's gross income from all sources that is active foreign business income (as defined in clause (ii) of this subparagraph) for the portion of the testing period, if any, that includes taxable years beginning on or after January 1, 2011,

is at least 80 percent, and

''(II) the active foreign business percentage for such taxable year shall equal the weighted average percentage determined under subclause (I).

''(2) ACTIVE FOREIGN BUSINESS PERCENTAGE.—Except as provided in paragraph (1)(B)(iv), the term 'active foreign business percentage' means, with respect to any existing 80/20 company, the percentage which—

''(A) the active foreign business income of such company for the testing period, is of

''(B) the gross income of such company for the testing period from all sources.

''(3) AGGREGATION RULES.—For purposes of applying paragraph (1) (other than subparagraphs (A)(i) and (B)(iv) thereof) and paragraph (2)—

''(A) IN GENERAL.—The corporation referred to in paragraph (1)(A) and all of such corporation's subsidiaries shall be treated as one corporation.

''(B) SUBSIDIARIES.—For purposes of subparagraph (A), the term 'subsidiary' means any corporation in which the corporation referred to in subparagraph (A) owns (directly or indirectly) stock meeting the requirements of section 1504(a)(2) (determined by substituting '50 percent' for '80 percent' each place it appears and without regard to section 1504(b)(3)).

''(4) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provide for the proper application of the aggregation rules described in paragraph (3).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 861 of the Internal Revenue Code of 1986 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Paragraph (9) of section 904(h) of such Code is amended to read as follows:

''(9) TREATMENT OF CERTAIN DOMESTIC CORPORATIONS.—In the case of any dividend treated as not from sources within the United States under section 861(a)(2)(A), the corporation paying such dividend shall be treated for purposes of this subsection as a United States-owned foreign corporation.''.

(3) Subsection (c) of section 2104 of such Code is amended in the last sentence by striking ''or to a debt obligation of a domestic corporation'' and all that follows and inserting a period.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(2) GRANDFATHER RULE FOR OUTSTANDING DEBT OBLIGATIONS.—

(A) IN GENERAL.—The amendments made by this section shall not apply to payments of interest on obligations issued before the date of the enactment of this Act.

(B) EXCEPTION FOR RELATED PARTY DEBT.—Subparagraph (A) shall not apply to any interest which is payable to a related person (determined under rules similar to the rules of section 954(d)(3)).

(C) SIGNIFICANT MODIFICATIONS TREATED AS NEW ISSUES.—For purposes of subparagraph (A), a significant modification of the terms of any obligation (including any extension of the term of such obligation) shall be treated as a new issue.

LIMITATION ON EXTENSION OF STATUTE OF LIMITATIONS FOR FAILURE TO NOTIFY SECRETARY OF CERTAIN FOREIGN TRANSFERS

SEC. 218. (a) IN GENERAL.—Paragraph (8) of section 6501(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''In the case of any information'' and inserting the following:

''(A) IN GENERAL.—In the case of any information''; and

(2) by adding at the end the following:

''(B) APPLICATION TO FAILURES DUE TO REASONABLE CAUSE.—If the failure to furnish the information referred to in subparagraph (A) is due to reasonable cause and not willful neglect, subparagraph (A) shall apply only to the item or items related to such failure.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 513 of the Hiring Incentives to Restore Employment Act.

ELIMINATION OF ADVANCE REFUNDABILITY OF EARNED INCOME CREDIT

SEC. 219. (a) IN GENERAL.—The following provisions of the Internal Revenue Code of 1986 are repealed:

(1) Section 3507.

(2) Subsection (g) of section 32.

(3) Paragraph (7) of section 6051(a).

(b) CONFORMING AMENDMENTS.—

(1) Section 6012(a) of the Internal Revenue Code of 1986 is amended by striking paragraph (8) and by redesignating paragraph (9) as paragraph (8).

(2) Section 6302 of such Code is amended by striking subsection (i).

(3) The table of sections for chapter 25 of such Code is amended by striking the item relating to section 3507.

(c) EFFECTIVE DATE.—The repeals and amendments made by this section shall apply to taxable years beginning after December 31, 2010.

TITLE III

RESCISSIONS

SEC. 301. There is rescinded from accounts under the heading ''Department of Agriculture—Rural Development'', $122,000,000, to be derived from the unobligated balances of funds that were provided for such accounts in prior appropriation Acts (other than Public Law 111–5) and that were designated by the Congress in such Acts as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 302. Of the funds made available for ''Department of Commerce—National Telecommunications and Information Administration—Broadband Technology Opportunities Program'' in title II of division A of Public Law 111–5, $302,000,000 are rescinded.

SEC. 303. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are rescinded from the following accounts in the specified amounts:

''Aircraft Procurement, Army, 2008/2010'', $21,000,000;

''Procurement of Weapons and Tracked Combat Vehicles, Army, 2008/2010'', $21,000,000;

''Procurement of Ammunition, Army, 2008/2010'', $17,000,000;

''Other Procurement, Army, 2008/2010'', $75,000,000;

''Weapons Procurement, Navy, 2008/2010'', $26,000,000;

''Other Procurement, Navy, 2008/2010'', $42,000,000;

''Procurement, Marine Corps, 2008/2010'', $13,000,000;

''Aircraft Procurement, Air Force, 2008/2010'', $102,000,000;

''Missile Procurement, Air Force, 2008/2010'', $28,000,000;

''Procurement of Ammunition, Air Force, 2008/2010'', $7,000,000;

''Other Procurement, Air Force, 2008/2010'', $130,000,000;

''Procurement, Defense-Wide, 2008/2010'', $33,000,000;

''Research, Development, Test and Evaluation, Army, 2009/2010'', $76,000,000;

''Research, Development, Test and Evaluation, Air Force, 2009/2010'', $164,000,000;

''Research, Development, Test and Evaluation, Defense-Wide, 2009/2010'', $137,000,000;

''Operation, Test and Evaluation, Defense, 2009/2010'', $1,000,000;

''Operation and Maintenance, Army, 2010'', $154,000,000;

''Operation and Maintenance, Navy, 2010'', $155,000,000;

''Operation and Maintenance, Marine Corps, 2010'', $25,000,000;

''Operation and Maintenance, Air Force, 2010'', $155,000,000;

''Operation and Maintenance, Defense-Wide, 2010'', $126,000,000;

''Operation and Maintenance, Army Reserve, 2010'', $12,000,000;

''Operation and Maintenance, Navy Reserve, 2010'', $6,000,000;

''Operation and Maintenance, Marine Corps Reserve, 2010'', $1,000,000;

''Operation and Maintenance, Air Force Reserve, 2010'', $14,000,000;

''Operation and Maintenance, Army National Guard, 2010'', $28,000,000; and

''Operation and Maintenance, Air National Guard, 2010'', $27,000,000.

SEC. 304. (a) Of the funds appropriated in the American Recovery and Reinvestment Act of 2009 (Public Law 111–5), the following funds are rescinded from the following accounts in the specified amounts:

''Operation and Maintenance, Army, 2009/2010'', $113,500,000;

''Operation and Maintenance, Navy, 2009/2010'', $34,000,000;

''Operation and Maintenance, Marine Corps, 2009/2010'', $7,000,000;

''Operation and Maintenance, Air Force, 2009/2010'', $61,000,000;

''Operation and Maintenance, Army Reserve, 2009/2010'', $3,500,000;

''Operation and Maintenance, Navy Reserve, 2009/2010'', $8,000,000;

''Operation and Maintenance, Marine Corps Reserve, 2009/2010'', $1,000,000;

''Operation and Maintenance, Air Force Reserve, 2009/2010'', $2,000,000;

''Operation and Maintenance, Army National Guard, 2009/2010'', $1,000,000;

''Operation and Maintenance, Air National Guard, 2009/2010'', $2,500,000; and

''Defense Health Program, 2009/2010'', $27,000,000.

(b) Of the funds appropriated in the Supplemental Appropriations Act, 2008 (Public Law 110–252), the following funds are rescinded from the following account in the specified amount:

''Procurement, Marine Corps, 2009/2011'', $122,000,000.

SEC. 305. (a) Of the funds appropriated for ''Procurement of Weapons and Tracked Combat Vehicles, Army'' in title III of division A of public Law 111–118, $116,000,000 are rescinded.

(b) Of the funds appropriated for ''Other Procurement, Army'' in title III of division C of Public Law 110–329, $87,000,000 are rescinded.

SEC. 306. There are rescinded the following amounts from the specified accounts:

(1) $20,000,000, to be derived from unobligated balances of funds made available in prior appropriations Acts under the heading ''Department of Energy—Nuclear Energy''.

SEC. 307. Of the unobligated balances of funds provided under the heading ''Nuclear Regulatory Commission'' in prior appropriations Acts, $18,000,000 is permanently rescinded.

SEC. 308. Of the funds made available for ''Department of Energy—Title 17—Innovative Technology Loan Guarantee Program'' in title III of division A of Public Law 111–5, $1,500,000,000 are rescinded.

SEC. 309. There are permanently rescinded from ''General Services Administration—Real

Property Activities—Federal Building Fund'', $75,000,000 from Rental of Space and $25,000,000 from Building Operations, to be derived from unobligated balances that were provided in previous appropriations Acts.

SEC. 310. Of the funds made available for ''Bureau of Indian Affairs—Indian Guaranteed Loan Program Account'' in title VII of division A of Public Law 111–5, $6,820,000 are rescinded.

SEC. 311. Of the funds made available for ''Environmental Protection Agency—Hazardous Substance Superfund'' in title VII of division A of Public Law 111–5, $2,600,000 are rescinded.

SEC. 312. Of the funds made available for ''Environmental Protection Agency—Leaking Underground Storage Tank Trust Fund Program'' in title VII of division A of Public Law 111–5, $9,200,000 are rescinded.

SEC. 313. Of the funds made available for transfer in title VII of division A of Public Law 111–5, ''Environmental Protection Agency—Environmental Programs and Management'', $10,000,000 are rescinded.

SEC. 314. Of the funds made available for ''National Park Service—Construction'' in chapter 7 of division B of Public Law 108–324, $4,800,000 are rescinded.

SEC. 315. Of the funds made available for ''National Park Service—Construction'' in chapter 5 of title II of Public Law 109–234, $6,400,000 are rescinded.

SEC. 316. Of the funds made available for ''Fish and Wildlife Service—Construction'' in chapter 6 of title I of division B of Public Law 110–329, $3,000,000 are rescinded.

SEC. 317. The unobligated balance of funds appropriated in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995 (Public Law 103–333; 108 Stat. 2574) under the heading ''Public Health and Social Services Emergency Fund'' is rescinded.

SEC. 318. Of the funds appropriated for the Commissioner of Social Security under section 2201(e)(2)(B) in title II of division B of Public Law 111–5, $47,000,000 are rescinded.

SEC. 319. Of the funds appropriated in part VI of subtitle I of title II of division B of Public Law 111–5, $110,000,000 are rescinded, to be derived only from the amount provided under section 1899K(b) of such title.

SEC. 320. Of the funds appropriated for ''Department of Education—Education for the Disadvantaged'' in division D of Public Law 111–117, $50,000,000 are rescinded, to be derived only from the amount provided for a comprehensive literacy development and education program under section 1502 of the Elementary and Secondary Education Act of 1965.

SEC. 321. Of the funds appropriated for ''Department of Education—Student Aid Administration'' in division D of Public Law 111–117, $82,000,000 are rescinded.

SEC. 322. Of the funds appropriated for ''Department of Education—Innovation and Improvement'' in division D of Public Law 111–117, $10,700,000 are rescinded, to be derived only from the amount provided to carry out subpart 8 of part D of title V of the Elementary and Secondary Education Act of 1965.

SEC. 323. Of the unobligated balances available under ''Department of Defense, Military Construction, Army'' from prior appropriations Acts, $340,000,000 is rescinded: Provided, That no funds may be rescinded from amounts that were designated by the Congress as an emergency requirement or as appropriations for overseas deployments and other activities pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 324. Of the unobligated balances available under ''Department of Defense, Military Construction, Navy and Marine Corps'' from prior appropriations Acts, $110,000,000 is rescinded: Provided, That no funds may be rescinded from amounts that were designated by the Congress as an emergency requirement or as appropriations for overseas deployments and other activities pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 325. Of the unobligated balances available under ''Department of Defense, Military Construction, Air Force'' from prior appropriations Acts, $50,000,000 is rescinded: Provided, That no funds may be rescinded from amounts that were designated by the Congress as an emergency requirement or as appropriations for overseas deployments and other activities pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 326. Of the funds made available for the General Operating Expenses account of the Department of Veterans Affairs in section 2201(e)(4)(A)(ii) of division B of Public Law 111–5 (123 Stat. 454; 26 U.S.C. 6428 note), $6,100,000 are rescinded.

SEC. 327. Of the amount appropriated or otherwise made available by title X of division A of Public Law 111–5, the American Recovery and Reinvestment Act of 2009, under the heading '' Departmental Administration, Information Technology Systems'' $5,000,000 is hereby rescinded.

SEC. 328. (a) MILLENNIUM CHALLENGE CORPORATION.—Of the unobligated balances available under the heading ''Millennium Challenge Corporation'' in title III of division H of Public Law 111–8 and under such heading in prior Acts making appropriations for the Department of State, foreign operations, and related programs, $50,000,000 are rescinded.

(b) CIVILIAN STABILIZATION INITIATIVE.—

(1) DEPARTMENT OF STATE.—Of the unobligated balances available under the heading ''Department of State—Administration of Foreign Affairs—Civilian Stabilization Initiative'' in prior Acts making appropriations for the Department of State, foreign operations, and related programs, $40,000,000 are rescinded.

(2) UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT.—Of the unobligated balances available under the heading ''United States Agency for International Development—Funds Appropriated to the President—Civilian Stabilization Initiative'' in prior Acts making appropriations for the Department of State, foreign operations, and related programs, $30,000,000 are rescinded.

SEC. 329. There are rescinded the following amounts from the specified accounts:

(1) ''Department of Transportation—Federal Aviation Administration—Facilities and Equipment'', $2,182,544, to be derived from unobligated balances made available under this heading in Public Law 108–324.

(2) ''Department of Transportation—Federal Aviation Administration—Facilities and Equipment'', $5,705,750, to be derived from unobligated balances made available under this heading in Public Law 109–148.

SEC. 330. Of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, $2,200,000,000 are permanently rescinded: Provided, That such rescission shall be distributed among the States in the same proportion as the funds subject to such rescission were apportioned to the States for fiscal year 2009: Provided further, That such rescission shall not apply to the funds distributed in accordance with sections 130(f) and 104(b)(5) of title 23, United States Code; sections 133(d)(1) and 163 of such title, as in effect on the day before the date of enactment of Public Law 109–59; and the first sentence of section 133(d)(3)(A) of such title: Provided further, That notwithstanding section 1132 of Public Law 110–140, in administering the rescission required under this heading, the Secretary of Transportation shall allow each State to determine the amount of the required rescission to be drawn from the programs to which the rescission applies.

TITLE IV

BUDGETARY PROVISIONS

BUDGETARY PROVISIONS

SEC. 401. The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

MOTION OFFERED BY MR. OBEY

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. Obey moves that the House concur in the Senate amendment to the House amendment to the Senate amendment to H.R. 1586.

The SPEAKER pro tempore. Pursuant to House Resolution 1606, the motion shall be debatable for 1 hour, equally divided and controlled by the chair and ranking minority member of the Committee on Appropriations, the chair and ranking minority member of the Committee on Ways and Means, and the chair and ranking minority member of the Committee on Energy and Commerce.

The gentleman from Wisconsin (Mr. OBEY), the gentleman from California (Mr. LEWIS), the gentleman from Michigan (Mr. LEVIN), the gentleman from Michigan (Mr. CAMP), the gentleman from California (Mr. WAXMAN), and the gentleman from Texas (Mr. BARTON) each will control 10 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Madam Speaker, I yield myself 3 minutes.

Madam Speaker, today we have heard from our friends on the minority side an ample amount of sarcasm and cynicism and partisan hyperbole mixed in with fiscal fiction. I hope we can cut through that today.

Today, we can either sit frozen in the ice of our own indifference, as Franklin Roosevelt once said, or we can take action to help States meet their safety net obligations and to protect our children's education by keeping teachers in the classroom while we continue to claw our way back from the most devastating economic crisis since the Great Depression.

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Last year, in the first job recovery package, we recognized two reasons for providing Federal aid to States and school districts. The first was to reduce the human carnage that occurs when we take kids off health care coverage or let their education suffer because of teacher layoffs. The second was that standing by while States, localities, and school boards cut essential investments in services and impose significant new taxes will cripple the ability of the economy to grow and cause additional job weakness in both private and public sectors.

It is important, Madam Speaker, to remember how we got here. The failed economic policies of the previous 8 years obliterated hard-won budget surpluses inherited from President Clinton. Federal oversight of Wall Street banks was gutted, allowing them to morph into casinos, and drive the economy into catastrophic collapse. That produced monthly losses of 750,000 jobs in each of the last 3 months of the Bush administration.

We now know that the economic crisis was even deeper and more broad than we initially expected. While the economy has improved, the effects of the recession are still not behind us. They are still affecting people's lives and livelihoods.

Three times before today, in December, in May, and in July we tried to take additional actions to ease the problems, and three times we were blocked. Now, today we have this much-reduced bill to provide $10 billion in funding to save somewhere around 160,000 education jobs and $16 billion in health assistance to the States.

Our friends in the minority accuse us of including job-killing tax increases to pay for it. That's ridiculous. The bill closes a tax loophole that encourages companies to ship jobs overseas. Not only will that help pay for this package, it will fix a hole in the tax code that is rewarding companies for sending American jobs elsewhere.

Still others, including the leadership of the minority, call this a special interest bailout. To that I say since when do we regard America's kids as a special interest group?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. OBEY. I yield myself 2 additional minutes.

You don't get a second chance to educate kids. We should not fool ourselves into thinking that this package will do as much as we ought to be doing to ease the squeeze on the national economy. We will have partially offset with this bill the human wreckage caused by the recession, but we will still have done nothing in this round to address the macro reality that the economy is still incredibly weak. This bill will soften the blow of State budget cutbacks, but those very cutbacks have had a negative and neutralizing effect on the Federal fiscal stimulus in the first place.

This is a far less dramatic action than the Nation needs to recover from the recession. But this aid is long overdue, and the time for arguing is past. The cutbacks in food stamps in the bill are plain wrong. But face it, the minority party in the Senate is using the rules of the Senate to give them the functional equivalent of the majority's ability to determine the agenda of that body, and they have decided to follow a rule or ruin approach to governance, blocking every action they can, and in this case delaying action to the point of complete confusion.

Our Nation's kids are getting ready to go back to school. They need this help now, inadequate though it is. I urge all Members to vote ''yes'' to give it to them. It's the least we should do.

I reserve the balance of my time.

Mr. LEWIS of California. Madam Speaker, I yield myself such time as I may consume.

States across America have as their number one responsibility the education of our young. If the States cannot allocate their own spending in order to carry out that top responsibility, we will never solve the problem with a bailout from Uncle Sam. A multibillion-dollar bailout today will set the stage for nationalized education tomorrow. That will surely push our economy over the cliff of bankruptcy.

Why are we talking with each other here today? We should be meeting with our constituents, holding town hall meetings, and listening to what's on the hearts and minds of our voters. The folks in my district have made their concerns very clear. They're saying, ''Jerry, tell those big spending politicians in Washington to stop spending our money.'' But the Democrat majority is so addicted to spending that they have called Congress back just to vote on yet another multibillion-dollar bailout.

I'm left scratching my head, because in the past few months this Congress has done virtually none of the work that the voters sent us here to do. We haven't passed a budget, we haven't funded defense and homeland security. We made our troops wait months before passing funds to support their fight against international terrorism.

The majority leadership calls the bill before us a major accomplishment. They hope it will please teachers' unions and inspire the Democratic base 2 months before the November election. I believe most voters will see it for what it is, further evidence that this Congress has a spending problem. To the voters, the 111th Congress will go down in history as the bailout Congress. The Congress has already spent $75 billion in stimulus dollars to help States with education. That was supposed to be a one-time, temporary bailout, approved by the American Reinvestment and Recovery Act.

I am very proud of the fact that three of my four children are teachers. They work very hard to provide quality education in the classroom. They know that schools should be run by parents, teachers, and local communities. The more we approve these bailouts, the more the Federal Government takes over that role.

Mr. Speaker, I know that my Democrat colleagues say that this legislation is quote, ''fully paid for.'' On the other hand, the bill spends the entire $26 billion in just 2 years, while the offsets take place over 10 years. The so-called offsets in this legislation are produced by almost a $10 billion increase in taxes, $13.4 billion in reductions in two programs that are popular with Democrat leaders. That is the food stamp program and renewable energy projects. Some Democrat leaders have already pledged to restore funding to these programs. Some of these so-called cuts could be eliminated as soon as November in a lame duck session.

Mr. Speaker, beware of a lame duck session called by this Congress. I want to emphasize this again to my colleagues. The voters do not want us to throw more money at our Nation's problems, yet that is exactly what this bill does. It's time, Mr. Speaker, to put Uncle Sam on a diet and put an end to the congressional spending spree.

I urge a ''no'' vote on this legislation, and reserve the balance of my time.

Mr. OBEY. Madam Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. I thank the gentleman for yielding. I want to thank him for his persistence in pushing this legislation, and finally to have this legislation back from the Senate today so that we can help school districts.

The scandals that were permitted under the Bush administration cost middle class families trillions of dollars in the loss of their wealth in their pension plans, in their jobs, in the value of their homes. Now the question is whether or not school children in this Nation should be further victims of these financial scandals that were tolerated, and whether or not these school districts that have had the revenues that they rely on to fund the schools that have been ripped away because of the loss of property values, because of the loss of sales tax, because of the loss of income tax, because of the results of those scandals. The answer in this bill is no, that in fact we should help school districts make sure that children can get a first class education, that they don't lose a year of education because of those financial scandals that happened on the watch of the past administration as the banks and Wall Street ran amok.

So we should pass this bill and make sure that those 160,000 teachers can return to the classroom. I would like to ask the gentleman a question.

It's my understanding, Mr. Chairman, under this legislation, that when the governor makes application for these funds, under the bill the Secretary can require the governor to choose one of two formulas, the State allocation formula or the title I formula, and to post that formula so school districts would then be able to know their allocation as soon as possible so they could start to rehire people and start to reduce class sizes or other decisions that school boards hope to make to provide for that education. Is that your understanding that that's permitted under this legislation?

□ 1400

Mr. OBEY. That is the committee's intent.

Mr. GEORGE MILLER of California. So the Governor would put that in the application, declare the formula, and post that, so that school districts would be on the earliest possible notice,

Mr. OBEY. That is our intent.

Mr. GEORGE MILLER of California. Again I want to thank you. You have sent the bill to the Senate, the House sent it last year, and you sent it three times this year. Thank you again for your persistence and your work on this issue.

Mr. LEWIS of California. Madam Speaker, I am proud to yield 2 minutes to the former chairman of the Education Committee, now the senior Republican on the Armed Services Committee, the gentleman from California (Mr. MCKEON).

(Mr. MCKEON asked and was given permission to revise and extend his remarks.)

Mr. MCKEON. Madam Speaker, I thank the gentleman for yielding.

Today I rise in opposition to this measure, which will increase domestic spending at the expense of national security. Specifically, the Federal Government will spend $10 billion for this teacher bailout, paid in part with a $3.3 billion cut in defense programs. As the ranking member of the House Armed Services Committee, I can assure you that the Department of Defense has need of these funds, including unfunded requirements related to our operations in Iraq and Afghanistan. I say this fully aware of the needs of our educational system as the former chairman and ranking member of Education and Labor.

Those in favor of this bill will say that this money was previously identified by the Department of Defense as unspent and available for higher priorities, but this arguments misses two larger points.

First, as yesterday's Military Times observed, diverting money from the defense budget to education programs would eliminate any opportunity for the Defense Department or Congress to take unobligated money from one defense program to spend on another defense program.

Second, rescissions to the defense budget this late in the fiscal year are problematic and disruptive to operations. As the Department of Defense Comptroller has told the Armed Services Committee, this rescission will require that Defense restructure or postpone programs, and in some cases the money is no longer available in these accounts.

Finally, I remain concerned that this is the beginning of a slippery slope. The Secretary of Defense has initiated an ongoing effort to generate $100 billion in savings within the Department of Defense over the next 5 years, the only secretary that has been asked to do this. My ultimate concern is these savings will not be reinvested into America's defense requirements, but will be harvested by congressional Democrats for new domestic spending and entitlement programs.

We see today that this is already happening. Congressional Democrats, with the full support of the White House, are taking critical defense funding to pay for another State bailout.

Madam Speaker, today I rise in opposition to this measure, which will increase domestic spending at the expense of national security. Specifically, the Federal Government will spend $10 billion for this teacher bailout, paid for in part with a $3.3 billion cut in defense programs. As the Ranking Member of the House Armed Services Committee, I can assure you that the Department of Defense has need for these funds, including unfunded requirements related to our operations in Iraq and Afghanistan. I say this fully aware of the needs of our educational system, as the former Chairman and Ranking Member of Education and Labor.

Those in favor of this bill will say that this money was previously identified by the Department of Defense as unspent and available for higher priorities. This includes $683.5 million unspent from last year's economic stimulus package and $325 million for military construction projects. They will use this argument to convince members that these cuts will not harm the Department and to assure you that this next bailout is fully paid for.

But this argument misses two larger points. First, as yesterday's Military Times observed, ". . . diverting money from the defense budget to education programs would eliminate any opportunity for the Defense Department or Congress to take unobligated money from one defense program to spend on another defense program." For example, in the Fiscal Year 2011 National Defense Authorization Act, we used the unobligated balances for military construction projects to fund other more pressing infrastructure needs, such as barracks and armories, and many of the services' unfunded requirements. Now these funds will no longer be available for these purposes and the services will have outstanding needs go unmet.

Second, rescissions to the DoD budget this late in the fiscal year are problematic and disruptive to operations. As the Department of Defense Comptroller has told the Armed Services Committee, this rescission will require that DoD restructure or postpone programs. I am confident the Department will try to avoid adverse effects on the wars in Iraq and Afghanistan, but when this nation is fighting two wars, Congress should not be pulling the financial rug out from under DoD at the end of the year.

Moreover, while these funds were identified as "unspent" earlier this year, some of these "unspent" dollars have already been diverted to other defense programs. When we cut the original accounts now, it will mean that some of these accounts no longer have enough money in them. Think about your own checking account—at the beginning of the year, you see that you have $1000 more than your budget says you'll need. So you move $800 into another account or give it to one of your children. If the government comes and takes $1000 from you at the end of the year, your remaining account balance may not be sufficient and you find yourself in an overdraft situation. In the case of government agencies it is against the law to overdraft an account. We have been told that the Department of Defense may find itself in violation of the Antideficiency Act in some accounts.

Finally, I remain concerned that this is the beginning of a slippery slope. The Secretary of Defense has initiated an ongoing effort to generate $100 billion in savings within the Department of Defense over the next five years. Yesterday he announced a series of spending freezes and closures of organizations within his office and combatant commands. Secretary Gates plans on plowing these savings back into force structure and modernization accounts. As elected officials, Members of Congress have a responsibility to ensure U.S. taxpayer dollars are not wasted on inefficient, wasteful or redundant programs. All of us support efforts to identify and curb such programs. Yet, as Members of the House Armed Services Committee, we are also tasked with the unique responsibility of providing for America's national defense and meeting the needs of our military services, which is why we will need to receive more information from the Department of Defense so we fully understand the rationale behind each decision and potential impact of every cut.

My ultimate concern is that these savings will not be reinvested into America's defense requirements, but will be harvested by Congressional Democrats for new domestic spending and entitlement programs. We see today that this is already happening. Congressional Democrats—with the full support of the White House—are taking critical defense funding to pay for another state bailout. What's to stop them from taking this money, too?

At his press conference yesterday Secretary Gates stated, ". . . my greatest fear is that in economic tough times that people will see the defense budget as the place to solve the Nation's deficit problems, to find money for other parts of the government . . . And as I look around the world and see . . . more failed and failing states, countries that are investing heavily in their militaries . . . as I look at the new kinds of threats emerging from cyber to precision ballistic and cruise missiles and so on—my greatest worry is that we will do to the defense budget what we have done four times before. And that is, slash it in an effort to find some kind of a dividend to put the money someplace else. I think that would be disastrous in the world environment we see today and what we're likely to see in the years to come."

I urge my colleagues to heed the advice of the Secretary in this matter and vote no to a cut in defense spending. Instead of another Federal bailout, let's make sure our men and women in uniform have the resources and equipment they need. Leave this money in the Department of Defense where it belongs.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. OBEY. I reserve the balance of my time.

Mr. LEWIS of California. Madam Speaker, I am proud to yield 1 minute to our former chairman of the Agriculture Committee, the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. I thank the gentleman for yielding, and I rise in opposition to this legislation.

H.R. 1586, the State bailout bill, extends many of the same provisions included in the original stimulus bill by increasing taxes and using questionable offsets. It increases taxes on American businesses, America's job creators, by $9.8 billion over 10 years, and these tax increases will kill jobs, reduce American competitiveness, discourage investment, and prevent economic recovery. This is a permanent tax increase on job creators in exchange for a temporary fix for the States.

A series of international tax changes in the bill could have far-reaching consequences on the competitiveness of worldwide American businesses. The National Association of Manufacturers states that an estimated 22 million people in the United States, more than 19 percent of the private-sector workforce, and 53 percent of all manufacturing employees are employed by companies with operations overseas.

Manufacturers feel strongly that imposing $9.6 billion tax increases on these companies as proposed in the Senate Amendment to H.R. 1586 will jeopardize the jobs of American manufacturing employees and stifle our fragile economy.

The new spending in the bill is meant to give states money to deal with their current fiscal problems, rewarding states for years of excessive spending in their budgets. It is not the responsibility of the federal government to bail out the states when they have difficulty balancing their budgets—the federal government should balance its own budget instead.

The bill is not really "fully" paid for because it spends the entire $26.1 billion in just two years while the "offsets" take place over ten years, relying on future Congresses to abide by the offsets—spending money today that we won't "pay for" until years from now. Once again, this Congress kicks the can down the road.

This is a very detrimental tax increase. I urge my colleagues to oppose this legislation.

Mr. OBEY. I reserve the balance of my time.

Mr. LEWIS of California. Madam Speaker, I yield 1 minute to the gentleman from California (Mr. MCCLINTOCK).

Mr. MCCLINTOCK. I thank the gentleman for yielding.

Madam Speaker, this bill ignores a simple truth: Government cannot inject a single dollar into the economy that is not first taken out of the same economy. We see the jobs that are saved or created when the government puts the money back in. What we don't see directly are the jobs lost or prevented when the government first takes that money out of the economy. Those lost jobs are seen in chronic unemployment rates and a stagnant job market, despite unprecedented government spending.

Nor is this necessary to save teaching jobs. A school board faced with the choice between a couple of good teachers and an overpaid bureaucrat is probably going to keep the teachers and fire the bureaucrat. But this bill says it doesn't have to make that choice. Indeed, this actually prohibits school boards from doing anything that would reduce their spending below last year's levels.

Madam Speaker, it is time to invoke the first law of holes: When you are in one, stop digging.

Mr. OBEY. Could I inquire how many speakers the gentleman has?

Mr. LEWIS of California. Madam Speaker, I have no additional speakers, and I yield back the balance of my time.

Mr. OBEY. Madam Speaker, I would simply say yes, this bill spends money. Yes, it saves money. It saves more than it spends to the tune of $1.3 billion, according to CBO.

I yield back the balance of my time.

The SPEAKER pro tempore. The Chair is now prepared to recognize members of the Committee on Energy and Commerce.

The gentleman from California (Mr. WAXMAN) and the gentleman from Texas (Mr. BARTON) each will control 10 minutes.

The Chair recognizes the gentleman from California.

Mr. WAXMAN. Madam Speaker, I yield myself 1 minute.

I rise in strong support of this bill for education, jobs and Medicaid assistance. This will provide critical relief for the States and local governments. This is a vote for jobs, for education, for health care.

The States and local governments are faced with a decrease in income or taxes as people have lost their jobs, and yet in the Medicaid area there is an increase for services, as some people have lost their insurance. This will help the States avoid the massive cuts in Medicaid eligibility payments and payments to providers.

The Federal Medicaid Assistance Program was adopted in February of 2009. It expires in December. This will extend that temporary FMAP program for an additional 6 months through June 30, 2011, when most State fiscal years end. There would be no change in the current formula for targeting additional fiscal relief at States with high unemployment rates.

I urge support for this legislation.

I reserve the balance of my time.

Mr. BARTON of Texas. Madam Speaker, I yield myself 3 minutes.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. I am sorry, Madam Speaker, that we have to be here today to spend money that the taxpayers don't have, that Congress can't afford, for an economic stimulus program that doesn't work.

The provision that is in the jurisdiction of the Energy and Commerce Committee is the Federal Medicaid Assistance Program, specifically called FMAP. This is a program to help low-income constituents in a cost-share between the State government and the Federal Government.

Spending on this program over the last 2 fiscal years has gone up almost 50 percent. The stimulus package that was enacted last year increased it an additional 6 percent, I believe, through December of this year. The bill before us would extend that extension until June of next year.

□ 1410

There is no emergency in this program. There is no pending financial catastrophe in Medicaid. There is a long-term unfunded mandate, obviously, but in the short term this is not something that absolutely has to be done.

The $16 billion that would be spent on this program ostensibly is to be spent for Medicaid, low-income health care assistance, but if you read the fine print, it doesn't have to. As we all know, Madam Speaker, money is fungible, and under this particular bill, while the nameplate says for Medicaid, the truth is the money can be spent for whatever purpose the State wants to spend it for. I don't think that's appropriate.

We on the Republican side were prepared to offer an amendment in the Rules Committee last evening that would have at least said, if you're going to say the money is for Medicaid, it actually has to be spent for Medicaid. We were told that no amendments would be made in order and that they were put in what's called a martial law lock-down rule. So we did not offer that amendment, but it is an amendment that should have been offered and should be accepted.

What this bill really is about is, in my opinion, some sort of a panic attack on the Democratic leadership side, that they see the election coming up and they need to get more money to their special constituencies, and this is a bill that would do that. So we're going to spend $180 million a day. We're going to be paying taxes on this money for the next 10 years. This $180 million a day is only for 6 months. It's not going to reduce the unemployment rate, which right now is a little under 10 percent. It's going to be used, purely and simply, for some of those States to have more money that might help constituencies that might help our friends on the majority side of the aisle. As I said earlier, the money that is in the jurisdiction of the committee that I'm on, Energy and Commerce, doesn't have to be spent for Medicaid.

So I would urge a ''no'' vote, Madam Speaker.

I reserve the balance of my time.

Mr. WAXMAN. Madam Speaker, I am pleased to yield such time as he may consume to the chairman of the Health Subcommittee of the Energy and Commerce Committee, the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. I want to thank my chairman.

I want to differ strongly with the gentleman from Texas, as much as I admire him as our ranking member. I would remind the gentleman that this bill is fully paid for by eliminating tax loopholes that send jobs overseas. The fact of the matter is that many States have already budgeted for these Federal dollars and simply don't have their own State dollars to make up for it if they lose the Federal dollars.

Traditionally, in the past, this was a bipartisan issue. Republicans supported it. And I would say that many Republican governors, including my own in my State of New Jersey, have asked for this money because they know that if they don't get it they're going to have a huge shortfall in their budget. I don't see this at all as a partisan issue, and I really don't understand why our ranking member continues to look at it that way.

I think it's crucial that Congress extend extra help to the States to pay for their citizens who are on Medicaid. The Medicaid rolls have expanded considerably for States because of unemployment. Many people have lost their jobs and a lot more people are on Medicaid, and States with high unemployment will continue to receive additional percentage points. This legislation simply allows States to avert Medicaid cuts at a time when the economic recession requires a strong safety net.

It's also the most efficient way to help States avoid further layoffs and service cuts that would otherwise slow the economic recovery. It is really bipartisan. Many Republican governors have asked for it, and this is something that in the past has always been done on a bipartisan basis. I urge support.

Mr. BARTON of Texas. I yield 1 minute to the gentleman from Texas (Mr. OLSON).

Mr. OLSON. I thank my colleague from Texas.

Madam Speaker, the Obama stimulus plan was a waste of taxpayer dollars, and I'm proud that the elected officials in the Texas Statehouse had the good sense to keep those funds in reserve. If a Member of this body has a problem with the way the rightfully elected representatives of the people of Texas choose to use their money, then I have some advice for him or her: Go to Austin.

Madam Speaker, the eyes of Texas will be watching her congressional delegation as they cast their votes. You will either be for Texas or against her. You will either stand for our State and national constitutions or ignore them. This is exactly the sort of arrogance, pettiness, and political chicanery that the people of America are tired of. I know that Texans are.

I have great hope that November will bring a much-needed change in direction in Washington.

I urge my colleagues to vote no-no-no against this bill.

Mr. WAXMAN. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. GENE GREEN).

Mr. GENE GREEN of Texas. Madam Speaker, it seems like we have a lot of Texas voices here today, and I want to share mine. I thank my chair of our Energy and Commerce Committee for yielding to me.

I support, obviously, the full passage of the bill, but, Madam Speaker, I rise in support of the students and teachers who will benefit from passage of the Education, Jobs, and Medicaid Assistance Act.

Madam Speaker, I would like to place in the RECORD two letters from education groups supporting this legislation.

At a time when local and State governments from coast to coast are cutting funding for basic services such as education, public safety, and transportation, this legislation will bring much-needed assistance to keep 161,000 educational professionals working now; 14,500 educational jobs in Texas will be saved.

I want to speak to the important provision my Texas colleagues on this side of the aisle worked hard to get into this bill. Last year, the governor of Texas took $3.25 billion in Federal stabilization funds specifically designated for educational purposes and used it to build up the State's rainy day fund, which may sound good, but it was nothing more than the governor taking much-needed resources from the students and educators of Texas.

In order to make sure the governor of Texas does not repeat history and misuse the Federal education funds, my colleagues and I pushed to have language added to the bill that will require the governor provide assurance to the Secretary of Education that the funds allocated to Texas be used to supplement and not supplant State K–12 education funding through fiscal year 2013. The governor and his political allies have stated in recent days that it cannot make such assurances because of its being unconstitutional. Well, our governor obviously is not a constitutional lawyer, so let the record show that the governor had made the same assurance before, including in the State's Fiscal Stabilization Program application last year.

This language is supported by the Texas Association of School Boards as well as Statewide groups representing teachers, principals, and school administrators across the State and ensures that these funds get to the classrooms and will hopefully delay property tax increases.

I urge my colleagues to vote in favor of this important legislation.

TEXAS DEMOCRATIC DELEGATION STATEMENT ON PROTECTION FOR SCHOOLCHILDREN

Last year, we voted for the Economic Recovery Act, which included $3.25 billion to support local Texas school districts. But instead of using these funds as Congress intended, State Republican Leadership used them to replace state education funding, thereby denying an increase in support for our local school districts.

We want to ensure that any new emergency funds Congress provides for education actually help our Texas schools. We have requested additional protections be incorporated into any Supplemental Appropriations legislation specifically for Texas schoolchildren to ensure local districts actually receive this federal help. These protections will ensure that the $820 million in new emergency federal funds for education go to preserve teacher jobs throughout the State and meet other local education needs.

These funds would go to local schools as long as the Governor certifies that (1) federal funds are not used merely to replace state education support, and (2) education funding will not be cut proportionally more than any other item in the upcoming Texas General Appropriations Act. This prevents any further shell games with federal education dollars at the expense of local school districts. This approach has been endorsed by Texas statewide education organizations representing teachers, principals, school boards, school administrators, and nearly 40 superintendents.

A solid education is the foundation on which our economy and our democracy rest. Our support for our local school districts reflects a twofold understanding: First, local districts know best what the needs of their students, teachers, and administrators are. Second, especially in times of a difficult economy, we need to invest in our schools.

Our language helps ensure local school districts in Texas have the support they need.

Charles A. Gonzalez; Sheila Jackson Lee; Silvestre Reyes; Henry Cuellar; Eddie Bernice Johnson; Ciro D. Rodriguez; Lloyd Doggett; Solomon P. Ortiz; Rubén Hinojosa; Gene Green; Chet Edwards; Al Green.

JUNE 22, 2010.

Hon. ARNE DUNCAN,
Secretary, Department of Education, Washington, DC.

Hon. STENY HOYER,
Majority Leader, House of Representatives, Washington, DC.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.

Hon. DAVID OBEY,
Chairman, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR SECRETARY DUNCAN, SPEAKER PELOSI, MAJORITY LEADER HOYER, AND CHAIRMAN OBEY: Last year, before the education Stabilization funds were provided to Texas, many of us joined together to urge you to ensure that these funds would increase the funding for Texas schools instead of merely replacing state education funding. Unfortunately, as the legislation was written the State was able to reduce its own obligations to fiscally support public education and supplant those funds with $3.25 billion of federal stabilization monies. As the Administration considers additional emergency education funding to save teachers' jobs, we urge you to prevent history from repeating itself and ensure that any funds Texas receives go to help Texas schools, teachers, and students.

We support the legislative language that Members of the Texas Delegation have proposed that would guarantee these emergency federal education funds are actually spent on education in Texas. As drafted, this Texas fix has no impact on any other state and would ensure that the law is implemented as Congress and the Administration intended: to save and create teacher jobs. Specifically, this language includes four provisions that we would like to see included in any emergency education jobs bill: Limits the additional requirements to states with Texas-sized rainy day funds; requires the emergency education jobs funds be distributed to local education agencies within the state according to the Title I-A formula; prohibits supplanting of state Title I-type funds with these new emergency federal funds for education jobs; and requires maintenance of state primary and secondary education support in FY11, FY12, and FY13 at the current percentage of revenue provided for FY11.

This language does not prohibit cuts to education in Texas's budget, but it does prevent the state from singling out education for more cuts than other budget items due to the influx of funds from the emergency federal monies for education jobs. With Texas facing a serious budget shortfall in the coming biennial budget, the last thing we need to allow is these funds to be diverted to fill non-education gaps in the budget. We hope that you will ensure that Texas school districts do not fall through the legislative cracks this time around.

The Texas superintendents and education organizations listed below are in agreement with this letter and have given permission to add their names in support.

TEXAS SUPERINTENDENTS

TOTAL OF 33 FROM ACROSS THE STATE OF TEXAS

Wanda Bamberg, Aldine ISD;
Meria Carstarphen, Austin ISD;
Jamey Harrison, Bridge City ISD;
Brett Springston, Brownsville ISD;
Reece Blincoe, Brownwood ISD;
Jeff Turner, Coppell ISD;
Scott Elliff, Corpus Christi ISD;
David Anthony, Cypress-Fairbanks ISD;
Michael Hinojosa, Dallas ISD;
Leland Williams, Dickinson ISD;
Bob Wells, Edna ISD;
Lorenzo García, El Paso ISD;
Melody Johnson, Fort Worth ISD;
Paul Clore, Gregory-Portland ISD;
Jeremy Lyon, Hays CISD;
Terry Grier, Houston ISD.
A. Marcus Nelson, Laredo ISD;
Michelle Carroll Smith, Lytle ISD;
James Ponce, McAllen ISD;
Richard A. Middleton, North East ISD;
John M. Folks, Northside ISD;
Sharron L. Doughty, Port Aransas ISD;
Alfonso Obregon, Robstown ISD;
Robert J. Durón, San Antonio ISD;
Mike Quatrini, San Elizario ISD;
Patty Shafer, San Marcos CISD;
Greg Gibson, Schertz-Cibolo-Universal City ISD;
Rock McNulty, Smithville ISD;
Lloyd Verstuyft, Southwest ISD;
Robert Santos, United ISD;
Richard Rivera, Weslaco ISD;
H. John Fuller, Wylie ISD;
Michael Zolkoski, Ysleta ISD.

TEXAS EDUCATION ORGANIZATIONS

TEACHERS, PRINCIPALS, SCHOOL BOARDS, AND ADMINISTRATORS

Sandi Borden, Executive Director, Texas Elementary Principals and Supervisors Association;
Linda Bridges, President, Texas AFT;
James B. Crow, Executive Director, Texas Association of School Boards;
Rita Haecker, President, Texas State Teachers Association;
Doug Rogers, Executive Director, Association for Texas Professional Educators;
Johnny L. Veselka, Executive Director, Texas Association of School Administrators;
Brad Willingham, President, Texas Classroom Classroom Teachers Association.

Mr. BARTON of Texas. Madam Speaker, I yield 1 minute to a member of the committee from the great Hoosier State of Indiana (Mr. BUYER).

Mr. BUYER. I am leaving this body here in the next 6 months. Now, one side is saying this is all about protecting jobs, about protecting teachers, firefighters, police officers. That's great spin. I'm going home. This is about protecting the ignominious conduct and behavior of legislators that didn't do their job and they're too frightened right now, 84 days before an election. They don't want to increase taxes, they don't want to cut spending, and they don't want to monetize the debt.

So what do they do? They turn to the Federal Government and have us monetize the debt, issue bonds, have China do it so they don't have to make tough judgments.

This is the bailout. This is another bailout. Folks, we cannot continue to do this. We talk about what type of Nation we want to pass on to our children. Let's not do this. I am distressed about it.

When we passed the SCHIP as a body and came together, we said that we would do so and make eligibility at 133 percent of poverty. Then what happened? A lot of these States thought that the good economic times would never end, and so they mushroomed the eligibility.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BARTON of Texas. I yield the gentleman an additional 30 seconds.

□ 1420

Mr. BUYER. Two States are the worst offenders: New York and New Jersey. Instead of 133 percent, they are at 400 and 350 percent respectively, eligibility to poverty.

Oh, no, no; they don't want to make the tough decisions. Guess what; not only do the State legislators not want to make tough decisions, this Congress also doesn't want to make tough decisions. That is why we are facing almost a $1.5 trillion annual budget deficit.

America, please, please, wake up, and remember in November.

Mr. WAXMAN. Madam Speaker, I am pleased to yield 2 minutes to the gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Madam Speaker, I rise today in strong support of increasing Medicaid funding for States that is contained in this legislation. I have been leading the effort on this issue, and I am determined to see it through.

During this economic crisis, our States have suffered, which means our citizens have suffered. States are facing severe budget shortfalls, and without Federal help will have to take extreme action. Who would this hurt? It would hurt our most vulnerable: our children, our elders, our sick, and our frail. People who rely on Medicaid benefits would see them slashed. States would be forced to make cuts where we can least afford it.

Not only does Medicaid funding protect citizens, it also promotes them. The Congressional Budget Office found that increased Medicaid assistance creates jobs and increases demand in the economy.

The recovery is underway, but it is slow. Families in Wisconsin and across the Nation are struggling to make ends meet and find good jobs. We in the House have time and again passed legislation to try to address this through additional Medicaid funding and dedicated dollars for teachers in our schools. Finally, today we have the opportunity to send this bill to the President.

In Wisconsin alone, passing this measure will prevent between 2,000 and 3,000 teachers from being laid off, and it will prevent $650 million in Medicaid cuts.

I have heard from students, doctors, and State employees who have known for months what Congress was too slow in realizing, these cuts would be catastrophic and we must prevent them.

I want to thank Chairman WAXMAN for his steadfast commitment to creating jobs and supporting American families. I urge my colleagues to join me in supporting this legislation.

Mr. BARTON of Texas. I yield 2 minutes to the distinguished Republican Conference chairman from the great State of Indiana, Mr. MIKE PENCE.

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. I thank the ranking member for yielding.

The American people are hurting. In the city and on the farm, families are struggling in the midst of the worst recession in 25 years.

Coming home to me especially today, Madam Speaker, because at this very hour more than a thousand Hoosiers are gathered at a job fair in my district. Some 65 companies have come together with a few cherished openings. My duty is here. But to be honest with you, I would rather be there, standing with those courageous Hoosiers who have come out, put on their Sunday best, and are reaching for a better future.

Congress ought to be taking action; but not this, not more of the same. Here we go again. Another jobs bill, another bailout. Washington, DC now after a year and a half of failed economic policies, a stimulus and borrowing and spending and bailouts and takeovers, says we need to do another jobs bill, so let's do another bailout: $26 billion to States, putting off the hard decisions that States ought to be making, and paying for it with more than $9 billion in tax increases.

You know, the American people are fed up with more taxes, more bailouts, more wasteful stimulus; yet here we go again. More spending, more bailouts and more taxes won't mean more jobs. Millions of Americans are asking: Where will it all end?

When will this Congress start to come together to make the hard choices to put our fiscal house in order and to preserve and promote the kind of tax policies that will release the trapped, inherent power of the American economy.

It is my hope and my prayer for those families gathered in Muncie at my job fair today that we will not have to wait until after November. But if we do, then we will. And the American people will remember November.

Mr. WAXMAN. Madam Speaker, let the American people know that we are trying to help kids get educated, and make sure that those who are vulnerable get health care; while the Republicans are urging that we continue the tax cuts for people making more than

$300,000 a year. That to me is a distortion of priorities.

I am pleased now to yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Madam Speaker, I want to take up where the chairman left off. This is $26 billion that is paid for, and my Republican friends on the other side of the aisle don't want to do that, even though it is paid for. It will bring back teachers and it will bring back first responders. And instead, they want a $700 billion tax break for the rich that is not paid for. So that doesn't make any sense to me at all.

Madam Speaker, 160,000 education jobs could be lost if we do nothing, including 8,000 in my home State of New York. Congress can't sit by and let these jobs disappear and hurt our children. This assistance is critical to States as they struggle through the recession. This includes a $10 billion education jobs fund that will save 140,000 teachers. It is not a payoff to the teachers union, it is a payoff to our children and for the future of this country.

This will prevent deep cuts in education, health care, and social services. So, Madam Speaker, we should not play politics with American jobs. I continue to urge support for this bill to ensure that Americans are working and our economy is well onto the road to recovery.

Mr. BARTON of Texas. Madam Speaker, I yield 30 seconds to the starting third baseman on the congressional Republican baseball team, the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Madam Speaker, those who advocate for this legislation are forgetting one very, very important thing: we are broke.

Mr. BARTON of Texas. Madam Speaker, I yield 1 minute to the distinguished member of the committee from the great Pelican State of Louisiana, Mr. STEVE SCALISE.

Mr. SCALISE. Madam Speaker, I want to thank the gentleman from Texas for yielding.

As American families, as Louisiana families are asking where are the jobs, and they are looking to Congress for those answers, all that they get from this tone-deaf liberal group that is running Congress today is more spending, more taxes, and just continuing with this bailout mentality. Americans are saying enough is enough.

In fact, if we want to get the economy back on track, what we need to do is go back to those principles that have been proven to work every time, and that is to cut taxes for small businesses so that the businesses that are creating jobs can go out and do what they need to do. In fact, businesses today are scared to hire anybody because of the policies coming out of Washington. So you cut taxes and you cut spending. Instead, all we see is more spending, more bailouts, and more tax increases on the backs of businesses that are going to run more jobs out of this country. It is the wrong answer. We should be here focusing on creating jobs, not running more off.

Mr. WAXMAN. I continue to reserve my time.

Mr. BARTON of Texas. Madam Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman is recognized for 1 minute.

Mr. BARTON of Texas. Madam Speaker, what we have here is a failure to communicate. My friends on the Democratic side are talking about things to help the economy. My friends and myself on the Republican side are pointing out that this is money that we don't have. There is no national emergency. The items that are being funded are items that historically have been funded at the State level with the exception of Medicaid, which is a State-Federal expenditure. And in that the program, the money doesn't absolutely have to be spent for low income health care assistance. If you look at the way the money is actually allocated, one State, the great State of New York, the Empire States, gets over 12.5, 13 percent of the funds. In fact, if you exclude California, New York gets more money than every State west of the Mississippi. As has been pointed out by Mr. BUYER of Indiana, New York has a Medicaid reimbursement rate at 350 percent of poverty, which is pushing about $80,000 for a family of four.

This is money we don't have being spent on programs that are not in dire emergency at a time when the unemployment rate is 10 percent. Please vote no on this bill.

□ 1430

Mr. WAXMAN. Madam Speaker, this is assistance to the States for Medicaid. No State has 300 percent of poverty for Medicaid. That's just not the way the States run it. We're talking about the poorest of the poor to get Medicaid assistance. There may be additional people who can get it for children under the CHIP program but not under Medicaid. The States can't afford Medicaid, and we're going to help them by directing Federal dollars so that those very poor people can get health care, and this legislation assists the States in paying for teachers and first responders.

What can be more important? It isn't one State versus another. All throughout this country we've got to make sure that we have an educated population and a chance for health care for those who need it who cannot afford it. That's why this bill is important. It will also provide jobs that will otherwise be lost if the States do not receive these funds. Put that into perspective of the Republican call for tax cuts to be continued without paying for them for people that make over $300,000 a year.

Who deserves our help? Let's help the vulnerable. Let's help the next generation. Let's provide the funds that are in this legislation for health care, for first responders, for teachers. I urge support for the legislation.

I yield back the balance of my time.

The SPEAKER pro tempore. The Chair is now prepared to recognize members from the Committee on Ways and Means.

The gentleman from Michigan (Mr. LEVIN) and the gentleman from Michigan (Mr. CAMP) each will control 10 minutes.

The Chair recognizes the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. I yield myself 2 minutes.

The minority comes here and talks about wishing to be back at a jobs fair for those who are unemployed and looking for work, having voted against continuing unemployment compensation for those out of work and looking for it. The minority comes here talking about help for small business, having voted against Democratic bills to help small business.

On this bill this is not an increase in taxes on job creation. What it is is closing a tax loophole used by some to escape taxes and thereby encouraging them to ship jobs overseas, purely and simply.

This is a fact: U.S. companies that operate overseas owe taxes when they return that income to the U.S. They get a foreign tax credit for the taxes they paid overseas. What some companies are doing is using those tax credits not against income brought back home but against income obtained elsewhere. This is a tax loophole purely and simply, and closing a tax loophole used by a few is fair taxation policy for everybody else. That's what the people of this country demand: Close tax loopholes that help shift jobs overseas. We're doing just that in this bill, as we have done several other times in the House of Representatives.

Madam Speaker, I and Ways and Means Committee Ranking Member CAMP have asked the nonpartisan Joint Committee on Taxation to make available to the public a technical explanation of the revenue provisions included in the Senate amendment to the House amendment to the Senate amendment to H.R. 1586, the "Education Jobs and Medicaid Assistance Act of 2010," considered in the House of Representatives today. This technical explanation provides information on the Committee's understanding and legislative intent behind the legislation. It is available on the Joint Committee's website at WWW.JCT.GOV and is listed under document number JCX–46–10.

I reserve the balance of my time.

Mr. CAMP. Madam Speaker, I yield myself such time as I may consume.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Madam Speaker, last Friday we learned the unemployment rate is still at 9½ percent, and it would be much higher if the official calculations also looked at the fast-growing number of Americans who have become so discouraged that they have given up looking for work. So while Congress should be here trying to find ways to get

Americans back to work, we're here instead to complete action on another extension of stimulus that will also do nothing to reduce the unemployment rate in this country. In fact, this bill and the tax increases in it will hurt job creation.

According to the methodology of Dr. Christina Romer, the President's chief economic adviser, the tax increases in this bill alone will destroy over 140,000 American jobs. In an open letter to Congress this week, the National Association of Manufacturers warned that ''imposing $9.6 billion in tax increases on these companies will jeopardize the jobs of American manufacturing employees and stifle our fragile economy.'' Similarly, the U.S. Chamber of Commerce warned they would ''impose draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth.''

These tax increases are a mistake, and, as I noted during the debate 2 weeks ago, most of these have never been the subject of any committee hearing or markup. It is possible that, upon review, some of these provisions might make sense if packaged with other changes to address the fact that our corporate tax rate is soon to be the highest among all industrialized nations. Our international tax system is deeply flawed, and our tax code is increasingly putting our companies and their employees at a tremendous competitive disadvantage.

But we never got the opportunity to hear from the American employers or to offer any amendments. That's a truly disappointing breakdown of the committee system, which is supposed to ensure that policies are carefully vetted and reviewed before passage.

I also want to mention the phantom tax increases that aren't in this bill but we will soon see. The Speaker has already indicated that she opposes two of the spending offsets included in this bill. One relates to food stamps; the other is a cut in funding for a renewable energy spending program. Together, those items total $13.4 billion, more than half the total offsets in the bill. So next month when the House considers some other legislation, don't be surprised to see another $13 billion in higher taxes to prevent those spending cuts.

I reserve the balance of my time.

Mr. LEVIN. Madam Speaker, I yield 2 minutes to the very distinguished gentleman from Texas (Mr. DOGGETT), who has been a champion on the issue of tax loopholes, a member of the Ways and Means Committee.

Mr. DOGGETT. Today we close international tax loopholes and open more educational opportunities.

Last year in Texas, Governor Perry and his cohorts misdirected $3.2 billion in Federal aid to education simply to replace State education commitments, leaving our schools not one dime better off than if we had never offered them that Federal aid to education in the first place. Given this very unfortunate history for our schoolchildren and the many unique educational challenges that Texas faces, we have good reason to include in this legislation Texas-specific safeguards to prevent more such shenanigans with a formula that assures that this year Federal education aid will get directly to our local schools. Our approach enjoys the support of school trustees, of superintendents, of principals, of teachers.

We have been listening across Texas to our parents at this time of excitement as so many young people are going back to school, some for the first time, and we are offering those families and those local schools the important support they need for local education, paying for every dime of it, and we are supporting those local education decisions by local school trustees to achieve quality education free of interference from the State. We are demanding accountability from the State of Texas.

For some reason accountability seems like a good concept for everyone except some Republican leaders and some international corporate tax avoiders. I want to be sure that there's a level playing field for taxpayers so that the small business down the street that could face a property tax increase if we don't have adequate support for education, that that business doesn't continue to have to pay a much higher rate than some international corporate tax group that has all the fancy CPAs to avoid paying its fair share.

□ 1440

Mr. CAMP. At this time, I yield 1 minute to the distinguished Member from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Madam Speaker, I think that it is important for us to realize what is happening here today, and I do oppose the legislation that the majority is bringing forward today.

Today, we are being asked to raise taxes for 10 years in order to pay for Medicaid for 6 months. Now, think about that. Only here in Washington would an action like that seem to make sense or even be thought to be sustainable: 10 years to pay for 6 months.

Now, this is why the people across this Nation oppose this type action, and I think if my friends were home listening instead of here in D.C. spending some more that what they would hear from people is they are sick and tired. They have really gotten their fill of continuing to tax, continuing to spend, robbing Peter to pay Paul, and going through this process of kicking the can down the road but not addressing the problems.

The spending is out of control, the American people are overtaxed, this government is overspent, and it is time that we demand accountability.

Mr. LEVIN. It is now my true pleasure to yield 1 minute to our very distinguished majority leader, the colleague from the great State of Maryland (Mr. HOYER).

Mr. HOYER. I thank my friend for yielding.

The hour is late and Members have come back, properly so, to address an issue that we addressed months ago. The Senate sent it to us; we were gone. We thought it our responsibility to ask Members to come back because if we hadn't come back, if we didn't pass this bill, what could happen? 160,000 teachers would be at risk of being laid off and probably would be laid off. What would that mean? It would mean larger class sizes for teachers to deal with, children not receiving the kind of education that they need to be competitive in the global marketplace. What might have also happened? Some 160,000 police and fire personnel, emergency response teams, may have had to be laid off.

That's why we came back. That's why we believe this is so important. And how we paid for this, because we do not add a nickel to the national debt, notwithstanding the previous speaker, we paid for this because we believe if we're going to invest in our future, we also are going to pay for it, not ask our grandchildren to pay for it. Now, that's a concept that was jettisoned under Republican leadership but we've reestablished. So we pay for this.

One of the ways we pay for it is to ask people is, look, if you're going to send jobs overseas we're not going to give you a tax break. I know there are some that apparently are not for that, and they're going to vote against this bill, but my view is what we're doing is making sure that our children have the proper education they need, making sure that our communities are safe, and yes, making sure that we try to keep every job in America so that we can continue to make things in America, so people can make it in America. That's what this bill is all about.

The hour is late. I think everyone knows the issue, and I ask my colleagues, vote for this critical piece of legislation. Keep our teachers, our police, our fire personnel on the job. That's why the Senate passed this bill with over 60 percent majority in a bipartisan vote. Let's follow suit. Pass this bill. Make America better.

Let's consider what would happen if Republicans had their way and this bill failed. Some 160,000 teachers' jobs would be eliminated.

Some 160,000 jobs for police officers, firefighters, nurses, and private-sector employees would go, as well—a total of 320,000 lost jobs. And the impact would extend far beyond the laid-off employees.

Our children's educations would be shortchanged—bigger class sizes, programs eliminated, and summer school cancelled in communities across our country. In our neighborhoods, we'd find fewer cops patrolling the streets and longer waits before first responders arrive at the scene of an emergency.

More vulnerable Americans—already struggling through the greatest economic crisis of our lifetimes—would go without health care.

And don't think that the economic impact would be limited to the 320,000 laid-off workers alone.

It would mean families struggling to pay the mortgage or their student loans; it would mean local businesses losing customers; it would mean businesses forced into new layoffs of their own as a result.

It would mean, in short, a step closer to a double-dip recession.

I understand that States are obligated to cut spending when times are hard; but the fact that States' revenues are largely tied to sources that dramatically shrink in bad times, such as property and sales taxes, creates a vicious cycle that helps prolong recessions.

When States cut spending, the results include layoffs, less consumer demand, and a struggling private sector—making hard times hard for longer. And if Republicans had succeeded in blocking the Recovery Act and other measures to help pull our economy out of recession, State budgets would be even worse off today.

Preventing another vicious cycle of budget cuts and layoffs is exactly why it is both right and smart for the Federal Government to step in and lend a hand today.

This bill will do so—and it will prevent the dangerous chain-reaction of layoffs and drastically cut services for families that I've described. And this bill will do so in a fiscally responsible way: it includes savings for all of the dollars it spends, which means that it adds nothing to the deficit.

In fact, much of this bill's savings can help keep jobs in America: by passing this bill, we can end the tax loopholes for corporations that send American jobs overseas. And that's another way this legislation strengthens our economy and our recovery.

I don't understand how Republicans can add this bill to their year-and-a-half record of obstructing our recovery.

I don't understand how anyone, Democrat or Republican, can be against keeping teachers in the classroom, keeping cops on the beat, and keeping firefighters protecting our homes.

But some who oppose this bill cynically call teachers, cops, firefighters, and nurses "special interests."

That's how they will justify their vote against this bill—but with the very same vote, Mr. Speaker, they will vote to protect corporations that exploit the tax code to outsource American jobs.

How first responders are "special interests" and those corporations are not, is beyond me—but I'm eager to hear my Republican friends explain it.

I urge my colleagues to vote for this fiscally responsible bill, which the communities we represent desperately need.

Mr. CAMP. At this time, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. I thank the gentleman.

Madam Speaker, Congress adjourned without doing anything useful over the last year and a half to get this economy turned around. America knows it. Sadly, this bill isn't going to change that fact.

My colleagues know that they've bankrupted the States with ObamaCare, and they know full well this won't be the last time the Federal Government borrows money to bail out the States.

As for the education jobs funding, the money provided in the stimulus, the $54 billion as a matter of fact, provided in the stimulus was supposed to do the trick, but like the stimulus as a whole it just didn't work, did it?

This $10 billion is a transparent handout to the teachers union, who not only continue to insist on greater pay but actually got their Democrat buddies to put it in the bill. If States take the money, their hands are actually tied on making any tough budget decision choices, including pay. As a result, the States will be back here again, and very soon, asking for more Federal bailouts, which the current majority will probably be very happy to give to them.

My Democrat colleagues are incredibly generous when it comes to spending OPM—that's other people's money. The only problem is that the other people, each and every taxpayer in our great country, already owe $130,000 apiece in Federal debt. That's why the American people are fed up.

Finally, any claim that the bill is "paid for" is utterly nonsense. My colleagues on the other side of the aisle know that. This bill before us represents another $14 billion in sham accounting gimmicks that the majority cannot resist using. Never mind that you've already used the money, the tax revenues, several times to pay for three different spending bills.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. CAMP. I yield the gentlewoman an additional 30 seconds.

Ms. GINNY BROWN-WAITE of Florida. I thank the gentleman from Michigan.

We all know that the $14 billion in food stamp cuts will never actually really take place. So it is really a sham isn't it, folks? Just like the doc fix and everything else, you will kick the can down the road and far enough, so far, in fact, that it won't have to be counted in today's budget.

Madam Speaker, the bailouts must end. The borrowing must end. The gimmicks must end. If we are ever again to have a competitive country, the relentless tax increases on job creators also must end.

I urge a vote against this.

Mr. LEVIN. I now yield 2 minutes to the gentlelady from Ohio (Ms. KILROY).

Ms. KILROY. I thank the gentleman.

Madam Speaker, across America, summer is coming to an end and parents are thinking about their children's return to school. These parents have big hopes and dreams for their children, and also worries about the future. They want their children to succeed in school. They want them to be able to go to college, to get a good job in a competitive global economy, and they know they need a dedicated teacher in that classroom guiding their children's learning.

But school boards have been making cuts and laying off teachers. Schools in Ohio rely on property tax, and because of Wall Street's reckless gambles with predatory lending and resulting record foreclosures, schools have seen their revenues decline. Schools also rely on State assistance, and Ohio, like many States, have real budget challenges. This bill is essential to keep teachers in the classroom. In Ohio, that means over 5,500 teachers.

It will provide the necessary funding to the States for Medicaid assistance as well, responding to urgent requests from Republican and Democratic Governors. In order to pay for this bill, we are closing tax loopholes that have been abused, that have sent jobs overseas. Not only will this help pay to keep those teachers in the classroom, it will end a job drain and help us to make things here in America.

So why are my colleagues across the aisle so opposed? They don't seem to understand that investing in our Nation's future means investing in our Nation's schools. They call our children special interests. Well, our children don't have big K Street lobbyists like Wall Street does. They need us to stand up for them. But those who enjoy those tax loopholes are the special interests with those lobbyists. Broad opponents of this bill are listening to them, but that's the wrong way to go. That's the way of the past.

It's time to end business as usual and politics as usual and stand up for America's workers and stand up for America, to keep jobs here, and it's time to stand for America's children and America's teachers and America's schools. It's time to keep our communities safe, to keep firefighters and police on the streets.

□ 1450

Mr. CAMP. I am prepared to reserve or prepared to close if the gentleman has no further speakers.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has the right to close.

Mr. CAMP. I yield myself such time as I may consume.

I have before me letters from the Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, as well as PACE, Promote America's Competitive Edge.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than 3 million business organizations of every size. They strongly oppose this legislation because they say it would place "draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth" and the jobs that come from that.

Likewise, the National Association of Manufacturers, the Nation's largest industrial trade association representing small and large manufacturers in every industrial sector in all 50 States, they also oppose this legislation. ''An estimated 22 million workers in the United States, more than 19 percent of the private sector workforce and 53 percent of all manufacturing employees, are employed by companies with operations overseas.'' They oppose these tax increases because, again, it will ''jeopardize the jobs of American manufacturing employees and stifle our fragile economy.''

Likewise, the Business Roundtable, which, again, is an association that represents more than 12 million employees, has also sent a letter opposing this legislation because they say that this legislation will, again, only make matters worse, make it more difficult for U.S. companies to compete in the world economy and then actually puts U.S. jobs at stake because of that.

Again, PACE, which represents more than 63 million American jobs that depend on the competitiveness of American employers worldwide, said, ''At a time when other countries are taking steps to attract business, this legislation sends exactly the opposite message, with the effect of discouraging business investment and job creation in the United States.''

I think it's actually unfortunate that, again, here on the floor I am having to submit these letters here, when actually the appropriate place would be in the Committee on Ways and Means. But, unfortunately, the Committee on Ways and Means has never had a hearing on these provisions, never had a markup on this legislation. We have not had a process that has been open to employers to come forward before the committee and be heard on the record so that we might be able to adjust this or put this in context.

As I said, we need broad-based international tax reform in the U.S. This piecemeal approach doesn't work, hurts our competitiveness.

Again, I think if we could have had a system where there was actually a committee hearing or a markup, that on review you might be able to improve upon this or find a way to actually address the serious issue that pretty soon our corporate tax rate will be the highest among all the industrialized nations, and we could actually put on the record the deep flaws in our international tax system and the deep flaws in our Tax Code.

Instead, what we are doing today is rushing to the floor again, without transparency, without openness, without hearing—certainly no opportunity for American employers to come forward and be heard on this issue. We are putting them at a tremendous competitive disadvantage at a time when they need to be competing around the world for jobs.

With that, I urge opposition to this legislation.

BUSINESS ROUNDTABLE,
Washington, DC, August 9, 2010.

DEAR MEMBER OF CONGRESS: We write today to express our strong opposition to inclusion of international tax revenue raisers in H.R. 1586, as approved last week by the Senate.

The measure would raise nearly $10 billion in new taxes on worldwide American companies through fundamental changes in U.S. tax law, despite the fact that U.S. tax rules already put American companies at a competitive disadvantage.

Keeping American companies and workers competitive should be the number one goal of U.S. tax policy, yet changes in the tax systems of our major trading partners now place the United States at a decided tax disadvantage—which runs a high risk of severely undermining U.S. economic growth and job creation.

The United States already has the second highest tax rate among developed countries and an international tax structure that is a relic of an era in which U.S. companies faced little competition from foreign-headquartered corporations as they competed around the world. The current U.S. system is inconsistent with the free flow of trade and investment, and it inhibits use of foreign earnings to invest in the U.S. economy. The provisions included in the House legislation to be considered today will only make matters worse.

We urge the House to remove the counter-productive international tax provisions now included in H.R. 1586, and that any future consideration of U.S. tax policy be done only in the context of comprehensive tax reform designed to improve the competitiveness of U.S. companies in the world economy. U.S. jobs are at stake.

Business Roundtable is an association of chief executive officers of leading U.S. companies with over $6 trillion in annual revenues and more than 12 million employees. Our members share your goal of restoring the U.S. economy to strong economic growth and job creation.

Sincerely,

LARRY D. BURTON.

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, DC, August 9, 2010.

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVES: The National Association of Manufacturers (NAM), the Nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose the Senate Amendment to H.R. 1586, the Education Jobs and Medicaid Assistance Act.

While the NAM has taken no position on the spending provisions in the legislation, we remain adamantly opposed to using proposed tax increases on American worldwide companies to fund unrelated spending initiatives.

An estimated 22 million people in the United States—more than 19 percent of the private sector workforce and 53 percent of all manufacturing employees—are employed by companies with operations overseas. Manufacturers feel strongly that imposing $9.6 billion in tax increases on these companies as proposed in the Senate Amendment to H.R. 1586 will jeopardize the jobs of American manufacturing employees and stifle our fragile economy.

Some of the proposed tax increases, which are mischaracterized as closing tax loopholes, actually represent significant changes to pro-growth tax policy supported by Congress and the Administration.

We are disappointed that many of the legislation's proposed tax increases have not been adequately scrutinized during congressional hearings. In many cases, taxpayers have relied on these longstanding tax provisions in structuring their businesses. Changing the rules without fair and adequate hearings will cost in terms of jobs, investment and manufacturers' ability to compete overseas.

Manufacturers believe strongly that changes to our international tax laws should be considered in the broader context of tax reform that makes the United States more competitive—not as ''pay fors'' for unrelated policy initiatives. Moreover, targeting some international tax law changes in advance of the tax reform debate would make the goal of pro-growth, pro-competitiveness reform that much more difficult, if not impossible, to achieve.

The NAM's Key Vote Advisory Committee has indicated that votes related to the Senate Amendment to H.R. 1586, including procedural votes, may be considered for designation as Key Manufacturing Votes in the 111th Congress.

Thank you for your consideration.

Sincerely,

JAY TIMMONS.

CHAMBER OF COMMERCE,
GOVERNMENT AFFAIRS,
Washington, DC, August 5, 2010.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly opposes H.R. 1586, which would impose draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth.

This legislation would change longstanding U.S. international tax law, the impact of which has never been given proper consideration in hearings or other bills. For example, by denying the foreign tax credit in certain scenarios involving covered asset acquisitions, this legislation hampers acquisitions by American worldwide companies, threatening their ability to create jobs while simultaneously narrowing the tax base. Stripping away the benefits of this provision would likely impede the competitiveness of American worldwide companies in their bids for foreign targets.

Additionally, limiting the use of §956 for foreign tax credit planning (i.e., the ''hopscotch'' rule) harms the ability of companies to repatriate cash to the United States in a tax efficient manner. Foreign business acquisitions generally result in a series of intermediate foreign holding companies, which block the repatriation of earnings for a variety of reasons such as local statutory earnings deficits or other local restrictions on actual dividends. American worldwide companies have had the ability to overcome such obstacles through the use of §956. This provision was particularly beneficial during the recent economic downturn and ensuing credit crunch when it was necessary for American worldwide companies to repatriate significant funds in order to meet the financial needs of their U.S. businesses. By limiting the use of §956, this amendment would significantly reduce the repatriation of foreign earnings, hurting economic growth and job creation.

The Chamber strongly opposes H.R. 1586 because of the significant changes it makes to U.S. international tax law, which would hurt the competitiveness of American worldwide companies, hinder their ability to create jobs, and harm the U.S. economy. The Chamber may consider votes on, or in relation to, this issue in our annual How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN.

PROMOTE AMERICA'S COMPETITIVE EDGE,
August 6, 2010.

DEAR MEMBER OF CONGRESS: The PACE Coalition—a broad-based organization dedicated to promoting and increasing the more than 63 million American jobs that depend on the international competitiveness of worldwide American companies—opposes inclusion of the proposed international tax increases in H.R. 1586, as amended by the Senate.

The members of PACE, including the undersigned trade associations, advocate that the United States should provide a level playing field for taxation of international operations of U.S. businesses. U.S. tax law already disadvantages worldwide American companies and their employees. U.S. companies face the second highest corporate tax rate among developed countries and an international tax system that impedes the ability of U.S. companies to expand into new markets and reinvest foreign earnings at home. The $9.6 billion in proposed international tax increases in this bill would further disadvantage U.S. companies—harming their competitiveness and reducing the earnings U.S. companies bring back from their foreign operations, thereby reducing reinvestment in U.S. plant and equipment, funding U.S. research, and expanding U.S. payrolls.

At a time when other countries are taking steps to attract business, this legislation sends exactly the opposite message, with the effect of discouraging business investment and job creation in the United States.

PACE urges policy makers to consider comprehensive tax reform designed to increase the competitiveness of U.S. companies both at home and abroad. Changes to our international tax system that fail to consider the competitive global marketplace will further disadvantage U.S. workers. When worldwide American companies become less competitive in their ability to serve foreign markets, demand for U.S. produced goods and services will decline.

PACE looks forward to working with Member of Congress to modernize our international tax system to improve the competitiveness of the U.S. economy and create jobs at home. Because H.R. 1586 contains these detrimental international tax increases, we respectfully request that you vote against the bill.

Sincerely,

BUSINESS ROUNDTABLE,
INFORMATION TECHNOLOGY INDUSTRY COUNCIL,
NATIONAL ASSOCIATION OF MANUFACTURERS,
NATIONAL FOREIGN TRADE COUNCIL,
U.S. CHAMBER OF COMMERCE.

I yield back the balance of my time.

Mr. LEVIN. Madam Speaker, I yield the balance of our time to our distinguished Speaker, the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. I thank the gentleman for yielding, and I thank the distinguished chairman of the Ways and Means Committee for bringing this important legislation to the floor, working closely with the distinguished chair of the Appropriations Committee.

This must be about the third time, Mr. Chairman, that we have brought this pay-for to the floor, the provision that repeals that provision of the law which rewards businesses for sending jobs overseas.

This is not a new subject to the Congress. It is not a new subject to the floor, thanks to your leadership.

Madam Speaker, today, we have an opportunity to create jobs. With the press of a button, each of us will play a role in creating over 300,000 jobs, saving over 300,000 jobs across the country.

Their jobs, these people are consumers. It's important to our economy that they are employed, but it goes well beyond that. It's about jobs for teachers. It's about the education of our children. It's about the innovation of our Nation. It's bigger than just a job. It's about the future.

These are jobs of firefighters and police officers, about the safety of our neighborhoods and our communities where our children can thrive. It's about nurses and health care providers, to keep our country strong in terms of the health and well-being of the American people.

It's about the stability of State budgets. Economists have told us that if this legislation were not passed and these jobs are not saved and the budgets of the States were not stabilized, we would go into another deep recession, like the one we inherited from the previous administration; and it would be a much longer path out of that recession.

I thank the distinguished chairman for bringing us to the floor with this legislation. I thank the Members on both sides of the aisle for responding so quickly to the call to return to Washington to save and create jobs for the American people.

The pay-for in this legislation, which repeals the opportunity for businesses to get a tax break for sending jobs overseas, is part of our make-it-in-America agenda. Make it in America means manufacture it in America. It also enables people to make it in America.

This is about innovation, innovation that's created here with our creativity and the benefit of our education system and our entrepreneurial spirit and the rest; and then it says when we have the idea and we create the innovation that we create the jobs here to produce it, to manufacture it, and not to scale up overseas, invent here and create the jobs overseas. No, invent here, manufacture here, and market to the world.

This is really important legislation also because of the way it is paid for. While I don't support all of the provisions, I am not happy about taking money from our energy sector or from food stamps, but I hope that we can, Mr. Chairman, make that up in another way.

I am very pleased about the funds that are obtained by repealing the provision to send jobs offshore.

This legislation is fiscally responsible and fully paid for. It invests in America's communities, again, by closing that tax loophole that allows corporations to ship jobs overseas. Have I said that enough times?

Those who claim that the legislation will add to the deficit are simply wrong. In fact, according to the nonpartisan Congressional Budget Office, this bill reduces the deficit by $1.4 billion.

Madam Speaker, it's about time that we got this bill passed. We first passed it in the House last year, the end of last year. We passed it again, some features of it, in the spring. Finally, the Senate acted last week. Finally, they were able to get enough votes to pass it with a super majority in the Senate.

The minute we anticipated that that would happen, the word went out and we called to the House to come back to Washington so that not another day would go by without our, again, pressing that button for over 300,000 jobs.

My grandchildren, the ones who are in public school, went back to school yesterday. It's about time, again, that children in other parts of the country may be preparing to go back to school in another week or so or at the beginning of September, and they cannot afford to wait for us to put teachers back into the classroom.

□ 1500

That's why it was urgent that we act. Communities struggling to keep policemen on the beat and firefighters on the job that were on the brink of layoffs, this is good news for them. And tens of thousands of Americans will not be joining the ranks of the unemployed.

So I thank the gentleman again for his leadership, for making this part of what we have been doing for a matter of months so that we were ready when, finally, thank God, the Senate acted so that we can educate our children, innovate for our country, protect our neighborhoods and our homes, as well as keep the American people healthy, in a fiscally sound way. Again, we are doing so in a way that helps people make it in America.

For that I am grateful to the chairman and to the distinguished Democratic Leader Mr. HOYER, who coined the phrase, but for all of our Members who worked so hard to have America continue to be the shining star, the lead competitor, the innovator, number one.

President Kennedy, when he launched the campaign to send a man to the Moon and back safely many, many decades ago, he said he would do so within 10 years, and he did. But when he did it, he said if we are to honor the vows of our Founders, we must be first, and therefore we intend to be first.

This legislation is yet another piece of legislation that enables America to be first. Thank you, Mr. Chairman, for allowing us that privilege, and to Mr. OBEY as well.

Ms. MOORE of Wisconsin. Madam Speaker, this is a vitally important bill. In my state of Wisconsin alone, it will save the jobs of 2000–3000 teachers. With the school year right around the corner, it is essential that we keep these teachers in our schools—where our children need them. This legislation will also ensure that some of the most vulnerable in our society continue to receive Medicaid while protecting states from drastic cuts to their budgets. Without this Medicaid assistance, states would be forced to lay off more workers, cut more services, and raise taxes more than they would otherwise to balance their budgets.

However, I am outraged by a reduction in Supplementary Nutrition Assistance Program (SNAP) benefits that is used to pay for this measure. Those who receive the meager SNAP benefits are the most poor and the most vulnerable in our society. Currently, 6 million Americans receiving SNAP report that they have no other source of income. In my district, about 20 percent of all people and 38 percent of children are SNAP beneficiaries.

Before this bill was considered, I offered an amendment to the Rules Committee that would have ameliorated the SNAP cut. My amendment would have rescinded $2.972 billion in unspent Race to the Top funds in order to provide an additional year of more adequate SNAP benefits. Race to the Top funds benefit only a few chosen students and schools while on the other hand saving teacher positions benefits the masses of children who would face larger class sizes and cuts to vital programs such as libraries, computers, and gym classes. This is just one example of a more appropriate offset than cutting SNAP.

While I support the bill on the floor today, I abhor this cut and will work to restore it.

Mr. MARKEY of Massachusetts. Madam Speaker, I am pleased that the House was called back into session to take up and pass this critical jobs measure today. This bill will bolster working-class Americans, ensure that our teachers are protected from layoffs and reduce the deficit.

However, I am very concerned that the Senate chose to take $1.5 billion out of the Renewable Energy Loan Guarantee Fund to help pay for this legislation.

Congress already tapped this program once when it took $2 billion out of this program to extend the very successful ''Cash for Clunkers'' program that did so much to jump-start auto sales last year. While the House voted last December to restore that funding, the Senate failed to act. Now, with this bill, Congress will be taking another huge bite out of the program. That's $3.5 billion cut out of a $6 billion program.

Through discussions with the Department of Energy, I understand that this fund will still have enough money to finance renewable energy projects through the first quarter of next year. But the funds that we are borrowing today must be replenished before then.

The $1.5 billion in loan guarantee funds would pull an additional $15 billion of private investment off the sideline and put it into the economy at a time when we need that investment the most. It would continue to build on the 190,000 new jobs that this program and others from the Recovery Act have created in the clean energy sector.

American consumers currently send half a billion dollars a day overseas to pay for foreign oil—money that goes to the Middle East, OPEC and countries that wish us harm. Instead, we should invest that money here at home, putting people to work building electric vehicles, wind turbines, solar panels and smart grid technology.

Make no mistake, we are in a global race with China for clean energy manufacturing jobs and technology. The country that leads the world in developing clean energy will lead the world in creating jobs.

China just threw down the gauntlet with a $738 billion investment in renewable energy over the next ten years. We must respond to that challenge rather cutting our own investment.

This bill is worthy of our support and I encourage my colleagues to vote ''Aye'' on the underlying bill. But let's make sure we work to replenish the renewable energy loan guarantee fund so that our young industry has a shot at winning the clean energy race with China.

Vote ''aye.''

Mr. DINGELL. Madam Speaker, I rise today in strong support of the Education Jobs and Medicaid Assistance Act and urge my colleagues to vote in favor of this much needed legislation.

The Education Jobs and Medicaid Assistance Act will provide necessary, temporary relief for the States at a time when officials must make tough budget decisions. Governors across the country face declining revenues at the same time the economic downturn has left more of their citizens looking for help. My colleagues across the aisle will use their best political spin to characterize this legislation as fiscally unsound. They have stated that this is just another bailout for special interest groups. My friends, this couldn't be further from the truth. I don't know when our school children became a special interest group. The reality is many Republicans would rather avoid making tough decisions, cross their fingers and hope just saying ''no'' helps their election prospects in November.

I am proud that my colleagues and I prefer to provide real leadership and make the tough, necessary choices to put this country back on a sound fiscal track and address the pressing needs of our people. So, while my Republican colleagues spin, let me state the facts. This bill will:

Help to save or create 319,000 jobs, of which 161,000 are teacher jobs and 158,000 are for police officers and firefighters as a result of the Medicaid fund increase;

Provide an estimated $600 million to my home state of Michigan, saving the jobs of 4,700 teachers in Michigan, and 242 teachers in the 15th District;

Provide $16 billion for State Medicaid programs. This means an estimated $380 million in additional Medicaid funding to Michigan to avert drastic cuts in their Medicaid program; and

Further protect jobs here at home, by closing tax loopholes that encourage corporations to ship jobs overseas.

The bill before us is fiscally sound; it is totally paid for and decreases the deficit by $1.4 billion over 10 years. These facts cannot be disputed.

The threat of teacher and public service layoffs, and medical benefit cuts are not partisan issues. Our dire economic situation facing the States and our people affect both Democrats and Republicans alike.

Again Madam Speaker, I urge my colleagues, including my Republican colleagues—many of whom have decided to gamble with the lives of our children and paychecks of public servants by playing politics with this bill—to support this common sense legislation.

Mr. CONYERS. Madam Speaker, one of the things I have noticed over the past year, as our country has faced some of the greatest economic difficulties imaginable, is that there have been very few easy or inconsequential votes taken on this floor. Our nation's problems are vast and deep and they have tested this Congress, as we have again and again been forced to rise and meet unforeseen challenges while, at the same time, working to restore the promise inherent in the American dream to our fellow countrymen and women.

Today is no different. The bill we bring to the floor today is a necessary measure. The fiscal fate of our states and over 300,000 jobs weigh in the balance. If we do not act, many of our nation's children will be left without teachers when they return to school in a few weeks. Worse, inaction could exacerbate an already unfolding crisis in our state and local governments, where budget shortfalls have cost 100,000 public servants their jobs in the past three months.

So, we must act. It is unfortunate that in doing so, we must also cut $11 billion in benefits from the food stamp program to offset the cost of this necessary state aid. Indeed, this is a bitter pill to swallow.

In real terms, this means that monthly benefits for a family of three will drop by $47 dollars in April 2014. Now, $47 dollars may not seem like a lot of money to many in this chamber, but during this recession this additional funding has served as a lifeline for many of those who have been hit the hardest by this recession. Our food stamp program is already chronically underfunded. At current levels, these benefits are often insufficient to allow a family to purchase enough food to last an entire month.

Madam Speaker, this is why many of our fellow citizens are frustrated with Washington. It is why they think we are out of touch. We offer aid with one hand and take from the neediest with the other. It makes no sense whatsoever. As my friend, the Chairman of the Appropriations Committee, noted the other day: those who need help the most had finally caught a break, only to now have it taken away.

That said, I want to reiterate that this bill, taken as a whole, is a good bill and I will support it. This is the burden of governing; we have a duty to make tough decisions and live with them. While I disagree with the decision to phase out these important benefits in 2014 and pledge to work to ensure that they are reinstated, I respect the work my colleagues on this side of the aisle have put into crafting this necessary jobs package. It is certainly much more admirable and serious than what the other side offers: a resolution calling for Congress to shut down and take a paid two-month vacation.

I may not agree with the choices some of my Democratic colleagues make, but never for a moment do I doubt their commitment to facing down and solving the challenges facing the American people. This debate, frankly, illustrates the choice offered to our fellow citizens this fall: serious, difficult, deliberation and governance or silly and trivial gimmicks aimed at scoring political points. The American, people will have to decide.

I encourage my colleagues to support this necessary, job-saving bill.

Mr. HARE. Madam Speaker, I rise in strong support of the Senate amendment to H.R. 1586, the Education Jobs and Medicaid Assistance Act.

Madam Speaker, weeks before students go back to school in Illinois, 20,000 teachers are on the front line of huge layoffs due to deep state budget cuts.

For several months, I joined Chairman MILLER and Chairman OBEY in leading the call to pass emergency education funding to protect quality public schools. And with great pride, I will vote for the Education Jobs Fund before the House today that will keep 350 teachers in my district in the classroom and off the unemployment line.

Madam Speaker, in keeping with our promise to restore fiscal responsibility abandoned by Republicans, the bill is fully paid for primarily by closing tax loopholes for corporations who ship jobs overseas *and* reduces the deficit by $1.4 billion over the next decade.

Madam Speaker, teachers out of work threaten our recovery, so I ask all of my colleagues to support passage of the Education Jobs Fund.

Ms. SCHAKOWSKY. Madam Speaker, I rise today in strong support of H.R. 1586, the Education Jobs and Medicaid Assistance Act. It is essential that we get this legislation to the President's desk as soon as possible.

In the wake of the Great Recession, state budgets across the country, faced with historic funding gaps, simply do not have the funds available to respond to the increased demands placed on Medicaid and school budgets. Unless we provide help by passing this bill, they will need to take resources away from other essential services, laying off firefighters and police officers.

H.R. 1586 extends Medicaid assistance for an additional 6 months, and provides Illinois with $545 million, to ensure that women and children, seniors, and people with disabilities do not lose access to their health care. There has been a bi-partisan call for this funding—sixteen Republican governors have publically expressed their dire need for this money. For the past several month I have heard from physicians, nurses, hospitals, patients, small clinics, all asking that Congress act to extend Medicaid support. Today their call has been heard.

Local school districts, teachers, and parents have also been in touch regarding the need for financial support during these tough economic times. H.R. 1586 provides $10 billion in educator support that will save 5,700 teacher, school counselor, and school support service jobs in my state alone. Because of this legislation, teachers will not be greeted with class sizes of 50 students, or worse, a pink slip, on their first day of school. It will help ensure that our children can continue get the education they need to be productive members of their community and be able to compete in the 21st century global economy.

This bill will save and create an estimated 319,000 jobs. That includes teachers, firefighters, police officers, nurses—all critical employees who get a paycheck from the state. It will also save private jobs. The Economic Policy Institute estimates that for every 100 layoffs in the public sector, the private sector sheds 30 jobs. This bill is not a handout provided during tough times—this is smart policy that will stem job loss and get us out of the Great Recession sooner.

Although this legislation is critically needed, I am greatly disappointed that the Senate included as a ''pay-for'' a provision reducing ARRA-enacted increases in Supplemental Nutrition Assistance Program benefits, or food stamps, beginning in 2014. SNAP provides vital, short-term support to individuals during their greatest time of need, ensuring that there is food on the table for themselves and their children. While we need to pass this bill today, I am committed to working with my colleagues to find the funding to restore SNAP funding before 2014.

Ms. JACKSON LEE of Texas. Madam Speaker, I rise in strong support of H.R. 1586, the Education Jobs and Medicaid Assistance Act. I support this legislation because it will save and create 319,000 American jobs—many of them in the education and health sectors.

In less than a month, millions of American students will return to school eager to begin a new year of academic and personal growth. However, the quality of the schools they return to is a matter to be determined. Throughout the country, thousands of teachers have lost, or risk losing, their jobs. This is something our children and our educators can ill afford. As we work to regain economic ground, this legislation provides a total of $10 billion in funding for education jobs to sustain thousands of schools educating millions of children. Moreover, this includes $830.2 billion dollars for primary and secondary schools in the state of Texas.

I am pleased that this legislation includes a provision that requires Governor Perry to certify that these emergency appropriations for public education will be used solely to add new funds for public education and not misused for other purposes. We all recall what happened last year when Governor Perry misused the Economic Recovery Act State Stabilization funds. In that instance, Governor Perry used $3.2 billion in similar aid last year as a substitute for, not an addition to, state aid to school districts. That was outrageous. It ignored the intent of our legislation, and it denied our children the education that they deserved.

I want to stress that the provision will not create a compliance burden on the state of Texas. Rather, it says only that the state cannot take the federal aid and then use it as an excuse to make disproportionate cuts in state education aid to school districts, relative to other parts of the state budget that might also have to take a hit in the next budget cycle. This required assurance is no more onerous than assurances Governor Perry has given previously to receive billions of dollars in other federal funds. Texas cannot afford to be left out again, and I join my colleague LLOYD DOGGETT and groups of teachers, principals and administrators from across the state of Texas who strongly support this provision.

Madam Speaker, I applaud you for reconvening this week to pass this crucial legislation. We have a bold vision for creating and sustaining an education system that prepares our children to excel. As President Obama said yesterday in Texas, ''education is the economic issue of our time.'' I could not agree more. Today we have the opportunity to pass legislation that will impact education jobs today and our children's job prospects tomorrow. With schools forced to make difficult personnel decisions before the start of the school year, this legislation is the necessary action at the necessary time. According to updated estimates from the Department of Education, the $10 billion education funding will save 161,000 teacher jobs.

In addition to education jobs funding, this legislation will also save and create jobs in the health sector. According to an analysis by the Economic Policy Institute, a non-partisan think tank, the Medicaid funds will save and create 158,000 jobs, including preventing the layoff of police officers and firefighters. More than half these jobs will be in the private sector, including workers who contract for or supply services to state and local governments.

Under the Recovery Act, enacted in February 2009, the federal Medicaid matching rate was increased by 6.2 percentage points for all states and by additional percentage points for states with high unemployment. These temporary provisions were enacted in response to the state fiscal crisis—with the increased Medicaid caseloads and decreasing state revenues resulting from the deep recession. However, these provisions are scheduled to expire on December 31, 2010 with dire consequences for our economy.

As the Center on Budget and Policy Priorities found: ''if Congress does not extend the enhanced Medicaid matching funds in last year's Recovery Act, most states will cut public services or raise taxes . . . without more federal aid, state budget-closing actions could cost the national economy 900,000 public- and private-sector jobs.''

Due to the deep and enduring recession, states have lost tax revenue for the last two years and revenues are projected to remain at severely-reduced levels throughout fiscal year 2011. As a result, states have been forced to scale back spending and implement large service cuts to balance their budgets. While fiscal austerity is important, budget cuts impact more than a bottom line—the local health and emergency personnel need their jobs to make ends meet for themselves and their families. By extending the Medicare matching funds, we will help state and local governments save money and allow them to stay afloat while the economy improves. At least 34 states will cut jobs and services if this assistance is not enacted. This legislation will have a direct impact on Texas by providing an estimated $858,000,000 for Medicaid fiscal relief which will, in turn, save and create thousands of jobs.

Madam Speaker, I thank you again for calling us back to session to save America's jobs.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Speaker, I rise today in support of the Motion to Concur to the Senate Amendment to H.R. 1586, which provides emergency education and Medicaid funding for the States. This $10 billion in education funding will save thousands of teacher jobs across this country. In my congressional district in Dallas, nearly 700 teacher jobs will be preserved with these emergency dollars.

In particular, I'd like to thank House and Senate Leadership for including within this bill Texas specific language that would prevent the State of Texas from misusing federally directed dollars for educational purposes. When Texas was awarded $3.25 billion for the State Fiscal Stabilization Fund, this money never made it to the local education agencies. Instead, it was placed in a rainy day fund by the Texas Governor. This was not the intent of these funds, and it has forced Congress to prevent this situation from happening again.

Provisions inserted into this bill would prevent Texas from placing these emergency dollars meant for teachers into any other fund. It would tie funding to Title I schools, so that this money goes to our neediest schools. It would also prevent the State of Texas from making a severe and disproportionate cut to state education funding next year. We did this, so that the Texas Governor could not say to Dallas schools, since you received $39 million extra from the federal government last year, we're going to cut your funding by the same amount for 2011. If the State of Texas cannot abide by this and rejects the funding, then the Department of Education will provide the money directly to the local education agencies. No matter what this money will go to our schools and students.

The State of Texas has shown it cannot act in good faith when it relates to federal funding for our schools. These dollars are imperative and will save 14,500 teacher jobs across Texas.

I do have some concerns regarding this legislation and offsets that are made to fund this bill. In particular, I disagree with a funding cut to the Supplemental Nutritional Assistance Program. At a time when we have record enrollment in the SNAP program, a decrease in funding to this program is very disconcerting. We must not target the poorest among us in providing emergency funds for others in need. Despite my concerns I recognize the importance of this funding and support the passage of this legislation.

Mr. LANGEVIN. Madam Speaker, I rise in support of the Education Jobs and Medicaid Assistance Act. This bill will supply much needed fiscal relief to Rhode Island, providing $33 million in education funding to prevent hundreds of teacher layoffs, as well as $70 million in Federal Medicaid funding that will help the state close a significant budgetary gap.

While Congress has taken unprecedented actions over the past two years to avert a full economic depression and put our country back on the path of positive economic growth, the recovery has been slow and painful. This is particularly true in Rhode Island, which has the fourth highest unemployment rate in the country at 12 percent. Rhode Islanders are still struggling to find jobs; and we are finally beginning to see glimmers of hope in a still fragile economy. We simply cannot afford to lay off more dedicated workers, create longer unemployment lines and slash social services at a time when people need them the most.

This legislation includes $10 billion in emergency support to school districts and ensures that states use these funds for the preservation of jobs serving elementary and secondary education. It is anticipated that the $33 million in funding to Rhode Island will save 500 education jobs. Investing in our children's education not only has long-term benefits to our economy, but it also delivers on our nation's promise to ensure that all individuals have an equal opportunity to succeed.

Also included in this measure is $16.1 billion in health assistance to states, $70 million of which will be allocated to Rhode Island. This funding will prove vital to reducing the state's budgetary shortfalls, and will help keep many workers on the job, including our police officers and firefighters. It is expected that more than half these jobs nationally will occur in the private sector, including workers who contract with, or supply services to, state and local governments.

Finally, this bill is completely paid for, with no increase to the federal deficit. According to the Congressional Budget Office, the bill reduces the deficit by $1.4 billion over 10 years by closing international tax loopholes and cutting back on other federal programs. However, I am disappointed that one of the programs slated for cuts is the Supplemental Nutritional Assistance Program, particularly given the increased need for food assistance as our families continue to recover from the economic downturn.

I urge my colleagues to support this bill and protect the jobs of our teachers, first responders and other employees, in both the public and private sector.

Mr. DICKS. Madam Speaker, the Senate proposes rescissions totaling nearly $2.2 billion to Department of Defense programs in their amendment to the 2010 Supplemental Appropriation. These rescissions will not harm DoD programs and will not affect the conduct of continuing operations in Afghanistan or Iraq.

The Senate bill proposes rescissions in three categories.

First, in section 303, the Senate amendment proposes $1.6 billion in rescissions based on the Department of Defense accounting reports. These rescissions are a reflection of balances that would likely expire at the end of this fiscal year, or be reprogrammed for other efforts.

Second, in section 304, the Senate amendment proposes $382.5 million. Of this amount, $260.5 million is from funding appropriated in the American Reinvestment and Recovery Act for facilities sustainment, restoration and modernization. This funding is available for rescission based on contract savings. This section also rescinds $122 million of funding from Marine Corps procurement because the Marine Corps has not been able to spend this money.

Third, in section 305, the Senate amendment proposes $203 million. Of this amount, $116 million is derived from an Army procurement program, the Non Line of Sight Launch System (NLOS–LS), which the Department of Defense terminated earlier this year. This section also includes $87 million of funding from Other Procurement, Army due to slower than planned spending rates in Army truck and communications programs.

The Senate amendment would not affect contingency operations in Afghanistan or Iraq. Those funds are provided separately to the Department of Defense, and are given special designation. None of the funds proposed for rescission are those designated for Overseas Contingency Operations.

The DoD budget is sufficient to shoulder part of the burden to provide financial relief recommended in this bill. I urge your support for this bill.

Mr. DAVIS of Illinois. Madam Speaker, I thank you for the opportunity to vote on this important bill that will provide critical aid to states and local governments. The House of Representatives twice has passed bills to provide federal assistance for education and health. I am pleased that we finally are able to deliver this desperately needed federal support to our constituents.

I support this legislation because it will provide essential assistance to Chicago, Illinois, and the nation. The Illinois Association of School Administrators estimates that Illinois will lose more than 20,000 education-related jobs for the upcoming school year. The State of Illinois anticipates receiving approximately $415 million to keep 5,700 teachers in the classroom. My congressional district is expected to receive approximately $36 million to keep 508 educators teaching my young constituents. This $415 million will provide a lifeline to local school districts with straining budgets to preserve some of these jobs, improving children's learning and the economic well-being of my state and the nation.

In addition to this vital education funding, this bill will provide $550 million to help cover 300,000 Illinoisans on Medicaid—preserving services, allowing timely payments to providers, and creating thousands of jobs. These are not theoretical numbers; to people in Chicago and Illinois, they are very real people who benefit. The beneficiaries are mothers, fathers, young adults, senior citizens, and children in Illinois. The beneficiaries are the teachers, firefighters, and police officers who will continue to work as educators and protectors of our communities. The beneficiaries are small businesses in the private sector who contract with state and local governments to provide health-related work.

Given the desperate need for this funding in my district and state, I cast my vote in support for this federal aid to preserve education jobs and health services for low-income persons. This said, I wish to voice my disappointment that one of the offsets for this bill sent to us by the Senate is a reduction in funding for poor families in need of federal aid to purchase food. Children and families who receive food assistance are some of our most vulnerable citizens. In 2009, 1.46 million Illinoisans in 677,000 households received food stamps with an average per month of about $136 for a total benefit value issued of $2.3 billion. There are many poor families in Chicago and Illinois who need the full amount of the food benefits. Even if the impact is a few years away, I am disappointed that my vote to provide almost $1 billion of federal assistance to my state occurs by reducing future benefits to the poor. I vow to work actively with my colleagues to replace this funding so that no reduction in food assistance comes to fruition.

Mr. BROUN of Georgia. Madam Speaker, due to a previously scheduled commitment, I was unable to return to Washington, DC, on August 10, 2010, to cast my vote in opposition to rollcall No. 518, the ''Education Jobs and Medicaid Assistance Act,'' incorporated as a Senate Amendment to H.R. 1589.

This bill is nothing more than another state bailout that prevents states from making responsible budgetary decisions while increasing federal deficit spending. It provides $26.1 billion in temporary state education and Medicaid assistance paid for through a combination of permanent federal tax increases, spending rescissions from the Stimulus Act, and questionable accounting methods from the Food Stamp Program.

As a condition of receiving the federal education funds, states are forbidden from reducing educational expenditures below 2009 levels and must use the funds to pay for teacher salaries. This assistance is similar to the State Fiscal Stabilization Fund created in the first stimulus that has already distributed $53 billion to states' education budgets and, in many cases, was used for teacher salary raises—not to meet funding gaps. Providing more federal funding to states' education budgets will further delay the states from making sensible reforms to ease their budgetary pressures. Similarly, this bill will extend the federal Medicaid matching rate—also created in the stimulus—until June 2011, creating more state dependency on the federal government.

The American people are witnessing the results of this administration's extraordinary deficit spending, and it is not yielding the promised low unemployment and increased job growth. With the national unemployment rate still at 9.5 percent and existing historic deficits, it is time for the federal government to rein in its spending and allow the states to take responsibility for their own budgets.

Ms. MCCOLLUM. Madam Speaker, today the House of Representatives is voting on a jobs bill that will keep Americans working. This is a jobs bill that will keep 161,000 teachers in the classroom rather than in the unemployment line. This is a bill that prevents thousands of first-responders who are protecting our communities today from losing their jobs tomorrow. Passing this jobs bill is not a luxury or an act of political patronage as some Republicans claim. This bill is about saving and creating jobs while keeping communities in Minnesota and across the country safe, strong, and sustainable as this economy recovers.

The Speaker of the House, NANCY PELOSI, is to be commended for calling the House back into session during this August recess. The Education Jobs and Medicaid Assistance Act (H.R. 1586) needs to be passed and signed into law as soon as possible. Jobs are at stake. Families are at stake. The education of millions of students is at stake. Speaker PELOSI recognizes the crisis that state and local governments are facing, and she is committed, along with many of us, to making sure teachers stay in the classroom and states receive essential Medicaid assistance, FMAP, as soon as possible.

With states facing a $140 billion fiscal year 2011 cumulative budget gap, there is a critical need for Washington to provide state fiscal relief that can sustain the economic recovery. The state fiscal crisis is tearing an already fragile safety net, hurting communities, and inflicting hardships on our most vulnerable citizens. Dozens of states, including Minnesota, have been hit hard by a loss of tax revenue as a result of workers losing their jobs and unemployment remaining high. State and local governments have been forced to cut 100,000 jobs in the last 3 months alone as they struggle to balance budgets. We know that police officers, first responders, teachers, and other vital government workers who keep our communities safe, strong, and sustainable are getting laid off when our families need them on the job.

The $26.1 billion in federal support for teachers and Medicaid provided in this bill is completely paid for by closing foreign tax loopholes exploited by corporations, rescinding funds from outdated programs, and cutting funding for other programs. This bill is not deficit neutral; it actually reduces the deficit by $1.4 billion over 10 years.

While paying for a bill that is projected to save or create nearly 320,000 jobs is not easy, I cannot hide my disappointment that nearly $12 billion in offsets were achieved by reducing benefits to food stamp recipients starting in 2014. I hope the reductions in benefits, which are provided by the Supplemental Nutrition Assistance Program, are restored and hungry families are not forced to bear the burden of providing fiscal relief to state governments.

As our economy slowly recovers it remains in a fragile state. Congress has an obligation to act to preserve jobs, sustain the economic recovery, and overcome the perpetual political game playing of a minority party that is willing to put 161,000 teachers in the unemployment line rather than keep them in the classroom. In Minnesota, this bill will provide $167 million to prevent 2,800 teachers from being laid off. It will save the State of Minnesota $346 million under a 6-month extension of the FMAP provision in the Recovery Act, according to the Center on Budget and Policy Priorities. In Minnesota's Fourth Congressional District, which I represent, nearly $30 million in funding will keep 411 public school teachers in the classroom to the benefit of our children and our community.

It would be my hope that this bill will pass the House with bipartisan support. There is support from Democratic and Republican governors. Some 42 governors, including 16 Republicans, wrote to Congress seeking the Medicaid assistance provided in this bill. Their letter said the most efficient way to help states avoid further layoffs and service cuts that could otherwise slow the recovery is to provide a two-quarter extension of Medicaid aid.

Unfortunately in Congress my Republican colleagues are more concerned about November's election and playing politics than keeping teachers in the classroom. The $10 billion provided to keep 161,000 teachers working for our children should be a litmus test for voters. This is a vote for jobs and for our children's future. This is a vote that will expose Republicans as either defenders of jobs or as nothing more than a party that cuts taxes for the rich, protects Wall Street executives, and is willing to throw 161,000 public school teachers out on the street while our children suffer.

I am proud to vote for this bill. I am proud to support the men and women who have chosen a career of service as educators in public schools. The benefits of this bill will be felt in every state and every public school in the country and I urge all of my colleagues to vote for H.R. 1586.

Mr. HOLT. Madam Speaker, the bill before us makes critical investments in education which are fully paid for by closing tax loopholes that reward corporations who ship jobs overseas and by finding savings in other programs.

Just this week, the New Jersey School Boards Association released a survey that found that 80 percent of school districts expect to have larger class sizes and fewer teachers when school starts this fall.

Our children do not get a second chance to succeed in school, and our future economic growth depends on a well educated and innovative workforce. We cannot afford to shortchange our children or risk laying off our teachers.

The current economic downturn has hit the tax base hard, schools have suffered and many are being forced to cut services. Previously, the American Recovery and Reinvestment Act made several sound investments in public education to keep teachers in the classroom and help school districts avoid painful cuts.

Most, if not all, of this emergency funding has been spent. Further, at this most critical time, Governor Christie made the wrong call in cutting state aid to our local schools. Already he has cut $1.2 billion from education programs statewide.

The $10 billion included for the Education Jobs Fund will help keep teachers in the classroom and make sure that class sizes do not balloon next fall. This funding will help keep 161,000 teachers in the classroom and at work, 3,900 in New Jersey and 160 in Central New Jersey.

I am deeply concerned that Governor Christie is considering not applying for the funds our state is slated to receive. If he fails to do so, the legislation allows the U.S. Secretary of Education to make awards to other entities in New Jersey so our students do not suffer.

Mr. VAN HOLLEN. Madam Speaker, I rise in strong support of the Education Jobs and Medicaid Assistance Act—and the thousands of teachers, nurses, firefighters and police whose jobs it will preserve. Whether you look at this legislation from an economic recovery perspective, or a public safety perspective, or an educational opportunity perspective, it's simply the right thing to do.

The $16.1 billion in temporary Medicaid assistance to our states through June 30, 2011, will protect Medicaid participants and prevent the massive layoffs of first responders and other key personnel that would otherwise occur. And the bill's $10 billion education jobs fund will save at least 161,000 teachers' jobs—including an estimated 2,500 positions in my home state of Maryland—so that our children can continue to get the high quality education they deserve.

Madam Speaker, like many Americans, I was disappointed to hear the distinguished Minority Leader Mr. BOEHNER refer to our teachers, nurses, firefighters and police as "special interests." They are not. They are public servants whose efforts we're going to need to educate our children and keep our communities safe. But as disappointing as that comment was, it tells you a lot about the differences between the two parties as we head into a very important election season.

Finally, Madam Speaker, the cost of keeping our teachers in the classroom instead of the unemployment line is fully paid for by closing tax loopholes that encourage big corporations to ship jobs overseas. Most taxpayers would understandably be outraged if they were told that in addition to paying their own taxes, they should also be required to pay taxes U.S. multinationals owe to foreign countries for income those companies earn offshore. But through a process called "credit splitting," that's precisely what happens: U.S. multinationals are able to use foreign tax credits to reduce their U.S. tax liability, but in many cases never pay U.S. tax on the offshore income that generated those credits in the first place. As a result, U.S. taxpayers are effectively subsidizing the companies' foreign tax liability. Adding insult to injury, since this kind of burden-shifting isn't available for income earned inside the United States, our current rules actually encourage U.S. multinationals to invest their marginal dollar overseas.

We can and must do better. Vote "yes" for jobs at home and "no" to shipping jobs overseas.

Mrs. CAPPS. Madam Speaker, I rise in full support of this critical assistance for our teachers and relief for our state budgets.

Passage of this bill will provide over $1 billion in desperately needed Medicaid funding for California in order to protect essential health care services for our most vulnerable.

Without this crucial assistance, California's Medicaid program, Medi-Cal, would have to eliminate programs, reduce reimbursements and otherwise inhibit access to health care services at a time when more families than ever are relying on this safety-net program.

In addition, the emergency funding for education will bring $19.1 million dollars to my district just in time to begin the 2010–2011 school year.

There is no doubt in my mind that the preservation of 268 education jobs in my district alone was worth flying back to Washington to take this important vote.

I urge all of my colleagues to vote in favor of this legislation and hope to see it signed by the President as quickly as possible.

Mr. STARK. Madam Speaker, I rise today in support of the Education Jobs and Medicaid Assistance Act. This bill provides much-needed assistance to our community, by funding jobs in our schools and helping states maintain health coverage for low-income families.

Students are returning to school this fall, and states and localities are facing budget crunches that could lead to layoffs of teachers and first responders. These budget shortfalls also jeopardize health coverage for the millions of American families that depend on Medicaid.

The Education Jobs and Medicaid Assistance Act extends a program in the Recovery Act that support local school districts to prevent teacher layoffs. This bill provides $10 billion in funding that will create or save over 160,000 teachers nationwide, including 16,500 in California.

The legislation also extends a Recovery Act program that will provide $16.1 billion for states' Medicaid programs. Medicaid provides health care to low-income Americans, including children and pregnant women. In California, 7.5 million people depend on Medi-Cal, the state Medicaid program. If we don't provide this funding to states, many will be forced to balance their budgets by dropping people off their Medicaid rolls, cutting benefits, or weakening the program by reducing payments to doctors, hospitals, and other providers.

The Education Jobs and Medicaid Assistance Act will create and save over 150,000 jobs—including first responders, nurses, and private sector jobs—because it provides an influx of funds that enables states to balance their budgets.

This legislation does not add to the deficit. It is paid for by reducing government spending and closing tax loopholes for companies that ship American jobs overseas. With today's vote, this bill will go to the President's desk for his quick signature. I urge my colleagues to join me in voting yes.

Mr. ORTIZ. Madam Speaker, I rise in support of the bill before us today, which takes direct action to secure an ample education workforce that continues to prepare our children for the future. Teachers are the core of our educational system, and we must do all we can to ensure that their jobs do not fall victim to our economy, budget cuts or state partisan politics.

As Dean of the Texas Democratic delegation, I would like to thank the Speaker of the House, Committee Chairmen and their staffs for their support and willingness to work with the Texas delegation to ensure that Texas teachers and students directly benefit from this bill.

Included in the Education Jobs and Medicaid Assistance Act is explicit language requiring the State of Texas, specifically Governor Perry, certify that our emergency federal appropriations for public education will be used solely to add new funds for public education and not diverted for other purposes as was done last year with the Economic Recovery Act State Stabilization monies. We want to ensure that any new emergency funds Congress provides for education goes to enhancing our Texas schools and not the states' rainy day fund.

These funds will be directly distributed to local schools as long as the Governor certifies that (1) federal funds will not be used merely to replace state education support, and (2) education funding will not be cut proportionally more than any other item in the budgets of upcoming years. This prevents any further shell games with federal education dollars at the expense of local schools districts, who desperately need these dollars.

This approach has been endorsed by Texas statewide education organizations representing teachers, principals, school boards, school administrators, and nearly 40 superintendents, including those representing Brownsville ISD, Corpus Christi ISD, Gregory-Portland ISD, Kingsville ISD, Port Aransas ISD, and Robstown ISD.

To further address the claims from my friends across the aisle that this language is unconstitutional, the bill does not mandate any state or Governor to make a binding contract, but simply a good faith assurance that state education dollars will remain a priority in the coming years.

My Texas Democratic delegation colleagues and I have been fighting for this language to be included in the bill to ensure local school districts in Texas have the support they need. This is a good and long awaited bill that will save over 700 jobs in my district.

I strongly urge my colleagues to support it.

Ms. MATSUI. Madam Speaker, I rise today in support of the rule and the underlying legislation.

The Education Jobs and Medicaid Act would relieve strained state budgets, save jobs, protect public health and safety and ensure our nation's youth receive the educations they deserve.

This critical legislation is fully paid for and would help states and local communities in two ways:

First, the bill would provide states with funds to preserve the jobs of teachers, keeping educators in the classroom.

Second, it would extend a temporary increase in the federal Medicaid matching rate, providing desperately needed assistance to already cash strapped states.

These problems are known all too well in California and in my home town of Sacramento where we have been grappling with teacher and police layoffs to balance the budget.

My district's unemployment rate is 12.6 percent and the cutting of any jobs for those who teach and protect our children will continue to have a devastating impact on our future.

And if we cannot deliver money to FMAP the state will be forced to cut Medi-CAL and other programs, endangering the health of families and jobs in the health care sector.

These cuts would not only put the safety and well-being of our constituents at risk, but would also result in additional job losses, which we clearly cannot afford.

H.R. 1586 would make certain that my constituents and all Americans get the care and services they need.

The American people are feeling the effects of state budget constraints every day and they should not be forced to wait any longer for relief.

I urge my colleagues to support the rule and the underlying legislation.

Ms. LEE of California. Madam Speaker, I rise today to speak in support of the 13,500 teachers in California who will get to keep their jobs this fall as result of the education funding we provide today.

I rise in support of the over $1.8 billion that will come back to California to help pay for Medicaid assistance for low income people.

Without this crucial funding California would be forced into even more painful budget cuts that would have cascaded down to our local cities and counties—forcing layoffs for police, fire, EMT's and other critical personnel.

While I support this aid to the states to keep people at work—I am disappointed that the other body would choose to pay for this assistance on the backs of poor people who receive food stamps. I ask for unanimous consent to insert into the RECORD an August 6 editorial in the New York Times—Congress's Serial Hits on Food Stamps.

We spend trillions in support of two wars—funneling hundreds of billions of dollars into a black hole over at the Pentagon—yet we can't find another way to fund a good education for our kids or help States provide healthcare to the poor?

Have we lost our moral compass?

The Congress continues to throw away our children's inheritance in Afghanistan to pursue the longest war in American history, yet finds it okay to cut food stamps.

That doesn't make any sense! We should not have to choose between forcing people to go hungry and our children's education.

Madam Speaker, I will vote for this bill because the States are desperate for this money—but the other body should have done better.

In addition to these funds we should have been approving money to pay our debt to Black farmers and the Native American community, to fund youth employment programs, and to extend the TANF emergency contingency fund.

As Chair of the Congressional Black Caucus, I can say with certainty that we will not relent and will fight to get these priorities done. We should not have to choose between forcing people to go hungry and our children's education.

[From the New York Times, Aug. 6, 2010]

CONGRESS'S SERIAL HITS ON FOOD STAMPS

With some shabby sleight of hand, Congress has begun tapping into the food stamp program for the hungriest Americans to help pay for lawmakers' higher election-year priorities. The Senate approved two important measures this week—the $26 billion state-aid bill and the $4.5 billion school nutrition program—in part by shaving food stamp funds as a target of least resistance.

There is no denying that both of the programs are badly needed. The state aid package, regrettably compromised as it was, helps protect jobs for teachers and other workers facing layoffs. The school nutrition program provides the first improvements in a generation, including an increase in meal reimbursements and the power to set federal nutrition standards for schools.

But treating food stamps as the fungible means to worthy ends is a cowardly blight on Congress. After the Bush years of guilt-free tax cutting and deficit budgeting, lawmakers are self-righteously embracing pay-as-you-go legislation lest they be demagogued at the ballot box. So they resort to fiscal triage.

Originally, school nutrition was slated to be paid for by cuts in a farm conservation program. But Republicans rated this a high priority for the livestock industry. A deal was struck with Democrats to cut back on the scheduled boost in future food stamp benefits that was part of last year's economic stimulus. Food stamps took a second hit as lawmakers turned to it like an all-purpose A.T.M. to help cover the cost of state aid.

Senator Blanche Lincoln, a Democrat of Arkansas who fought hard to get the school nutrition improvements, told Politico.com that the food stamp increase was doomed in any case: ''You saw the teachers grab for it.'' Her comfort was those dollars would feed children. But this is a pale rationalization that downgrades the hunger of entire families. A companion bill in the House, yet to be paid for, is an opportunity to right this wrong.

In the crunch of the recession. if Congress lacks the guts to meet vital needs with deficit financing, it should have the decency to chisel some less-humane program than food stamps.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 1606, the previous question is ordered.

The question is on the motion by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LEVIN. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 247, nays 161, not voting 25, as follows:

[Roll No. 518]

YEAS—247

Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Cao
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castle
Castor (FL)
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Costa
Costello
Courtney
Critz
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
Delahunt
DeLauro
Deutch
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Fudge
Garamendi
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Perriello
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Space
Spratt
Stark
Stupak
Sutton
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wilson (OH)
Woolsey
Wu
Yarmouth

NAYS—161

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Boehner
Bonner
Bono Mack
Boozman
Brady (TX)
Bright
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Capito
Carter
Cassidy
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Cooper
Crenshaw
Culberson
Davis (KY)
Dent
Diaz-Balart, M.
Djou
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gohmert
Goodlatte
Granger
Graves (GA)
Graves (MO)
Griffith
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Lamborn
Lance
Latham
Latta
Lee (NY)
Lewis (CA)
LoBiondo
Lucas
Luetkemeyer
Lummis
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Myrick
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Stearns
Sullivan
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf

NOT VOTING—25

Berry
Blunt
Boustany
Broun (GA)
Buchanan
DeGette
Diaz-Balart, L.
Gingrey (GA)
Hinojosa
Jones
LaTourette
Linder
Lungren, Daniel E.
Meek (FL)
Miller, Gary
Neugebauer
Radanovich
Rooney
Roskam
Snyder
Speier
Tanner
Wamp
Young (AK)
Young (FL)

□ 1526

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 1586 and the motion to concur.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DANIEL E. LUNGREN of California (at the request of Mr. BOEHNER) for today on account of medical reasons.

Mr. GINGREY of Georgia (at the request of Mr. BOEHNER) for today on account of emergency dental surgery.

Mr. YOUNG of Florida (at the request of Mr. BOEHNER) for today on account of medical reasons.

ENROLLED BILLS SIGNED

Lorraine C. Miller, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 511. An act to authorize the Secretary of Agriculture to terminate certain easements held by the Secretary on land owned by the Village of Caseyville, Illinois, and to terminate associated contractual arrangements with the Village.

H.R. 2097. An act to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the writing of the Star-Spangled Banner, and for other purposes.

H.R. 3509. An act to reauthorize State agricultural mediation programs under title V of the Agricultural Credit Act of 1987.

H.R. 4275. An act to designate the annex building under construction for the Elbert P. Tuttle United States Court of Appeals Building in Atlanta, Georgia, as the ''John C. Godbold Federal Building''.

H.R. 5552. An act to amend the Internal Revenue Code of 1986 to require that the payment of the manufacturers' excise tax on recreational equipment be paid quarterly and to provide for the assessment by the Secretary of the Treasury of certain criminal restitution.