

legislative days in which to revise and extend their remarks and include extraneous materials on the Standards for the Electronic Posting of House and Committee Documents and Data.

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

There was no objection.

WELFARE INTEGRITY NOW FOR CHILDREN AND FAMILIES ACT OF 2011

Mr. BOUSTANY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3567) to amend title IV of the Social Security Act to require States to implement policies to prevent assistance under the Temporary Assistance for Needy Families (TANF) program from being used in strip clubs, casinos, and liquor stores, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare Integrity Now for Children and Families Act of 2011" or the "WIN for Children and Families Act".

SEC. 2. SPENDING POLICIES FOR ASSISTANCE UNDER STATE TANF PROGRAMS.

(a) STATE REQUIREMENT.—Section 408(a) of the Social Security Act (42 U.S.C. 608(a)) is amended by adding at the end the following new paragraph:

"(12) STATE REQUIREMENT TO PREVENT UNAUTHORIZED SPENDING OF BENEFITS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall maintain policies and practices as necessary to prevent assistance provided under the State program funded under this part from being used in any electronic benefit transfer transaction in—

"(i) any liquor store;

"(ii) any casino, gambling casino, or gaming establishment; or

"(iii) any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

"(B) DEFINITIONS.—For purposes of subparagraph (A)—

"(i) LIQUOR STORE.—The term 'liquor store' means any retail establishment which sells exclusively or primarily intoxicating liquor. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r))).

"(ii) CASINO, GAMBLING CASINO, OR GAMING ESTABLISHMENT.—The terms 'casino', 'gambling casino', and 'gaming establishment' do not include a grocery store which sells groceries including such staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities.

"(iii) ELECTRONIC BENEFIT TRANSFER TRANSACTION.—The term 'electronic benefit transfer transaction' means the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service."

(b) PENALTY.—Section 409(a) of the Social Security Act (42 U.S.C. 609(a)) is amended by

adding at the end the following new paragraph:

"(16) PENALTY FOR FAILURE TO ENFORCE SPENDING POLICIES.—

"(A) IN GENERAL.—If, within 2 years after the date of the enactment of the WIN for Children and Families Act, any State has not reported to the Secretary on such State's implementation of the policies and practices required by section 408(a)(12), or the Secretary determines, based on the information provided in State reports, that any State has not implemented and maintained such policies and practices, the Secretary shall reduce, by an amount equal to 5 percent of the State family assistance grant, the grant payable to such State under section 403(a)(1) for—

"(i) the fiscal year immediately succeeding the year in which such 2-year period ends; and

"(ii) each succeeding fiscal year in which the State does not demonstrate that such State has implemented and maintained such policies and practices.

"(B) REDUCTION OF APPLICABLE PENALTY.—The Secretary may reduce the amount of the reduction required under subparagraph (A) based on the degree of noncompliance of the State.

"(C) STATE NOT RESPONSIBLE FOR INDIVIDUAL VIOLATIONS.—Fraudulent activity by any individual in an attempt to circumvent the policies and practices required by section 408(a)(12) shall not trigger a State penalty under subparagraph (A)."

(c) CONFORMING AMENDMENT.—Section 409(c)(4) of the Social Security Act (42 U.S.C. 609(c)(4)) is amended by striking "or (13)" and inserting "(13), or (16)".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. BOUSTANY) and the gentleman from Texas (Mr. DOGGETT) each will control 20 minutes.

The Chair recognizes the gentleman from Louisiana.

□ 1340

GENERAL LEAVE

Mr. BOUSTANY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of the bill under consideration.

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

There was no objection.

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

I rise today, Madam Speaker, in support of H.R. 3567, a bill to ensure taxpayer dollars in the Temporary Assistance for Needy Families program are used as intended, and that is to provide support for low-income families and children and to help them move from welfare to work.

The TANF program was created in 1996, replacing the prior welfare program with one focused on work, providing short-term help, child care, and other work supports to get people back on their feet and earning a paycheck. In the years following, TANF was lauded as one of the most effective reforms in our social welfare system in American history. Employment rates of those on welfare surged, caseloads

plummeted, child poverty rates fell, and taxpayers were confident they were actually helping poor families, knowing that they were providing them with a hand up and not a hand-out.

Unfortunately, Madam Speaker, an issue has arisen in TANF that is eroding public confidence in the program. This is the issue of TANF funds, money meant to help poor children and their families, being accessed and used in liquor stores, strip clubs, and casinos. What started less than 2 years ago as research by one reporter in Los Angeles has grown into dozens of investigations across the country, with each new investigation adding to the story of how millions of dollars in TANF funds have been accessed in these locations.

Let me just mention some of what has been uncovered:

An Arizona investigation found welfare funds were accessed in liquor stores over 100 times in just 3 months;

A California reporter uncovered that welfare recipients cashed out over \$4.8 million in TANF funds in casinos over a 3-year period;

A Colorado news organization found cash was being withdrawn in strip clubs, casinos, and liquor stores, despite a State law on the books prohibiting such transactions;

An investigative report in Georgia revealed \$150,000 in TANF money was withdrawn in liquor stores, bars, and nightclubs;

KING 5 News in Seattle found 13,000 TANF recipients who had collectively withdrawn approximately \$2 million from casinos in 2010.

Madam Speaker, this is unacceptable. This is unacceptable to the American people.

When the L.A. Times revealed their shocking statistics on the millions in welfare that had been accessed in casinos, liquor stores, and strip clubs, the Governor of California took action to block these transactions immediately. Washington and New Mexico have prohibited access to welfare benefits in casinos. Texas prohibits the use of welfare benefit cards in liquor stores and casinos as well.

The legislation before us today would ensure that taxpayer dollars in the TANF program are being used as intended, and that is to assist poor families with their basic needs and to support them in their efforts to become self-sufficient. Under this bill, States would be required to block welfare benefit card transactions in casinos, liquor stores, and strip clubs and would be penalized if they do not implement such policies within 2 years of this bill becoming law.

This bill will also help restore the public's trust in the integrity of the program while ensuring families across the country continue to receive the assistance they need to move from government dependence to independence.

The bill we're considering today simply consists of one of the TANF provisions in H.R. 3659, the Welfare Integrity and Data Improvement Act that

was unanimously passed in the House in December. A provision closing what has been called the “strip club loophole” was also included in the Middle Class Tax Relief and Job Creation Act that also passed the House in December and is now in conference with the Senate.

With the exception of several technical changes suggested by the Department of Health and Human Services, it is also identical to bipartisan legislation introduced in the Senate last year by Senator HATCH and cosponsored by Senator BAUCUS, the ranking member and chairman of the Senate Finance Committee, respectively. I thank them for their hard work on this bill as well.

Passing this bill today will send three clear messages:

First, the House is serious about this bipartisan, bicameral reform becoming law, ensuring welfare funds are spent on families and children as intended;

Second, conferees on the yearlong payroll tax, UI and TANF extenders bill, should include this bipartisan provision in their conference agreement;

Third, if those conference discussions break down, the Senate will be able to join us in quickly passing this important bipartisan reform and getting it to the President’s desk.

I urge all my colleagues to support this important legislation.

I reserve the balance of my time.

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

Madam Speaker, I’m against fraud. I think everyone here is against it. I’m for what’s in this bill. That’s why I voted for it back in December, and I’ll vote for it next month, too, if that will make for more cooperation here in the House. I think, in a way, this is this election year’s “welfare Cadillac.” And I was against welfare Cadillacs, if there ever were any of those, too.

This year, we have the “strip club loophole” that has been defined as a political term to suggest that we have a lot of problems with poor people abusing their benefits. And to the extent that any poor person abuses even a dollar of these benefits and keeps those benefits out of the mouths of hungry children, providing the clothes those kids need to go to school, I’m against that, and I plan to vote against it today.

I favor comprehensive legislation against fraud in public assistance. It concerns me when a pharmaceutical company ends up having to settle for \$158 million in my home State of Texas because they allegedly lied about drug safety and bribed officials. It concerns me when a pharmaceutical company in the State of Texas has an \$84 million Medicaid fraud case brought against it. I think we need to be concerned about fraud in all of its aspects.

I’d feel better about this bill, however—because I think repassing it will accomplish practically nothing, I’d feel much better about this legislative effort if there were just an ounce of the concern that is voiced about the very

few people who abuse these benefits, if the same level of concern were expressed about the many who are there who are counting on the safety net, as flawed and frayed as it is, who were concerned about them and their families and their struggle to share in the American Dream and were doing something to get that approved.

Yes, we approved this piece of legislation as part of a broader extension of the Temporary Assistance to Needy Families program in December. And why hasn’t that become law?

It is separate legislation pending in the Senate. It is also part of the broader legislation extending the provisions on unemployment, on payroll tax relief. It ought to become law because we need to be concerned about those families that are playing by the rules as well as the very few who are not playing by the rules.

Now, the gentleman has said that in some States action has already been taken—California, notably—to deal with the few who might be cashing their benefits at a casino or a liquor store or whatever. Texas, my home State, was cited as one of those States that has already taken action. I think that’s great. There’s not anything to keep the States from taking action on this already, if this is a serious problem.

Now, some of them have not acted, not because of a lack of concern about fraud but because the mechanics of correcting these electronic benefit cards may actually be more expensive than the cost that is being experienced by the small number of people that might abuse the card.

You take Arizona, for example. Governor Brewer has plenty of time to shake her finger in the face of the President of the United States, to support legislation to discriminate against Hispanic families, who have been in that State for longer than she and her family have been in the State. If she thinks this is a serious problem, why doesn’t she act at the State level, as Texas and California and some other States have done, to address this problem?

I would submit, while I don’t object to this legislation in and of itself, that the bigger problem that we face is that the number of poor American families has surged over the last 4 years, up 27 percent. Ten million people are below what is officially agreed on as being the poverty line. And this Temporary Assistance to Needy Families program provides a few of those families a little bit of assistance, to have a chance to turn their lives around until they can find longer term employment to provide for their families.

□ 1350

How much money are we talking about that might be abused or wasted at one of these facilities, which might just happen to be the maintenance crew at the casino that use their benefits there. Or it might just happen to

be the only store convenient in a poor neighborhood is one that’s mostly selling alcoholic beverages, that they choose to do that. How much might they be abusing?

Let me tell you in my home State of Texas the median benefit for a single parent with two children is \$244 for an entire month to take care of those two children, 16 percent of the poverty level.

I want to be concerned, yes, about a dollar that is wasted. These are hard-earned tax dollars that go into these programs. We need to be concerned about every cent of abuse. But we also need to be concerned about the many who stand to benefit, who stand to have hope taken away if they don’t see these benefits extended.

My concern about that is not merely academic because of what happened last year, the bipartisan agreement that had extended through many years called the supplemental program, which was really a survival program for Temporary Assistance for Needy Families in poorer States like Texas. The Republicans chose to discontinue that program even though it had enjoyed bipartisan support and had received support letters from a number of Republican officials in our area. They chose to not continue that, and that has severely weakened the safety net in our State. That’s not being continued.

Whether they intend to abandon the entire Temporary Assistance for Needy Families program or cut it back substantially, it’s hard to tell, given the fact that they’re going only with the very modest provisions of this bill and not pushing to provide assistance to all of those who need that help.

I reserve the balance of my time.

Mr. BOUSTANY. Madam Speaker, I am very pleased to yield such time as he may consume to the distinguished chairman of the Subcommittee on Human Resources on the House Ways and Means Committee, the gentleman GEOFF DAVIS from the great State of Kentucky, the author of the TANF reauthorization, who cares deeply about the integrity of this program.

Mr. DAVIS of Kentucky. Madam Speaker, I would like to take a moment before speaking on this measure to respond to the gentleman’s remark, my friend, the distinguished gentleman from Texas and ranking member on the subcommittee.

We’ve worked very hard over the last year on the issue of data standardization, correcting flaws in the system, got the first data standardization language in the history of the country, an act that would begin to address issues like this. I beg to respectfully disagree with the position that the ranking member took on this, talking about the idea of convenience with the casino or adult establishments.

As somebody who grew up in interesting circumstances and has done a lot of volunteer work over the last 30 years with folks with challenges, the

first question that I would ask if somebody is in need of assistance is, what in the world are they doing using a card to get cash inside of a casino. I'm not impugning anybody's integrity, but as somebody who can look across the river from where I live where there are several casinos, there are more than enough establishments, and I think the deeper question that we have to address is how our funds are going to be used when we help those who are in need. There are legitimate needs that these people have, and we've got to make sure that this program is tight, that it has the integrity to function so that every dollar is going to meeting those basic needs. I think it's a very small thing to bring this type of integrity to the program.

I rise in support of H.R. 3567, the Welfare Integrity Now for Children and Families Act of 2011, introduced by my close friend from Louisiana, Congressman CHARLES BOUSTANY.

Temporary Assistance for Needy Families, or TANF, is a program that provides support for low-income families and children that helps them to move from welfare to work. It was a successful reform since it replaced the New Deal-era welfare programs in 1996, and TANF has been successful at cutting welfare dependence by 57 percent.

Are there opportunities to improve the program, to strengthen the program? Absolutely. There are a variety of issues and core processes that need to be addressed to bring more private sector practices into the management and administration of the program, like the data standardization that I talked about earlier, to allow us to understand how funds are being used and how better to serve those who are being helped by providing information to those on the front line.

Even more importantly, though, by promoting work among single parents, who are the most common welfare recipients, it helps significantly reduce child poverty in female-headed families over time. Even at today's elevated unemployment rates, TANF continues to promote more work and earnings and less poverty.

Despite this overall progress, TANF can and should be strengthened. Recently, concern has been raised about TANF benefits being withdrawn and used at strip clubs, liquor stores, and casinos. This is inappropriate as a use of taxpayer dollars and an outright abuse of taxpayer trust. Indeed, as my colleague from Louisiana highlighted, many local news investigations and exposés have verified this unfortunate abuse of a well-intended program.

One of the most shocking reports to me was from King 5 News in Seattle, Washington. They discovered through an investigation that 13,000 TANF recipients withdrew approximately \$2 million at casinos just in 2010.

I think it's very reasonable from an oversight position to ask the question, why are they in the casino in the first place? The use of these dollars can't

possibly be meeting basic grocery needs and things like that in an establishment like that or any other type of adult establishment.

Luckily, some States like Washington, New Mexico, and Texas have begun to take action on a local basis, but I believe this is one issue that we need to address at the Federal level, at the core, first by stopping this problem as a symptom and then dealing with the deeper systemic and process issues that we can establish through data standardization and simple controls so these cards will not even work in such an establishment.

H.R. 3567 would close the so-called "strip club" loophole within 2 years of enactment. The States would be required to block welfare benefit card transactions in casinos, liquor stores, and strip clubs. In plain language, welfare benefits could no longer be accessed at any of these facilities.

The same provision was included in H.R. 3630, the Middle Class Tax Relief and Job Creation Act, as well as H.R. 3659, a standalone TANF extension bill introduced by Congressman ERIK PAULSEN, both of which passed the House in December. This bipartisan, bicameral program integrity provision will safeguard taxpayer funds from abuse and ensure that TANF benefits will continue to provide a helping hand to families that are in need.

I urge my colleagues to support H.R. 3567.

Mr. DOGGETT. Madam Speaker, I commend the gentleman for his service as our subcommittee chair and on the data issue that will be important in reducing any kind of abuse of public assistance.

I now yield 2 minutes to my colleague from the Budget Committee and someone who's very knowledgeable about this, Ms. MOORE from Wisconsin.

Ms. MOORE. Madam Speaker, I rise in strident opposition to the underlying bill. I think that it's fairly cynical in these tough economic times when half of all Americans are either in poverty or at the precipice of poverty the Republicans want to impose even more barriers on families trying to access much-needed benefits.

I really don't think that this bill adds to self-sufficiency of families but rather is just more mean-spirited berating of low-income people who are eligible for these benefits, much like the mythical welfare queen or even the food stamp President.

This bill that includes the provision that blocks EBT cards from being used at liquor stores, strip clubs, and casinos, the proponents of this argue that there is no reason to use EBT cards in places like this. But I say it is an issue of universal access. I mean, if you want to stop to buy gas for your automobile and you live in Nevada and you work at one of the clubs or hotels, or you're living in a food desert in Chicago where the closest ATM is a liquor store, what stops people from going to Whole Foods and using the ATM card there and then

going to a casino? It is just another effort to berate those people who are in the lower class.

My colleague has already mentioned the additional burden that this imposes on States and financial institutions who will have to reconfigure thousands of ATMs.

My friends on the right side love to use the term "class warfare." And they love to say that we're just trying to pick on the 1 percent of this country.

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

Mr. DOGGETT. I yield the gentlelady 1 additional minute.

Ms. MOORE. But I say who's really working for the least of these?

Instead of hindering the American people, we need to be helping them, to provide greater access. Instead of passing these unproductive, symbolic, mean-spirited pieces of legislation, we need to create jobs and opportunities. I hope that the American people, Madam Speaker, can see the difference.

□ 1400

Mr. BOUSTANY. I want to thank the gentlewoman for raising the concern about ensuring that TANF recipients have adequate access to their benefits in a variety of locations. That's a very important consideration.

This bill requires States to block access to welfare benefits in casinos, liquor stores, and strip clubs. However, we know some grocery stores, convenience stores, and local markets may sell groceries but also sell alcohol and that some States may have gambling machines there as well. Because of this, the bill allows States to make accommodations for such stores so that they would not have to block transactions in places that sell groceries but that also sell alcohol. If a grocery store happens to have a gaming machine or if it's located in the same building or complex as a casino, there are provisions made in this.

So I thank the gentlewoman for raising this issue, but I'm glad that we can ensure the integrity of this program. I would submit the most important thing we can do is to ensure the integrity of the program so that it is there for the children and families that need it. Yet we want to ensure that there is not an overt abuse of these funds in strip clubs, casinos, and liquor stores while allowing for reasonable exceptions.

Also, I thank the gentlelady and the ranking member from Texas for raising the concern as to the issue of implementation cost, and I want to address that as well.

Some States have expressed that we have a loophole that could potentially be too costly or too difficult to close. However, I want to point out that these difficulties have been overstated. Washington State said the same thing when it was told \$2 million in TANF funds were being withdrawn in casinos in 1 year.

Madam Speaker, I submit for the RECORD an article from KING 5 News in

Seattle, Washington, that speaks directly to this issue. It talks about the surprising number of TANF withdrawals in casinos in the State, and it reports the State said the same things that we're hearing today in that it may be hard to close this loophole or that it would be too expensive to stop.

This article goes on to read:

"It turns out the fix wasn't difficult or expensive. For the Iron Horse Casino, it took about 4 minutes on the phone. Kealy," the casino owner, "says, in minutes and at no cost, his ATM vendor blocked EBT cards . . . Kealy and many other casino owners didn't wait for orders from the State. They already reprogrammed their ATMs . . . He's a board member of the Washington Restaurant Association, which he says is preparing to ask bars and taverns—businesses that are more alcohol than food oriented—to block EBT access to their cash machines. Kealy says that would mean another 2,000 ATMs couldn't be accessed for welfare cash benefits."

So I appreciate the concerns about the cost, but I believe closing this loophole simply won't be as difficult as some are making it out to be.

[From KING5.com, Sept. 23, 2010]

MORE BUSINESSES MAY PULL PLUG ON
WELFARE CASH CARDS
(By Chris Ingalls)

Many casinos in the state have taken steps to cut off the flow of cash to welfare recipients. This follows a KING 5 Investigation that showed millions of tax dollars being dispensed through casino cash machines.

Now we've learned thousands more ATMs could be blocked at other businesses where welfare dollars may not belong. Bars and taverns in Washington may follow the lead of casinos, which have already started reprogramming their ATMs so they won't dispense cash from EBT cards that are distributed to welfare recipients.

State records show the two ATMs at the Iron Horse Casino in Auburn dispensed \$780 in welfare in the month of July alone.

"Whew! It's unbelievable," said Iron Horse customer Louie Vaccaro. "We have so many problems in this state. To hear something like that is mind boggling."

"I was surprised by that," says the casino's owner Chris Kealy. "I did not know those cards could be used at these machines."

Kealy saw our stories last week that showed more than \$2 million in welfare cash withdrawn from ATMs in and around casinos in the last year. Initially the Department of Social and Health Services, DSHS, said putting a stop to those questionable withdrawals might be too difficult or costly.

"If we find that this is a small incidence that's happening, it might not justify the expense that it would try to prevent that activity," said Deputy DSHS secretary Troy Hutson in a story we aired last week.

It turns out the fix wasn't difficult or expensive. For the Iron Horse Casino, it took about four minutes on the phone. Kealy says in minutes, and at no cost, his ATM vendor blocked EBT cards—debit-type cards which DSHS uses to distribute cash benefits to 68,000 of the state's most needy residents.

Organizations representing both tribal and non-tribal gambling establishments in Washington pledged their full support when DSHS's secretary made an announcement two days after KING 5 Investigation aired.

"I want to shut down every ATM in gambling establishments that has EBT access," said Susan N. Dreyfus.

Kealy and many other casino owners didn't wait for orders from the state. They already re-programmed their ATMs. And Kealy isn't stopping with his own casino. He's a board member of the Washington Restaurant Association, which he says is preparing to ask bars and taverns—businesses that are more alcohol than food oriented—to block EBT access to their cash machines. Kealy says that would mean another 2,000 ATMs couldn't be accessed for welfare cash benefits.

"The taxes you are paying are supposed to help fund basic needs, human services," Kealy says. "We're all in this together. I'm supportive of that. But I'm not supportive of those dollars being used in facilities like this."

Gambling is one of the few restrictions on the use of welfare cash. It is illegal. Welfare cheats can still get their money at other ATMs, but casinos hope to stack the deck against them and send the message that welfare dollars aren't welcome on gaming floors.

Madam Speaker, I reserve the balance of my time.

Mr. DOGGETT. I yield myself 30 seconds to place into the RECORD a letter from the National Conference of State Legislatures as well as a letter from the American Public Human Services Association and the National Association of State TANF Administrators.

The gentleman may be right. He clearly lacks confidence in States' rights in these areas. The letter from the National Conference of State Legislatures points out that there is a financial burden that would be imposed on the States and that "the States have existing contracts with vendors that may have to be changed at a significant cost to the States." Let us hope that does not happen.

They come out firmly in opposition to this bill. I do not share that opposition, but I think they raise a legitimate concern about the added cost as well as the lack of confidence of my Republican colleagues in the ability of the States to police their own programs.

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
January 30, 2012.

Hon. JOHN BOEHNER,
Speaker of the House,
Washington, DC.

Hon. NANCY PELOSI,
Minority Leader,
Washington, DC.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI: On behalf of the National Conference of State Legislatures (NCSL), we write in opposition to H.R. 3567, the "Welfare Integrity for Children and Families Act of 2011," which is scheduled for a vote on the Floor under Suspension of the Rules on Wednesday, February 1. States share your concern about the inappropriate use of Temporary Assistance for Needy Families (TANF) benefits; however, NCSL strongly believes that these decisions are appropriately made at the state level.

When Welfare Reform was enacted in 1996 (P.L. 104-193), state and federal policymakers agreed to forgo the open-ended entitlement of AFDC for the flexibility afforded in the fixed TANF block grant. In this agreement, policy decision making authority was left up to the states including state legislatures. Mandating states to limit Electronic Benefit Transfer (EBT) transactions preempts state authority over the TANF block grant and undermines the strong state-federal partner-

ship undertaken in 1996. Additionally, NCSL is concerned about the financial burden this mandate would impose on states, many of whose fiscal situation is still perilous. States have existing contracts with EBT vendors that might need to be changed at significant cost to the state if this bill becomes law.

States are addressing the issues raised in H.R. 3567. To date, California and Washington have limited the use of EBT cards and addressed the complex implementation process of limiting EBT card usage. Many additional states are looking at similar EBT limitations and other ways to combat fraud and abuse in their current sessions.

If you have any questions regarding what states are doing to address the concerns of H.R. 3567 or to discuss the bill, please do not hesitate to contact Sheri Steisel (sheri.steisel@ncsl.org) or Emily Wengrovius (emily.wengrovius@ncsl.org).

Sincerely,

THE HONORABLE TOM
HANSEN,
South Dakota Senate,
Chair NCSL Human
Services & Welfare
Committee.

THE HONORABLE BARBARA
W. BALLARD,
Kansas House of Rep-
resentatives, Chair
NCSL Human Serv-
ices & Welfare Com-
mittee.

AMERICAN PUBLIC HUMAN SERVICES
ASSOCIATION AND NATIONAL ASSO-
CIATION OF STATE TANF ADMINIS-
TRATORS,

Washington, DC, December 12, 2011.

Hon. MAX BAUCUS,
Senator, U.S. Senate,
Washington, DC.

Hon. DAVID CAMP,
Representative,
Washington, DC.

Hon. LLOYD DOGGETT,
Representative,
Washington, DC.

Hon. ORRIN G. HATCH,
Senator, U.S. Senate,
Washington, DC.

Hon. GEOFFREY DAVIS,
Representative,
Washington, DC.

Hon. SANDER M. LEVIN,
Representative,
Washington, DC.

DEAR SENATOR BAUCUS, SENATOR HATCH, REPRESENTATIVE CAMP, REPRESENTATIVE LEVIN, REPRESENTATIVE DAVIS, AND REPRESENTATIVE DOGGETT: We are writing today to share our comments on provisions included in the Middle Class Tax Relief and Job Creation Act of 2011.

The American Public Human Services Association (APHSA) and the National Association of State TANF Administrators (NASTA) represent the state health and human services commissioners and the state TANF administrators, respectively. Both APHSA and its TANF affiliate, NASTA, appreciate the need for a fair and flexible block grant program that also ensures accountability for the use of precious federal funds.

Therefore, on behalf of the state health and human service commissioners and the state TANF administrators, we would like to thank you for including proposed legislation that would guarantee funding security for state TANF programs for the remainder of

the federal fiscal year. This is greatly appreciated as states continue to work with families dealing with the impacts of the recession. APHSA is also encouraged to see continued interest in improving the interoperability of data systems by establishing uniform, nonproprietary data elements. However, there is one provision of this language that our members find troubling.

Our members are concerned about the proposed mandate (Section 2304) included in this bill which would require states to develop and implement policies and procedures for state EBT cards, blocking their use at casinos, liquor stores and strip clubs. We believe that, at this moment, there is not enough known about the issue of potential EBT card abuse at these establishments to justify a federal mandate such as the one being proposed; furthermore, if a need does indeed exist for such legislation, we believe that it would be more appropriate for the issue to be addressed in a more thorough five-year reauthorization of the TANF program.

Currently, the Government Accountability Office is conducting an audit of ten states to determine what policies and practices are already in place to track and prohibit the use of EBT cards in specific circumstances or at certain venues. While some states have moved forward with implementation of policy that bars the use of EBT cards at certain types of businesses, not every state has seen the implementation of such a policy necessary, desirable, or cost-effective.

While blocking access to EBT cards at specific ATMs might be possible with existing technology, it is neither easy nor free of cost for the state. Most states do not have access to ATM addresses, only numeric codes. Shutting down ATMs requires considerable time (including on-site visits) to determine which codes are connected to ATMs in questionable locations, followed by constant monitoring to ensure that they remain inactive. Additionally, at this point it seems certain that some states will have more difficulty than others implementing this mandate due to differences in vendors or how their benefits system is set up. Finally, it is important to note that blocking ATM and/or POS device access at these locations will not prevent someone who is determined to patronize these businesses from making a withdrawal at a bank and spending that cash to purchase goods anywhere he or she wants.

APHSA and NASTA have cooperated fully with GAO in its work and we are very much looking forward to the results of the report. That being said, we hope that Congress appreciates that the passage of any legislation mandating policy changes, such as the one proposed in the Middle Class Tax Relief and Job Creation Act, ought to happen only after GAO completes the work commissioned by Congress. The results of the GAO study will provide the necessary information to help determine how states have addressed this issue already and whether or not this is indeed an issue that requires new statutory language.

Again, the state commissioners and the state TANF administrators appreciate the stability provided by this bill for FY 2012 and look forward to the opportunity to discuss the TANF program, as well as the larger issue of integrated human services administration, in the year to come as Congress prepares for a thorough reauthorization of the TANF block grant. If you have any questions please contact Ron Smith or Robert Ek.

Sincerely,

TRACY L. WAREING,
Executive Director, APHSA.
PAUL LEFKOWITZ,
Chair, NASTA.

With that, Madam Speaker, I would yield 2 minutes to a former member of

the House Ways and Means Committee, who is very familiar with these issues, and I hope a soon-to-return member of the House Ways and Means Committee, the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. I thank the chairman very much for yielding.

As I listen to the debate and the discussion and as I listen to my colleague from Wisconsin talk about universal access, I am reminded of something that I read relative to the period of not just dissent but a takeover of Germany. I remember something that a rabbi said: They came for the Communists. I was not a Communist. They came for the Socialists. I was not a Socialist. Then they came for me, and nobody was left.

It seems to me that, when we go after those individuals who are the most vulnerable people in our society and when we categorize and stereotype and make believe that if they get a card that they're going to be at the casino and that they're going to be at the strip joint, well, I can tell you that the people I know who get cards as TANF recipients are not usually found at a casino, and they're not found at a strip joint. As a matter of fact, if I thought that this legislation would provide one iota—one scintilla—of help for TANF recipients, I would be the first in line to support it. The reality is I don't believe it provides any help and that it does not provide any assistance, and I will certainly not be voting for it.

All lawmakers agree that we should limit waste, fraud and abuse of taxpayer dollars. We all agree that government assistance should be used for basic necessities, such as shelter and food. Unfortunately, the Republican bill is not a good faith effort to limit waste, fraud and abuse; in contrast, it fans the flames of prejudice with stereotypes portraying our Nation's poor as abusing government support. Simply put, this bill is a stereotype to rally the cry of the right wing that the poor in our country do not deserve government help.

Rather than proposing programs to spur the economy or get Americans working, this Republican leadership simply takes cheap political shots. There is no evidence of rampant abuse of federal assistance to fuel lewd and lascivious lifestyles. In the state of California that represents one third of the Nation's TANF caseload, over a 3 year period, only .04 percent of Electronic Benefit Transactions occurred at gaming establishments and only .001 percent at adult entertainment establishments. In Florida, over a two year period, only .03 percent of Electronic Benefit Transactions occurred at stores with liquor licenses and .06 percent at casinos or pari-mutuel betting locations. This is not widespread fraud and abuse, as the Republican bill will have you believe.

This bill is a false solution in search of a non-existent problem that serves to portray the poor as undeserving and fraudulent. The TANF extension is under consideration within the Payroll Tax Extension Conference. So, why is this provision on the Floor of the House this week moving separately? Solely to denigrate the poor and impugn their character to make the poor appear undeserving of government assistance.

If the Republican Leadership was serious about trying to address any potential fraud, they would have addressed this issue systematically in the context of reauthorization.

If the Republican Leadership was truly serious about addressing misuse of TANF dollars, they could have required States to detail how they are protecting against abuse while simultaneously ensuring that the state's response does not deny TANF recipients access to adequate access points and while ensuring that TANF recipients have Electronic Benefit access with minimal fees and surcharges.

If the Republican Leadership was truly serious about addressing possible misuse of TANF dollars effectively, they would have addressed the States' concerns about inability to regulate these transactions and the costly burden such government over-regulation would inflict. Indeed, the American Public Human Services Association and the National Association of State TANF Administrators have raised concern about whether there is truly a need for such legislation and about the costs of such policies.

If the Republican Leadership was truly serious about the use of TANF cards at certain establishments, they would have considered why low-income people may need to use ATMs located in these venues—mainly lack of access to a financial institution. In Illinois, an estimated 304,000 households have access to no bank, with an additional 773,000 households having only limited access to financial institutions. This is true in rural and urban areas. So, rather than trying to understand why a small percentage of low-income people use TANF cards in adult locations, the Republican Leadership declares, asserts, and decries these citizens are de-frauding the government.

—along with all my colleagues—staunchly oppose waste, fraud and abuse of government dollars. However, the purpose of this bill is not to curb abuse; simply put, H.R. 3567 seeks to discredit the poor. Rather than suggesting ways to help the unemployed access well-paying jobs, rather than advancing ways to cut taxes for the middle-class, rather than proposing ways to help our elderly maintain affordable health care, and rather than identifying ways to stop using taxpayer dollars to subsidize billions of dollars in profits of the oil industry or the private airplanes and tax shelters of the ultra-wealthy, the Republican Leadership again targets the poor—characterizing them as cheats and frauds.

Unfortunately, I know that this smear campaign against Americans who are struggling will continue. I am sure we will soon see bills denigrating the unemployed, those needing food stamps, the homeless, people who have historically struggled with substance abuse, and people who have gone to jail and are trying to get their lives back on track.

Mr. BOUSTANY. Madam Speaker, I am pleased to yield such time as he may consume to the chairman of the Human Resources Subcommittee, Mr. DAVIS.

Mr. DAVIS of Kentucky. I do feel compelled to respond since Martin Niemöller—the famous German Christian pastor who was quoted after World War II when talking about inaction—was dealing with the issue of the Holocaust, the scale of which was so unbelievably beyond the pale of a small technical fix

that we're talking about here that, I believe, the gentleman diminished the value of whatever argument he was making by even quoting him.

If I seem to recall my history correctly when I was running a business in 1996, during the welfare debate, Martin Niemöller was resurrected from the dead again, using the same quote that somehow, if we just touch anything that will provide integrity to our programs with which we want to help the poor, that, in fact, this is the march down the slippery slope to the complete takeover and removal of civil rights.

Come on, folks. This is a technical business discussion. If we were running a business together—and I believe the government should be run that way—I think we'd be sitting around a table in the operations room while planning ways to legitimately cut costs to more efficiently help our customers and to eliminate waste.

In using the gentleman's own argument that he brought up, this is the question again: If the vast majority—and I happen to agree with him—don't go in those places in the first place, why would we not want to put in a simple program control for that small percentage that does to prevent them from wasting taxpayer dollars?

From the casinos that we have across the river, from some of the economic hardship that comes from that and from my constituents who have families who have been damaged by this, I know, in walking inside any number of the casinos on the Ohio River, that I'm not seeing grocery stores, that I'm not seeing provisions for food. What I'm seeing are ATMs and access to free chips and for gambling—not to eat.

I think this begs the deeper question: To the average man or woman on the street, if we ask the question "Is it reasonable?" absolutely.

I want to bring us back to the central point here as to what this does. First is the idea that it costs too much, and I'll speak for my other life as a systems professional. The gentleman from Louisiana rightly pointed out that the fixing of the system is actually an easy thing to do, and we will find ready participation and cooperation from those who are involved because they understand the stakes in this. The goal of their businesses is not a further recycling of poverty. The goal of their businesses is to make sure, to some degree, that money is not used in a manner that reflects poor stewardship. I think, ultimately, this is a backstop to assure that money that belongs to the United States taxpayer that's being given to them as assistance is going to be used in a proper manner.

At the end of the day, that refutes the baseline of these arguments—again, going back to the great success that our staffs have had and that the gentleman from Texas and I have had over the course of the last year to really begin to move serious, nonpartisan process reforms that will help to fix de-

ficiencies in the system which are not Democrat or Republican at their root but are addressing real questions of broken processes.

If we were sitting there among ourselves in a business together that we were running or if we were sitting with our families and if we noticed that there were an issue, hey, we could put a stop to that and we could fix that. Why don't we do the same thing here? It's not an unreasonable request to look at that.

Again, some of the speakers are not on our subcommittee, and I think we've had great success in keeping the tone of the debate focused on the core process problems, not on extremely energetic and emotional rhetoric that really doesn't address this root issue. That would be my request as we move forward. This is a good fix. It is a cheap way to save taxpayer money to legitimately help those in need.

□ 1410

Mr. DOGGETT. I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Madam Speaker and Members, I came to the floor to address this issue. Despite the fact that I understand that it's kind of a good political issue in an election year where many people will use this to say I'm saving the government money and I'm keeping those folks on welfare who don't deserve government support anyway from using this money or this EBT card to have access in ways that will allow them to be in and take advantage of casinos and strip joints, et cetera, and it's a very sexy argument and it looks good and you'll get a lot of play off of it, so I understand that coming to the floor to protect the poor and the most vulnerable is not popular, but think about it, just think about it.

Many of you come from districts where there are liquor stores. These are small businesses, and most of these liquor stores now serve more other products than they do liquor. They have milk; they have juice; they have bread; they have meats. They have the kinds of things that many of these poor families need and they buy at liquor stores.

Why do they buy them at liquor stores? Because they're in these food deserts that you have heard the First Lady talk about, areas all over this country, whether it is rural or whether it is urban, where they don't have grocery stores. They don't have the big chains. All they have are these small business that are liquor stores who carry all of the products that a family could use to feed their family, not just liquor.

And so I would ask you to take a real close look at this and at least exclude the liquor stores. These small businesses are very important all over this country. Yes, they sell liquor. Many of us don't like the idea that even in some of these places there are problems, but the folks who go there don't have to

buy liquor. If there are problems at any of these liquor stores, local law enforcement should do its job.

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

Mr. DOGGETT. I yield the gentlelady 1 additional minute.

Ms. WATERS. And so when you include liquor stores, all you're doing is attacking some small businesses who are providing foodstuffs—not just liquor, but foodstuffs; not only in inner cities, but in rural communities—that families need. So this is punishment, this is being very harsh on the most vulnerable people in our society to include liquor stores in this group of stores that you would not like to have the welfare recipients use.

Again, I could go along with strip joints; I could go along with casinos. But as I travel across the country, I cannot go along with excluding liquor stores from being able to provide food that's needed to these poor families that live in these food deserts where there are no grocery stores, no chains, no other place for them. And when they have transportation problems, it really does wreak havoc on them trying to get even to a place where they could buy food.

So if you would understand that and work to try to make sure that this doesn't stay in here, I would appreciate it.

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

Mr. DOGGETT. I yield the gentlelady an additional 30 seconds.

Mr. STARK. Would the gentlewoman yield?

Ms. WATERS. I yield to the gentleman from California.

Mr. STARK. Isn't it true that in most of the liquor stores and other establishments of that type they charge no fees for cashing the checks because they want people to get the cash to gamble? In many of our districts in California they don't have to go to these payday loan places and pay exorbitant fees to get a check cashed and so that it really, in many ways, it is helpful in our communities.

Ms. WATERS. It is very helpful. With the liquor stores, they help to stimulate the economy. They sell all of these foodstuffs. They hire a few people. Some families have three and four family members.

So, yes, I would ask that you exclude liquor stores from this consideration.

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

I thought I made it clear, and I think Chairman DAVIS did also, earlier, that there are provisions to allow for exceptions as long as the facility serves food. We're talking about stores that purely sell liquor. So I think the gentlelady's concerns are addressed with the bill as written.

Furthermore, I would just say that on this side of the aisle, we care very deeply about this program. There's

broad agreement it's a valuable program. It's worked.

If you care about children and you care about needy families in this country, then you should care about ensuring the integrity of the program and making sure that the dollars that taxpayers put forth for these needy families, these needy children, actually go to those families and not buying liquor and patronizing strip clubs and going to casinos.

That's what this bill intends to address. That's what it does address. It creates the proper flexibilities for the concern that the gentlelady has and others on the other side of the aisle have about access. If food is sold, access will not be denied.

I reserve the balance of my time.

Mr. DOGGETT. Well, I couldn't agree with the gentleman more about the importance of preserving, in his words, "the integrity of this program." That means that none of the public funds are wasted or used in an improper way, but it also means that the program's integrity is preserved to deliver the assistance that is needed for the many, many families that are playing by the rules and need a helping hand. And that's the only area we have difference in this regard as far as I personally am concerned.

The House has already spoken on this electronic benefits issue. I don't see any harm in the House speaking again this week or next week or next month—I don't see a great deal of gain from repassing it, but why not? But what I do see harm in is if the many, many people that are playing by the rules and need this assistance see their safety net shredded the way these same folks shredded the safety net last year when they did not renew the bipartisan TANF supplemental program that has been so important in poor States with large populations of poor people, like Texas.

There are families there, there are State programs there that are harmed by the unjustified refusal to extend that program. At least with what's left in the Temporary Assistance for Needy Families program, which we passed here as a freestanding bill in December with this provision in it, let's pass that entire bill. Hopefully, this message says little more than say that the House still feels today the same way that it felt 6 weeks ago.

That's fine, but let's get this entire Temporary Assistance for Needy Families program approved and in place so the States and the families that depend upon it will have it there.

I yield 30 seconds to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. There's some confusion about what is excluded or included. As I understand it, a liquor store that just sells just juice or milk would not be considered a store that sells food.

Is that correct? Is that your understanding?

I yield to the gentleman from Louisiana.

Mr. BOUSTANY. If food products are sold at a store?

Ms. WATERS. Milk.

Mr. BOUSTANY. If any type of food product, including milk, is sold at a store, States can except those from the provisions in this bill.

Ms. WATERS. Reclaiming my time, that is not my understanding, and I would hope we could work together.

Mr. BOUSTANY. Would the gentlewoman yield?

Ms. WATERS. I yield to the gentleman from Louisiana.

Mr. BOUSTANY. The definition is staple foods, which include milk.

Ms. WATERS. Milk is included in the bill.

Mr. BOUSTANY. Madam Speaker, I would ask if the gentleman has yielded back all of his time?

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

Mr. BOUSTANY. I am pleased to yield the remaining time to the gentleman from Kentucky (Mr. DAVIS), the chairman of the subcommittee, a gentleman who has diligently worked in good faith with the ranking member to reauthorize a TANF program with integrity that ensures that children and needy families get the assistance that they need.

The SPEAKER pro tempore. The gentleman from Kentucky is recognized for the balance of the time which is 3 minutes.

□ 1420

Mr. DAVIS of Kentucky. Madam Speaker, again I remind all of my colleagues that when we talk about such matters, it's helpful to focus on tone. The one thing I'm going to respond to, when the comment was made "that you people shredded," I would have to remind all Members in the Chamber and the Speaker that, in fact, that was passed in a Democratic House when the Speaker was Ms. PELOSI and the leader of the Senate was Senator REID.

We have worked in good faith through this process. And what I would remind folks about the fundamental question as we look at this, the real issue here—and I grew up in a dysfunctional family. I know what it means to see dysfunctional alcoholism with a stepfather leaving and spending the money in places that were inappropriate; and I think it's a fair question, as someone who has lived that as a little boy, to say, wait a minute, if Dad wants to run off with the EBT card and go to one of the boats over in Indiana, we as a body have a responsibility, Democrat and Republican, who care very deeply for this country and for our citizens, to say wait a minute, that's not an appropriate use.

The businesses themselves will cooperate. There's a contextual issue to allow the States to deal with the specific uniqueness of providers of food-stuffs. But at the same time, I think that if an EBT card is being used in a place that may have a drink rack inside of it and pole dancers on the other

end, that is not, under any standard of morality, a place where the EBT card should be used.

I can think of no mother who would want the money spent there. I can think of no circumstance that would justify it. And, frankly, having my own stepfather come home drunk and beat up me and my mother after running around out in town with what money she basically earned, I would say in this case it's unacceptable.

Let's come back to the real world, and I'm not going to yield my time. Let's come back to the real world and look at the reality of this. What is being asked is a procedural and a process change to give better stewardship to a program on which we agree about the fundamentals, specifically, the data standardization and control. There's virtually no cost to this.

I understand we have honest differences of opinion here; but I would appreciate that the rhetoric be toned down and we focus on the reality of this. If we ask any mom or dad or recipient or taxpayer out on the street this fundamental question, I think overwhelmingly, when they heard it in the context of reality and not sometimes the things that happen in the Chamber here, they would look at it from a different perspective. That's what we're asking.

With that, I ask all Members to support this very reasonable, very measured, very balanced way to fix a flaw in a program that can be made better as a result of that, be better stewards of our taxpayer dollars. And with that, I urge passage.

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

This bill closes a loophole that, if left uncorrected, would continue to allow millions in welfare funds to be distributed in liquor stores, casinos, and strip clubs.

Now that this issue has been highlighted by news organizations across the country, we must stop this abuse of taxpayer funds and ensure this money is used as it should be—to help poor children and families make ends meet.

A number of States have already closed this loophole, but this bill will help restore the public's confidence in the program and ensure that States work together to end this abuse once and for all.

I strongly encourage my colleagues to support this measure, as they have done previously, so that we can ensure taxpayer dollars are used as they should be.

Ms. LEE of California. Madam Speaker, as the Co-Founder of the Congressional Out of Poverty Caucus, I rise in strong opposition to this shameful bill, H.R. 3567.

This is a distasteful and misleading bill that tries to make it seem like every American in poverty is somehow immoral or criminal.

Nothing could be further from the truth. The vast majority of TANF recipients want nothing more than a good job to support their families and build a bridge to reach their American Dream.

Now, no one wants TANF dollars to be spent in casinos or in adult entertainment venues, but this bill does nothing to actually

prevent that. Shutting down ATM's in those locations doesn't stop the money being spent there. In addition, this bill would force states to certify nearly every small business as a non-liquor store and how are the standards to be established and maintained?

This bill would create an entire nation wide bureaucracy to address a problem that affects less than 4 one hundredths of one percent (.04%) of all TANF funds and would completely fail to save any money at all.

Instead of passing a jobs bill, Republicans are once again just looking to distract from the real issues, this time by attacking American families in need.

This bill is just a sad attempt to divide our nation by mimicking the Ronald Reagan myth about the Cadillac driving welfare queen. It was untrue then and it is still untrue today.

As a single mother who once relied on food stamps and assistance to get by during a very difficult period in my life, I am appalled to see Republican politicians attack struggling American families just because they need a helping hand. TANF benefits keep children in homes and in school. TANF benefits keep American families from suffering abject poverty.

What we should be doing is helping these families reignite their American Dreams, not making blanket accusations against every low income family in America.

Mr. PAULSEN. Madam Speaker, thank you and thank you Dr. BOUSTANY for introducing this legislation.

I rise today as a co-sponsor of H.R. 3567, the Welfare Integrity Now for Children and Families Act because at a time when millions of Americans are still out of work, and our economy is struggling to recover, we must take every step available to safeguard taxpayer dollars.

Madam Speaker, between January of 2007 and June of 2010 nearly \$5 million in state-issued benefits were withdrawn from ATMs in California casinos alone.

We need to correct this problem, and H.R. 3567 does just that.

This provision requires all states to take steps to end this abusive practice, safeguarding taxpayer funds from abuse by ensuring that welfare funds are not accessed in strip clubs, liquor stores, and casinos—a practice which has been highlighted in news stories across the country.

This bill ensures all states take action to close this loophole. I note that this policy is the same as that introduced by Senators HATCH and BAUCUS, the Ranking Member and Chairman, respectively, of the Senate Finance Committee, so it has strong support in the other body as well.

Let's continue the momentum, pass this legislation, and prove to the American people that we are here to get things done in 2012.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BOUSTANY) that the House suspend the rules and pass the bill, H.R. 3567, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further pro-

ceedings on this question will be postponed.

FISCAL RESPONSIBILITY AND RETIREMENT SECURITY ACT OF 2011

Mr. GINGREY of Georgia. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1173 and insert any extraneous material on the bill.

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

There was no objection.

The SPEAKER pro tempore (Mr. BOUSTANY). Pursuant to House Resolution 522 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1173.

□ 1425

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1173) to repeal the CLASS program, with Mrs. MILLER of Michigan in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall be confined to the bill and shall not exceed 1 hour, with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce, and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means.

The gentleman from Georgia (Mr. GINGREY) and the gentleman from New Jersey (Mr. PALLONE) each will control 20 minutes. The gentleman from Louisiana (Mr. BOUSTANY) and the gentleman from California (Mr. STARK) each will control 10 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. GINGREY of Georgia. Madam Chair, I yield myself such time as I may consume.

Madam Chair, it has been more than 2 years since the CLASS Act was first debated as part of the President's health care takeover debate. We knew then that the program was flawed and unworkable; yet the Democratic-controlled Congress ignored these concerns and instead rushed the CLASS program through as part of the President's health care law.

Now, 2 years and more than \$800 billion later, we have finally heard from the President and his administration that while they have wasted taxpayer dollars, this program is in fact not implementable. Surprised? Well, you shouldn't be.

The truth is that unbiased analysts such as the American Academy of Actuaries had raised concerns with the program as early as July of 2009, some

5 months before the President's plan was even considered on the Senate floor. Members from both sides of the aisle also raised concerns about the program's long-term sustainability during this debate. Most disturbing is what we came to find in a bicameral investigation last year that revealed concerns from within HHS were rampant during PPACA debate, but they were never brought to light by the Democratic leadership or the Obama administration. Yet the program was rushed through so that we can, as then-Speaker PELOSI noted, "find out what's in it."

On October 14, 2011, Secretary Sebelius announced what honest accounting told us was inevitable: the Obama administration finally admitted there was no viable path forward and, therefore, was halting any further efforts of implementing the CLASS program.

The failure of Health and Human Services to implement the CLASS program certainly is not a surprise. However, it is a catastrophic consequence of what happens when Congress rushes to enact costly policies and dismisses warnings from independent experts. Most troubling are the budget gimmicks used to sell the CLASS program and, indeed, the entire law.

The Congressional Budget Office, CBO, estimated the CLASS program would save money by collecting premiums from enrollees, premiums that will now never be collected in light of a failed implementation.

We knew, Madam Chair, the savings estimates for the President's health care plan were wrong. It defied common sense that such a massive spending expansion would have no cost. Now the President will have to explain to the American people why the health care law—ObamaCare, PPACA, Patient Protection, Affordable Care Act, Unaffordable Care Act—he'll now have to explain to the American people why this health care law will cost them \$80-plus billion more than what they were told.

□ 1430

That is more than \$80 billion on top of the trillions the President has added to the books since he took office in January of 2009.

Today, we will have the opportunity to start over on long-term care reform, an issue that's important to all of us as we hear from constituents regularly about the growing cost of long-term care services. The market has not even been penetrated 10 percent, Madam Chair. We will now begin that process. But first, we must take this section out of the health care bill known as CLASS. We must take it off the books.

I urge my colleagues to support just what this bill does, remove CLASS from the statute, H.R. 1173, repeal the failed CLASS program so that we can now move forward with reforms that do work.

With that, Madam Chairman, I reserve the balance of my time.