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House of Representatives

The House met at 10 a.m.

The Reverend Dr. Thomas J. Rogers, Senior Pastor, Abiding Savior Lutheran Church, Lake Forest, California, offered the following prayer:

Almighty God, Your children come to You this day in the midst of war, recession, disease, and uncertainty. We ask You to comfort us in these hard days with a reminder of all the blessings You have showered upon us in the past. For our long history as a free people, for the melting pot of love You have made us, and for the most recent successes You have granted us on the field of battle we praise Your name.

Oh Lord, You have empowered us to liberate the people of Iraq. Now may the liberation of America continue even today, through the work of these good men and women. Give them Your wisdom and Your aid so that they might turn their attention, and the resources the Nation has entrusted into their care, to tasks and projects that will enable everyone You have created to receive this day and all days their daily bread.

Further, bless the work of these Your servants so that everyone in this Nation, following their example, will do justice, love kindness, and walk humbly with You, our maker and redeemer. I ask this all in Jesus' precious name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California (Mr. SCHIFF) come forward and lead the House in the Pledge of Allegiance.

Mr. SCHIFF led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Members are advised there will be 10 one-minute speeches per side.

DUTY FIRST

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, General Douglas MacArthur once said, ''Upon the fields of friendly strife are sown the seeds that, upon other fields on other days, will bear the fruits of victory.''

Mike Kamon has played on those fields of friendly strife at West Chester Henderson High School and now at West Point. In high school he was a star lacrosse player and could have gone anywhere to college, but he chose West Point. Through his first 3 years at West Point, he distinguished himself as a potent offensive threat. But this year he is a defensive midfielder because that is what his team needs. He is willing to do whatever it takes to see his team succeed, even if it means less glory for himself in his senior season.

On May 31, Mike will become a second lieutenant in the 4th Infantry Division because that is what his country needs. He will train to be an artillery officer, and by February will be deployed to Iraq or some other front in our war on terror. Thank you, Mike, for defending our freedom.

VOTE AGAINST THE BUSH TAX CUT

(Mrs. CHRISTENSEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CHRISTENSEN. Mr. Speaker, it is hard to understand just what the White House and the leadership of this Congress have against the poor folk in this country and the millions who have lost jobs because of the mess they have made of the economy.

Just look at the contrast between the frustrations of the people and the Republicans' proposed remedies. Over 43 million people with no insurance, yet they cut Medicaid. With unemployment high, Americans need the security of extended unemployment benefits, yet they refuse the extension Democrats have been fighting for. Those on welfare need more than a stopgap job that leads nowhere, and yet the training that can lift them out of poverty is being denied. People with disabilities, veterans, many others are also being shortchanged.

All children need a quality education, and yet education and college loans are underfunded. States are barely treading water, and all regular people are struggling under an increasing tax burden while taxes are being cut to save corporations and the rich. The Christian values this country was founded on do not reconcile with the actions of the White House and our Republican leadership. Colleagues, vote with the Democrats. Vote against the Bush tax cut, and let us get our country back on the right track.

AMERICA NEEDS TAX RELIEF

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, tomorrow this House will consider an economic growth and jobs creation initiative that will provide a much needed short-term stimulus while setting the groundwork for long-term growth. I strongly urge Members to support it.

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The Jobs and Growth Tax Act will generate nearly 1 million jobs by the end of next year by putting more money in the hands of consumers and giving businesses incentives to hire and invest.

The naysayers ask how can we afford a tax relief plan at a time when our country faces so many challenges. The real question ought to be how can we expect to meet those challenges while our economy is growing too slowly.

As Rick Wagoner, the chairman of General Motors, said when he endorsed the President's plan, ''Growth goes a long way toward addressing what ails you.''

Let us take that advice and create economic growth by passing the Jobs and Growth Tax Act. Vote ''yes'' on H.R. 2.

REJECT EDUCATION FUNDING CUTS

(Mr. ETHERIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ETHERIDGE. Mr. Speaker, I rise today to call on this House to reject the administration's education cuts. As a former superintendent of my State's public schools, I worked my entire life to improve education for our children.

Last Congress the administration promised to provide historic new funding to help our schools meet the requirements of the No Child Left Behind Act. Because of these promises, I voted with the overwhelming bipartisan majority to pass that legislation.

Now, as our schools struggle to avoid being labeled failing by the Department of Education, the administration has proposed massive cuts in educational funding. For the first 3 years of No Child Left Behind, the administration is proposing to underfund it by nearly $20 billion. These education cuts will make it virtually impossible for our children and schools to meet the tough new standards imposed by the Department of Education.

Mr. Speaker, my State has led the Nation in raising performance standards in our schools, but tough requirements without real resources will amount to nothing but cruelty for our children and schools. Congress should call time out on the No Child Left Behind Act until the administration provides the funding it has promised to make it work.

□ 1015

INCREASING BONUS DEPRECIATION PROVIDES IMMEDIATE JOBS AND ECONOMIC GROWTH

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I rise today to applaud the jobs and growth plan developed by the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means. He has worked hard to include the best of President George W. Bush's solutions to provide more jobs for Americans and giving our economy an immediate boost. Particularly I am appreciative that bonus depreciation will be increased from 30 to 50 percent for 3 years, an initiative similar to the Business Expensing Act of 2003, which I introduced this year. This proposal was championed by the gentleman from Illinois (Mr. WELLER), recognizing that when businesses can save money immediately on buying new equipment more money is put into the economy and more jobs are created.

The Heritage Foundation has estimated that this jobs and growth plan will create 1.2 million new jobs by the end of 2004 alone. Americans need jobs and the economy needs a boost right now. This plan is exactly the right plan at the right time.

In conclusion, God bless our troops.

VOTE AGAINST WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT

(Ms. LORETTA SANCHEZ of California asked and was given permission to address the House for 1 minute.)

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I rise today to speak out against H.R. 1261, the Workforce Reinvestment and Adult Education Act. The unemployment rate in this country jumped to 6 percent last month, leaving 8.8 million Americans without a job. The Republican response to this crisis is a very weak bill that does nothing to creates jobs for American workers. The bill also eliminates funding to provide job search and job training assistance to dislocated workers and to those affected by these mass layoffs. Moreover, this bill does nothing to restore the $440 million in cuts already imposed on the job training programs of this Nation, nor does it protect against an additional $265 million in proposed cuts for fiscal year 2004.

We need to enact legislation that creates jobs. This bill, coupled with another large tax cut, does nothing to help low-income workers who need relief from this struggling economy. What will it take for this administration to realize that their plans are not working? 7 percent unemployment? 10 percent unemployment?

I urge my colleagues to vote against H.R. 1261 and the other legislation that leaves our Nation's unemployed workers behind.

IN SUPPORT OF THE TAX CUT PLAN

(Mrs. MILLER of Michigan asked and was given permission to address the House for 1 minute.)

Mrs. MILLER of Michigan. Mr. Speaker, I come from the Great Lakes State of Michigan, the home to the big three auto industry companies who are, of course, all absolutely outstanding corporate citizens. Following the terrorist attacks on our Nation on September 11, the big three helped keep our economy moving by offering incentives, like zero interest financing. Without, I think, this very innovative idea, I believe we could have seen an even steeper downturn in our economy.

The economy needs stimulus and the President has offered a very strong jobs and economic growth package which I wholeheartedly support. During the President's recent visit to our State of Michigan, the leaders of the big three auto companies all endorsed the President's jobs package as the best idea to keep our economy rolling. They observed that by eliminating the double taxation of dividends that we would bring about a 6 to 15 percent increase in stock prices. Of course this would help employers to meet their responsibilities to retirees living on a pension and bolster the bottom line of every American with a 401(k).

The President's plan is the best way that we can help families and retirees by putting more money back in their pockets and allowing businesses to create more jobs. I support the President's plan, and I urge my colleagues to do so.

CONGRESS UNDERFUNDING NO CHILD LEFT BEHIND BILL

(Mr. STRICKLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRICKLAND. Mr. Speaker, a few months ago on a bipartisan basis, we voted for the so-called Leave No Child Behind bill. But in the interim period, we have failed to meet our obligations, obligations that we have under that bill. We are underfunding the No Child Left Behind bill by $11 billion. Yet the students across this country are going to be subjected to the tests mandated under that bill, the States are going to be required to fund these unfunded mandates and it is estimated that perhaps as many as 60 to 80 percent of our schools will be called failing schools.

Mr. Speaker, our students are not failing, our teachers are not failing, our schools are not failing. I will tell you who is failing: The President and those of us who serve in this Chamber. We are failing our schools, our teachers and our students.

RECOGNIZING UNIVERSITY OF NORTH TEXAS AND ITS NEW CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY (CART)

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, I rise today to recognize an institution of

higher learning in my district, the University of North Texas and their Center for Advanced Research and Technology. This university's investment into research provides a unique opportunity to provide an incubator for interdisciplinary research with experimentation in material science, computer science and engineering. The university's goal is to provide the capabilities necessary to satisfy the growing technological and engineering needs of the north Texas region and for the talented faculty to advance research on projects of national importance associated with nanotechnology.

The University of North Texas had the foresight to invest in this facility and has taken the first step to serve as the region's research arm for nanotechnology research and all of the promise that this new branch of science holds. Once the center is fully established, it will serve as a focal point for basic and applied research. It will be the first high-tech entrepreneurial research and development park in Denton County, one of the fastest growing communities in the United States.

I invite my colleagues to join me in congratulating the University of North Texas in their quest to keep America on the cutting edge of research and development.

THE PRESIDENT'S JOBS AND GROWTH PACKAGE

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, in his first year in office, President Bush has put his MBA to the test and he has passed with very high marks. Through a recession, a terrorist attack and a war, the President has amply demonstrated leadership, helping businesses and their workers pull through some pretty tough times. The President and House Republicans understand a simple concept: When America works, America prospers. And the best way to foster that prosperity is by giving businesses the tools they need to create jobs and to grow the economy. Government does not tax things. Government taxes people. When workers and business owners are not allowed to keep the money they earn, productivity suffers, wages decline and research and development gets postponed. That is why the President's jobs and growth plan is so vital, because one American out of work is too many. When America works, America grows. When America works, America prospers. And when America works, America is proud.

Let us get to work along with the President, exert some leadership and get this country back to work.

NATO ENLARGEMENT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, today this Member rises to inform the House that the United States Senate a few minutes ago by a vote of 96–0 voted to give its advice and consent to U.S. ratification of the NATO enlargement protocols. The lines drawn across Europe at Yalta are gone. By its action today on the 58th anniversary of Victory in Europe Day, the Senate has approved the membership of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in the North Atlantic Alliance.

According to the Constitution, it is the Senate that must give its advice and consent to treaty protocols. But, Mr. Speaker, this Member must note the leading role that this Chamber has played in promoting the admission into NATO of the new democracies of Central and Eastern Europe. The decision to admit former Communist countries from Central and Eastern Europe into the Atlantic Alliance is one of the great success stories in American foreign policy since the end of the Cold War. It is a bipartisan success, promoted by Republicans and Democrats in the Congress and by both the Clinton and Bush administrations. The seven nations across the face of Eastern and Central Europe that join NATO are democracies that will help build a stronger North Atlantic Alliance. Having fought so long and hard to gain their freedom, these nations know how very precious freedom is.

I ask all the states of the NATO nations to give their approval under their national processes as Canada, Norway and now the United States have done.

AMERICA STANDS WITH ISRAEL

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, America stands with Israel. This weekend as the Secretary of State begins a key phase of negotiations in the road map for peace, I am confident he will remember this core value of the American people. America is not a neutral party in the negotiations in the Middle East. We are not, nor do we aspire to be, an honest broker. America stands with Israel.

In this vein yesterday in the Committee on International Relations, we adopted the Lantos amendment to the State Department authorization bill demanding a Palestinian first approach to concessions. The Palestinian Authority must first recognize Israel's right to exist, hunt down terrorists and dismantle terrorist infrastructure before Israel can be expected to make any concessions on the path to peace.

I pray for the peace of Jerusalem and I pray that Prime Minister Abbas and his Cabinet will defeat the terrorists within their midst and choose life for their people in that war-torn region.

PROVIDING FOR CONSIDERATION OF H.R. 1261, WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT OF 2003

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 221 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 221

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1261) to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. ADERHOLT). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 221 is a structured but fair rule providing for

the consideration of H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003. This rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate, it will be in order to consider only the amendments printed in the report accompanying this resolution, by the Member designated and debatable for the time specified in the report, equally divided and controlled by a proponent and an opponent.

In total, this rule makes eight amendments in order, three offered by Republican Members and five offered by Democrat Members.

Finally, the rule permits the minority a motion to recommit, with or without instructions.

□ 1030

The rule waives all points of order against the amendments printed in the report.

Mr. Speaker, one of the greatest experiences for a Member of Congress is when we can acknowledge that a particular policy or plan that we have passed has been successful. Today is one of those times as we reauthorize the landmark 1998 Workforce Investment Act. In 1998, Congress passed the Workforce Investment Act to reform the Nation's job training system. At that time it was fragmented, duplicative and ineffective to both job seekers and employers. The path from unemployment to a job was long and winding and treacherous and often led to a dead end. There were many areas for improvement and we found them. What followed was a plan that consolidated and integrated employment and training services at the local level in a more unified work force development system. Today we can clearly see the positive results.

For example, if we take a snapshot view of the program from 2000 to 2001 we see 1.1 million individuals receiving intensive training from programs and services offered and millions more accessing self-service job listings and placement assistance through the one-stop centers and 82 percent of unemployed workers finding a job, up from 76 percent the previous year, increased employment rates for low-income adults rising from 69 percent to 76 percent, and higher diploma attainment rate for youth jumping from 35 percent to 54 percent. What a wonderful accomplishment. Few can dispute this evidence of success. Few can discount the millions of lives that have been changed with greater independence and greater self-worth.

So today we will build upon these achievements and pass the Workforce Reinvestment and Adult Education Act of 2003.

First, in this plan Congress goes even further in streamlining bureaucracy. Finding a new or better job is no small task, and workers will welcome few barriers allowing them to take full advantage of the employment assistance.

Second, the package strengthens essential components such as adult education with vital reading and math skills. An adult education system should focus on improving results for those most in need of help, those who have already been left behind who have not attained the core skills that they need. By improving adults' basic reading and math skills and providing limited English proficiency lessons, this plan goes even further in equipping workers with tools and training necessary to enter the 21st century workforce.

This bill also enhances the landmark flexibility and local involvement that Congress provided to States and communities in the 1998 law. More duplicative programs and services have been identified and consolidated, saving money and precious resources. State and local officials receive even more flexibility to target Federal resources toward the unique needs of their own communities.

Finally, reauthorizing this plan helps strengthen America's economy by helping more workers find better jobs. The One-Stop Career Center system that provides job training and career information gives workers a necessary bridge to rejoin the workforce or retraining for better jobs. Such services are immeasurable and an investment into America's workforce.

Tomorrow this body will consider a jobs and growth package aimed at stimulating businesses and better jobs. Tomorrow we consider how to create new jobs. But today we consider how to strengthen the worker, how to equip the worker with the knowledge and the skills needed to succeed in those new jobs. An unlimited supply of jobs would not do America's economy any good without a qualified worker for each and every one of them. Strengthening America's economy requires both good jobs and good workers, and today I ask my colleagues to remember that when considering this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I rise in opposition to the rule and to the bill, and let me say just when we think that the Republican leadership of this House could not be any more out of touch with reality they bring this bill to the floor today, and today's contribution is the so-called Workforce Reinvestment and Adult Education Act of 2003.

Let us review some of the basic facts of the failed economic policies of this President and of this Congress. Those policies have led to a 6 percent unemployment rate, the highest in years. There are more unemployed people in this country today than at any point since July of 1993. Of the 8.8 million people who are out of work in America, nearly 2 million have been out of work for 27 weeks or more. The average length of unemployment is now approximately 20 weeks, the highest since 1984.

Mr. Speaker, the economy is ailing and Republican policies are failing, and every day the people of America are the ones who are suffering. And how does the majority propose to help the unemployed in this country? First, by proposing a misguided tax scheme. The President and the Republicans claim that their tax bill will create a million jobs. No serious economist or no serious person believes that.

But even taking them at their word, each new job under their plan would cost $550,000 in lost revenue, about 17 times the salary of the average American worker. Talk about waste, fraud and abuse. On the other hand, every dollar we spend on unemployment benefits will boost the economy by $1.73. That is what is called growth, not that the Republican majority knows anything about that.

The second part of their plan is to cut job training, disability, and veteran employment, and adult learning programs to hurt the very people we should be helping.

The Workforce Reinvestment and Adult Education Act of 2003 we are considering here today does nothing to help create jobs or to reduce the number of unemployed people in this country.

Mr. Speaker, the American people deserve much better. Contrary to what we will hear from the majority, this bill actually makes it harder for the unemployed to get employment and reemployment training.

The SEIU, in an open letter to every Member of this body, said that ''The primary task of the workforce development system must be to connect unemployed or underemployed workers with family-sustaining jobs that provide good wages and benefits and afford economic self-sufficiency.'' They are right. But if they are a young person who needs employment training while looking for their first job, this bill will not help them. If they are an adult who needs reemployment training and assistance as they look for a new job, this bill is not going to help them.

Specifically, this bill block-grants adult, dislocated worker, and employment service funding streams. It allows States to use funds from the Disability and Veteran Employment and Adult Learning programs to fund expenses at the Workforce Investment Act's centers. The result of this provision will be more bureaucracy and less training for the disabled and veterans.

Given all the rhetoric we hear in this place about veterans, this provision is unacceptable. We should be doing everything we can to help veterans find employment instead of slashing the Disability and Veteran Employment and Adult Learning Programs.

Additionally, Mr. Speaker, the bill eliminates existing protections and safeguards against low quality and potentially fraudulent job training providers and permits States to allow

these providers to receive Federal funding. It caps the use of funds for services for low-income youth, those considered most likely to drop out of school at 30 percent.

Mr. Speaker, many Democrats offered several good amendments in the Committee on Rules yesterday. Unfortunately the majority has decided to stifle the debate on these important issues by denying these Members the opportunity to offer most of these amendments here on the floor.

One of the amendments offered in committee and denied by the majority was an extension of unemployment benefits for workers who have lost their jobs. Unemployment benefits expire at the end of this month. Too many unemployed workers simply cannot find work because the jobs are not there. These people desperately need the unemployment benefits traditionally supplied by the Federal Government in difficult times. It is flat wrong that the majority refuses to allow a vote on the extension of these important benefits. But if that were not bad enough, this bill also attacks the Constitution by repealing civil rights protections that are written in the current law.

Twenty-one years ago, then-Senator Dan Quayle sponsored legislation that provided civil rights protections against employment discrimination based on religion in programs that receive Federal funding. President Reagan signed that bill into law. It is not every day that a Democrat like me praises the good work of Dan Quayle, but the nondiscrimination provision he offered is good policy that has served us well.

And this provision received strong bipartisan support when the Workforce Reinvestment Act was reauthorized in 1998. But the Workforce Reinvestment and Adult Education Act of 2003 before us today shreds these protections by allowing religious organizations to receive Federal funding under the bill for job training activities and social services and then to discriminate in hiring based on religion. In other words, this bill would allow a religious organization that discriminates based on religion, like Bob Jones University, to get taxpayer money for Federal job training programs.

This provision is unconstitutional, unacceptable and offensive. An amendment to remove this provision was offered in the Committee on Rules and, like other substantive amendments, was not made in order.

Mr. Speaker, this is a lousy bill. Yesterday the Committee on Rules majority got into a debate over whose responsibility it is to deal with the unemployment benefits issue. Some said the Committee on Education and the Workforce, others said the Committee on Ways and Means. But I would say to my colleagues on the other side of the aisle, do they not go home to their districts? Do they not listen to their constituents? Do they not know that their constituents care more about jobs and a strong economy than about jurisdictional cat fights? This is outrageous and they know it.

Mr. Speaker, this is an unfair rule and it is a bad bill, and I urge my colleague to think of the unemployed in their districts and ask themselves does this bill help my constituents? The honest answer is no. I urge this House to defeat the rule and vote against the bill.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I urge my colleagues to oppose the previous question of the rule on this Workforce Reinvestment and Adult Education Act of 2003. This legislation before us today and the consideration tomorrow of the Republicans' irresponsible tax bill tell the American people everything they ever wanted to know about where the majority's priorities lie. And lest anyone be mistaken, their priorities do not lie with the workers and families who are suffering through the anxiety and stress of joblessness, with more than 10 million American workers now unemployed, with the loss of 2.7 million private sector jobs since President Bush was inaugurated, and 500,000 in the last 3 months; and with the unemployment rate at 6 percent, its highest level since 1994, the majority would undercut local reemployment efforts and eliminate services for job-seeking veterans, dislocated workers, and the disabled.

This Act was authorized 4 years ago after a lengthy bipartisan process. But today, today the majority turns it into a partisan vise that will squeeze America's jobless. It gives governors unlimited authority to divert funds from adult education, disability, and veterans' services. And we will, like Pontius Pilate, wring our hands and say it was not our responsibility, it was the governors' responsibility. And it fails to restore the $440 million in cuts imposed on job-training programs or protect against 265 million more in proposed cuts for fiscal 2004.

Just imagine, just imagine, under Republican stewardship our economy has shed millions of jobs and at the same time the GOP is undermining job training programs. Republicans may call that compassion; Democrats call it indifference. Adding insult to injury, the big tent GOP seeks to change the original law to permit organizations that received Work Investment Act funds to discriminate on religious grounds in hiring, something that Dan Quayle said they should not do.

I commend my colleagues who fought to restore the current law. Their amendment should have been made in order. Was there a lack of conviction that the allowing of discrimination in this bill was an appropriate policy and they could not hold their Members on their side of the aisle for such discrimination?

Democrats believe this Congress must enact policies that jump-start our economy and create jobs, and redoubling our job-training efforts is a vital part of that.

□ 1045

This bill simply gives the cold shoulder to millions of jobless Americans. I urge my colleagues to vote against the previous question, to vote against the rule, and to vote against this bad bill.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 4 minutes to the distinguished gentleman from Georgia (Mr. LINDER), a member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I thank my friend and colleague from the Committee on Rules for yielding me time.

Mr. Speaker, H. Res. 221 is a structured rule that gives the House the opportunity to consider eight amendments to the Workforce Reinvestment and Adult Education Act of 2003. The Committee on Rules has attempted to be as fair as possible in crafting this rule and has made in order five Democrat amendments, two Republican amendments, and a manager's amendment. I urge my colleagues in the House to join me in supporting this rule so we can move on to debate the underlying legislation.

With respect to H.R. 1261, I wanted to commend the gentleman from California (Mr. MCKEON) and the gentleman from Ohio (Mr. BOEHNER), chairman of the Subcommittee on 21st Century Competitiveness and chairman of the full Committee on Education and the Workforce respectively, for all of the time and effort they have invested in bringing this very important and well-crafted legislation to the House floor today.

America's economy has been through a great deal in the last few years. We experienced the shock of September 11, we have endured a recession, and we faced the uncertainty of war. In spite of all this, the American economy is growing fast, and growing faster than most of the industrialized world. To ensure that our economy meets its full potential, we must create the conditions for continued growth and prosperity.

As the economy continues to recover, hundreds of thousands of Americans are searching for good, stable jobs. We have an opportunity here to assist those Americans in finding employment, and I believe that H.R. 1261 is a positive step in the right direction.

H.R. 1261 amends the 1998 Workforce Investment Act, which authorized the Federal Government's primary programs for helping our Nation's workers gain the skills they need to succeed in today's rapidly changing workforce. The 1998 act has helped unprecedented numbers of American workers find employment by finding workforce investment services and programs through

statewide and local One-Stop Career Center systems, but it could help even more, and that is exactly what H.R. 1261 is designed to do.

H.R. 1261 aims to streamline work investment programs in order to provide more efficient and results-oriented services. It will provide also an opportunity to build on and improve the current system so that it can respond quickly and effectively to the changing needs of both workers and employers. In addition, it will eliminate duplication, improve accountability, increase State flexibility, and strengthen adult education programs.

To the credit of the subcommittee chairman, the gentleman from California (Mr. MCKEON), and the full committee chairman, the gentleman from Ohio (Mr. BOEHNER), I believe H.R. 1261, combined with President Bush's jobs and growth tax relief initiative, will move us toward our goal of creating more job opportunities for our citizens and ensuring that out-of-work Americans have the access to the tools and resources they need to rejoin the workforce or retrain for better jobs.

Mr. Speaker, I urge my colleagues to support the rule so that we may proceed to debate the underlying legislation.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. VAN HOLLEN), whose important amendment was denied yesterday in the Committee on Rules.

Mr. VAN HOLLEN. Mr. Speaker, I thank the gentleman for yielding me time.

As a new Member of this House, I was appalled that one of the first actions we took in the Committee on Education and the Workforce was to adopt a provision that strikes at the heart of religious liberty in this country. The underlying bill contains a provision that takes us down a very dangerous road in this country, a road of religious bigotry and intolerance; and even worse, it uses taxpayers' dollars to promote that intolerance.

What am I talking about? Under current law, if you receive Federal funds to run a job training program in this country, you are not allowed to discriminate in your hiring based on religion. I think that makes sense to all Americans. If you are receiving Federal dollars for a program you are running, you should not be able to say to a perspective job applicant, I am sorry, you are the wrong religion. But that is what this does.

Here is a chart that shows what current law is. This was a law that was language originally signed into law by President Reagan. It was most recently adopted again by this body in 1988 as part of the last reauthorization of the Workforce Investment Act. It has a prohibition of discrimination language, and it prohibits discrimination in employment based on religion, existing law.

But what this underlying bill does is it takes a big red X mark and crosses out ''religion.'' It is a green light in this country to allow organizations that receive Federal funds to say no, to give you the religion test.

Imagine if you were to open up your local newspaper and see a help wanted ad for a job training program, and it said Christians only need apply, Jews only need apply, or Muslims only need apply. In fact, it can say Baptists only, or Methodists only. We would be appalled. But even worse, we would be appalled if we saw that that ad in that newspaper was paid for with U.S. taxpayer dollars.

Imagine as an American citizen responding to an ad for a job with a job training program, and you are qualified and you go to the interview, and they say, Gee, you know, you are really qualified, in fact you provided job training services in the past, but, golly, you are just the wrong religion. You are not a Christian, or a Jew, or You are not a Muslim.

Or you could be the right religion, but they are allowed to interrogate you. They can ask you questions. How many times did you go to church? Or synagogue? What are your charitable contributions? Let's talk about your marriage and family life. They are allowed under this provision to probe into your personal life to determine whether you meet their ''religious test.'' And they can do it all with your taxpayer dollars.

Mr. Speaker, that is not the America I know. I do not think that is the America most Americans know. It strikes at the heart of our constitutional protections for liberty.

I would just say I think the full House deserves an opportunity to at least debate this, so that all 435 members have an opportunity to vote ''yes'' or ''no'' on whether they want to use taxpayer dollars to discriminate.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Indiana (Mr. SOUDER).

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

Mr. SOUDER. Mr. Speaker, what is really disturbing in debates is how to counter misinformation when it is repeated on a constant basis on the floor of this House.

The constitutional protection for religious liberty also extends to churches and it extends to organizations that reflect faith. That applies in the Tax Code. I presume a previous speaker, based on that logic, would not want to give a tax deduction to a church or a religious organization that discriminates in their hiring practices. For example, you would not have a Christian as the head of a synagogue, or you would not have a Muslim preaching at a Christian church. The charitable deduction is shaped that way; tax deductions are shaped that way.

We have all sorts of court-approved guidelines, for example, in the sense of they have ruled in some of the schools you can fund a computer, but you cannot fund the software, if you look at it that way. In other words, busing programs and other things can even be funded directly by the government.

But what is debated here is indirect funding. That is vouchers. We have numerous programs that have passed overwhelmingly in this House that have said when there is a choice, when no one is forced into it, why should people not be able to choose a job training program, an after-school program, a literacy program or other such type of thing that would enable them to be better prepared for the workplace?

If there is a secular choice and if there are multiple choices in job training, why can one of those choices not be in an inner-city neighborhood, where the churches are often the cultural organizing institution? Why can one of those choices not be, like the black churches in my district or some of the Hispanic outreach programs run through the Catholic Church, or some of the charismatic programs run in some of the immigrant Hispanic communities, where they are doing the job training, where we can leverage the dollars and have people committed as much as possible?

We know that regardless of who controls this House and the State houses, there will never be enough money to meet all the needs of those who are trying to find work, who are trying to secure health care, who are people with AIDS and so on; and unless we can engage the private sector that is faith-based, we will be overwhelmed with these problems.

This bill is one small step, and we should not practice religious bigotry and say everyone can be involved except for people of faith unless they give up their faith. That is just not right when there is choice.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, it is a fundamental American principle that no citizen should have to pass someone else's religious test to qualify for a tax-funded job. The vast majority of American citizens agree with that principle, and yet this bill would violate that principle, that constitutional provision in the first amendment.

In my 12 years in the House, I have never been more deeply offended by the action of the Committee on Rules than with this rule. To deny the Members of the House of Representatives to debate the issue of religious freedom, to be able to apply for a federally funded job without having a religious test given to you by another citizen, to deny us even the right to debate that principle, an issue that Madison and Jefferson thought important enough to embed into the first 16 words of the first amendment of the Bill of Rights, I find deeply offensive, not only to the Members of this House and this institution, but to the American people who agree

with the principle that you should not be able to discriminate against people based on religion in order to obtain a federally funded job.

I think we lose our moral authority in preaching to the Iraqi citizens about religious freedom and democracy if we, this week, this day in this House of Representatives, in America, vote to say an American citizen can be denied a job for which they are fully qualified, a job funded by their taxes, simply because they were Christian or they were Muslim or they were Jewish.

It is not right that an organization associated with Bob Jones University could get a $2 million job training program and put out a sign that says no Jews or no Catholics need apply here for a federally funded job.

If the Republican leadership of this House wants to defend the position that subsidizing religious discrimination in Federal job hiring is a good idea, then, okay. I will not defend that idea, but, if you do, I respect your right to try to debate that idea. But you have denied us even the opportunity to debate whether that idea is right or wrong, and that is deeply offensive.

We should vote against this rule and allow the House to debate this important American principle.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 4 minutes to the distinguished gentleman from California (Mr. MCKEON), the chairman of the Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness and the man who has earned the nickname of the Father of One-Stop Career Centers.

Mr. MCKEON. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I rise in support of the rule on H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003. This important bill will reauthorize the Nation's job training programs.

In 1998, under the Committee on Education and the Workforce's leadership, Congress passed the Workforce Investment Act to reform the Nation's job training system that formerly was fragmented, contained overlapping programs, and did not serve either job seekers nor employers well. WIA consolidated and integrated employment and training services at the local level in a more unified workforce development system.

The act created three funding streams to provide for adult employment and training services, dislocated workers' employment and training services, and youth development services. These services are directed by the local business-led workforce investment boards.

One of the hallmarks of the new system is that, in order to encourage the development of comprehensive systems that improve services to both employers and job seekers, local services are provided through a one-stop delivery system. At the one-stop centers, the system ranges from core services such as job surge and placement assistance, access to job listings, and an initial assessment of skills and needs, intensive services, such as comprehensive assessments and case management, and, if needed, occupational skills training.

In addition, to further promote a seamless system of services for job seekers and employers, numerous other Federal programs also must make their services available through the one-stop system.

The WIA system contains the Federal Government's primary programs for investment in our Nation's workforce preparation.

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Even though the system is still maturing since its full implementation in July of 2000, States and local areas have created comprehensive services and effective one-stop delivery systems.

The system is serving the needs of unemployed workers seeking new jobs in this time of economic recovery. In addition, the training services provided through WIA are invaluable in helping employers find the workers they need in areas of the country facing skill shortages.

Nonetheless, there have been challenges with the system. For example, we have heard of the need to create to increase the financial contribution of the mandatory partners in the One-Stop Career Centers while, at the same time, increasing the service integration among the partner programs. This includes serving through the one-stop system special populations that have unique needs.

We have heard that we need to simplify the local and State governance processes and to strengthen the private sector's role. In addition, we have heard about the need to increase training opportunities and improve performance accountability.

Solutions to these challenges have been included in H.R. 1261.

They will enhance the system so that it will continue to meet the training and employment needs of the information-based, highly-schooled 21st century workforce.

As many Members have talked about already, the Nation's economic recovery has been slow at best. Between March and April, job cuts jumped 71 percent. U.S. employers wiped out over 146,000 jobs last month, compared with a little more than 85,000 in March.

My home State of California experienced the biggest loss, with a loss of 32,891 jobs.

This Congress cannot sit idly by while more and more Americans are added to the unemployment rolls. We must act now and pass legislation that will help Americans search for good and stable jobs.

I urge my colleagues to vote ''yes'' on this rule and allow us to move forward in bringing H.R. 1261 to the floor for a vote.

Mr. MCGOVERN. Mr. Speaker, could I inquire how much time each side has?

The SPEAKER pro tempore (Mr. ADERHOLT). The gentleman from Massachusetts (Mr. MCGOVERN) has 16 minutes remaining, and the gentlewoman from Ohio (Ms. PRYCE) has 16½ minutes remaining.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Speaker, because of our sorry history of bigotry in this Nation, for decades it has been illegal to discriminate in employment and make decisions, job decisions based on race or religion. The only exception is churches and religious organizations can discriminate with their own money, but not with Federal money.

So let us be clear. If this rule passes, we will vaporize civil rights protections that have been in effect for decades. It is not going to make it easier for Federal organizations to get contracts; they still need to apply, compete, and are subject to audit. But any program that can get funded under this bill can get funded anyway; just do not discriminate in employment. And under those rules, Catholic organizations, Jewish, Lutheran, Baptist organizations get hundreds of millions of dollars today. And, Mr. Speaker, if we allow religious discrimination, we will be allowing racial discrimination, because many organizations are 100 percent African American or 100 percent white.

Now, Mr. Speaker, employment discrimination is ugly. You can put lipstick on a pig, but you cannot pass it off as a beauty queen. And you cannot dress up discrimination with poll-tested semantics and euphemisms and pass it off as anything other than ugly discrimination.

Let us defeat this rule and allow an amendment to maintain basic traditional civil rights protections.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I want to join my colleagues on this side of the aisle who are rejecting this legislation because of its embracing of religious bigotry. As was pointed out, the language that is in the current law was authored by Dan Quayle, it was signed into law by Ronald Reagan. I guess that was when the Republican Party was a more tolerant party.

But this Republican Party today, for the first time, will repeal a major civil rights piece of legislation that outlaws discrimination based upon religion. To do so is to embrace the ugly, ugly form of religious bigotry. There is no other explanation for that. The people will be rejected in the pursuit of their employment, and it comes in a bill that is designed to get people more employment. They can be qualified for the job, they can be ready to go to work, they can provide value-added to their employer, and they can be rejected because of their religion and for no other reason.

That is bigotry. That is what the Republican Party is embracing here.

Yes, today religions can reject this with their private money and their private donations and collections. They can do that. But if they take Federal money, they cannot do it.

This is not about whether or not religious organizations participate in work employment programs, work training programs. One of the most effective programs in my district is run by North Richmond Missionary Baptist Church. It came out of welfare reform. It has done a tremendous job of getting people trained and into employment. But they do not discriminate against people, because the law does not allow that. But hundreds of thousands of dollars are run through that program to try to help people be employed. But this law will say for the first time that a religious organization with Federal money, with a position paid by the Federal Government, can discriminate against individuals because of their religion.

My colleagues are right. We should reject this. And it is an insult, and it goes to the level of the corruption of the democratic institution of the House of Representatives that we would not be allowed to have an amendment where we could debate and vote on this measure. This is fundamental to the freedoms of this country, it is fundamental to the right of free speech in this institution, it is fundamental to the democracy of the people's House. But this process has been so corrupted in the Committee on Rules, so corrupted by the Republican leadership that we will not be allowed a vote on the matter of whether or not people should be allowed to discriminate with Federal dollars, whether organizations should be able to engage in religious bigotry. Members will not be able to have an up or down vote. You talk about a corrupt process.

We spilled blood to bring democracy and freedom in Iraq and we see it being closed down in the House of Representatives. We see the underlying basic tenets of the democratic foundation of this House, the right to debate, the right to vote, the right to express our differences being corrupted by the Republican leadership and the Republican Committee on Rules.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 5 minutes to my distinguished colleague, the gentleman from the great State of Ohio (Mr. BOEHNER), chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, a lot has been said about the reauthorization of the Workforce Reinvestment Act and we will get into a broader debate about that once we pass this very fair rule that we have before us. But as we can see, the debate is coming down over an issue of whether faith-based organizations can maintain, maintain their Title VII religious exemption.

When we wrote the civil rights laws in this Congress back in the 1960s, we made it clear that religious organizations could, in fact, discriminate in hiring for their church and church-related services, and the only thing that we do in this bill is to allow those organizations to continue to be faith-based organizations. They can provide services in terms of providing job training or retraining, and they can maintain, they can maintain their Title VII exemption.

Now, we are hearing all of this noise about this is the first time and this is such an abridgement. Let me just point out for my colleagues that there are a number of programs that allow organizations to accept Federal dollars and to maintain their religious identity. They are the Adult Education and Family Literacy Act, the 21st Century Community Learning Centers, Title V of the abstinence education grants, Older Americans Act, the job opportunities for low-income individuals, abandoned infants grants, child abuse and neglect discretionary grants, runaway and homeless youth basic center programs, religious organizations can take Federal money and keep their Title VII exemptions which allow them to hire whom they want to hire within their organizations.

Now, if this is not enough, how about the four bills that President Bill Clinton signed into law that allow these same organizations to take Federal dollars and continue to maintain their Title VII exemption. The Substance Abuse and Mental Health Services Administration Act, the Community Services Block Grant Act, the Personal Responsibility of Work Opportunities Reconciliation Act, and the Community Renewal Tax Relief Act all allow organizations to take Federal money and to maintain their Title VII exemption.

Now, this is a debate that has been going on in this Congress over the last several years since President Bush made the case that faith-based organizations, which are integral in many of our inner city communities, that we ought to allow these organizations to provide services. And the big debate that we have here is that people want to say, well, yes, we want them to provide services, but if they take one Federal dollar in providing their services, they ought to give up all of their civil rights protections. Hogwash. These organizations are doing wonderful things in many communities in America and we should not deny them the civil rights protections that were granted to them in 1965 just because they take a Federal dollar in the pursuit of their mission of trying to help people in their own communities.

So I would ask my colleagues and urge my colleagues to support the rule today and support this bill and to support allowing faith-based organizations to do the job they are doing in many of our communities.

Mr. EDWARDS. Mr. Speaker, will the gentleman yield?

Mr. BOEHNER. I yield to the gentleman from Texas.

Mr. EDWARDS. Mr. Speaker, I respect the gentleman's right to support this bill as written. In my opinion, it would discriminate against American citizens in job-hiring simply based on their religious faith. I think that is wrong.

But what I think is doubly wrong is that the Republican leadership in the House denied us the right to even have this honest debate on which the gentleman from Ohio and I would agree is a fundamentally important issue.

I would like to ask the gentleman, did he support shutting down our right to debate this issue?

Mr. BOEHNER. Mr. Speaker, reclaiming my time, the Congress in 1965 when they wrote the civil rights laws decided to allow these organizations to maintain their right to hire whom they please. All we are trying to do with this bill today is to allow that to continue.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to the rule for this misguided reauthorization of the Workforce Investment Act, a bill that fails to create job opportunities or extend unemployment benefits, that places the burden of increasing rising unemployment costs, that places the coping with that issue on our already financially crippled cities and States.

We are at a time in our history when record numbers of people are being laid off, when unemployment benefits are going to expire at the end of this month, and what is our response? Curtailing the services these workers depend on to find new employment, and doing so when these services are already underfunded and straining to meet the increasing demand.

The President's budget called for rescinding $300 million in funding in addition to the more than $700 million in cuts to job training programs for this year and next. This bill block grants adult dislocated worker and employment service funding and helps workers find jobs. It cuts summer employment opportunities mentoring and job counseling. At a time when men and women in our military are returning from combat, it takes money from disability and veteran employment and adult learning programs.

My Republican colleagues would like to tell us that what they are doing is providing flexibility to the States to deal with these issues. The only flexibility that they provide to these States is what populations to jettison, what programs to cut. Our States are not going to be capable of handling what the Federal Government and what this Bush administration and the Republican House leadership want to foist on them.

I tried to offer a modest amendment to provide assistance to women to help move into nontraditional jobs, like

carpentry, manufacturing, where women comprise less than 25 percent of the workforce. Jobs would provide long-term employment, they generate pay between $14 and $35 an hour, provide medical care, retirement benefits. To do that, all we would have had to do was to give governors the flexibility to direct resources to train one-stop employment center employees, help them to be trained so that they can help women find these jobs and others find these jobs. The Republican majority response? No.

The simple truth is that this bill abandons workers. It does nothing to stop these families from falling through the cracks.

Turn aside the rule. Let us pass a workforce bill that prepares our workforce and gives them the tools for economic security for themselves and for their families.

Ms. PRYCE of Ohio. Mr. Speaker, may I inquire as to how much time is remaining?

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. PRYCE) has 12 minutes remaining, and the gentleman from Massachusetts (Mr. MCGOVERN) has 9½ minutes remaining.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

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

Mr. LEVIN. It is interesting that the gentleman from Ohio (Mr. BOEHNER) was asked the question. Maybe the gentlewoman from Ohio (Ms. PRYCE) can answer it. Why not let us bring up the amendment on the issue they were discussing?

And another issue that is not being brought up today that should have been is the unemployment situation in this country: 341,000 people lost their jobs in April, almost 9 million people out of work.

This Congress, this House, this majority sits idly by. There is going to be the expiration of unemployment benefits, the extended benefits the end of this month. And there is over $20 billion in the trust fund that could be applied to help these people. Oh, it is said the answer is get a job. These unemployed people are looking for a job.

A recent survey indicated that the average unemployed worker has applied for 29 jobs without finding work, and you sit idly by and do nothing. It also shows the average unemployed worker over 45 has applied for 42 jobs without finding work. Stop sitting and act on this issue.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman for yielding me time.

Right now Oregon has 7.6 percent unemployment, the highest in the Nation. In March of this year food and transportation lost manufacturing jobs, 800 jobs. These hardworking men and women are not statistics. They are real people with real lives and families, and right now they are facing the prospects of not having enough money to put food on the table, and they lost their jobs through no fault of their own.

We should not cut the very initiatives that help them retain these new jobs that will pay them decent wages and offer them health benefits.

The Dislocated Worker Program of the Workforce Investment Act is critical to making sure our States have the resources to keep dislocated workers from falling through the cracks, and it is imperative that we make sure it remains a separate program because it is a training program and its needs are very different from the other two programs with which it is being combined.

I have put forth an amendment with the gentleman from New Jersey (Mr. PAYNE) that would have addressed this issue and ensure that those who are laid off can get the assistance they need to get back into the workforce. Yet the Committee on Rules refused to give the Members a chance to vote on this amendment.

Mr. Speaker, I urge my colleagues to vote against this rule.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, if there is any issue in Congress that should rise above partisanship, it should be the principle of religious freedom. I hope every Republican and Democrat in the House before voting on this rule asks his or herself this question: Is it right that an American citizen be denied a federally funded job simply because of his or her religious faith?

If you think that is right, then you should vote for this rule because that is what this bill does. It denies American citizens publicly funded jobs simply because of their choice of religious faith. If you agree with the vast majority of Americans that it is wrong to subsidize religious discrimination with federal tax dollars, vote ''no'' on this rule.

This is more important than sticking to the sacred alter of partisanship. The issue of religious freedom should rise above that alter of partisanship. And I hope my Republican colleagues will join with Democrats and all of us today to say we are going to stand up for religious freedom during the week we are preaching it to the Iraqi citizens.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Mr. Speaker, from listening to the other side, you would think that this was something that was run-of-the-mill, that we took away these protections every day and have in the past. That is just not true.

This is the first time this Congress will eliminate, delete language in our statutes, in our laws that expressly prohibits discrimination in these programs based on religion. It is the first time we will remove a protection that this body has decided is important and fundamental to American principles of operation of church and State.

As has been stated, this language was first signed into law in 1982 by Ronald Reagan. It was readopted in 1998 by this House of Representatives. And it continues to make sense to every American out there that their tax dollars should not go to discriminate when it comes to federal programs that are secular in nature.

Mr. Speaker, I am extremely disappointed that this full House is not given the opportunity to debate this full issue and vote up and down.

Mr. MCGOVERN. Mr. Speaker, may I inquire how many more speakers the gentlewoman from Ohio (Ms. PRYCE) has.

Ms. PRYCE of Ohio. Mr. Speaker, we do not have any other speakers on the floor. There may be more coming; but if the gentleman is prepared, we can close.

Mr. MCGOVERN. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, if people want a dictionary illustration of adding insult to injury, the Republicans are providing it. They do great injury today to the principle of nondiscrimination, and they have added to that the insult of not allowing this House to debate it.

As the gentleman from Maryland (Mr. VAN HOLLEN) made clear, this is the first time we will be removing from the statute books an existing antidiscrimination provision, one that says you cannot take Federal money and then discriminate against some of the people who paid the taxes. If you are a particular organization, you can say, I do not care if you are Jewish and pay taxes or Catholic and pay taxes. I do not care if you are a Protestant and pay taxes, if you believe in abortion. I do not care if you are a Methodist and pay taxes, if you agree on evolution. We will exclude you.

It is appalling to me that they are going to be able to engineer this enormous regression in the principle of nondiscrimination without there even being a separate vote and debate. It is a tribute to the Republican majority, the most submissive body of elected officials gathered since the dissolution of the Supreme Soviet that they will ratify this decision to roll back a fundamental constitutional provision, a fundamental antidiscrimination public policy provision, and they will all march down and vote not to allow it to be debated.

The gentleman from Ohio is right. In 1965 there was an exemption for religion organizations, and it was expanded in 1972. A Senator said at the time, ''This is to keep the hands of Caesar off of the place of God.''

Now we are talking about the hands of Caesar coming to the religious institutions bearing money. And we were

saying this, if you as a religious institution want to preserve your autonomy, hire only whom you want, that is your right. But do not tell Americans of all religions to pay taxes and then take those tax dollars and say, but you are the wrong religion. You are the right religion but the wrong doctrine. And that is what this does.

It removes it from the statute books. The law now says you cannot discriminate based on religion. People have said, well, we need this so that religious organizations are not denied funds because of their name. Well, in the first place, that is up to the current administration. What is George Bush saying? Stop me before I discriminate again? If he does not want to discriminate, he has a good way to stop discriminating.

You know the person who went to the doctor and he said, Doctor, it hurts when I go like this. The doctor said, Do not go like this.

Mr. President, do not go like this. Do not discriminate. But do not take people's tax dollars and say you can only hire your own.

The question is two fold: Do we maintain the principle that if you take Federal money, if you are a religious organization and to be autonomous, that is fine? By the way, for secular purposes, remember by definition the religious group can only take Federal money for secular purposes. It would be unconstitutional as everyone acknowledges to give tax dollars to a religion for religious purposes. So the question is can a religious organization take money for secular purposes and discriminate? And we are told, well, wait, it is important for them to hold together.

It seems to me the worst thing being said about religious organizations are the people who say, you know what, if you want Baptist or Jews or Mormons or Catholics to help other people, you better not make them associate with nonbelievers. They can only help people find jobs, they can only give job training as long as they are free from the spiritual pollution of having to teach these jobs alongside nonbelievers. That is a condemnation of religion that I hope this House will not engage in, compounded by a denial of democracy on the floor of the House. To bring forward such an important issue and use your submissive majority to prevent debate is contemptible.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Arizona (Mr. SHADEGG).

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

Mr. SHADEGG. Mr. Speaker, I rise in support of this rule and in support of the underlying legislation, and I would like to add a few comments to the topic that seems to have drawn heated debate here.

I think it is a confusing topic and one that is important that we are discussing in this debate right now and one that I believe will come up in the debate that goes forward and will no doubt be addressed in the motion to recommit which the minority will be allowed to offer.

The argument here is that the language added to this legislation somehow is inconsistent with our civil rights laws and is somehow inappropriate. I would like to address and dissect that argument.

I want to make it clear that our Nation's Constitution and our existing civil rights laws make it very clear and have since the day of their enactment that religious organizations in their hiring of their own staff can, in fact, discriminate based on religion. That is a provision that has been scrutinized by the United States Supreme Court and upheld by a unanimous United States Supreme Court, so that, if a Christian church wants to say that in hiring its minister it chooses to hire a Christian minister, it can do that. And the Supreme Court has said it may do so.

In those civil rights laws there is no mention of Federal money. The reason we have those laws extended into all sectors of employment is not just where there is Federal money involved, but we have our discrimination laws extended through commerce. If it is interstate commerce, then those civil rights laws apply and they should. But I want to make very clear that all nonprofits that have a mission are entitled to discriminate based on that mission. That is to say, if a particular group that supports abortion and is involved in that activity wants to, it can choose not to hire someone who is rabidly prolife. A group that supports the environment and cleaning up the environment can choose not to hire on to its staff someone who is rabidly against cleaning up the environment. That is a privilege enjoyed by all nonprofits under our current law.

What this bill does, and it is important to understand this, and I have a letter here from the Union of Orthodox Jewish Congregations of America that makes this explanation very clear: what this bill does is say a very narrow exception for religious organizations to give them the same right that all other non-religious organizations have when they are performing services. Currently, we do not say to Planned Parenthood, if you take money from the Federal Government you must hire someone who is pro-life. But we do say under the current version of this law, if you are a faith-based organization and you want to provide, for example, job training services, then you must hire all-comers, people who even disagree with your fundamental beliefs.

The reality is this is about discrimination, but it is about the discrimination that exists in current law. Current laws prohibit religious organizations and only religious organizations from saying they have the right to choose to hire people who happen to share their values. We do not deny that right to Planned Parenthood. We do not deny that right to the Sierra Club. We do not deny that right to any other group, and we ought not to deny that right to a faith-based organization providing its services.

Mr. MCGOVERN. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, if I had an indefensible point I would not yield either, despite all the time they have.

If, in fact, a religious organization get money for job training, they have a right to refuse to hire someone who does not believe in job training. If they have hired because they are going to try and fight drug addiction, they do not have to hire someone who is for drug addiction.

If the gentleman thinks I am going to yield him after he refused to yield to me when he has all the time and I do not, let him get some more time from his side which has the extra time and is sitting on it, and I will debate him.

The fact is that any organization has the right to deny people a job if they disagree with the job for which they are being hired. So, no, you do not have to hire someone who disagrees with what you are being hired for. That is totally not the case. And by the way, this law about discrimination does apply across the board.

Mr. MCGOVERN. Mr. Speaker, I do not know if the gentlewoman from Ohio (Ms. PRYCE) would like to yield to the gentleman from Arizona (Mr. SHADEGG) so the gentleman from Arizona and the gentleman from Massachusetts (Mr. FRANK) can continue this dialogue.

Ms. PRYCE of Ohio. Mr. Speaker, we are reserving our time.

□ 1130

Mr. MCGOVERN. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, I will urge Members to vote ''no'' on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will make in order the Van Hollen amendment that was offered in the Committee on Rules last night and defeated on a party-line vote.

This very worthy amendment restores current law, which prohibits the use of Federal funds to discriminate in hiring based on religion. It will do this by striking the offending language from the bill.

Mr. Speaker, it is astounding to me that in the 21st century we would turn back the clock and allow American taxpayer dollars to be used to discriminate against our own citizens based on their religious beliefs.

This is 2003. I had hoped that we had moved beyond refusing to hire someone because they are Catholic or Jewish or Muslim or Presbyterian or whatever. This bill returns us to the bad old days.

The Van Hollen amendment would strike this offensive provision, and it deserves a vote by this House. This bill

is supposed to be about helping our unemployed workers, not about giving taxpayer money to organizations that discriminate. It is absolutely critical that we put aside partisan differences and give Members the chance to delete this language.

Vote ''no'' on the previous question so we can take up this vital amendment. I want to point out that a ''no'' vote will not stop us from considering this legislation. However, a ''yes'' vote will deny us the opportunity to vote on this terrible language. This is the only opportunity that the House will have to strike this provision from the bill.

Again, I would urge my colleagues to vote ''no'' on the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment and extraneous materials in the RECORD immediately prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. ADERHOLT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself the remaining time.

In conclusion, this is a fair rule which allows us to move on to the task at hand, strengthening the workforce and equipping the worker with the knowledge and skills needed to succeed.

As I said earlier, an unlimited supply of jobs would not do our economy much good without workers to fill those positions. Strengthening America's economy requires both good jobs and good workers; and today, we are focused on the worker.

My colleagues on the other side of the aisle would pick this apart and stand in the way of progress for America's workers. Nothing new. We see it today, we will see it tomorrow, but I ask my colleagues to put America's workers first, support this rule, and pass the Workforce Reinvestment and Adult Education Act.

The material previously referred to by Mr. MCGOVERN is as follows:

At the end of the resolution add the following new section:

''SEC. 2. Notwithstanding any other provision in this resolution it shall be in order to consider the further amendment printed in Sec. 3 of this resolution, if offered by Representative Van Hollen of Maryland or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for 60 minutes equally divided and controlled by the proponent and an opponent;''

SEC. 3. Page 91, strike lines 9 through page 92, line 3 (and renumber subsequent sections and conform the table of contents accordingly).

Ms. PRYCE of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. MCGOVERN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, this 15-minute vote on ordering the previous question on House Resolution 221 will be followed by a 5-minute vote, if ordered, on the question of adopting the resolution and by two additional 5-minute votes on the remaining motions to suspend the rules that were debated yesterday.

The vote was taken by electronic device, and there were—yeas 222, nays 199, not voting 13, as follows:

[Roll No. 170]

YEAS—222

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—199

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—13

Andrews
Clyburn
Combest
DeLay
Dingell
Feeney
Fletcher
Gephardt
Gibbons
Hyde
Miller, Gary
Moran (VA)
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ADERHOLT) (during the vote). Members are advised 2 minutes remain to vote.

□ 1152

Messrs. BOUCHER, MCINTYRE, CASE, CROWLEY and Ms.

VELÁZQUEZ changed their vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

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.

RECORDED VOTE

Mr. MCGOVERN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, the vote on the question of adopting the resolution will be followed by one additional 5-minute vote on the motion to suspend the rules and pass H.R. 874 that was debated yesterday.

The remaining suspension on House Resolution 213 will be taken later today.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 221, noes 196, not voting 17, as follows:

[Roll No. 171]

AYES—221

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—196

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—17

Andrews
Clyburn
Combest
Cox
DeLay
Dingell
Feeney
Fletcher
Gephardt
Gibbons
Hyde
Miller, Gary
Ortiz
Reyes
Rodriguez
Schrock
Stark

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ADERHOLT) (during the vote). Members are advised 2 minutes remain to vote.

□ 1200

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.

□ 1200

RAIL PASSENGER DISASTER FAMILY ASSISTANCE ACT OF 2003

The SPEAKER pro tempore (Mr. ADERHOLT). The unfinished business is the question of suspending the rules and passing the bill, H.R. 874.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. QUINN) that the House suspend the rules and pass the bill, H.R. 874, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 5, not voting 15, as follows:

[Roll No. 172]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)

Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—5

Flake
Hinchey
McDermott
Paul
Stark

NOT VOTING—15

Andrews
Clyburn
Combest
DeLay
Dingell
Feeney
Fletcher
Gephardt
Gibbons
Hyde
McCarthy (MO)
Miller, Gary
Pearce
Schrock
Smith (TX)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). The Chair advises that there are less than 2 minutes remaining in this vote.

□ 1208

Mr. GEORGE MILLER of California changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GIBBONS. Mr. Speaker, on rollcall Nos. 170, 171, and 172, I was detained in a closed intelligence briefing. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Mr. FLETCHER. Mr. Speaker, on Thursday, May 8, 2003, had I been present for rollcall vote Nos. 170, 171, and 172, I would have voted the following way: rollcall vote No. 170—''aye''; rollcall vote No. 171—''aye''; and rollcall vote No. 172—''aye.''

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1261.

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

There was no objection.

WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT OF 2003

The SPEAKER pro tempore. Pursuant to House Resolution 221 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. 1261.

□ 1208

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. 1261) to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we stand here today, hundreds of thousands of Americans are searching for good, stable new jobs. The unemployment rate in April rose to 6 percent. As the economy works toward recovery, hundreds of thousands of Americans are searching for jobs and careers that can help them ensure security and safety for their families. The President has made it clear that we need more jobs and we need a stronger economy. The backbone of economic growth is a strong workforce. As we move towards enacting the President's jobs and growth initiative this week, we also have a chance to strengthen job training opportunities for American workers.

The legislation before us is H.R. 1261, the Workforce Reinvestment and Adult Education Act. I want to commend the gentleman from California (Mr. MCKEON), the subcommittee chairman, for his leadership in bringing this bill to the floor. The bill would reauthorize and strengthen the Workforce Investment Act, or WIA, major legislation passed 5 years ago that provided important reforms to Federal job training programs. Prior to 1998, the Nation's job training system was a mess. It was fragmented, contained overlapping programs, and did not serve anyone very well, job seekers or employers. WIA consolidated employment and training services at the local level and produced a more unified workforce development system.

WIA provides funding for States and local communities to establish one-stop shops for workers seeking new jobs and new careers. Through the WIA system, job seekers now have access to labor market information, job counseling and job training to help them get back on their feet. WIA has generally worked well, but it could work even better. Duplication and confusion are keeping the WIA system from reaching its true potential for American workers. Duplication of services under the current law results in significant resources being squandered, resources that could be used to help those in need at a time when they need the help most. Overlap in training programs under the current WIA law has contributed to the growth of a confusing patchwork at the State and local level. Governors and State and local officials need the flexibility to target these resources toward the unique needs of the men and women in their communities.

The legislation before us would give our Nation's Governors and communities new tools to meet the unique needs of these people that they serve. It would streamline the bureaucracy to give workers better access to WIA benefits. Congress has an obligation this year to improve worker access to these WIA benefits and provide Americans with an even stronger job training system at a time when it is needed most.

State and local communities should be given greater flexibility to tailor their WIA systems to their own unique

needs. Currently, the WIA adult, WIA dislocated worker, and Wagner-Peyser funding streams serve very similar populations. Combining these funding streams into a single grant, as proposed in this bill, would result in more effectiveness at the State and local level and significantly greater efficiency for workers searching for new jobs and new careers. It would also give States and local authorities greater flexibility to integrate WIA with their welfare-to-work programs. The bill also strengthens adult education by focusing on core skills such as reading and math. Workers need these building blocks to thrive in a knowledge-driven economy.

Lastly, I would note that the bill allows faith-based institutions to be included in the Federal worker relief system.

□ 1215

Faith-based institutions have a proven track record of helping people find jobs, but they are essentially barred from the current WIA system simply because they have religious identities, and this is unfortunate and unnecessary because under the Civil Rights Act of 1964 and as amended in 1972, faith-based organizations are already explicitly allowed to hire on a religious basis. These outdated barriers should be removed to ensure that every available resource is being committed in the effort to help Americans find jobs.

The bill before us simply reiterates the existing exemption that religious organizations have had for more than three decades under the civil rights laws. Title VII of the Civil Rights Act of 1964 and as amended in 1972 reads as follows: ''(These requirements) shall not apply . . . to a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities.''

This portion of the Civil Rights Act, which has been upheld by the U.S. Supreme Court, explicitly allows faith-based organizations to hire on a religious basis and any Federal legislation governing Federal social service funds should continue to protect the rights of religious organizations to do so. The measure before us simply applies the same standard to the Workforce Investment Act so that every available resource is being tapped to help Americans find jobs. If we do not make this change, we are essentially telling out-of-work Americans that they deserve something less than 100 percent of our support.

I think that would be a horrible message to send. Workers and families are the backbone of our economy. The backbone of economic growth is a strong workforce. Congress has an obligation to improve worker access to the benefits that the Workforce Investment Act offers and to provide Americans with an even stronger job-training system again when it is needed most.

Passing this bill will send another clear message to the American people that we are taking action on jobs and the economy. And again I want to commend the gentleman from California (Mr. MCKEON) for his excellent work in bringing this bill to the floor.

Mr. Chairman, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WATSON).

(Ms. WATSON asked and was given permission to revise and extend her remarks.)

Ms. WATSON. Mr. Chairman, I rise in strong opposition to H.R. 1261.

I rise in strong opposition to H.R. 1261. Mr. Chairman, similar to the IDEA Reauthorization last week, we are again presented with a subpar rule and a subpar bill. The Committee did not allow us to vote on and discuss key amendments which would have greatly improved this measure.

I offered an amendment that was rejected by the Rules Committee yesterday that would have specified that local WIA boards may use funds to carry out training programs for displaced homemakers and nontraditional training for women. These are two existing programs that have been crucial to low-income women's economic independence and self-sufficiency. Since more than 60 percent of WIA recipients are women, the use of WIA funds for these programs would have provided necessary training opportunities, counseling, and services for WIA recipients to learn the necessary skills in obtaining and keeping jobs.

Mr. Chairman, this bill fails workers, attacks our Veterans and erodes our civil rights laws. An amendment offered to extend Federal unemployment benefits for newly unemployed workers and for those workers who have previously exhausted their unemployment benefits was not allowed. Also defeated was an amendment which would have restored current law prohibiting the use of Federal funds to discriminate in hiring based on religion, as well as an amendment to strike the language in the bill that allows governors to take money from Veterans and dislocated worker programs to pay for infrastructure costs for one-stop centers.

The Workforce Reinvestment and Adult Education Act is supposed to provide job opportunities for our nation's youth and extend educational opportunities for adults. The bill we have before us does not uphold this commitment. H.R. 1261 cuts job opportunities for youth, shifts critical resources away from career preparation and summer jobs, eliminates the successful Youth Opportunity Grants and reduces targeting of resources to poor communities.

In a time of economic downturn and a rising unemployment rate, it is our duty to provide the necessary funds to boost our economy and safeguard our future. We can increase the effectiveness and outreach of boards by increasing funding to local boards. We must give local leaders the opportunity to shape best use of resources to their communities.

Mr. Chairman, H.R. 1261 does not cut it. I urge my fellow colleagues to vote no on this bill.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield myself 4 minutes.

I rise in opposition to H.R. 1261. This is the wrong bill being considered at the wrong time for the wrong reasons. This bill fails to extend unemployment benefits, it fails to create jobs, and it fails to stimulate the economy.

This economy is in the grips of a devastating economic stagnation, and it is now clear to everyone that the President's economic policies have utterly failed to date to create new jobs, they fail to stimulate new business growth, and they have richly succeeded in turning historic Federal surpluses into staggering deficits.

Unemployment is at 6 percent. That means that almost 9 million Americans are officially unemployed and another 9 million are either working part time because they cannot find full-time work or they are so completely discouraged that they have stopped looking for work. The Department of Labor's own data shows that there are three job seekers for every job available today. And yet this legislation comes forth and begins to unravel what has been a carefully constructed job-training program over the last 20 years on a bipartisan basis. It does so by undermining the ability of workers who are dislocated and others to get the services that they need to go back into the job market. But it also does it because of the insensitivity of this administration, because in this year, in this last year, as hundreds and hundreds of thousands of Americans join the ranks of the unemployed, this administration and this Congress cut $650 million of the programs under WIA. The President's budget this year suggests another $200 million in cuts.

So while they talk about the block grant and they talk about efficiencies, let us understand what they are doing. As the ranks of the unemployed grow in staggering numbers, there will be fewer resources available to help those individuals get back into the job market. There will be fewer resources available to help the 6 percent of Americans who are unemployed, to the 4 million Americans who are underemployed and are looking for longer hours.

Payroll employment has not been this depressed since the Great Depression of the 1930s, and why is that? Because there is not enough demand in the economy. But unfortunately tomorrow the Republicans will give us an economic program based upon tax cuts for the wealthy that most economists in the country have already said while they may agree with the tax cuts, it will not stimulate the economy. It is still questionable whether or not the Democrats will be able to put forth their program which economists tell us will create 1 million new jobs this year.

This legislation, because it is within the jurisdiction of the committee and our ability, could have also extended unemployment benefits for those who

are about to run out on May 31. But unfortunately the Republican leadership of the committee would not support that amendment and the Republican Committee on Rules would not make it in order.

So as we stand here in these dark times for unemployed American families who do not know yet whether or not unemployment benefits are going to be extended at the end of this month, where they will be playing with whether or not we will extend them, we know that within the Republican part the last time there was a huge amount of opposition to the extension of the unemployed benefits, that many people were lost because of the gap in that coverage. But this legislation is silent on that issue.

This legislation is like a narcotic. It wants to say we are moving around the structure of WIA, we are cutting the funding of WIA, but things are going to get better for the unemployed in this country. It is just simply not so because the Bush economy has been so terribly devastating to so many segments of the economy, whether it is in manufacturing, whether it is in high tech, whether it is in services, whether it is in transportation, whether it is in accommodations, and this President has yet to take a single step. Yes, he got his tax cut his first months in office. He has lost 2.5 million jobs since then, since then. That did not work. What he is suggesting is that we do more of the same. That is not an answer for these desperate families who are trying to hold themselves together through these dark economic times.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN), a member of the committee.

Mrs. BLACKBURN. Mr. Chairman, I rise today to express my support for H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003. This bill has a directed focus: Strengthening local participation and streamlining the current WIA funding process. The primary purpose is to achieve more efficient and results-oriented services for the program's participants. This is important because in the past the WIA system has been hampered by duplicative and redundant bureaucracy, preventing it from being as effective as it should be for retraining workers.

WIA provides workforce services in programs through One-Stop Career centers. These centers have several important goals. They offer information on jobs, provide education and training resources, and aid employee retention. Further, they train workers in occupational skills needed to get a job, or for those already employed the centers help workers acquire the skills necessary to move upward and on to higher paying jobs.

Last year alone over 30,000 Tennesseans enrolled for workforce investment services through 14 One-Stop Career Centers and the 55 affiliate sites located throughout the State. This bill strengthens the mission of these centers by playing a critical role in helping people who seek to improve their skills, their jobs, their careers and their incomes. It provides them with the tools and training necessary to be competitive in the 21st century workforce.

Further, it strengthens education programs by providing a way to enhance and refresh competency skills. It is my firm belief that with the employment services the centers provide, Tennessee workers will have access to the training needed to thrive in an ever-increasing technology-driven economy.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. KILDEE), a member of the Committee on Education and the Workforce.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong opposition to this bill. In 1998 the gentleman from California (Mr. MCKEON) and I brought a bipartisan WIA bill to this House. Unfortunately, this is not the case today. The key failure of this legislation is that it does not respond to the economic realities that American families are facing today. We have 8.8 million individuals who are out of work. These are real people with names. We have growing budget deficits projected to top a half trillion dollars this fiscal year. Most alarming is the fact that three unemployed individuals are competing for every job.

In light of these dire economic conditions, I have grave concerns about the bill before us today. This bill unravels the very fabric of our Federal job training system. First, the proposal would eliminate the employment service, the program which matches those looking for work with jobs. The bill also block grants our job training programs. As our economy continues its downturn, it is extremely shortsighted to eliminate the function that matches jobs and individuals looking for work.

I must stress how disappointed I am that the Committee on Rules did not make either of my amendments in order to extend unemployment benefits. The House is not responding to the needs of the American workers by denying the debate on these amendments. The families of unemployed workers are struggling to ensure that they can afford their rent and put food on the table. We should not ignore the needs of these families. Where is the compassion of this Congress? I certainly can see the conservatism, but I do not see the compassion.

This bill also allows governors to take funding from veterans programs, programs serving individuals with disabilities, and other partner programs to fund one-stop infrastructure costs by also eliminating their seat on local workforce boards.

I am aware that an amendment may be offered today to cap the amount of funds that can be taken, but this amendment is deficient. This amendment is inadequate and will still place these programs and the services they provide at risk.

Lastly, Mr. Chairman, this legislation repeals existing civil rights protections. Under current law faith-based organizations do receive Federal funds and do an admirable job providing job training services. Unfortunately, the Republican bill would allow for these organizations to refuse to hire individuals due to their faith for positions paid for with Federal dollars.

Mr. Chairman, this bill does not respond to the needs of unemployed individuals and individuals with disabilities seeking to return to the workplace. In fact, it undermines the progress we have made under WIA thus far. I regret that the Committee on Rules has prevented us from responding to the real needs of American workers.

I urge opposition to final passage of this legislation.

Mr. BOEHNER. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. MCKEON), the father of the Workforce Investment Act of 1998.

Mr. MCKEON. Mr. Chairman, I rise in strong support of H.R. 1261, and I want to thank the gentleman from Ohio (Mr. BOEHNER), chairman, for his support and his leadership on this bill, and the committee in general.

Simply put, H.R. 1261 will help strengthen America's economy. For example, this important bill includes amendments to Title I of the Workforce Investment Act of 1998, which provides for the Nation's one-stop workforce development system. The bill also contains the Adult Basic Education Skills Act, which reauthorizes State programs for adult education. It also would reauthorize the Rehabilitation Act of 1973, which provides services to help individuals with disabilities become employable and achieve full integration into society.

Last week the Department of Labor released updated economic figures showing that the Nation's unemployment rate for April rose to 6 percent, its highest level since the 2001 recession, matching the rate that occurred this past December. With the April decline of 48,000 jobs, the fall in payroll employment over the past 3 months reached 525,000 jobs. Payroll employment has declined by 2.1 million jobs since the beginning of the recession.

□ 1230

With hundreds of thousands of Americans searching for new jobs, we must take action to strengthen the job training opportunities for American workers.

The Workforce Reinvestment and Adult Education Act of 2003 builds upon and improves systems created in the Workforce Investment Act of 1998, which consolidated and integrated employment and training services at the local level in a more unified workforce development system. One of the hallmarks of the new system is that, in

order to encourage the development of comprehensive systems that improve services to both employers and job seekers, local services are provided through a one-stop delivery system. At the one-stop centers, assistance ranges from core services, such as job search and placement assistance, access to job listings, and an initial assessment of skills and needs, intensive services such as comprehensive assessments and case management, and, if needed, occupational skills training.

Even though States and local areas have created comprehensive services and effected one-stop delivery systems, there have been challenges with the system. H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003, goes even further and addresses some of the challenges of the current system. For example, the bill streamlines unnecessary bureaucracy, increases effective cooperation among workforce development partners and places an increased emphasis on basic skills and adult education programs.

This bill aims to streamline current WIA funding in order to provide more efficient and results-oriented services and programs by combining the adult, dislocated and employment service funding streams into one funding stream. This will eliminate administrative duplication that remains in the system, improving services for individuals.

There is a need to increase the financial contribution of the mandatory partners in the one-stop career centers while at the same time increasing the service integration among the partner programs. This includes serving special populations, like individuals with disabilities who have unique needs, through the one-stop system.

There is also a need to simplify the local and State governance processes and to strengthen the private sector's role by ensuring greater responsiveness to local area needs. We accomplish this by removing the requirement that one-stop partner programs have a seat on the local boards. This will provide for greater representation and influence by local business representatives who currently are frequently frustrated that they are not able to connect with, or access, resources from the local boards.

We are also strengthening the membership requirements and role of the State board to increase support for partner usage in an effort to create a more coordinated approach to addressing the workforce needs of each community.

Additionally, we need to increase training opportunities by providing for greater flexibility in the delivery of core, intensive, and training service. Individuals will have the opportunity to receive the services that are most appropriate for their needs.

In short, this bill aims to empower individuals in improving their careers by strengthening the infrastructure of the one-stop delivery system, improving accountability, enhancing the role of employers, and increasing State and local flexibility.

The bill also includes the Adult Basic Skills Act to reauthorize State programs for adult education. This bill places more of a focus on the delivery of the basic skills of reading, writing, speaking, and math. Additionally, we have sought to ensure that instructional practices are based on scientific research. Provisions have been included to increase accountability for States and local providers to have measurable improvement in basic skills and GED graduates and those entering higher education.

The bill also makes improvements to the Rehabilitation Act of 1973, which provides services to help persons with disabilities become employable and achieve full integration into society. The Vocational Rehabilitation title of this bill enhances and improves transition services, which promote the movement of a student served under the Individuals With Disabilities Education Act from school to post-school activities, which we passed last week.

H.R. 1261 will strengthen our workforce development system to aid those Americans most in need of help getting back to work.

I am pleased to support this legislation and urge my colleagues to do the same.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. OWENS), a member of the committee.

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

Mr. OWENS. Mr. Chairman, our Nation is faced with a few simple facts that are awesome indeed. Unemployment has risen to a high of 6 percent nationally. In New York it is 9 percent. States throughout the Nation are faced with large deficits. States and cities are being forced to lay off government workers. Since the year 2000, more than 600,000 youths have lost their jobs. The economic downturn appears unlikely to end any time in the near future, according to the majority of the expert economists.

Added to this is the fact that 90 percent of the troops on the frontline in Iraq and Afghanistan are members of working families. They come from working families. They are out there on the front lines. But nevertheless, here in America the Republican majority wages a relentless war against working families.

I call on the Republican majority to call a truce. Stop your war against working families. You started this administration with a repeal of the ergonomics laws. That was a slap in the face of all working people. You have continued by ignoring the question of raising the minimum wage. You have launched a new assault on cash payments for overtime. You have launched a new assault against OSHA.

Please, call a truce. These are working families who are as important in America as anybody, probably more important. Those are the people who supply the troops out there on the front lines.

We are totally insensitive to the fact that the Nation is diminished by the way the workers are treated. We have very serious problems that are not being addressed by the Workforce Investment Act. More money should be invested in training the workforce needed to make homeland security more than a joke. There are lots and lots of types of expertise needed that we do not have that we ought to be training for.

Let us, please, call a truce. Stop the war, stop the hostilities, against working families in America.

The CHAIRMAN. Without objection, the gentleman from California (Mr. MCKEON) will control the time of the gentleman from Ohio (Mr. BOEHNER).

There was no objection.

Mr. MCKEON. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Colorado (Mrs. MUSGRAVE), one of our outstanding new freshmen.

(Mrs. MUSGRAVE asked and was given permission to revise and extend her remarks.)

Mrs. MUSGRAVE. Mr. Chairman, I would like to address my comments specifically to those who would prevent religious organizations, faith-based organizations, from receiving Federal funds to help unemployed Americans.

Religious organizations have often been denied Federal funding simply because they have a religious name or an identity or they hire on a religious basis. Our President has called on his administration and Congress to remove these barriers, and I wholeheartedly support that.

I would remind my colleagues that during the 1990s President Clinton supported four laws that allowed religious organizations to retain their right to hire on a religious basis while they were receiving Federal funds, just as Republicans are doing today, to ensure that faith-based organizations can be part of the Federal job training and worker relief system under the Workforce Investment Act. The four laws that were passed during the Clinton administration were the Substance Abuse and Mental Health Services Act, the Community Services Block Grant of 1998, welfare reform of 1996, and the Community Renewal Tax Relief Act of 2000.

Faith-based organizations cannot be expected to sustain their religious mission without the ability to employ individuals who share in their tenets and practices. It is that very faith that motivates these people to help Americans that are in trouble.

Members of faith-based organizations should enjoy the same right to associate with those that share their unique vision, just as other known-religious groups do. For example, Planned Parenthood may refuse to hire those who do not share its views about abortion. Planned Parenthood Federation

of America received over $100 million in Federal funds to support the things that they offer in fiscal years 1997, 1998, and 1999. Equal treatment requires that religious organizations, faith-based organizations, have the same right to hire on idealogical grounds.

Let us allow faith-based organizations to retain their unique character and help and assist Americans who need a job.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS), a Member of the committee.

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, I rise in strong opposition to H.R. 1261. However, I want to first thank the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER), for accepting one of my amendments in committee that would include ex-offenders as part of the hard-to-serve population who are seeking employment.

However, I am disappointed that the amendment that my colleague, the gentleman from Louisiana (Mr. BAKER), and I submitted to the Committee on Rules was not accepted. This amendment would strike sections 402 and 403, which would change the current status of the Commissioner of Rehabilitation Services Administration. Currently the commissioner is appointed by the President with the advice and consent of the Senate. This bill would change the current structure of the position from a Presidential appointee to a director appointed by the Secretary of Education. The disability community is opposed to this change because it puts additional distance between the President and the commissioner.

We are still talking about cuts; and we all know that when there are cuts, there are serious social consequences that occur when young people are not in school and not employed. We will see crime rates increase, arrests increase, drug abuse increase and gang activity increase. Young people, if they are not employed, will find something to do with their time; and I am afraid that it is not going to be productive, and, perhaps in some instances, even illegal.

One of the shocking provisions, though, of this resolution is that H.R. 1261 allows employers to discriminate based on religion when hiring for government-funded positions in job training. Our country cannot go backwards. Children learn in school about NINA laws, that is ''No Irish Need Apply,'' and now we are going back to another period. Perhaps soon we will see ''No Jews Need Apply,'' ''No Christians Need Apply,'' ''No Blacks Need Apply.'' Well, I think that that is shameful. And, yes, faith-based organizations should be allowed to do their work, but they should not be promoted to discriminate at the same time.

Mr. MCKEON. Mr. Chairman, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. I thank the gentleman for yielding me time.

Mr. Chairman, I am disappointed in the legislation that we are debating today, because this could have been much better. We are only days after depressing job reports, the most depressing reports in decades, released by the Department of Labor showing we lost half a million jobs in the last 3 months. Instead, what the majority brings to this floor is an eviscerated, underfunded job training and workforce development bill.

Tomorrow, the majority will bring to the floor a bloated tax bill, overwhelmingly weighted to the wealthiest Americans; and combined, this is what you are going to call a jobs program.

Since January 2001, when the current President took office, this economy has lost 2.7 million jobs that are private sector jobs. It is a net loss of more than 74,000 jobs a month. The President is on track to have the worst job creation record for any President since World War II. Workers desperately need relief, the economy desperately needs a boost, and this bill does not provide it.

The House majority missed a tremendous opportunity to continue the 30-year record that we have had of bipartisan cooperation on the workforce investment program. But even before the House began to authorize this process, the administration and this Congress had a terrible record on job training.

Despite the rising unemployment numbers under this administration, the programs under the Workforce Investment Act have been dramatically underfunded. In fiscal year 2002, the Republican majority adopted a $300 million rescission of WIA funds; in fiscal year 2003, they cut WIA by $440 million; and they project 2004 to cut it by $265 million. This warrants concern that the rhetoric of support for these programs is not matched by the conduct.

□ 1245

This legislation does nothing to restore those cuts in critically needed training dollars, and it does nothing to restore working families as a priority.

There are at least 5 problems with this bill as it is reauthorized. Instead of restoring needed funding, it actually block grants the money, including the adult dislocated worker and employment services programs. Make no mistake, block granting these programs is nothing more than a precursor to further reducing funding for job training in the future. Combined with the history of the cuts that I just discussed, the history of block grant programs tried elsewhere that result in cuts and the history of the administration putting no money in for extension of unemployment benefits, we start to see the attitude of the majority and of this administration towards unemployed Americans and people that need to get back to work.

The block grants ignore important differences between the various types of jobs and job seekers that are currently served by the WIA programs, and they pit one group of underemployed against the unemployed trying to receive assistance.

Second, the bill will also largely replace the unemployment service program whose central mission is to facilitate the match between job seekers and employers and the Federal-State partnership that consists of more than 1,800 local offices. This approach will undermine the principle of an unbiased, nonpartisan agency to administer job referrals and assist in the payment of unemployment insurance benefits.

Thirdly, the bill denies services to in-school youth under the Youth programs title of WIA. The bill has been changed to allow 30 percent of local funding for in-school youth. I strongly support the concept that young people who leave school before finishing should be given a second chance, but I also believe it makes sense to catch as many as we can before they leave the classroom. This legislation restricts the ability of local communities to respond to their needs and it flies in the face of the kinds of effective programs that are currently being implemented.

Fourth, State governors will be allowed to take unspecified amounts of funding presently used to provide critical veterans employment, adult education, vocational rehabilitation, and other services and instead use that money for administrative costs in the one-stop centers. Federal organizations projected a $61.3 million shortfall in their outreach and job counseling and placement programs already. Vocational organizations can only service 5 percent of those who need their services already.

Finally, the bill rolls back the critical civil rights protections.

Mr. Chairman, we have again missed an opportunity to come together in a bipartisan fashion. This legislation is the worse for it, and I urge its rejection.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. ISAKSON), the vice chairman of the subcommittee and one of the great leaders on the committee.

Mr. ISAKSON. Mr. Chairman, I thank the gentleman from California (Chairman MCKEON) for introducing me, but also in particular for his leadership and work on this legislation, as well as the gentleman from Ohio (Chairman BOEHNER).

I am particularly pleased to rise in support of H.R. 1261 because of the great additional support it gives to the youth of America. This bill provides a targeted approach to serving America's youth. Specifically, it emphasizes the need to provide WIA youth funds for

out-of-school young adults. Under current law, funds for the WIA youth program are spread too thinly. Out-of-school youth are currently underserved and face significant challenges to successful employment and careers. This bill addresses the problem and provides adequate funding to alleviate the problem.

Furthermore, this bill provides that youth eligible for services under State and local programs must be of the ages between 16 and 21. A focus on this age group will provide States with the flexibility to address both in- and out-of-school youth, as well as promote dropout prevention for our Nation's youth. However, services for in-school youth must be provided during non-school hours, which may include before and after school programs. This bill promotes more productive development programs, while ensuring these training and employment programs are not substituted for school curriculum. The purpose is to enhance and supplement education, in addition to traditional schooling, to better prepare them for the jobs of the future.

Additionally, the bill makes Youth Councils optional rather than mandatory. In many areas, local Youth Councils have proven to be inefficient or ineffective in enhancing the local system's efforts to provide programs and services that successfully address youth issues. However, local boards retain the authority to create such councils if they are needed and prove effective in this area.

Finally, this important legislation provides challenge grants to cities and rural areas that have effective partnerships with education, business, and community organizations in providing youth programs and services. These areas will have the ability to compete for challenge grant targeted funding, which will further result in greater and more effective services for our youth population.

Mr. Chairman, H.R. 1261, the Workforce Reinvestment Act and Adult Education Act of 2003, is crucial to a successful and productive workforce and especially crucial to the youth of America. I am pleased to rise in support, and I encourage this House to adopt the legislation.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. NADLER).

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

Mr. NADLER. Mr. Chairman, I rise today in opposition to this legislation which will enshrine the principle of religious discrimination in our laws. I can recall no greater betrayal of our Nation's family principles in my 10 years in Congress.

Supporters of this bill have held up the nonexistent problem that religious organizations allegedly cannot participate in federally funded programs. That is not true. Religious organizations have every right to participate in publicly funded programs and they have done so for many years.

This bill is also not about protecting religious freedom. Current law protects the right of institutions to select their own clergy and practice their religions free from government interference. No one is questioning that, and this bill has nothing to do with it. The question is whether you can discriminate in taxpayer-funded, nonreligious employment. Current law says you cannot. This bill says you can.

This is not equality, and it is certainly not compassion. It is simply wrong to tell those taxpayers that programs they fund can be closed to them simply because of their religious faith.

Mr. Chairman, the people I represent understand religious discrimination. Many of them came to this country because Jews or Catholics faced the evils of religious bigotry in Europe. They should not have to face it here.

This bill is also a slander against religious people across this Nation. They do not want to engage in employment discrimination; they want to help people. They are guided by their faith to make the world a better place.

Not only does this bill bring shame on our Nation and its tradition of religious tolerance, the Republican leadership has decreed that we cannot even vote on this momentous question of repealing the law against religious discrimination. They have abused their power by forbidding a discussion and a vote on this fundamental question.

What are they afraid of? Are they afraid that some of their Members might have to answer to their neighbors for casting a vote in favor of religious discrimination with taxpayers' money? I cannot blame them from hiding behind the Iron Curtain of the Committee on Rules.

Mr. Chairman, we have heard all of this before from the Republican leadership. In the Committee on the Judiciary, we were told that people should be able to discriminate against janitors and the people who serve soup to the poor simply on the basis of religion. The President has made the right to discriminate on the basis of religion the heart of his so-called ''compassionate conservatism.''

Mr. Chairman, that is not what America is about. It is not the spirit of religious charity, it is not the spirit of religious liberty. I cannot imagine voting yes on a bill to say that for the first time since the Civil Rights Act of 1964 we are going to repeal a bill, a law against religious liberty, a law that Ronald Reagan signed, a law that said you cannot discriminate with Federal taxpayer funds on the basis of religion. This bill says you can. For shame, Mr. Chairman.

Mr. Chairman, I rise today in opposition to this legislation which will enshrine the principle of religious discrimination in our laws. I can recall no greater betrayal of our nation's founding principles in my 10 years in Congress.

Proponents of this bill have held up the nonexistent problem that religious organizations cannot participate in federally funded programs that is not true. Religious organizations have every right to participate in publicly funded programs, and they have done so for many years. I have helped many of these religiously affiliated charities obtain Federal and State funding to do their good work as have most other members of this House.

This bill is also about protecting religious freedom. Current law protects the right of religious institutions to select their own clergy and practice their religions free from governmental interference. No one is questioning that, and this bill has nothing to do with it. The question is whether you can discriminate in taxpayer funded non-religious employment. Current law says you can't. This bill says you can.

This is not equality, and it is certainly not compassion. All Americans pay their taxes and, therefore, pay for these programs. It is simply wrong to tell those taxpayers that programs they fund can be closed to them simply beause of their religious faith.

Mr. Chairman, the people I represent understand religious discrimination. Many of them came to this country because Jews or Catholics faced the evils of religious bigotry in Europe. They should not have to face it here.

This bill is also a slander against religious people across this nation. They do not want to engage in employment discrimination; they want to help people. They are guided by their faith to make the world a better place.

Not only does this bill bring shame on our nation and its tradition of religious tolerance, the Republican leadership has decreed that we cannot even vote on the momentous question of repealing the law against religious discrimination. They have abused their power by forbidding a discussion and a vote on this fundamental question.

What are they afraid of? Are they afraid that some of their members might have to answer to their neighbors for casting a vote in favor of religious discrimination? I can't blame them for hiding behind the Iron Curtain of the Rules Committee. I wouldn't want to have to answer for that either.

Mr. Chairman, we have heard this all before from the Republican Leadership. In the Judiciary Committee we were told that people should be able to discriminate against janitors and the people who serve soup to the poor simply on the basis of religion. The President has made the right to discriminate over the heart of his ''compassionate conservative''.

Mr. Chairman, that's not what America is about. This is certainly not the spirit of religious charity. I urge a no vote on this bill so we can come back and do it right.

Mr. MCKEON. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. WILSON), another new member of our committee.

Mr. WILSON of South Carolina. Mr. Chairman, I want to thank the gentleman from Ohio (Chairman BOEHNER) who has worked diligently to strengthen workforce development and job training programs by eliminating wasteful duplication and refocusing services to ensure job seekers have access to the most effective job training resources available.

The unemployment rate reached 6 percent last month. It is clear we must join together to provide out-of-work Americans with the tools and resources they need to get back to work.

Mr. Chairman, H.R. 1261 will strengthen and renew the programs at the one-stops by providing more effective and efficient services and by using resources more appropriately for Americans striving to get back to work. The one-stops I have visited are making a difference and this bill will allow them to provide even better services.

H.R. 1261 combines the three funding streams into one, which provides for streamlined program administration and more efficient service delivery at the State and local level, resulting in additional funds available for the provision of services. However, funds continue to be targeted for those needing the most critical reemployment services.

H.R. 1261 continues to require States to provide rapid response services in case of mass layoffs, plant closings, disasters, or other events that lead to substantial increases in the number of unemployed individuals.

Employment services will continue to be provided as core services at the one-stop career centers.

In addition, the bill provides an equitable distribution of funds between States and local workforce investment areas. The bill ensures that funds currently supporting the delivery of local reemployment and training services will continue.

In conclusion, the one-stop operators will no longer have to track multiple streams of funds. States and local areas will have the flexibility to tailor services to the needs of their labor market.

Mr. Chairman, I urge my colleagues to support H.R. 1261, and God bless our troops.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GREEN), an alumni of the committee.

Mr. GREEN of Texas. Mr. Chairman, I thank our ranking member for yielding me this time, and I appreciate the recognition as alumni of the Committee on Education and the Workforce.

I rise in opposition to the legislation which hurts our unemployment assistance programs at the worst possible time. In my hometown in Texas, the unemployment rate is 6.7 percent as of March 2003, and probably is getting worse. Across the country, there are almost 10 million Americans who are officially unemployed and many who are not counted because they have dropped off the rolls. Our unemployment system needs to be stronger, not weaker. We need extended unemployment assistance in low income areas and we need stronger employment and retraining services.

The bill here today, H.R. 1261, actually reduces vital services through the old ''block grant and privatize'' game. I heard from my constituents working in the employment services field, and they report that privatization means unresponsive low bid contractors, overworked staff, and cutting corners.

Another concern I have is with the requirement that State vocational rehabilitation plants must describe how these services are better coordinated with services under IDEA. I do not mind coordination, but not if it is a cover for funding cuts, and that is what I am concerned about.

Under this bill, one-stop centers, which have been a success across the country and also in Houston would have to use more of their Federal funds to pay for infrastructure, not for services. That is a funding cut.

With over 3 million workers projected to lose their temporary unemployment assistance from now until the end of the year, without a new job, this bill makes no sense.

In my opposition, I would also point out that this reauthorization is opposed by major Hispanic groups, including the National Council of La Raza and the Hispanic Education Coalition, because it fails to help unemployed Hispanics in America to improve their English skills and job prospects. Again, from Texas and the Southwest we have a lot of skilled workers, but if our unemployment services provide English assistance, those people could get work and even better employment. If we want Hispanic folks in the labor market, we need to make a commitment that teaching English as a second language is important. This bill allows States to teach English, but makes no real commitment of resources.

Let me just touch on the religious concern I have. We had a job fair in our district last Monday that was coordinated in a Baptist church. We already have religious institutions involved if they want to be. We had many employers, and we had our workforce commission in Texas there that organized it. It was a great example of a religious community coming out and using their facilities, and that is happening right now, and they do not have to have discrimination. It happened to be a Baptist church, but they did not say we would only hire Baptists or let only Baptists come in here and apply for these jobs.

Mr. Chairman, I am concerned this bill goes in the wrong direction, and that is why I stand in opposition.

The CHAIRMAN. Without objection, the gentleman from Ohio (Mr. BOEHNER) assumes control of the time.

There was no objection.

Mr. BOEHNER. Mr. Chairman, how much time do we have remaining on each side?

The CHAIRMAN. The gentleman from Ohio (Mr. BOEHNER) has 8½ minutes remaining, and the gentleman from California (Mr. GEORGE MILLER) has 10½ minutes remaining.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. KILDEE) assumes control of the time.

There was no objection.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I thank the gentleman from Michigan for yielding me this time.

I rise with some real concerns about this bill. The Workforce Investment Act and the one-stop delivery system that it created represent the Nation's primary investment in workforce development.

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It has been successful. The one-stop centers in my district do tremendous work, but they desperately need more money to keep serving the rising, I am sorry to say, rapidly rising number of unemployed. I offered an amendment in the Committee on Rules to reverse the $650 million in cuts to the WIA programs applied over the past 2 years, over the time that the needs of unemployed people were increasing; and these cuts have been enormously harmful. Unfortunately, the Committee on Rules would not allow my amendment to come to the floor so we could debate what is an appropriate authorization here.

The bill has been rushed to the floor in a partisan fashion and, worse, fails to adequately respond to the needs of our workers. It sets the stage for reducing job training programs by taking money away from participating partners in the Workforce Investment Act such as the Veterans Employment programs, Perkins Vocational Education program, and the Vocational Rehabilitation program. And in addition, it consolidates adult employment and training programs into one block grant. And that removes many of the Federal performance and accountability measurements and standards that help make WIA a high-quality workforce program. And if that is not bad enough, the bill, as you have heard, eliminates current civil rights protections for employees of job training organizations.

For all of these reasons, I cannot support the bill. I urge my colleagues to oppose the bill so we can return it to the committee where I sit with the gentleman from California (Mr. GEORGE MILLER) and the gentleman from Ohio (Mr. BOEHNER) so that we can bring it back to the House in a bipartisan fashion as a bill that will help job seekers find jobs.

Mr. BOEHNER. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. SOUDER), another alumni of our committee.

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

Mr. SOUDER. Mr. Chairman, first I want to thank the chairman, the gentleman from Ohio (Mr. BOEHNER), and the chairman of the subcommittee, the gentleman from California (Mr. MCKEON), for their work with this bill.

It is very important that we have these job training programs updated on a regular basis; that we have the flexibility to implement, particularly when we are struggling in the Midwest and many other parts of the country.

This legislation is historic and very important. I especially want to address some misstatements that have been on the floor this afternoon regarding the faith-based provision; and it really troubles me as a committed Christian, but really anybody of devoted faith, whether you are Muslim or Jewish or whatever your background, of what seems to be a rise of antireligious bigotry in America right now. It is basically saying you are not welcome to practice your faith here.

The fact is, people of devoted faith have been involved in both the public and private arena for many years. We started this morning with a prayer. Of all the lawgivers above us, there is Moses, the only one of the lawgivers that is faced this direction on the House floor who is looking straight down, and In God We Trust. We have passed multiple times on this floor legislation that has included and allowed faith-based organizations to permit, to participate in welfare reform initiatives, in multiple other initiatives, drug treatment, where people can participate with their faith, without having to give up basic tenets of their faith, in helping the poor and practicing compassion. In fact, the courts have upheld allowing buses and computers being given to private schools. We have charitable contributions which are indirect, allowing people to keep money and exempt Tax Codes. We allow students to choose to go to a college and get a student loan which is, once again, indirect funding.

The question is, are you forcing anybody directly or indirectly into a specific program? In job training there are many choices. This bill has programs where there are many choices. Why can any of those choices not include a faith-based component? There is simply not enough money to cover all the needs in this society. When people are willing to leverage their own private dollars, to give of their own time and to work with individuals and individuals, particularly when we are targeting the poor many of these people are in urban areas. Many of the churches that are talked about are churches in my district of Ft. Wayne that are African American churches or Hispanic churches that want to get involved. They are the most trusted parts of their communities in most cases. They want to be involved in the literacy. They want to be involved in the job training. They want to be involved in the after-school programs. And nobody is saying that they are not going to be covered in this. Other people have a choice of where they want to go.

What we are saying is if a church wants to be involved, you cannot tell them who they have to have in their pulpit. You can tell them that if somebody is practicing pornography and their religion does not believe in pornography that they cannot remove that person. Under the governmental laws, you cannot remove a person for watching legal pornography. But if you are a Christian like I am and you believe the church and church organizations are supposed to reflect the glory of your Savior or in another religion that faith, to ask that faith to change their hiring practices, to change the basic tenets of their faith so that they can help the poor is to ask them to do something inconsistent.

Nobody is forcing anybody into any religion. What we are saying in the public arena where people are getting job training and so on, can one of their choices be to go to a faith of their choice where they can get the training along with the character development and with groups that are leveraging the funding.

I commend the chairmen for their initiative with this. I commend our President, and I am appalled at the religious bigotry that I hear that is really challenging far more than this bill. It is challenging our Tax Code. It is challenging other Court-upheld decisions because they in effect would force the faith-based community, those who have deeply held beliefs that we may disagree about, out of the public arena; and that is wrong.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. RYAN), a member of the committee.

Mr. RYAN of Ohio. Mr. Chairman, I thank the gentleman for yielding me time, and I would also like to thank the gentleman from California (Mr. GEORGE MILLER) for his leadership, as well, on this committee.

Mr. Chairman, 2.6 million job losses, and $1.2 billion trade deficit a day, $1.2 billion trade deficit a day; 2.2 million of the 2.6 million jobs that we have lost are manufacturing jobs, good-high wage, high-paying jobs with health care benefits and pensions.

This is another missed opportunity. We had an opportunity here in the committee to try to stimulate this economy, to try to make advancements; and we had an amendment on the Democratic side, $3.7 billion investment for 100,000 first responders, directly bumped into our local communities that are struggling. We are laying off police. We are laying off firefighters. We are laying off first responders; and those same first responders have also been called to serve in the war, leaving a major hole in our local communities.

In my district alone, 6.9 percent unemployment. In Ohio, 85,000 workers have exhausted their benefits, 42,000 have exhausted their benefits and are still looking for work; and the answer in this Chamber and the answer in Washington, DC is a tax cut.

In my district there is 1 percent of the taxpayers that have an income above $200,000, and 50 percent of the workers in my district will get a hundred bucks. That is not helping average people in this country. And we spew out statistics here left and right, but I am afraid that again all the faces and the names have turned into numbers in this society. And it is time to give a shot in the arm to this economy. We can address local issues. We can invest in our local community. We can employ our first responders and at the same time address the homeland securities issue. This bill is not doing it, and I urge we reject it.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I rise today to speak out against H.R. 1261, a bill that represent an enormous missed opportunity for this Congress to help the growing millions of Americans looking for work or needing additional training.

The dismal job situation in this Nation could not be more clear. The unemployment rate moved back up to 6 percent in April as the private sector lost another 80,000 jobs, adding to the over 400,000 jobs lost in February and March. In all, 2.7 million private sector jobs have vanished from the economy since January of 2001. And of the 8.8 million unemployed workers in this Nation, almost 2 million are long-term unemployed and 4.4 million have been looking for work for so long that they have simply given up looking. The plight of the long-term unemployed is so bad that the New York Times has reported that in some cities support groups for unemployed workers have started holding two separate sessions: one for those who have recently lost jobs, and the other to offer special counseling needed to support those unemployed for 27 weeks or longer.

And yet in astonishing fashion, rather than invest in new jobs or extend benefits for the estimated 3.9 million out of work Americans who will be directly effected when the extended unemployment program ends this month, this bill unravels our Nation's job training system.

At a time when efforts should be made to match unemployed workers with jobs, H.R. 1261 would eliminate the Employment Service which provides these services. The bill also eliminates dedicated funding for job training assistance to dislocated and unemployed workers. Instead, H.R. 1261 block grants this funding, diluting services for millions of workers who need help to find new jobs or retrain to support their families.

As our country remains in the midst of stagnant economic growth with few jobs being created, we need a job assistance and training system that meets the needs of America's unemployed workers. H.R. 1261 is not the bill. America's workers deserve much better. I urge my colleagues to vote against final passage, so that as we understand that unemployment continues to persist that we challenge these cuts, that we challenge the reduction in job training programs, and that we move to protect those who have worked for this Nation and now deserve our help, not our contempt.

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Chairman, in 1998 we joined together in a bipartisan fashion to pass the Workforce Investment Act. We had 150 Federal job training programs, and that did not work. We cut it down to 60. We took those 60 Federal programs and block granted them out to the States and in that legislation set up the one-stop shops. The regulations were finally written in about 2000. The one-stops have been set up. They are starting to do their job. This bill now gives us a chance to take the final three programs we were not able to consolidate last time, consolidates them, gives more money to the local areas, gives more authority and responsibility to the local areas.

The one-stops that I visited with the local governments boards are doing a great job. We need to give them additional help. That is what we do in this bill. It is unfortunate, as we can see from this debate, that we were unable to do this bipartisan. It was not our choice. We had the committee. We gave everybody the opportunity. We had full debates on a lot of the things that they are complaining about now, and we won on committee votes. It is important now that we really think about the workers and how we can help them and get this bill passed.

Mr. KILDEE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. HINOJOSA).

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

Mr. HINOJOSA. Mr. Chairman, I rise in opposition to H.R. 1261.

The programs authorized under the Workforce Investment Act provide the key supports to economic self-sufficiency for many in our communities. They deserve a more serious and substantive discussion than the rushed, partisan effort that we have before us today. H.R. 1261 does not address the needs of the most significant source of growth in America's workforce—immigrants.

Consider the following: new immigrants accounted for more than 50 percent of the civilian labor force growth between 1990 and 2001. More than 40 percent of non-citizens have less than a high school education and approximately 17.8 million adults in the U.S. are limited English proficient (LEP). Many states in the south and midwest have experienced large increases in the number of LEP individuals over the past ten years. Some of these states have little experience providing services to LEP adults.

Evidence has clearly shown that investment in vocationally linked English as a second language provides excellent returns. Immigrants who are fluent in oral and written English earn approximately 24 percent more than those who lack fluency, regardless of their qualifications. Yet despite this, H.R. 1261 fails to provide these states with the assistance they need to improve their English as a Second Language (ESL) and other services to this growing population.

While many of these new Americans seek to become active participants in civic life, few have access to ESL and civics education programs that can help them understand their roles as community members. H.R. 1261 misses an opportunity to help these immigrants learn English and better understand their responsibilities as new Americans. Instead, H.R. 1261 offers divisive provisions on so-called "charitable choice", which would sanction discrimination in hiring and weaken our civil rights. This is not an investment in our workforce. It is a diversion from what our workers need. I urge my colleagues to oppose H.R. 1261.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

(Ms. WATERS asked and was given permission to revise and extend her remarks.)

Ms. WATERS. Mr. Chairman, I rise today to oppose this bill. It is an important piece of legislation that should be passed, but not in its current form.

Mr. Chairman, our country is in trouble. On this President's watch more than 2.3 million jobs have been lost. Many workers have exhausted their unemployment benefits, and this administration is doing nothing to stimulate this economy or create jobs. Congress, over the objections of many Democrats, has stripped away job assistance programs intended to help these workers gain skills and find employment. Unfortunately, this bill keeps with this appalling record.

The bill undermines apprentice programs on which thousands of people depend for training and guidance as they begin their careers. In addition, this bill allows funding for job training programs and unemployment services to be funded in block grants rather than its current form, resulting in far less funding for these programs.

But what I am most concerned about is under this bill any religious organization that receives Federal funding for job training or other job assistance programs will be allowed to turn people away simply because of their religious beliefs. This is discrimination in its most obvious form. It should not be allowed. By passing this bill, Congress will be rolling back decades of civil rights protections. We should be ashamed that this is even being considered. And while I am at it, I too am a Christian, and I oppose this bill and any effort to weaken civil rights laws.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

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

Mr. EMANUEL. Mr. Chairman, I thank the gentleman from Michigan (Mr. KILDEE) for yielding me time.

Mr. Chairman, I rise today in opposition to H.R. 1261, the Workforce Reinvestment and Adult Education Act.

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We are in the middle of a jobs recession where 2½ million Americans have lost their jobs in the last 2 years, 2 million in the manufacturing sector alone. It is more important now than ever that we ensure that those workers who want to train up and participate in the new economy get a chance to participate in the new economy, and this job training bill and a job training program is so essential.

I want to pick up on what my colleague from California said because in 1998 we did work together in a bipartisan fashion. We put aside politics. We zoned off the area of job training and ensured that we put people first and not politics first, and that is why we got a bipartisan agreement. We should not roll back on the principle that we did in 1998. We should press forward in doing what we did in 1998 by coming together, putting people first and not exactly politics.

My view here is that tomorrow we are going to be voting on a tax cut. This bill focuses on the job market. We should not focus on the stock market at the exclusion of a job market. It needs the same attention, the same interests and the same investment that we are about to do in just the stock market alone. The job market has as much priority as the stock market.

On the budget that we passed 2, 3 weeks ago, there were about $700 million in cuts over 2 years in the President's budget in the job training area. That is not the type of investment, that is not the type of values that both parties share. People are hurting out there. My colleagues have seen them when they have gone in the one-stop shop and talked them, as I have, in this time of recession and unemployment where 2 million Americans in the manufacturing sector have lost their jobs. It is a time that we in both parties need to come together and ensure that they have the opportunity to participate in the new economy, to participate and have a future whether they are unemployed or they want to ensure they have a chance at the American dream for them and their family.

Mr. KILDEE. Mr. Chairman, I yield myself the remaining time.

Again, I regret we do not have a bipartisan bill. I regret that we did not get in the Committee on Rules the ability to offer the extension of unemployment benefits which are so sorely needed in this country. I regret the fact that we have chipped away at civil rights protections which are so precious in this country.

I would hope that somewhere along the line, before this bill is finally finished, that we get a bill that we can have support for on both sides of the aisle, but we cannot do that today.

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of our time.

Let me again thank the gentleman from California (Mr. MCKEON) and all the Members who have helped to work to put this bill together.

I want to congratulate the members of our staff, Sally Lovejoy, Krisann Pearce, Stephanie Milburn, Melanie Looney, Travis McCoy, Elisabeth Wheel, and James Bergeron of the gentleman from California's (Mr. MCKEON)

staff. They have done a great job in helping us bring this bill here today.

Though the legislation is important for us as legislators, we have a chance today to provide out of work Americans with more than just a temporary fix. We can provide them with the tools they need to get and keep a job.

Some of my colleagues have talked about the need to extend unemployment insurance. Indeed, providing unemployed workers with assistance while they are out of a job is critically important, and that is why we supported and continue to support appropriate extensions of unemployment insurance.

However, the legislation before us today is an opportunity to provide job seekers with what they really need to get back on their feet. We can provide them with the tools, the training and the resources that will help them find meaningful and permanent employment. As the old cliche goes, if you give a man a fish, he eats for a day. You teach a man to fish, he will eat for a lifetime. The reason that we all know this cliche is because it happens to be true.

We have an opportunity to provide unemployed Americans with access to job training and skills that they need to provide permanent security for themselves and their families. H.R. 1261 addresses the real hardships that unemployed Americans are facing by strengthening programs and targeting most of the needed help by expanding the number of providers that can serve job seekers.

The legislation before us today happens to receive strong support from the States that are administering the programs, the local workforce boards who are directly providing these services to job seekers and the businesses who actually hire the workers. As the U.S. Chamber of Commerce has pointed out, ''As economic growth accelerates, the need for skilled workers will only increase. The Workforce Reinvestment and Adult Education Act provides increased flexibility and strives to create programs that are responsive to businesses' needs now and in the future.''

The backbone of a strong economy is a well-developed workforce, and providing job seekers with the skills and training they need to thrive will strengthen our economy and they are also needed to help us spur economic growth.

So I urge my colleagues to support this important bill, and we look forward to entertaining the number of amendments that have been made in order.

Mr. PAYNE. Mr. Chairman, I rise in my opposition to H.R. the Workforce Investment Act.

Our Nation is facing the worst unemployment since the Great Depression. The 6 percent unemployment rate that was announced the beginning of the month equals to nearly nine million American out of work.

2.7 million private-sector jobs have vanished since the Administration took office a little over 2 years ago. Over the last 3 months alone, the economy has shed 538,000 private-sector jobs.

What is the Majority's solution? To severely undermine the very Act that is designed to create opportunities for our unemployed workers.

The other side of the aisle uses words such as efficiency, steam-lining, reforms and improvements in this bill. If this bill becomes law in its present form, efficiency will result in more lost jobs, streamlining will result in fewer resources for workers, and reforms and improvements will result in privatization.

Congress has traditionally responded to the employment, training and education needs of workers by constructing bipartisan legislation to provide unemployment compensation and strengthen the job training system when needed. Instead, the bill we have on the floor today falls short of securing needed training and employment programs and fails to assist our Nation's unemployed and disadvantaged workers.

This bill does not extend unemployment benefits; it would repeal a 21-year-old civil rights standard that prohibits federally funded job training organizations from using religion as a qualification in hiring decisions.

This bill would block grants the current dislocated workers programs, adult training programs with the Employment Service. By eliminating the funding focus for the Employment Service program, it will essentially terminate the very service which connects people to jobs, a critical job assistance to the unemployed workers hardest hit by the current recession.

Participation for in school youth would be capped at 30 percent. These are the very youth that are most likely to drop out if they don't receive services such as summer employment opportunities, mentoring, and job counseling.

H.R. 1261 allows Governors to use adult education funds to pay for One Stop Center's administrative costs, thus taking critical funds from programs such as the Perkins vocational education and Vocational rehabilitation programs.

Secretary of Labor Elaine Chao has described our Nation's job training and workforce development system as ''world class''. We cannot consider our system to be world class if we allow this bill to move forward. Ladies and gentlemen, are hurting our Nation's workers by offering this bill as a solution and that is why I urge my colleagues to vote against this bill.

Mr. BACA. Mr. Chairman, I rise in opposition to H.R. 1261.

H.R. 1261 is a flawed proposal that cannot be fixed. There are too many unemployed Americans today that need services and support for their families to pass this bill.

With a suffering economy and rising unemployment, the workers under this proposal would be called upon to work harder than ever before, yet receive fewer benefits and support when they are down than ever before.

The administration and GOP have adopted the reckless policy of kicking American working families when they are down. The GOP seems to think that during this time of high unemployment, we should cut back on employment assistance and training.

This bill eliminates the Adult and Dislocated Worker Programs and the Employment Service State Grants and substitutes them with a block grant.

While the total amount for the block grant would be the same as the sum of the individual programs, the administrative changes will actually result in a net loss for beneficiaries.

Our national unemployment rate is 6 percent, but these numbers don't account for the millions that have been forced off the labor force or are not considered ''active'' enough in their job search.

Also, Republicans would have us believe that when a person's unemployment benefits expire, they are then magically employed because they are not counted as unemployed!

All of you here know how bad it is out there. We all have constituents who need work, need resources to take care of their families, and who need a helping hand.

I call on my colleagues that remember the legacy of Cesar Chavez to oppose this bill that eliminates the Migrant and Seasonal Farmworker Programs.

I call on my colleagues that care about our children to oppose this bill that starves the Youth Opportunity Grant program to death.

I call on my colleagues to oppose this reckless $700 million dollar cut to Title I programs.

This is about people! This is about the economy! This is about our children!

This is about American working families, families that have to eat and take care of their children, but that barely earn enough to pay for food, shelter, and clothing.

This piece of legislation is not an acceptable or responsible proposal to provide needed services to our Nation's unemployed. Please join me in voting no on final passage.

Ms. PELOSI. Mr. Chairman, I rise in opposition to H.R. 1261, the Workforce Reinvestment and Adult Education Act.

Today, in the middle of a recession, we should be voting for an economic plan to create jobs. My colleagues and I have proposed the Democratic Jobs and Economic Growth Plan, which would create more than one million jobs this year. Instead, tomorrow the Republican leadership will bring up a bill that gives tax cuts to the wealthy and does not create jobs.

Today, with the unemployment rate at 6 percent, we should be voting to extend unemployment benefits. Unemployment compensation immediately puts dollars in the pockets unemployed workers and helps boost the economy. Instead, today we are voting on a bill that will weaken our job training programs.

H.R. 1261 has many serious flaws. First, it would consolidate funding for services for adults, disclosed workers, and employment services into a single block grant, forcing these groups to compete against each other for assistance and likely leading to reduced funding. It would eliminate the U.S. Employment Service, which maintains a free, nationwide labor exchange that matches job seekers and employers.

This bill would allow governors to take funds from programs such as Adult Education, Veterans' Reemployment, and job training for disabled individuals to spend on infrastructure expenses at one-stop centers, The result would be reduced funding for jobs and training programs at a time when more Americans are seeking employment assistance and job training.

H.R. 1261 would also reduce accountability of training providers by eliminating federal performance standards. Furthermore, the bill

would cut back services to youth, who have been among the hardest hit by the current economic downturn.

Finally, H.R. 1261 would overturn a federal anti-discrimination policy established more than 60 years ago. At that time, President Franklin D. Roosevelt decided to forbid federal contracts from discrimination based on religion, as well as race with national origin. Following in the same tradition, the current job training law prohibits religious discrimination.

Breaking with this long commitment to civil liberties, H.R. 1261 would allow religious groups to discriminate on the basis of religion when hiring or firing staff for federally-funded social programs. It is profoundly unwise to allow the federal government to fund religious discrimination. It is bad for our churches, bad for our workforce, and bad for our society. I urge my colleagues to vote against H.R. 1261.

Mr. ACEVEDO-VILÁ. Mr. Chairman, I rise to commend Chairman JOHN BOEHNER and Subcommittee Chairman BUCK MCKEON for including certain language in their manager's amendment to H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003, and also Ranking Member GEORGE MILLER and Congressman KILDEE for their support in this matter. These adjustments will remove definitions from the bill that would have created ambiguity with regards to providing workforce investment funding to Puerto Rico for high school dropouts and jobless-out-of-school youth, and would likely have resulted in reduced funding.

As reported from Committee, H.R. 1261 required certain data points to be included in the allocation formula to be taken from the Current Population Survey—a survey that DOL does not conduct in the Commonwealth of Puerto Rico. The effect of this requirement would be that funding for important, youth-focused workforce training and education programs in Puerto Rico would likely be cut to these programs in Puerto Rico. While a hold harmless provision in H.R. 1261 would limit the size of any cut to these programs in Puerto Rico, the high unemployment rate of the Commonwealth emphasizes the need to obtain all intended, formulated and available funds for workforce investment.

The Workforce Investment Act (WIA) is an important program for unemployed and underemployed people in Puerto Rico and all the United States. Many people, youth and adult alike, find greater opportunity through the training, education and other benefits provided through WIA, and our economy will improve only by making such investments in our workforce.

Again, I greatly appreciate the consideration of Chairmen BOEHNER and MCKEON in making this correction to the Workforce Reinvestment and Adult Education Act. I know that their intent in passing this bill through the House is to improve the delivery of workforce investment, training and education, and to affect positive impacts on our economic situation. Certainly, the manager's amendment will improve the reauthorized Workforce Investment Act's application in Puerto Rico, and will enable more funding and workforce services to benefit high school dropouts and jobless-out-of-school youth.

Mr. LEE. Mr. Chairman, I thank my good friend from California GEORGE MILLER, a tireless advocate for working families in the Bay Area of California and all across this nation, for yield me time today.

Mr. Chairman, I rise today in strong opposition to this bill which will only exacerbate the jobs crisis in American and would repeal precious civil rights protections.

Mr. Chairman, we are in the midst of a jobs crisis—an unemployment crisis. Nine million men and women are out of work—a third of these men and women lost their livelihood since President Bush took office.

What's the Republican response to this crisis? First, denial, then waging war while ignoring the declining economy; now they offer us a one-two combination jobs loss program: first this so called Workforce Reinvestment and Adult Education Act today, followed by the irresponsible tax cut bill scheduled for consideration tomorrow.

Mr. Chairman, we need a jobs creation program, we need to extend unemployment benefits. This bill does nothing to create American jobs, does nothing to help in the short-term.

In fact, it does exactly the opposite: it ensures that workers will continue to struggle to find jobs in the long term because this bill sacrifices so many of our tired-and-true training resources. It collapses adult and dislocated training programs into one funding stream and cuts then by over $600 million from FY 02 levels. It eliminates substantial amounts for youth training programs, which is something desperately needed in my 9th Congressional District of California. And it does not go far enough to help veterans find jobs.

An unemployment crisis requires a real solution—the Republicans have offered us a jobs loss program instead. On those grounds alone I oppose this bill. But, Mr. Chairman, there is yet another reason to oppose this bill—yet another fatal flaw: it removes civil-rights protections that ban employment discrimination based on religious affiliation. It is wrong and unconstitutional for taxpayer funding to go to organizations that can hire and fire based solely on someone's religious beliefs and for this reason too, that I urge my colleagues to vote no on the underlying bill.

Mr. STARK. Mr. Chairman, I rise today in opposition to H.R. 1261, the Workforce Reinvestment and Adult Education Act.

Today's bill has nothing to do with improving or ''reinvesting'' in our workforce—far from it. Instead, the Republicans are using it to weaken worker protections and open the door to hiring discrimination while dismantling the employment service program that helps people out of work find jobs. Apparently the Republicans haven't read the latest unemployment numbers. How else can you explain being so cruel and unfair as to pull the rug out on the nation's unemployed?

Let me remind my Republican colleagues that the number of jobs in this country is at the lowest point in 41 months. April was the third straight month the economy lost jobs as the nation's unemployment jumped to 6 percent. There are now 10 million workers in America out of work. Of those, two million have been unemployed for 27 weeks or more. In fact, the average length of unemployment has risen to 20 weeks—that's the highest since 1984.

You would think that with such staggering statistics, this Republican-led Congress would be doing everything it could to bolster workforce investment. Yet, this House Republican bill cuts employment and re-employment services at the time they are needed most. It underfunds the Employment Service, Adult, and Dislocated Worker programs by consolidating them into a single block grant. This puts the burden directly on the states, exacerbating their fiscal crises and triggering layoffs among the very state employees who administer these programs that help people find work. Yet, much worse, it forces unemployed workers and welfare recipients to fight it out for a share of these limited funds.

To add insult to injury, the Republicans give states the right to waive basic worker protections that allow employees to seek redress when they've been treated unfairly. They even allow religious organizations to engage in hiring discrimination in an unholy attempt to turn back a half-century of progress in preventing workplace discrimination.

Current law prohibits employers participating in federal job training programs from discriminating based on race, color, religion, sex, national origin, age, disability, or political affiliation or belief. The Republican bill would allow the taxpayer dollars that pay for these job-training programs to go to religious organizations that blatantly discriminate in hiring based on religious beliefs. What next? Will the next Bush initiative include allowing discrimination based on race, sexual orientation or political affiliation?

The vital civil rights provision barring federally funded religious discrimination has never been controversial and has never been a partisan issue. In fact, the provision was first included in the federal job training legislation that Senator Dan Quayle sponsored. It passed through a committee chaired by Senator ORRIN HATCH and was signed by President Ronald Reagan.

Throughout its 21-year history, this civil rights provision has not been an obstacle to the participation of religiously affiliated organizations in federal job training programs. Currently, many religious organizations participate in the federal programs and comply with the same civil rights protections that apply to other employers.

But suddenly, under the leadership of the White House, we are being asked to forget the principle of equal opportunity on which our country was founded.

I'm not surprised that an amendment to restore the anti-discrimination language was defeated in committee on a party-line vote. Yesterday, Republicans refused to allow Democrats the chance to offer the same amendment on the House floor today. It seems that Republicans are not only trampling on every American's civil rights, they're preventing a fair and open democratic process.

Now is not the time to be rolling back civil rights protections and it certainly isn't the time to be short-changing the unemployed. Congress ought to be creating solutions to make it easier for folks to find jobs, not more difficult. This Republican bill is clearly not a solution. It will only create more problems for those looking for work—problems they simply don't deserve.

I urge my colleagues to vote no on H.R. 1261.

Mr. REYES. Mr. Chairman, I rise today in strong opposition to the Workforce Reinvestment and Adult Education Act of 2003.

Of particular concern to me is the devastating effect this bill would have on funding for dislocated worker programs, which are so important to workers in my district of El Paso, Texas.

El Paso has the unfortunate distinction of having the greatest number of NAFTA-related

job losses in the nation, with over 20,000 workers losing their jobs since the implementation of NAFTA almost a decade ago.

Once, El Pasoans could find employment at the textile, plastics, and electronics assembly plants in their community. For many of my constituents who have limited English proficiency and education, these jobs provided a good, living wage for workers and their families. But in the wake of NAFTA, a great number of the factories have closed, and the jobs have disappeared.

In their place, there are new employment opportunities in the service, healthcare, and high-tech industries. However, most dislocated workers are not prepared to fill these jobs without the education and training that federal dislocated worker programs provide.

Incredibly, at a time when the economy has stagnated and unemployment is on the rise, at a time when we should be doing everything we possibly can to help America's workers, the bill before us today eliminates continued dedicated federal funding for dislocated worker programs.

Mr. Chairman, this is simply the wrong bill at the wrong time. I urge my colleagues to vote no on H.R. 1261.

Mr. MORAN of Virginia. Mr. Chairman, I rise in strong opposition to the Workforce Reinvestment and Education Act.

This legislation fails to recognize what we all know: that there are over 8.3 million Americans who are out of work in this country. This is the longest stretch of job loss since the Great Depression.

With the unemployment rate now at 6 percent, it is reprehensible that this legislation, which some have said is a ''reinvestment in our nation's workforce,'' does not include an extension of federal employment benefits, especially as they are set to expire at the end of this month.

When we extended the program last January, the rate of unemployment was even lower than the rate today, and now we have reached near crisis point.

It has been estimated that more than 43 percent of unemployed workers are exhausting their state benefits without finding work, and this number will continue to climb if Congress does not address this issue soon.

This bill also does a disservice to our veterans. Many of our troops that are currently serving in the war in Iraq, will soon be returning home to an economy where jobs are disappearing at a fast rate.

Under the current bill, funds targeted toward veteran employment services would be pooled with other Workforce Investment funds and those services previously targeted to serve our troops become discretionary depending on how the individual state workforce investment board decides.

As we all know, these programs are already critically underfunded. They strive to meet the increasing demands placed upon them in an environment of increasingly inadequate resources. To be effective, these programs cannot sustain these devastating cuts.

Finally, the Workforce Reinvestment and Adult Education Act would eliminate the civil rights protections of Americans, by exempting religious organizations from anti-discrimination requirements.

The message that we are sending to the millions of Americans who are unemployed, who are veterans and those who are in need of economic assistance is that we do not care about keeping them from falling further into an economic crisis.

This bill is not a reinvestment in our workforce and fails to aid the millions of jobless Americans who need it the most.

I urge all my colleagues to vote against H.R. 1261.

Mr. HONDA. Mr. Chairman, I rise today to oppose H.R. 1261, the Workforce Reinvestment and Adult Education Act. Let us not be fooled by the title of the bill. A more accurate title would be the Workforce Divestment Act, because the legislation guts the program and removes critical civil rights protections. In a time of skyrocketing unemployment, it is shameful that the House Republicans would prefer to ignore workers who are in need of retraining and unemployment compensation and instead champion tax cuts for the most well-to-do segments of our society.

At its core, this legislation is flawed. The bill, for example, would block grant the current dislocated worker programs with adult training programs and the state employment service. As a result, the states would no longer be required to assure that adequate resources are earmarked to assist laid-off workers. Instead, unemployed workers would be pitted against low-income workers and welfare recipients in a competition for limited resources.

Equally troubling, H.R. 1261 explicitly authorizes religious organizations receiving federal funds from WIA's job training programs to discriminate against employees and job applicants based on religion. Current law prohibits participants in federal job training programs from discriminating based on race, color, religion, sex, national origin, age, disability, or political affiliation or belief. Allowing this kind of discrimination is not only wrong it is unconstitutional.

Rather than making these detrimental and indefensible changes to WIA, we should be taking up legislation that actually helps those workers impacted most in this recession—a recession the Bush administration has failed to reverse. We should be working on legislation to extend the Temporary Extended Unemployment Compensation (TEUC) program, which is currently scheduled to expire at the end of this month. We should not only extend TEUC, we should expand the program to provide a total of 26 weeks of federal extended unemployment insurance benefits to all laid-off workers, including those who have already exhausted their federal extended benefits, as well as newly laid-off individuals. If we do this, we would actually be investing in our workforce.

Mrs. CHRISTENSEN. Mr. Chairman, the reauthorization of the ''Workforce Reinvestment and Adult Education Act'' is critical to solving our nation's economic slump. The unemployment rate rose to 6.0 percent in April and the number of unemployed persons increased to 8.8 million in April. Jobless rates for adult women, teenagers, whites, African-Americans and Hispanics showed little or no change. During this time of economic recession, investing in the workforce benefits both employees and employers and strengthens our economy. Access to job training is critical for our nation's unemployed. But, H.R. 1261 is not a ''simple'' reauthorization of the Workforce Investment Act. Rather, H.R. 1261 is the beginning of dismantling the federal unemployment safety net that has served our nation for over 70 years.

There are several provisions of H.R. 1261 that are particularly troubling. The Republican bill removes nondiscrimination language from the existing law—thereby allowing organizations receiving funds under WIA to discriminate in hiring based on religion. I have received constituent letters urging a vote against H.R. 1261 because this legislation jeopardizes civil rights and religious freedoms by rolling back protection against discrimination or misuse of government funds by religious organizations.

Block granting is a bad strategy and one that we have seen often used by the Republicans. By block granting the current dislocated worker program with the adult training program and the state unemployment benefits program, welfare recipients and at-risk populations will have to compete not only with one another for much needed services, but competition would increase among programs for limited dollars. This approach weakens the individual job training programs instead of strengthening them. Restructuring WIA is not the answer to reduce our unemployment rate. Creating more jobs is the answer.

Instead of bringing up this damaging bill, the Republicans should also be bringing a bill to extend Unemployment Benefits. At the end of this month, the current Temporary Extended Unemployment Compensation program will terminate, and jobless workers who have extended their regular unemployment benefits will not be able to obtain assistance. This bill does nothing to address this issue.

The local WIA agency in my district, the U.S. Virgin Islands, has voiced concerns about the change in funding ration for youth programs under WIA. The current bill would cap participation for in-school youth at 30 percent. Under current law, both in-school and out-of-school youth are served. Services that would be dropped as a result of the Republican plan include summer employment opportunities, mentoring, and job counseling.

The reauthorization of WIA is an opportunity for Congress to address the unemployment issue in this country. Unfortunately, H.R. 1261 does not address the needs of this growing population. I urge my colleagues to vote ''No'' on the passage of H.R. 1261.

Mr. RENZI. Mr. Chairman, our nation's faith-based institutions have significant track records in meeting the training and counseling needs of citizens seeking employment.

The services provided by faith-based institutions will be a vital component to help our nation's workforce, increasing the ability of job seekers to get needed training, counseling, and prevocational services.

Unfortunately, liberal special interest groups have joined forces behind an effort to bar religious and faith-based organizations from being involved with efforts to help workers find jobs and job training. This is disgraceful.

Congress should actively encourage any effort to provide unemployed men and women with new jobs, and not look for excuses as to why qualified and proven job counseling advisors should be excluded from helping our nation.

During the 1990s, President Bill Clinton supported four laws that explicitly allow religious organizations to retain their right to staff on a religious basis when they receive federal funds—just as Republicans are proposing today. I ask my colleagues on the other side of the aisle, why are you standing now? When you sat silently in support of your past president.

This bill simply reiterates the existing exemption religious organizations have had for more than three decades under civil rights law, applying it to the Workforce Investment Act so that every available resource is being tapped to help Americans find jobs.

Faith-based organizations need to be part of the Federal job training and worker relief system under the Workforce Investment Act, and if they are excluded, that would qualify as discrimination of a criminal level.

Ms. WATSON. Mr. Chairman, I rise in strong opposition to H.R. 1261. Mr. Speaker, similar to the IDEA Reauthorization last week, we are again presented with a subpar rule and a subpar bill. The Committee did not allow us to vote on and discuss key amendments which would have greatly improved this measure.

I offered an amendment that was rejected by the Rules Committee yesterday that would have specified that local WIA boards may use funds to carry out training programs for displaced homemakers and nontraditional training for women. These are two existing programs that have been crucial to low-income women's economic independence and self-sufficiency. Since more than 60 percent of WIA recipients are women, the use of WIA funds for these programs would have provided necessary training opportunities, counseling, and services for WIA recipients to learn the necessary skills in obtaining and keeping jobs.

Mr. Chairman, this bill fails workers, attacks our Veterans and erodes our civil rights laws. An amendment offered to extend Federal unemployment benefits for newly unemployed workers and for those workers who have previously exhausted their unemployment benefits was not allowed. Also defeated was an amendment which would have restored current law prohibiting the use of Federal funds to discriminate in hiring based on religion, as well as an amendment to strike the language in the bill that allows governors to take money from Veterans and dislocated worker programs to pay for infrastructure costs for one-stop centers.

The Workforce Reinvestment and Adult Education Act is supposed to provide job opportunities for our Nation's youth and extend educational opportunities for adults. The bill we have before us does not hold this commitment. H.R. 1261 cuts job opportunities for youth, shifts critical resources away from career preparation and summer jobs, eliminates the successful Youth Opportunity Grants and reduces targeting of resources to poor communities.

In a time of economic downturn and a rising unemployment rate, it is our duty to provide for the necessary funds to boost our economy and safeguard our future. We can increase the effectiveness and outreach of boards by increasing funding to local boards. We must give local leaders the opportunity to shape best use of resources to their communities.

Mr. Chairman, H.R. 1261 does not cut it. I urge my fellow colleagues to vote no on this bill.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to H.R. 1261, the Workforce Reinvestment & Adult Education Act of 2003.

The supposed purpose of H.R. 1261 is to authorize and allocate funds for employment, training, literacy, and vocational rehabilitation programs for adults and dislocated workers. H.R. 1261 also funds activities for low-income youth, such as tutoring and study skills training, alternative high school services, and summer youth job opportunities.

Despite these seemingly good intentions, H.R. 1261 does not adequately respond to the needs of Americans today or in the future. Rather than immediately addressing the needs of the unemployed by extending benefits or including a jobs creation package, H.R. 1261 repeals funding for vulnerable workers. H.R. 1261 puts vulnerable and unemployed Americans at risk by permitting Governors to take unspecified dollars from the pool of funds available for adult education, disability and veteran's services. Under this bill, Governors are permitted to divert unlimited funds from already depleted adult education, vocational rehabilitation, and veteran's services resources to fund infrastructure and administrative costs.

I also oppose H.R. 1261 because its provisions permit overt discrimination. Under current law, faith-based organizations are eligible to receive Federal funds on the condition that they do not discriminate. Under H.R. 1261, the nondiscriminatory requirement is removed. H.R. 1261 would permit faith-based organizations that receive Federal funds under this act to hire or fire employees based on their religion.

H.R. 1261 is also a bad bill because it compounds the problems wrought by our struggling economy. H.R. 1261 eliminates funding for dislocated workers and other vulnerable Americans. Under this bill, funding for services to dislocated workers and employment services would be consolidated into a block grant. This is very poorly timed legislation.

President Bush is calling for more than $700 million in cuts to job training programs for fiscal years 2003 and 2004. More than 2 million jobs have been lost in the last two years, more than 500,000 have been lost in the last 3 months. In Houston, where I am proud to call home, the unemployment rate is currently over 6 percent, a full percentage point higher than last year.

H.R. 1261 also caps funding for in-school youths and threatens to diminish valuable services that help these students overcome obstacles, complete high school, and succeed in the workforce. Under the current funding system, various at-risk youths received financial accommodation. The funding of those youth programs would be severely altered by the restrictive 30 percent cap.

Mr. Chairman, I oppose H.R. 1261. I want to stress that I am not alone in my opposition to this bill. H.R. 1261 is also opposed by the Paralyzed Veteran's of America, the AFL–CIO, the Communication's Workers of America, the National Rehabilitation Coalition, the Baptist Joint Committee on Public Affairs, and the American Jewish Committee. This bill cuts funding to valuable programs and allocates Federal funds to organizations given license to discriminate. I oppose this H.R. 1261 and I urge my colleagues to do the same.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as the original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1261

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 ''Workforce Reinvestment and Adult Education Act of 2003''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Sec. 101. Definitions.
Sec. 102. Purpose.
Sec. 103. State workforce investment boards.
Sec. 104. State plan.
Sec. 105. Local workforce investment areas.
Sec. 106. Local workforce investment boards.
Sec. 107. Local plan.
Sec. 108. Establishment of one-stop delivery systems.
Sec. 109. Eligible providers of training services.
Sec. 110. Eligible providers of youth activities.
Sec. 111. Youth activities.
Sec. 112. Comprehensive program for adults.
Sec. 113. Performance accountability system.
Sec. 114. Authorization of appropriations.
Sec. 115. Job Corps.
Sec. 116. Native American programs.
Sec. 117. Youth challenge grants.
Sec. 118. Technical assistance.
Sec. 119. Demonstration, pilot, multiservice, research and multistate projects.
Sec. 120. Evaluations.
Sec. 121. Authorization of appropriations for national activities.
Sec. 122. Requirements and restrictions.
Sec. 123. Nondiscrimination.
Sec. 124. Administrative provisions.
Sec. 125. General program requirements.

TITLE II—ADULT EDUCATION

PART A—ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION

Sec. 201. Table of contents.
Sec. 202. Amendment.

PART B—NATIONAL INSTITUTE FOR LITERACY

Sec. 211. Short title; purpose.
Sec. 212. Establishment.
Sec. 213. Administration.
Sec. 214. Duties.
Sec. 215. Leadership in scientifically based reading instruction.
Sec. 216. National Institute for Literacy Advisory Board.
Sec. 217. Gifts, bequests, and devises.
Sec. 218. Mails.
Sec. 219. Applicability of certain civil service laws.
Sec. 220. Experts and consultants.
Sec. 221. Report.
Sec. 222. Definitions.
Sec. 223. Authorization of appropriations.
Sec. 224. Reservation.
Sec. 225. Authority to publish.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

Sec. 301. Amendments to the Wagner-Peyser Act.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

Sec. 401. Chairperson.
Sec. 402. Rehabilitation Services Administration.
Sec. 403. Director.
Sec. 404. State goals.
Sec. 405. Authorizations of appropriations.
Sec. 406. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.
Sec. 502. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.).

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) in paragraph (8)(C), by striking ''not less than 50 percent of the cost of the training'' and inserting ''a significant portion of the cost of training, as determined by the local board'';

(2) by striking paragraph (13) and redesignating paragraphs (1) through (12) as paragraphs (2) through (13) respectively;

(3) by inserting the following new paragraph after ''In this title:'':

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' includes the sum of actual cash disbursements for direct charges for goods and services, the net increase or decrease in the amounts owed by recipients, goods and other property received for services performed by employees, contractors, subgrantees, or other payees, and other amounts becoming owned for which no current service or performance is required.'';

(4) by striking paragraph (24) and redesignating paragraphs (25) through (32) as paragraphs (24) through (31), respectively;

(5) in paragraph (24) (as so redesignated)—

(A) in subparagraph (B), by striking ''higher of—'' and all that follows through such subparagraph and inserting ''poverty line for an equivalent period;''; and

(B) by redesignating subparagraphs (D) through (F) as subparagraph (E) through (G), respectively, and inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive free or reduced price lunch;''; and

(6) by striking paragraph (33) and redesignating paragraphs (34) through (53) as paragraphs (32) through (51), respectively.

SEC. 102. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by inserting at the end the following: ''It is also the purpose of this subtitle to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.''.

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) by amending paragraph (1)(C) to read as follows:

''(C) representatives appointed by the Governor, who are—

''(i)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners;

''(II) in any case in which no lead State agency official has responsibility for such a program or activity, a representative in the State with expertise relating to such program or activity; and

''(III) if not included under subclause (I), the director of the designated State entity responsible for carrying out title I of the Rehabilitation Act (29 U.S.C. 701 et seq.);

''(ii) the State agency officials responsible for economic development;

''(iii) representatives of business in the State who—

''(I) are owners of businesses, chief executive or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations and business trade associations;

''(iv) chief elected officials (representing both cities and counties, where appropriate);

''(v) representatives of labor organizations, who have been nominated by State labor federations; and

''(vi) such other representatives and State agency officials as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C 2811(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2811(d)) is amended—

(1) by amending paragraph (3) to read as follows:

''(3) development and review of statewide policies affecting the integrated provision of services through the one-stop delivery system described in section 121, including—

''(A) the development of criteria for, and the issuance of, certifications of one-stop centers;

''(B) the criteria for the allocation of one-stop center infrastructure funding under section 121(h), and oversight of the use of such funds;

''(C) approaches to facilitating equitable and efficient cost allocation in one-stop delivery systems; and

''(D) such other matters that may promote statewide objectives for, and enhance the performance of, one-stop delivery systems within the State;'';

(2) in paragraph (4), by inserting ''and the development of State criteria relating to the appointment and certification of local boards under section 117'' after ''section 116'';

(3) in paragraph (5), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)''; and

(4) in paragraph (9), by striking ''section 503'' and inserting ''section 136(i)''.

(c) ELIMINATION OF ALTERNATIVE ENTITY AND PROVISION OF AUTHORITY TO HIRE STAFF.—Section 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

''(e) AUTHORITY TO HIRE STAFF.—The State board may hire staff to assist in carrying out the functions described in subsection (d).''.

SEC. 104. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended by striking ''5-year strategy'' and inserting ''2-year strategy''.

(b) CONTENTS.—Section 112(b)(17)(A) (29 U.S.C. 2822(b)(17)(A)) is amended—

(1) in clause (iii) by striking ''and'';

(2) by amending clause (iv) to read as follows:

''(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers and formerly self-employed and transitioning farmers, ranchers, and fisherman) low income individuals (including recipients of public assistance), homeless individuals, ex-offenders, individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals);''; and

(3) by adding the following new clause after clause (iv):

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (relating to community-based alternatives for individuals with disabilities) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, and the training of staff; and''.

(c) MODIFICATION TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended by striking ''5-year period'' and inserting ''2-year period''.

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1)(B) (29 U.S.C. 2831(a)(1)(B)) is amended by adding at the end the following clause:

''(vi) The extent to which such local areas will promote efficiency in the administration and provision of services.''.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) of this paragraph and subsection (b), the Governor shall approve a request for designation as a local area from—

''(i) any unit of general local government with a population of 500,000 or more; and

''(ii) an area served by a rural concentrated employment program grant recipient that served as a service delivery area or substate area under the Job training Partnership Act (29 U.S.C. 1501 et seq.),

for the 2-year period covered by a State plan under section 112 if such request is made not later than the date of the submission of the State plan.

''(B) CONTINUED DESIGNATION BASED ON PERFORMANCE.—The Governor may deny a request for designation submitted pursuant to subparagraph (A) if such unit of government was designated as a local area for the preceding 2-year period covered by a State plan and the Governor determines that such local area did not perform successfully during such period.''.

(b) REGIONAL PLANNING.—Section 116(c)(1) (29 U.S.C. 2831(c)(1)) is amended by adding at the end the following: ''The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.''.

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b)(2)(A) (29 U.S.C. 2832(b)(2)(A)) is amended—

(1) in clause (i)(II), by inserting '', businesses that are in the leading industries in the local area, and large and small businesses in the local area'' after ''local area'';

(2) by amending clause (ii) to read as follows:

''(ii) superintendents of the local secondary school systems and the presidents or chief executive officers of postsecondary educational institutions (including community colleges, where such entities exist);'';

(3) in clause (iv), by striking the semicolon and inserting ''and faith-based organizations; and''; and

(4) by striking clause (vi).

(b) AUTHORITY OF BOARD MEMBERS.—Section 117(b)(3) (29 U.S.C. 2832(b) is amended—

(1) in the heading, by inserting ''AND REPRESENTATION'' after ''MEMBERS''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

(c) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (2)(B), by striking ''local area'' and all that follows and inserting ''local area.''; and

(2) in paragraph (4) by inserting ''and ensure the appropriate use and management of the funds provided under this title for such programs, activities, and system'' after ''area''.

(d) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) ESTABLISHMENT OF COUNCILS.—The local board may establish councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include a council composed of one-stop

partners to advise the local board on the operation of the one-stop delivery system, a youth council composed of experts and stakeholders in youth programs to advise the local board on activities for youth, and such other councils as the local board determines are appropriate.''.

(e) REPEAL OF ALTERNATIVE ENTITY PROVISION.—Section 117 (29 U.S.C. 2832) is further amended by striking subsection (i).

SEC. 107. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended by striking ''5-year'' and inserting ''2-year''.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) by amending paragraph (2) to read as follows:

''(2) a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meets the employment needs of local employers and participants.''; and

(2) in paragraph (4), by striking ''and dislocated worker''.

SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended—

(1) in clause (iv) by striking ''and'' at the end;

(2) in clause (v) by striking the period and inserting a semicolon; and

(3) by adding at the end the following new clauses:

''(vi) employment and training programs administered by the Social Security Administration, including the Ticket to Work program (established by Public Law 106–170);

''(vii) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement); and

''(viii) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers.''.

(b) PROVISION OF SERVICES.—Subtitle B of title I is amended—

(1) by striking subsection (e) of section 121;

(2) by moving subsection (c) of section 134 from section 134, redesignating such subsection as subsection (e), and inserting such subsection (as so redesignated) after subsection (d) of section 121; and

(3) by amending subsection (e) (as moved and redesignated by paragraph (2))—

(A) in paragraph (1)(A), by striking ''subsection (d)(2)'' and inserting ''section 134(c)(2)'';

(B) in paragraph (1)(B)—

(i) by striking ''subsection (d)'' and inserting ''section 134(c)''; and

(ii) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(c)(4)(G)'';

(C) in paragraph (1)(C), by striking ''subsection (e)'' and inserting ''section 134(d)'';

(D) in paragraph (1)(D)—

(i) by striking ''section 121(b)'' and inserting ''subsection (b)''; and

(ii) by striking ''and'' at the end; and

(E) by amending paragraph (1)(E) to read as follows:

''(E) shall provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49l–2(e)).''.

(c) CERTIFICATION AND FUNDING OF ONE-STOP CENTERS.—Section 121 (as amended by subsection (b)) is further amended by adding at the end the following new subsections:

''(g) CERTIFICATION OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—The State board shall establish procedures and criteria for periodically certifying one-stop center for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

''(2) CRITERIA.—The criteria for certification under this subsection shall include minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners.

''(3) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

''(h) ONE-STOP INFRASTRUCTURE FUNDING.—

''(1) PARTNER CONTRIBUTIONS.—

''(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

''(B) DETERMINATION.—The portion of funds to be provided under subparagraph (A) by each one-stop partner shall be determined by the Governor, after consultation with the State board.

''(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas for the purposes of assisting in paying the costs of the infrastructure of One-Stop centers certified under subsection (g).

''(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), strategic planning activities for the center, and common outreach activities.

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b) shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

''(A) infrastructure costs that are in excess of the funds provided under subsection (h);

''(B) common costs that are in addition to the costs of infrastructure; and

''(C) the costs of the provision of core services applicable to each program.

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate funding allocation in local areas.''.

SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) IN GENERAL.—The Governor shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services.

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account the performance of providers of training services with respect to the indicators described in section 136 or other appropriate indicators (taking into consideration the characteristics of the population served and relevant economic conditions), and such other factors as the Governor determines are appropriate to ensure the quality of services, the accountability of providers, and the informed choice of participants under chapter 5. Such criteria shall require that the provider submit appropriate, accurate and timely information to the State for purposes of carrying out subsection (d). The criteria shall also provide for periodic review and renewal of eligibility under this section for providers of training services. The Governor may authorize local areas in the State to establish additional criteria or to modify the criteria established by the Governor under this section for purposes of determining the eligibility of providers of training services to provide such services in the local area.

''(2) LIMITATION.—In carrying out the requirements of this subsection, no personally identifiable information regarding a student, including Social Security number, student identification number, or other identifier, may be disclosed without the prior written consent of the parent or eligible student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds under section 133(b), and identify the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, accompanied by such information as the Governor determines is appropriate, is provided to the local boards in the State to be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept individual training accounts provided in another State.

''(f) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

''(g) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, and information required under this section, the Governor shall provide an opportunity for interested members of the public, including representatives of business and labor organizations, to submit comments regarding such criteria, procedures, and information.''.

SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

Section 123 (29 U.S.C. 2843) and the item relating to such section in the table of contents are repealed.

SEC. 111. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 127(a) (29 U.S.C. 2852(a)) is amended to read as follows:

''(a) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS.—

''(i) RESERVATION OF FUNDS.—Of the amount appropriated under section 137(a) for each fiscal year, the Secretary shall reserve 25 percent to provide youth challenge grants under section 169.

''(ii) LIMITATION.—Notwithstanding clause (i), if the amount appropriated under section 137(a) for a fiscal year exceeds $1,000,000,000, the Secretary shall reserve $250,000,000 to provide youth challenge grants under section 169.

''(B) OUTLYING AREAS AND NATIVE AMERICANS.—After determining the amount to be reserved under subparagraph (A), of the remainder of the amount appropriated under section 137(a) for each fiscal year the Secretary shall—

''(i) reserve not more than ¼ of one percent of such amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities; and

''(ii) reserve not more than 1 and ½ percent of such amount to provide youth activities under section 166 (relating to Native Americans).

''(C) STATES.—

''(i) IN GENERAL.—After determining the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot the remainder of the amount appropriated under section 137(a) for each fiscal year to the States pursuant to clause (ii) for youth activities and statewide workforce investment activities.

''(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

''(I) 33 and ⅓ percent shall be allotted on the basis of the relative number of high school dropouts who are ages 16 through 21 in the State, compared to the total number of high school dropouts who are ages 16 through 21 in all States;

''(II) 33 and ⅓ percent shall be allotted on the basis of the relative number of jobless out-of-school youth who are ages 16 through 21 in the State, compared to the total number of jobless out-of-school youth who are ages 16 through 21 in all States; and

''(III) 33 and ⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in the State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—The Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than 90 percent or greater than 130 percent of the allotment percentage of that State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(2) DEFINITIONS.—For the purposes of paragraph (1), the following definitions apply:

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received through an allotment made under this subsection for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that is received by the State involved for fiscal year 2003.

''(B) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(C) NUMBER OF HIGH SCHOOL DROPOUTS.—The term 'number of high school dropouts' means the number of high school dropouts as is determined by the Secretary based on the Current Population Survey.

''(D) NUMBER OF JOBLESS OUT-OF-SCHOOL YOUTH.—The term 'number of jobless out-of-school youth' means the number of jobless out-of-school youth as is determined by the Secretary based on the Current Population Survey.

''(3) SPECIAL RULE.—For purposes of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.

''(4) MINIMUM ALLOTMENT.—Notwithstanding any other provision of this section, no State shall receive an allotment under this section that is less than the amount received by such State for fiscal year 2003.''.

(2) REALLOTMENT.—Section 127 (29 U.S.C. 2552) is further amended—

(A) by striking subsection (b);

(B) by redesignating subsection (c) as subsection (b);

(C) in subsection (b) (as so redesignated)

(i) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the State under this section during such program year (including amounts allotted to the State in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(ii) in paragraph (3)—

(I) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(II) by striking ''such prior program year'' and inserting ''such program year'';

(iii) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State which does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(b) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 10 percent of the amount allotted to the State under section 127(a)(1)(C) for a fiscal year for statewide activities.

''(2) USE OF FUNDS.—Regardless of whether the amounts are allotted under section 127(a)(1)(C) and reserved under paragraph (1) or allotted under section 132 and reserved under section 133(a), the Governor may use the reserved amounts to carry out statewide youth activities under section 129(b) or statewide employment and training activities under section 133.''.

(2) WITHIN STATE ALLOCATION.—Section 128(b) is amended to read as follows:

''(b) WITHIN STATE ALLOCATION.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 127(a)(1)(C) and not reserved under subsection (a)(1)—

''(A) 80 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 20 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 33 and ⅓ percent on the basis of the relative number of high school dropouts who are ages 16 through 21 in each local area, compared to the total number of high school dropouts who are ages 16 through 21 in all local areas in the State;

''(ii) 33 and ⅓ percent on the basis of the relative number of jobless out-of-school youth who are ages 16 through 21 in each local area, compared to the total number of jobless out-of-school youth who are ages 16 through 21 in all local areas in the State; and

''(iii) 33 and ⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—For purposes of this paragraph, the term 'allocation percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of amount described in paragraph(1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2003) that is received by the local area involved for fiscal year 2003.

''(ii) OTHER TERMS.—For purposes of this paragraph, all other terms shall have the meaning given such terms in section 127(a)(2).

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) in accordance with such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

(3) REALLOCATION.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(B) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the local area under this section during such program year (including amounts allotted to the local area in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(c) YOUTH PARTICIPANT ELIGIBILITY.—Section 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) IN GENERAL.—The individuals participating in activities carried out under this chapter by a local area during any program year shall be individuals who, at the time the eligibility determination is made, are—

''(A) not younger than age 16 or older than age 21; and

''(B) one or more of the following:

''(i) school dropouts;

''(ii) recipients of a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities);

''(iii) court-involved youth attending an alternative school;

''(iv) youth in foster care or who have been in foster care; or

''(v) in school youth who are low-income individuals and one or more of the following:

''(I) Deficient in literacy skills.

''(II) Homeless, runaway, or foster children.

''(III) Pregnant or parents.

''(IV) Offenders.

''(V) Individuals who require additional assistance to complete an educational program, or to secure and hold employment.

''(2) PRIORITY FOR SCHOOL DROPOUTS.—A priority in the provision of services under this chapter shall be given to individuals who are school dropouts.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) PERCENTAGE OF FUNDS.—For any program year, not more than 30 percent of the funds available for statewide activities under subsection (b), and not more than 30 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B)(v).

''(B) NON-SCHOOL HOURS REQUIRED.—Activities carried out under this chapter for in-school youth meeting the requirements of paragraph (1)(B)(v) shall only be carried out in non-school hours or periods when school is not in session (such as before and after school or during summer recess.''.

(d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) may be used for statewide activities including—

''(A) additional assistance to local areas that have high concentrations of eligible youth;

''(B) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

''(C) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(D) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f); and

''(G) carrying out monitoring and oversight of activities under this chapter and chapter 5.

''(2) LIMITATION.—Not more than 5 percent of the funds allotted under section 127(b) shall be used by the State for administrative activities carried out under this subsection and section 133(a).

''(3) PROHIBITION.—No funds described in this subsection or in section 134(a) may be used to develop or implement education curricula for school systems in the State.''.

(e) LOCAL ELEMENTS AND REQUIREMENTS.——

(1) PROGRAM DESIGN.—Section 129(c)(1) (29 U.S.C. 2854(c) (1)) is amended—

(A) in the matter preceding subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

(B) in subparagraph (B), by inserting ''are directly linked to one or more of the performance outcomes relating to this chapter under section 136, and that'' after ''for each participant that''; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as so redesignated) the following:

''(i) activities leading to the attainment of a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities);'';

(iii) in clause (ii) (as redesignated by this subparagraph), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as redesignated by this subparagraph), by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by amending clause (v) (as redesignated by this subparagraph) to read as follows:

''(v) effective connections to employers in sectors of the local labor market experiencing high growth in employment opportunities.''.

(2) PROGRAM ELEMENTS.—Section 129(c)(2) (29 U.S.C. 2854(c)(2)) is amended—

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities), including dropout prevention strategies'';

(B) in subparagraph (I), by striking ''and'' at the end;

(C) in subparagraph (J), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

''(K) on-the-job training opportunities; and

''(L) financial literacy skills.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth'';

(4) PRIORITY AND EXCEPTIONS.—Section 129(c) (29 U.S.C. 2854(c)) is further amended—

(A) by striking paragraphs (4) and (5);

(B) by redesignating paragraph (6) as paragraph (4);

(C) by redesignating paragraph (7) as paragraph (5), and in such redesignated paragraph (5) by striking ''youth councils'' and inserting ''local boards''; and

(D) by redesignating paragraph (8) as paragraph (6).

SEC. 112. COMPREHENSIVE PROGRAM FOR ADULTS.

(a) TITLE OF CHAPTER 5.—

(1) The title heading of chapter 5 is amended to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

(2) CONFORMING AMENDMENT.—Table of contents in section 1(b) is amended by amending the item related to the heading for chapter 5 to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

(b) GENERAL AUTHORIZATION.—Section 131 (29 U.S.C. 2861) is amended—

(1) by striking ''paragraphs (1)(B) and (2)(B) of''; and

(2) by striking '', and dislocated workers,''.

(c) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 132(a) (29 U.S.C. 2862(a)) is amended to read as follows:

''(a) IN GENERAL.—The Secretary shall—

''(1) reserve 10 percent of the amount appropriated under section 137(b) for a fiscal year, of which—

''(A) not less than 75 percent shall be used for national dislocated worker grants under section 173;

''(B) not more than 20 percent may be used for demonstration projects under section 171; and

''(C) not more than 5 percent may be used to provide technical assistance under section 170; and

''(2) make allotments from 90 percent of the amount appropriated under section 137(b) for a fiscal year in accordance with subsection (b).''.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended to read as follows:

''(b) ALLOTMENT AMONG STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) RESERVATION FOR OUTLYING AREAS.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults and statewide workforce investment activities.

''(2) STATES.—

''(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to under subsection (a)(2) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities for adults and statewide workforce investment activities.

''(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

''(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

''(ii) 15 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States;

''(iii) 15 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States; and

''(iv) 10 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

''(C) MINIMUM AND MAXIMUM PERCENTAGES.—The Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than 90 percent or greater than 130 percent of the allotment percentage of the State for the preceding fiscal year.

''(D) MINIMUM ALLOTMENT.—Notwithstanding any other provision of this section, no State shall receive an allotment under this section that is less than the amount received by such State for fiscal year 2003.

''(E) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall

ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(F) DEFINITIONS.—For the purposes of this paragraph, the following definitions apply:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the remainder described in subparagraph (A) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) and under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2003.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.''.

(3) REALLOTMENT.—Section 132(c) (29 U.S.C. 2862(c)) is amended—

(A) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the State under this section during such program year (including amounts allotted to the State in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year''; and

(C) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(d) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATE ACTIVITIES.—Section 133(a) (29 U.S.C. 2863(a)) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—The Governor of a State may reserve up to 50 percent of the total amount allotted to the State under section 132 for a fiscal year to carry out the statewide activities described in section 134(a).''.

(2) ALLOCATIONS TO LOCAL AREAS.—Section 133(b) (29 U.S.C. 2863(b)) is amended to read as follows:

''(b) ALLOCATIONS TO LOCAL AREAS.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 132(b)(2) and not reserved under subsection (a)—

''(A) 80 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 20 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 60 percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State;

''(ii) 15 percent on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in all local areas in the State;

''(iii) 15 percent on the basis of the relative number of individuals in the civilian labor force in each local area, compared to the total number of individuals in the civilian labor force in all local areas in the State; and

''(iv) 10 percent shall be allotted on the basis of the relative number of disadvantaged adults in each local area, compared to the total number of disadvantaged adults in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that is received by the local area involved for fiscal year 2003.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a local area, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the local area.

''(3) DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) based on a formula developed in consultation with the State board and local boards. Such formula shall be objective and geographically equitable and may include such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 128(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 4.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 4, regardless of whether the funds were allocated under this subsection or section 128(b).''.

(3) REALLOCATION AMONG LOCAL AREAS.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(B) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the local area under this section during such program year (including amounts allotted to the local area in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(e) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) IN GENERAL.—Section 134(a)(1) (29 U.S.C. 2864(a)(1) is amended to read as follows:

''(1) IN GENERAL.—

''(A) REQUIRED USE OF FUNDS.—Not less than 50 percent of the funds reserved by a Governor under section 133(a) shall be used to support the provision of core services in local areas, consistent with the local plan, through one-stop delivery systems by distributing funds to local areas in accordance with subparagraph (B). Such funds may be used by States to employ State personnel to provide such services in designated local areas in consultation with local boards.

''(B) METHOD OF DISTRIBUTING FUNDS.—The method of distributing funds under this paragraph shall be developed in consultation with the State board and local boards. Such method of distribution, which may include the formula established under section 121(h)(3), shall be objective and geographically equitable, and may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(C) OTHER USE OF FUNDS.—Funds reserved by a Governor for a State—

''(i) under section 133(a) and not used under subparagraph (A), may be used for statewide activities described in paragraph (2); and

''(ii) under section 133(a) and not used under subparagraph (A), and under section 128(a) may be used to carry out any of the statewide employment and training activities described in paragraph (3).''.

(B) STATEWIDE RAPID RESPONSE ACTIVITIES.—Section 134(a)(2) (29 U.S.C. 2864(a)(2)) is amended to read as follows:

''(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall carry out statewide rapid response activities using funds reserved as described in section 133(a). Such activities shall include—

''(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

''(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials in the local areas.''.

(C) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(3) (29 U.S.C. 2864(a)(3)) is amended to read as follows:

''(3) STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in sections 133(a) and 128(a) may be used for statewide activities including—

''(A) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

''(B) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 4 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(C) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(D) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(E) operating a fiscal and management accountability system under section 136(f);

''(F) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4;

''(G) implementing innovative programs, such as incumbent worker training programs, programs serving individuals with disabilities consistent with section 188;

''(H) developing strategies for effectively serving hard-to-serve populations and for integrating programs and services among one-stop partners;

''(I) implementing innovative programs for displaced homemakers, which for purposes of this subparagraph may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

''(J) implementing programs to increase the number of individuals training for and placed in nontraditional employment.''.

(D) LIMITATION ON STATE ADMINISTRATIVE EXPENDITURES.—Section 134(a) is further amended by adding the following new paragraph:

''(4) LIMITATION.—Not more than 5 percent of the funds allotted under section 132(b) shall be used by the State for administrative activities carried out under this subsection and section 128(a).''.

(2) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.— Section 134(b) (29 U.S.C. 2864(b)) is amended—

(A) by striking ''under paragraph (2)(A)'' and all that follows through ''section 133(b)(2)(B)'' and inserting ''under section 133(b)'';

(B) in paragraphs (1) and (2), by striking ''or dislocated workers, respectively'' both places it appears; and

(C) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(3) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesignated by paragraph (2)) is amended to read as follows:

''(1) IN GENERAL.—Funds allocated to a local area for adults under section 133(b) shall be used—

''(A) to establish a one-stop delivery system as described in section 121(e);

''(B) to provide the core services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph;

''(C) to provide the intensive services described in paragraph (3) to adults described in such paragraph; and

''(D) to provide training services described in paragraph (4) to adults described in such paragraph.''.

(B) CORE SERVICES.—Section 134(c)(2) (29 U.S.C. 2864(c)(2)) (as redesignated by paragraph (2)) is amended—

(i) by striking ''who are adults or dislocated workers'';

(ii) in subparagraph (A), by striking ''under this subtitle'' and inserting ''under the one-stop partner programs described in section 121(b)'';

(iii) by amending subparagraph (D) to read as follows:

''(D) labor exchange services, including—

''(i) job search and placement assistance, and where appropriate career counseling; and

''(ii) appropriate recruitment services for employers;'';

(iv) in subparagraph (I), by inserting ''and the administration of the work test for the unemployment compensation system'' after ''compensation''; and

(v) by amending subparagraph (J) to read as follows:

''(J) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and''.

(C) INTENSIVE SERVICES.—Section 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignated by paragraph (2) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Funds allocated to a local area under section 133(b) shall be used to provide intensive services for adults who—

''(I) are unemployed and who have been determined by the one-stop operator to be—

''(aa) unlikely or unable to obtain suitable employment through core services; and

''(bb) in need of intensive services in order to obtain suitable employment; or

''(II) are employed, but who are determined by a one-stop operator to be in need of intensive services to obtain or retain suitable employment.

''(ii) DEFINITION.—The Governor shall define the term 'suitable employment' for purposes of this subparagraph.''; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking ''for participants seeking training services under paragraph (4)''; and

(II) by adding the following clauses after clause (vi):

''(vii) Internships and work experience.

''(viii) Literacy activities relating to basic work readiness, and financial literacy activities.

''(ix) Out-of-area job search assistance and relocation assistance.''.

(D) TRAINING SERVICES.—Section 134(c)(4) (as redesignated by paragraph (2) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Funds allocated to a local area under section 133(b) shall be used to provide training services to adults who—

''(I) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(aa) be unlikely or unable to obtain or retain suitable employment through intensive services under paragraph (3)(A);

''(bb) be in need of training services to obtain or retain suitable employment; and

''(cc) have the skills and qualifications to successfully participate in the selected program of training services;

''(II) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the adults receiving such services are willing to commute or relocate;

''(III) who meet the requirements of subparagraph (B); and

''(IV) who are determined eligible in accordance with the priority system in effect under subparagraph (E).

''(ii) The Governor shall define the term 'suitable employment' for purposes of this subparagraph.'';

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) by amending subparagraph (E) to read as follows:

''(E) PRIORITY.—

''(i) IN GENERAL.—A priority shall be given to unemployed individuals for the provision of intensive and training services under this subsection.

''(ii) ADDITIONAL PRIORITY.—If the funds in the local area, including the funds allocated under section 133(b), for serving recipients of public assistance and other low-income individuals is limited, the priority for the provision of intensive and training services under this subsection shall include such recipients and individuals.

''(iii) DETERMINATIONS.—The Governor and the appropriate local board shall direct the one-stop operators in the local area with regard to making determinations with respect to the priority of service under this subparagraph.'';

(iv) in subparagraph (F), by adding the following clause after clause (iii):

''(iv) ENHANCED INDIVIDUAL TRAINING ACCOUNTS.—Each local board may, through one-stop centers, assist individuals receiving individual training accounts through the establishment of such accounts that include, in addition to the funds provided under this paragraph, funds from other programs and sources that will assist the individual in obtaining training services.''; and

(v) in subparagraph (G)(iv), by redesignating subclause (IV) as subclause (V) and inserting after subclause (III) the following:

''(IV) Individuals with disabilities.''.

(4) PERMISSIBLE ACTIVITIES.—Section 134(d) (as redesignated by paragraph (2)) is amended—

(A) by amending paragraph (1) to read as follows:

''(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

''(A) IN GENERAL.—Funds allocated to a local area under section 133(b) may be used to provide, through the one-stop delivery system—

''(i) customized screening and referral of qualified participants in training services to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities; and

''(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act.

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.— Funds allocated to a local area under 133(b) may be used to provide, through the one-stop delivery system and in collaboration with the appropriate programs and resources of the one-stop partners, work support activities designed to assist low-wage workers in retaining and enhancing employment.

''(ii) ACTIVITIES.—The activities described in clause (i) may include assistance in accessing financial supports for which such workers may be eligible and the provision of activities available through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate, such as the provision of employment and training activities during nontraditional hours and the provision of on-site child care while such activities are being provided.''; and

(B) by adding after paragraph (3) the following new paragraph:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to a local area under section 133(b) to carry out incumbent

worker training programs in accordance with this paragraph.

''(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

''(C) EMPLOYER MATCH REQUIRED.—

''(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers. The Governor shall establish, or may authorize the local board to establish, the required portion of such costs, which shall not be less than—

''(I) 10 percent of the costs, for employers with 50 or fewer employees;

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

''(III) 50 percent of the costs, for employers with 100 or more employees.

''(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the requirement payment of the employer.''.

SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) IN GENERAL.—Section 136(b)(1) (29 U.S.C. 2871(b)(1)) is amended—

(A) in subparagraph (A)(i), by striking ''and the customer satisfaction indicator of performance described in paragraph (2)(B)''; and

(B) in subparagraph (A)(ii), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(2) INDICATORS OF PERFORMANCE.—Section 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

(A) in subparagraph (A)(i), by striking ''(except for self-service and information activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(B) by amending subparagraph (A)(i)(IV) to read as follows:

''(IV) the efficiency of the program in obtaining the outcomes described in subclauses (I) through (III).'';

(C) by amending subparagraph (A)(ii) to read as follows:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) attainment of secondary school diplomas or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities);

''(III) attainment of literacy or numeracy skills; and

''(IV) the efficiency of the program in obtaining the outcomes described in subclauses (I) through (III).'';

(D) by striking subparagraph (B);

(E) by redesignating subparagraph (C) as subparagraph (B), and by adding at the end of such subparagraph (as so redesignated) the following new sentence: ''Such indicators may include customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (i), by striking ''and the customer satisfaction indicator described in paragraph (2)(B)'';

(B) in clause (ii), by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(C) in clause (iii)—

(i) in the heading, by striking ''FOR FIRST 3 YEARS''; and

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(D) in clause (iv)—

(i) by striking subclause (I);

(ii) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(iii) in subclause (I) (as so redesignated)—

(I) by striking ''taking into account'' and inserting ''which shall be adjusted based on'';

(II) by inserting ''such as unemployment rates and job losses or gains in particular industries'' after ''economic conditions''; and

(III) by inserting ''such as indicators of poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, and welfare dependency'' after ''program'';

(E) by striking clause (v); and

(F) by redesignating clause (vi) as clause (v).

(4) ADDITIONAL INDICATORS.—Section 136(b)(3)(B) is amended by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c) (29 U.S.C 2871(c)) is amended—

(1) in paragraph (1)(A)(i), by striking '', and the customer satisfaction indicator of performance described in subsection (b)(2)(B),'';

(2) in paragraph (1)(A)(ii), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''; and

(3) by amending paragraph (3) to read as follows:

''(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area, such as poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, and welfare dependency.''.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1), by striking ''and the customer satisfaction indicator'' in both places that it appears;

(2) in paragraph (2)(E), by striking ''(excluding participants who received only self-service and informational activities)''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.''.

(d) SANCTIONS FOR STATE.—Section 136(g) (29 U.S.C. 2871(g)) is amended—

(1) in paragraph (1)(A), by striking ''or (B)''; and

(2) in paragraph (2), by striking ''section 503'' and inserting ''section 136(i)''.

(e) SANCTIONS FOR LOCAL AREAS.—Section 136(h) (29 U.S.C. 2871(h)) is amended—

(1) in paragraph (1), by striking ''or (B)''; and

(2) by amending paragraph (2)(B) to read as follows:

''(B) APPEAL TO GOVERNOR.—A local area that is subject to a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan. In such case, the Governor shall make a final decision not later than 30 days after the receipt of the appeal.''.

(f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

''(i) INCENTIVE GRANTS FOR STATES AND LOCAL AREAS.—

''(1) INCENTIVE GRANTS FOR STATES.—

''(A) IN GENERAL.—From funds appropriated under section 174, the Secretary may award grants to States for exemplary performance in carrying programs under this chapters 4 and 5 of this title. Such awards may be based on States meeting or exceeding the performance measures established under this section, on the performance of the State in serving special populations, including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines is appropriate.

''(B) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under chapters 4 and 5 of this title, including demonstrations and innovative programs for special populations.

''(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(A) IN GENERAL.—From funds reserved under sections 128(a) and 133(a), the Governor may award incentive grants to local areas for exemplary performance with respect to the measures established under this section and with the performance of the local area in serving special populations, including the levels of service and the performance outcomes.

''(B) USE OF FUNDS.—The funds awarded to a local area may be used to carry out activities authorized for local areas under chapters 4 and 5 of this title, and such demonstration or other innovative programs to serve special populations as may be approved by the Governor.''.

(g) REPEAL OF DEFINITIONS.—Sections 502 and 503 (and the items related to such sections in the table of contents) are repealed.

SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.— Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''$1,001,000,000 for fiscal year 2004 and such sums as may be necessary for each of fiscal years 2005 through 2009''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''section 132(a)(1), such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''132(a), $3,079,800,000 for fiscal year 2004 and such sums as may be necessary for each of fiscal years 2005 through 2009''.

(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137 is further amended by striking subsection (c).

SEC. 115. JOB CORPS.

(a) COMMUNITY PARTICIPATION.—Section 153 (29 U.S.C. 2893) is amended—

(1) by amending subsection (a) to read as follows:

''(a) BUSINESS AND COMMUNITY PARTICIPATION.—The director of each Job Corps center shall ensure the establishment and development of the business and community relationships and networks described in subsection (b) in order to enhance the effectiveness of such center.'';

(2) in subsection (b)—

(A) in the heading, by striking ''RESPONSIBILITIES'' and inserting ''NETWORKS''; and

(B) by striking ''The responsibilities of the Liaison'' and inserting ''The activities carried out by each Job Corps center under this section''; and

(3) in subsection (c), by striking ''The Liaison for'' and inserting ''The director of''.

(b) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking ''local and distant''; and

(2) by adding after paragraph (2) the following:

''(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.''.

(c) INDICATORS OF PERFORMANCE AND ADDITIONAL INFORMATION.—Section 159(c) (29 U.S.C. 2893(c)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) CORE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the core indicators for youth identified in section 136(b)(2)(A)(ii).''; and

(2) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''.

SEC. 116. NATIVE AMERICAN PROGRAMS.

(a) AUTHORIZED ACTIVITIES.—Section 166(d)(2) (29 U.S.C. 2911(d)(2)) is amended to read as follows:

''(2) WORKFORCE INVESTMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—Funds made available under subsection (c) shall be used for—

''(A) comprehensive workforce investment activities for Indians or Native Hawaiians; or

''(B) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.''.

(b) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section.''.

(c) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—Section 166 (29 U.S.C. 2911) is further amended by striking subsection (j).

SEC. 117. YOUTH CHALLENGE GRANTS.

Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(a)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award discretionary grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this section to assist eligible youth in acquiring the skills, credentials and employment experience necessary to succeed in the labor market.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to States, local boards, recipients of grants under section 166 (relating to Native American programs), and public or private entities (including consortia of such entities) applying in conjunction with local boards.

''(3) GRANT PERIOD.—The Secretary may make a grant under this section for a period of 1 year and may renew the grants for each of the 4 succeeding years.

''(4) AUTHORITY TO REQUIRE MATCH.—The Secretary may require that grantees under this subsection provide a non-Federal share of the cost of activities carried out under a grant awarded under this subsection.

''(5) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 as of the time the eligibility determination is made may be eligible to participate in activities provided under this subsection.

''(6) USE OF FUNDS.—Funds under this subsection may be used for activities that are designed to assist youth in acquiring the skills, credentials and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129. The activities may include activities such as—

''(A) training and internships for out-of-school youth in sectors of economy experiencing or projected to experience high growth;

''(B) after-school dropout prevention activities for in-school youth;

''(C) activities designed to assist special youth populations, such as court-involved youth and youth with disabilities; and

''(D) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education, apprenticeships, and career-ladder employment.

''(7) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this subsection;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the private and public, and local and State resources that will be leveraged to provide the activities described under subparagraph (A) in addition the funds provided under this subsection; and

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii).

''(8) FACTORS FOR AWARD.—In awarding grants under this subsection the Secretary may consider the quality of the proposed project, the goals to be achieved, the likelihood of successful implementation, the extent to which the project is based on proven strategies or the extent to which the project will expand the knowledge base on activities for youth, and the additional State, local or private resources that will be provided.

''(9) EVALUATION.—The Secretary may reserve up to 5 percent of the funds described in subsection(a)(1) to provide technical assistance to, and conduct evaluations of the projects funded under this subsection (using appropriate techniques as described in section 172(c)).

''(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVITIES.—

''(1) IN GENERAL.—From the funds described in subsection(a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, and entering and retaining, employment.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to public or private entities that the Secretary determines would effectively carry out activities relating to youth under this subsection.

''(3) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 at the time the eligibility determination is made may be eligible to participate in activities under this subsection.

''(4) USE OF FUNDS.—Funds provided under this subsection may be used for activities that will assist youth in preparing for, and entering and retaining, employment, including the activities described in section 129 for out-of-school youth, activities designed to assist in-school youth to stay in school and gain work experience, and such other activities that the Secretary determines are appropriate.

''(5) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(6) ADDITIONAL REQUIREMENTS.—The Secretary may require the provision of a non-Federal share for projects funded under this subsection and may require participation of grantees in evaluations of such projects, including evaluations using the techniques as described in section 172(c).''.

SEC. 118. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking ''(a) GENERAL TECHNICAL ASSISTANCE.—'';

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left; and

(4) in subsection (a) (as redesignated by paragraph (3))—

(A) by inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, peer review activities under this title,'' after ''localities,''; and

(B) by striking ''from carrying out activities'' and all that follows up to the period and inserting ''to implement the amendments made by the Workforce Reinvestment and Adult Education Act of 2003''.

SEC. 119. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by amending subparagraphs (A) through (D) to read as follows:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the effectiveness and efficiency of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth;

''(D) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(C) by striking subparagraph (E);

(D) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively;

(E) by inserting after subparagraph (F) (as so redesignated) the following:

''(G) projects that provide retention grants to qualified job training programs upon placement or retention of a low-income individual trained by that program in employment with a single employer for a period of 1 year, provided that such employment is providing to the low-income individual an income not less than twice the poverty line for that individual.''; and

(F) by striking subparagraph (H); and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) NET IMPACT STUDIES AND REPORTS.—The Secretary shall conduct studies to determine the net impacts of programs, services, and activities carried out under this title. The Secretary shall prepare and disseminate to the public reports containing the results of such studies.''.

(c) WAIVER AUTHORITY TO CARRY OUT DEMONSTRATIONS AND EVALUATIONS.—Section 171 (29 U.S.C. 2916(d)) is further amended by striking subsection (d).

SEC. 120. EVALUATIONS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2916) is amended—

(1) by amending the designation and heading to read as follows:

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.'';

and

(2) in subsection (a)—

(A) by striking ''national emergency grants'' in the matter preceding paragraph (1) and inserting ''national dislocated worker grants''; and

(B) in paragraph (1), by striking ''subsection (c)'' and inserting ''subsection (b)''.

(b) ADMINISTRATION.—Section 173 (29 U.S.C. 2918) is further amended—

(1) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(2) by striking subsection (e) and redesignating subsections (f) and (g) as subsection (d) and (e), respectively.

(c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (29 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection (b) of this section) is amended by striking '', and other entities'' and all that follows and inserting a period.

(d) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 173 to read as follows:

''Sec. 173. National dislocated worker grants.''.

SEC. 121. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2004 through 2009''.

(b) RESERVATIONS.—Section 174(b) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—There are authorized to be appropriated to carry out sections 170 through 172 and section 136 such sums as may be necessary for each of fiscal years 2004 through 2009.''.

SEC. 122. REQUIREMENTS AND RESTRICTIONS.

(a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C. 2931(c)(2)(A)) is amended in the matter preceding clause (i) by striking ''shall'' and inserting ''may''.

(b) LIMITATIONS.—Section 181(e) is amended by striking the first sentence.

SEC. 123. NONDISCRIMINATION.

Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended—

(1) by striking ''EMPLOYMENT.—No'' and inserting ''EMPLOYMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no''; and

(2) by adding at the end the following subparagraph:

''(B) EXEMPTION FOR RELIGIOUS ORGANIZATIONS.—Subparagraph (A) shall not apply to recipients of financial assistance under this title that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities Such recipients shall comply with the other requirements contained in subparagraph (A).''.

SEC. 124. ADMINISTRATIVE PROVISIONS.

(a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C. 2939(g)(1)) is amended to read as follows:

''(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended by striking ''each State'' and inserting ''each recipient''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i), by inserting '', or in accordance with subparagraph (D),'' after ''subparagraph (B)''; and

(2) by adding the following subparagraph:

''(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.''.

SEC. 125. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following new paragraph:

''(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)). For purposes of this paragraph, such an enterprise does not include one-stop centers.''.

TITLE II—ADULT EDUCATION

PART A—ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION

SEC. 201. TABLE OF CONTENTS.

The table of contents in section 1(b) is amended by amending the items relating to title II to read as follows:

''TITLE II—ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION

''Sec. 201. Short title.
''Sec. 202. Purpose.
''Sec. 203. Definitions.
''Sec. 204. Home schools.
''Sec. 205. Authorization of appropriations.

''CHAPTER 1—FEDERAL PROVISIONS

''Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
''Sec. 212. Performance accountability system.
''Sec. 213. Incentive grants for states.

''CHAPTER 2—STATE PROVISIONS

''Sec. 221. State administration.
''Sec. 222. State distribution of funds; matching requirement.
''Sec. 223. State leadership activities.
''Sec. 224. State plan.
''Sec. 225. Programs for corrections education and other institutionalized individuals.

''CHAPTER 3—LOCAL PROVISIONS

''Sec. 231. Grants and contracts for eligible providers.
''Sec. 232. Local application.
''Sec. 233. Local administrative cost limits.

''CHAPTER 4—GENERAL PROVISIONS

''Sec. 241. Administrative provisions.
''Sec. 242. National leadership activities.''.

SEC. 202. AMENDMENT.

Title II is amended to read as follows:

''TITLE II—ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Adult Basic Skills and Family Literacy Education Act'.

''SEC. 202. PURPOSE.

''It is the purpose of this title to provide instructional opportunities for adults seeking to improve their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult basic skills and family literacy programs, in order to—

''(1) increase the basic reading, writing, speaking, and math skills necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

''(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

''(3) increase the basic reading, writing, speaking, and math skills of parents to enable them to support the educational development of their children and make informed choices regarding their children's education; and

''(4) assist immigrants who are not proficient in English in improving their reading, writing, speaking, and math skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.

''SEC. 203. DEFINITIONS.

''In this title:

''(1) ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult basic skills and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematical computations leading to a level of proficiency equivalent to secondary school completion that is provided for individuals—

''(A) who are at least 16 years of age;

''(B) who are not enrolled or required to be enrolled in secondary school under State law; and

''(C) who—

''(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

''(ii) do not have a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities), and have not achieved an equivalent level of education; or

''(iii) are unable to read, write, or speak the English language.

''(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

''(A) means the sole entity or agency in a State or an outlying area responsible for administering or supervising policy for adult basic skills and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

''(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

''(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means—

''(A) a local educational agency;

''(B) a community-based or faith-based organization of demonstrated effectiveness;

''(C) a volunteer literacy organization of demonstrated effectiveness;

''(D) an institution of higher education;

''(E) a public or private educational agency;

''(F) a library;

''(G) a public housing authority;

''(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult basic skills and family literacy education programs to adults and families; or

''(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

''(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction designed to help individuals with limited English proficiency achieve competence in reading, writing, and speaking the English language.

''(5) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(6) FAMILY LITERACY EDUCATION PROGRAMS.—The term 'family literacy education programs' means educational programs that—

''(A) assist parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

''(B) are of sufficient intensity in terms of hours and of sufficient duration to make sustainable changes in a family, are based upon scientific research-based principles, and for the

purpose of substantially increasing the ability of parents and children to read, write, and speak English integrate—

''(i) interactive literacy activities between parents and their children;

''(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

''(iii) parent literacy training that leads to economic self-sufficiency; and

''(iv) an age-appropriate education to prepare children for success in school and life experiences.

''(7) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

''(8) INDIVIDUAL WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

''(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

''(9) INDIVIDUAL WITH LIMITED ENGLISH PROFICIENCY.—The term 'individual with limited English proficiency' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.

''(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given to that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(11) LITERACY.—The term 'literacy' means the ability to read, write, and speak the English language with competence, knowledge, and comprehension.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(13) OUTLYING AREA.—The term 'outlying area' has the meaning given to that term in section 101 of this Act.

''(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

''(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

''(B) a tribally controlled community college; or

''(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

''(15) READING.—The term 'reading' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(16) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(17) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(18) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(19) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(20) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

"SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, a family literacy education program, or an adult basic skills and family literacy education program.

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $584,300,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2009.

"CHAPTER 1—FEDERAL PROVISIONS

"SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

''(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve 1.75 percent to carry out the National Institute for Literacy Establishment Act;

''(2) shall reserve up to 1.72 percent for incentive grants under section 213; and

''(3) shall reserve up to 1.55 percent to carry out section 242.

''(b) GRANTS TO ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

''(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

''(c) ALLOTMENTS.—

''(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

''(A) $100,000, in the case of an eligible agency serving an outlying area; and

''(B) $250,000, in the case of any other eligible agency.

''(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

''(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

''(1) is at least 16 years of age;

''(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

''(3) does not have a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities); and

''(4) is not enrolled in secondary school.

''(e) SPECIAL RULE.—

''(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

''(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for each of the Freely Associated States becomes effective.

''(3) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c), and subject to paragraphs (2) and (3), for fiscal year 2004 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

''(2) EXCEPTION.—An eligible agency that receives for the preceding fiscal year only an initial allotment under subsection 211(c)(1) (and no additional allotment under 211(c)(2)) shall receive an allotment equal to 100 percent of the initial allotment.

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

"SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

''(a) PURPOSE.—The purpose of this section is to establish a comprehensive performance accountability system, composed of the activities described in this section, to assess the effectiveness of eligible agencies in achieving continuous improvement of adult basic skills and family literacy education programs funded under this title, in order to optimize the return on investment of Federal funds in adult basic skills and family literacy education programs.

''(b) ELIGIBLE AGENCY PERFORMANCE MEASURES.—

''(1) IN GENERAL.—For each eligible agency, the eligible agency performance measures shall consist of—

''(A)(i) the core indicators of performance described in paragraph (2)(A); and

''(ii) employment performance indicators identified by the eligible agency under paragraph (2)(B); and

''(B) an eligible agency adjusted level of performance for each indicator described in subparagraph (A).

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—The core indicators of performance shall include the following:

''(i) Measurable improvements in basic skill levels in reading, writing, and speaking the English language and math, and English language acquisition leading to proficiency in each skill.

''(ii) Receipt of a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities).

''(iii) Placement in postsecondary education or other training programs.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—Consistent with applicable Federal and State privacy laws, an eligible agency shall identify in the State plan the following individual participant employment performance indicators—

''(i) entry into employment;

''(ii) retention in employment; and

''(iii) increase in earnings.

''(3) LEVELS OF PERFORMANCE.—

''(A) ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS.—

''(i) IN GENERAL.—For each eligible agency submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) for adult basic skills and family literacy education programs authorized under this title. The levels of performance established under this subparagraph shall, at a minimum—

''(I) be expressed in an objective, quantifiable, and measurable form; and

''(II) show the progress of the eligible agency toward continuously and significantly improving the agency's performance outcomes in an objective, quantifiable, and measurable form.

''(ii) IDENTIFICATION IN STATE PLAN.—Each eligible agency shall identify, in the State plan submitted under section 224, expected levels of performance for each of the core indicators of performance for the first 3 program years covered by the State plan.

''(iii) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR FIRST 3 YEARS.—In order to ensure an optimal return on the investment of Federal funds in adult basic skills and family literacy education programs authorized under this title, the Secretary and each eligible agency shall reach agreement on levels of student proficiency for each of the core indicators of performance, for the first 3 program years covered by the State plan, taking into account the levels identified in the State plan under clause (ii) and the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan prior to the approval of such plan.

''(iv) FACTORS.—The agreement described in clause (iii) or (v) shall take into account—

''(I) how the levels involved compare with the eligible agency's adjusted levels of performance, taking into account factors including the characteristics of participants when the participants entered the program; and

''(II) the extent to which such levels promote continuous and significant improvement in performance on the student proficiency measures used by such eligible agency and ensure optimal return on the investment of Federal funds.

''(v) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR SECOND 3 YEARS.—Prior to the fourth program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on levels of student proficiency for each of the core indicators of performance for the fourth, fifth, and sixth program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan.

''(vi) REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors described in clause (iv)(I), the eligible agency may request that the eligible agency adjusted levels of performance agreed to under clause (iii) or (v) be revised.

''(B) LEVELS OF EMPLOYMENT PERFORMANCE.—The eligible agency shall identify, in the State plan, eligible agency levels of performance for each of the employment performance indicators described in paragraph (2)(B). Such levels shall be considered to be eligible agency adjusted levels of performance for purposes of this title.

''(c) REPORT.—

''(1) IN GENERAL.—Each eligible agency that receives a grant under section 211(b) shall annually prepare and submit to the Secretary, the Governor, the State legislature, eligible providers, and the general public within the State, a report on the progress of the eligible agency in achieving eligible agency performance measures, including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance and employment performance indicators.

''(B) The number and type of each eligible provider that receives funding under such grant.

''(2) INFORMATION DISSEMINATION.—The Secretary—

''(A) shall make the information contained in such reports available to the general public through publication and other appropriate methods;

''(B) shall disseminate State-by-State comparisons of the information; and

''(C) shall provide the appropriate committees of the Congress with copies of such reports.

''SEC. 213. INCENTIVE GRANTS FOR STATES.

''(a) IN GENERAL.—From funds appropriated under section 211(a)(2), the Secretary may award grants to States for exemplary performance in carrying out programs under this title. Such awards shall be based on States meeting or exceeding the core indicators of performance established under section 212(b)(2)(A) and may be based on the performance of the State in serving populations, such as those described in section 224(b)(10), including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines appropriate.

''(b) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under this title, including demonstrations and innovative programs for hard-to-serve populations.

''CHAPTER 2—STATE PROVISIONS

''SEC. 221. STATE ADMINISTRATION.

''Each eligible agency shall be responsible for the following activities under this title:

''(1) The development, submission, implementation, and monitoring of the State plan.

''(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

''(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

''SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

''(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

''(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

''(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

''(3) shall use not more than 5 percent of the grant funds, or $75,000, whichever is greater, for the administrative expenses of the eligible agency.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult basic skills and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount at least equal to—

''(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult basic skills and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

''(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult basic skills and family literacy education programs in the State.

''(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult basic skills and family literacy education programs in a manner that is consistent with the purpose of this title.

''SEC. 223. STATE LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult basic skills and family literacy education programs:

''(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.

''(2) The provision of technical assistance to eligible providers of adult basic skills and family literacy education programs for development and dissemination of scientific research-based instructional practices in reading, writing, speaking, math, and English language acquisition programs.

''(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

''(4) The provision of technology assistance, including staff training, to eligible providers of adult basic skills and family literacy education programs, including distance learning activities, to enable the eligible providers to improve the quality of such activities.

''(5) The development and implementation of technology applications or distance learning, including professional development to support the use of instructional technology.

''(6) Coordination with other public programs, including welfare-to-work, workforce development, and job training programs.

''(7) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult basic skills and family literacy education programs, for adults enrolled in such activities.

''(8) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

''(9) Activities to promote workplace literacy programs.

''(10) Activities to promote and complement local outreach initiatives described in section 242(7).

''(11) Other activities of statewide significance, including assisting eligible agencies in achieving progress in improving the skill levels of adults who participate in programs under this title.

''(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

''(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any

rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

"SEC. 224. STATE PLAN.

''(a) 6-YEAR PLANS.—

''(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 6-year State plan.

''(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

''(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

''(1) an objective assessment of the needs of individuals in the State or outlying area for adult basic skills and family literacy education programs, including individuals most in need or hardest to serve;

''(2) a description of the adult basic skills and family literacy education programs that will be carried out with funds received under this title;

''(3) a description of how the eligible agency will evaluate and measure annually the effectiveness and improvement of the adult basic skills and family literacy education programs based on the performance measures described in section 212 including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this title and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on nonperformance);

''(4) a description of the performance measures described in section 212 and how such performance measures have significantly improved adult basic skills and family literacy education programs in the State or outlying area;

''(5) an assurance that the eligible agency will, in addition to meeting all of the other requirements of this title, award not less than one grant under this title to an eligible provider that—

''(A) offers flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities, or individuals with other special needs, to participate in adult basic skills and family literacy education programs; and

''(B) attempts to coordinate with support services that are not provided under this title prior to using funds for adult basic skills and family literacy education programs provided under this title for support services;

''(6) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

''(7) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

''(8) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

''(9) a description of the process that will be used for public participation and comment with respect to the State plan, which process—

''(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, other State agencies that promote the improvement of adult basic skills and family literacy education programs, and direct providers of such programs; and

''(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult basic skills and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

''(10) a description of the eligible agency's strategies for serving populations that include, at a minimum—

''(A) low-income individuals;

''(B) individuals with disabilities;

''(C) the unemployed;

''(D) the underemployed; and

''(E) individuals with multiple barriers to educational enhancement, including individuals with limited English proficiency;

''(11) a description of how the adult basic skills and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

''(12) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

''(A) how the State will build the capacity of community-based and faith-based organizations to provide adult basic skills and family literacy education programs; and

''(B) how the State will increase the participation of business and industry in adult basic skills and family literacy education programs; and

''(13) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

''(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

''(d) CONSULTATION.—The eligible agency shall—

''(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

''(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

''(e) PLAN APPROVAL.—A State plan submitted to the Secretary shall be approved by the Secretary only if the plan is consistent with the specific provisions of this title.

"SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

''(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

''(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

''(1) basic skills education;

''(2) special education programs as determined by the eligible agency;

''(3) reading, writing, speaking, and math programs; and

''(4) secondary school credit or diploma programs or their recognized equivalent.

''(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

''(d) DEFINITION OF CRIMINAL OFFENDER.—For purposes of this section:

''(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

''(A) prison;

''(B) jail;

''(C) reformatory;

''(D) work farm;

''(E) detention center; or

''(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

''(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

"CHAPTER 3—LOCAL PROVISIONS

"SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

''(a) GRANTS AND CONTRACTS.—From grant funds made available under section 211(b), each eligible agency shall award multiyear grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult basic skills and family literacy education programs within the State.

''(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate one or more programs of instruction that provide services or instruction in one or more of the following categories:

''(1) Adult basic skills and family literacy education programs, including essential workplace skills (including proficiency in reading, writing, speaking, and math).

''(2) Workplace literacy programs.

''(3) English language acquisition programs.

''(4) family literacy education programs.

''(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

''(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

''(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

''(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

''(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2);

''(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in meeting or exceeding its performance goals in the prior year;

''(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction

services, including individuals who are low-income or have minimal reading, writing, speaking, and math skills, or limited English proficiency.

''(4) whether or not the program—

''(A) is of sufficient intensity and duration for participants to achieve substantial learning gains; and

''(B) uses instructional practices that include the essential components of reading instruction;

''(5) whether educational practices are based on scientifically based research;

''(6) whether the activities of the eligible provider effectively employ advances in technology, as appropriate, including the use of computers;

''(7) whether the activities provide instruction in real-life contexts, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

''(8) whether the activities are staffed by well-trained instructors, counselors, and administrators;

''(9) whether the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

''(10) whether the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

''(11) whether the activities include a high-quality information management system that has the capacity to report measurable participant outcomes and to monitor program performance against the performance measures established by the eligible agency;

''(12) whether the local communities have a demonstrated need for additional English language acquisition programs;

''(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

''(14) whether adult basic skills and family literacy education programs offer rigorous reading, writing, speaking, and math content that are based on scientific research; and

''(15) whether applications of technology, and services to be provided by the eligible providers, is of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

''SEC. 232. LOCAL APPLICATION.

''Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

''(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

''(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult basic skills and family literacy education programs; and

''(3) each of the demonstrations required by section 231(d).

''SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

''(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

''(1) at least 95 percent shall be expended for carrying out adult basic skills and family literacy education programs; and

''(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

''(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for non-instructional purposes.

''CHAPTER 4—GENERAL PROVISIONS

''SEC. 241. ADMINISTRATIVE PROVISIONS.

''(a) SUPPLEMENT NOT SUPPLANT.—Funds made available for adult basic skills and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult basic skills and family literacy education programs.

''(b) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—

''(A) DETERMINATION.—An eligible agency may receive funds under this title for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for activities under this title, in the second preceding fiscal year, were not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult basic skills and family literacy education programs, in the third preceding fiscal year.

''(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any fiscal year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort or the aggregate expenditures of an eligible agency for the preceding program year were less than such effort or expenditures for the second preceding program year, the Secretary—

''(i) shall determine the percentage decreases in such effort or in such expenditures; and

''(ii) shall decrease the payment made under this title for such program year to the agency for adult basic skills and family literacy education programs by the lesser of such percentages.

''(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

''(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult basic skills and family literacy education programs under this title for a fiscal year is less than the amount made available for adult basic skills and family literacy education programs under this title for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

''(4) WAIVER.—The Secretary may waive the requirements of this subsection for not more than 1 fiscal year, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State or outlying area of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

''SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.

''The Secretary shall establish and carry out a program of national leadership activities that may include the following:

''(1) Technical assistance, on request, including assistance—

''(A) on requests to volunteer community- and faith-based organizations, including but not limited to, improving their fiscal management, research-based instruction, and reporting requirements, and the development of measurable objectives to carry out the requirements of this title;

''(B) in developing valid, measurable, and reliable performance data, and using performance information for the improvement of adult basic skills and family literacy education programs;

''(C) on adult education professional development; and

''(D) in using distance learning and improving the application of technology in the classroom.

''(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adults functioning at different levels of reading proficiency.

''(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

''(4) Determining how participation in adult basic skills and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

''(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult basic skills and family literacy education programs.

''(6) Identifying model integrated basic and workplace skills education programs, coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

''(7) Supporting the development of an entity that would produce and distribute technology-based programs and materials for adult basic skills and family literacy education programs using an intercommunication system, as that term is defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397), and expand the effective outreach and use of such programs and materials to adult education eligible providers.

''(8) Initiating other activities designed to improve the measurable quality and effectiveness of adult basic skills and family literacy education programs nationwide.''.

PART B—NATIONAL INSTITUTE FOR LITERACY

SEC. 211. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This part may be cited as the ''National Institute for Literacy Establishment Act''.

(b) PURPOSE.—The purpose of this part is to establish a National Institute for Literacy to provide national leadership in promoting reading research, reading instruction, and professional development in reading based on scientifically based research by—

(1) disseminating widely information on scientifically based reading research to improve academic achievement for children, youth, and adults;

(2) identifying and disseminating information about schools, local educational agencies, and State educational agencies that have effectively developed and implemented classroom reading programs that meet the requirements of subpart 1 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6361 et seq.), including those State educational agencies, local educational agencies, and schools that are identified as effective through the External Evaluation of Reading First under section 1205 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365);

(3) serving as a national resource for information on reading instruction programs that contain the essential components of reading instruction as supported by scientifically based reading research, and that can lead to improved reading outcomes for children, youth, and adults;

(4) developing print and electronic materials that describe and model the application of scientifically based reading research;

(5) providing national and regional reading leadership for State and local personnel for the application and implementation of scientifically based reading research;

(6) coordinating efforts among Federal agencies, especially the Department of Labor, the Department of Health and Human Services, and the National Institute of Child Health and Human Development, that provide reading programs, conduct research, and provide services to recipients of Federal financial assistance under titles I and III of the Elementary and Secondary Education Act of 1965, the Head Start Act, the Individuals with Disabilities Education Act, and the Adult Basic Skills and Family Literacy Education Act, and each Bureau funded school (as defined in title XI of the Education Amendments of 1978 (25 U.S.C. 2001 et seq.)); and

(7) informing the Congress, Federal departments and agencies, schools of education, and the public of successful local, State, and Federal program activities in reading instruction that are determined to be effective based on the findings of scientifically based reading research.

SEC. 212. ESTABLISHMENT.

(a) IN GENERAL.—There is established within the executive branch an independent establishment (as defined in title 104 of title 5, United States Code) to be known as the ''National Institute for Literacy''. The Institute shall be administered, in accordance with this part, under the supervision and direction of a Director in consultation with the Board, and subject to all fiscal and ethical requirements of an executive branch agency.

(b) DIRECTOR.—

(1) APPOINTMENT.—The Board (established under section 216 of this part), in consultation with the Secretary of Education, shall appoint a Director of the Institute, who has an understanding of, supports, and is familiar with scientifically based reading research, instruction, and professional development applicable to children, youth, and adults.

(2) PAY.—The Director of the Institute shall receive the rate of basic pay for level IV of the Executive Schedule.

(3) TERM.—The Director of the Institute shall be appointed for an initial term of 3 years and, if approved by the Board, may serve not more than 1 additional term of 3 years.

SEC. 213. ADMINISTRATION.

(a) IN GENERAL.—The Institute shall be administered by the Director of the Institute in consultation with the Board.

(b) AUTHORITY.—Subject to the general policies, decisions, findings, and determinations of the Board, the Director of the Institute shall be responsible for administering the Institute. The Director may delegate the powers granted under this paragraph to an officer, employee, or office of the Institute. The Director shall—

(1) provide leadership for the Institute, consistent with the purposes defined in section 211;

(2) appoint and supervise all employees in the Institute, including attorneys, to provide legal aid and service to the Board and the Institute, and to represent the Board and the Institute in any case in court;

(3) appoint the heads of offices in the Institute with the approval of the Board;

(4) assign responsibility to carry out the duties of the Institute among officers and employees, and offices of the Institute;

(5) prepare requests for appropriations for the Institute and submit those requests to the President and the Congress with the prior approval of the Board;

(6) oversee the expenditure of all funds allocated for the Institute to carry out the purposes under section 211; and

(7) confer regularly with the Board on matters of policy, personnel, and progress in carrying out the mission of the Institute.

(c) AGENCY DESIGNATION.—For purposes of section 552b of title 5, United States Code, the Institute is deemed to be an agency.

(d) BUDGET REQUESTS.—In each annual request for appropriations by the President, the Director of the Institute, in consultation with the Board, shall submit a budget to carry out the mission of the Institute including—

(1) the amount requested by the Institute in its budgetary presentation to the Office of Management and Budget; and

(2) an assessment of the budgetary needs of the Institute.

(e) BUDGET TRANSMITTAL TO CONGRESS.—The Institute shall transmit to the Congress copies of budget estimates, requests, and information (including personnel needs), legislative recommendations, prepared testimony for congressional hearings, and comments on legislation.

(f) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education.

(g) ADMINISTRATIVE SUPPORT.—

(1) IN GENERAL.—The Secretary of Education shall provide administrative support for the Institute, including the administration of grants, contracts and cooperative agreements, personnel, legal counsel, and payroll after the Office of Management and Budget has approved the Institute's budget.

(2) OTHER DEPARTMENTS AND AGENCIES.—In addition to any support obtained under paragraph (1) from the Secretary of Education, the Institute may obtain administrative support services from other departments and agencies within the executive branch if determined by the Director of the Institute, in consultation with the Board, to be in the best interest of the Institute.

SEC. 214. DUTIES.

(a) IN GENERAL.—In order to provide leadership for the improvement and expansion of the system for delivery of scientifically based reading instructional practices, the Institute shall—

(1) establish a national electronic database of effective reading programs for children, youth, and adults that include the essential components of reading instruction, and disseminate such information to parents, teachers, State and Federal elected officials, and the public;

(2) develop print and electronic materials for professional development that provide applications of scientifically based reading research, and instructional practices in reading for children, youth, and adults;

(3) provide, when requested, policy and technical assistance to the Congress, school Boards, Federal agencies, State departments of education, adult education programs, local school districts, local public and private schools, and schools of education, on scientifically based reading instructional practices including diagnostic and assessment instruments and instructional materials;

(4) collaborate and support Federal research programs in reading instruction, including, where appropriate, those areas of study addressed by the National Institute of Child Health and Human Development, the Institute for Education Sciences, the National Science Foundation, the Department of Labor, and the National Research Council;

(5) coordinate with the Department of Education, the Department of Labor, the Department of Health and Human Services, and the National Institute of Child Health and Human Development on all programs that include improving reading instructional practices for children, youth, and adults, and teacher training in reading instructional practices;

(6) use and support the collection of the best possible information in carrying out this section, and where appropriate, including reviews of research on instruction using the criteria for quality identified by the Institute for Education Sciences; and

(7) conduct reviews of research, including randomized field trials, on reading programs, and conduct reviews of Federal reading policies and reading program implementation using a board of visitors as described in subchapter 300 of the National Science Foundation Administrative Manual.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Institute may award grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or other legal entities to carry out the activities of the Institute.

(c) RELATION TO OTHER LAWS.—The duties and powers of the Institute under this part are in addition to the duties and powers of the Institute under subparts 1, 2, and 3 of part B of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 1201 et seq.) (commonly referred to as Reading First, Early Reading First, and the William F. Goodling Even Start Family Literacy Programs, respectively).

SEC. 215. LEADERSHIP IN SCIENTIFICALLY BASED READING INSTRUCTION.

(a) IN GENERAL.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director of the Institute considers necessary, to outstanding individuals who are pursuing careers in scientifically based research in reading instruction or pre-service or in-service training in reading instruction, including teaching children and adults to read.

(b) FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education training, technical assistance, or other activities to advance the field of scientifically based reading instruction for children, youth, and adults, including the training of volunteers in such reading skills instruction.

(c) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute deems necessary.

SEC. 216. NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board, which shall consist of 10 individuals appointed by the President with the advice and consent of the Senate.

(2) COMPOSITION.—The Board shall be comprised of individuals who are not otherwise officers or employees of the Federal Government and who are knowledgeable about scientifically based reading instruction, and the findings of scientifically based reading research. The members of the Board may include—

(A) representatives from teacher training institutions where scientifically based reading instruction is a major component of pre-service training;

(B) teachers who have been successful in teaching children to read proficiently;

(C) members of the business community who have developed successful employee reading instruction programs;

(D) volunteer tutors in reading who are using scientifically based reading instruction;

(E) reading researchers who have conducted scientifically based research; and

(F) other qualified individuals knowledgeable about scientifically based reading instruction, including adult education.

(b) DUTIES.—The Board shall—

(1) work closely with the Director of the Institute to ensure that the purposes of the Institute under section 211 are carried out effectively;

(2) approve the annual report to the Congress;

(3) provide policy guidance and advice to the Director of the Institute in the administration of the Institute; and

(4) appoint the Director of the Institute, in consultation with the Secretary.

(c) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided in this part, the Board established by this section shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(d) APPOINTMENTS.—

(1) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation, in which ⅓ of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

(2) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

(e) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number may hold hearings. Any recommendation of the Board may be passed only by a majority of the Board members present.

(f) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

(g) MEETINGS.—The Board shall meet at the call of the Chairperson, or a majority of the members of the Board, but not less than quarterly.

SEC. 217. GIFTS, BEQUESTS, AND DEVISES.

(a) IN GENERAL.—The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

(b) RULES.—The Board, in consultation with the Director of the Institute, shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible, would reflect unfavorably upon the ability of the Institute or any employee to carry out the responsibilities of the Institute or employee, or official duties, in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of the Institute's programs or any official involved in those programs.

SEC. 218. MAILS.

The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 219. APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.

The Director of the Institute and the staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

SEC. 220. EXPERTS AND CONSULTANTS.

The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 221. REPORT.

(a) IN GENERAL.—The Institute shall submit a biennial report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Each report submitted under this section shall include—

(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in carrying out the purposes of the Institute as specified in section 211, for the period covered by the report; and

(2) a summary description of how the Institute will advance the purposes of the Institute for the next biennium.

(b) FIRST REPORT.—The Institute shall submit a report under this section not later than 1 year after the date of enactment of this part.

SEC. 222. DEFINITIONS.

For purposes of this part—

(1) the term ''Board'' means the National Institute for Literacy Advisory Board;

(2) the term ''Institute'' means the National Institute for Literacy; and

(3) the terms ''reading'', ''scientifically based reading research'', and ''essential components of reading instruction'' have the meanings given those terms in section 1208 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

SEC. 223. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to administer and carry out this part $6,700,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

SEC. 224. RESERVATION.

From amounts appropriated to the Institute, the Director of the Institute may use not more than 5 percent of such amounts for information dissemination under section 1207 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6367).

SEC. 225. AUTHORITY TO PUBLISH.

The Institute, including the Board, may prepare, publish, and present (including through oral presentations) such research-based information and research reports as needed to carry out the purposes and mission of the Institute.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et. seq.) is amended—

(1) by striking sections 1 through 13;

(2) in section 14 by inserting ''of Labor'' after ''Secretary''; and

(3) by amending section 15 to read as follows:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

''(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

''(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

''(i) shall be current and comprehensive;

''(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

''(iii) shall meet the needs for the information identified in section 134(d);

''(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

''(i) national, State, and local policymaking;

''(ii) implementation of Federal policies (including allocation formulas);

''(iii) program planning and evaluation; and

''(iv) researching labor market dynamics;

''(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) training for effective data dissemination;

''(ii) research and demonstration; and

''(iii) programs and technical assistance.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) make any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i);

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

''(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

''(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor employment statistics for the system, shall carry out the following duties:

''(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in

subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) paperwork and reporting for the system are reduced to a minimum; and

''(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels, including ensuring the provision, to such States and localities, of budget information necessary for carrying out their responsibilities under subsection (e).

''(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of core services described in section 134 and to provide workforce information to individuals through the one-stop delivery systems descried in section 121 and through other appropriate delivery systems.

''(d) COORDINATION WITH THE STATES.—

''(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

''(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the 10 Federal regions of the Department of Labor, elected from the State directors affiliated with State agencies that perform the duties described in subsection (e)(2).

''(e) STATE RESPONSIBILITIES.—

''(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

''(A) designate a single State agency to be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system and for the State's participation in the development of the annual plan; and

''(B) establish a process for the oversight of such system.

''(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency shall—

''(A) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

''(B) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(C) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(D) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

''(E) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(F) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

''(G) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(H) participate in the development of the annual plan described in subsection (c); and

''(I) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

''(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 2004 through 2009.

''(h) DEFINITION.—In this section, the term 'local area' means the smallest geographical area for which data can be produced with statistical reliability.''.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SEC. 401. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

SEC. 402. REHABILITATION SERVICES ADMINISTRATION.

Section 3(a) of the Rehabilitation Act of 1973 (29 U.S.C. 702(a)) is amended—

(1) by striking ''Office of the Secretary'' and inserting ''Department of Education'';

(2) by striking ''President by and with the advice and consent of the Senate'' and inserting ''Secretary, except that the current Commissioner appointed under the authority existing on the day prior to the date of enactment of this Act may continue to serve in the former capacity''; and

(3) by striking '', and the Commissioner shall be the principal officer,''.

SEC. 403. DIRECTOR.

(a) IN GENERAL.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by striking ''Commissioner'' each place it appears, except in section 21, and inserting ''Director''.

(b) EXCEPTION.—Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended—

(1) in subsection (b)(1)—

(A) by striking ''Commissioner'' the first place it appears and inserting ''Director of the Rehabilitation Services Administration''; and

(B) by striking ''(referred to in this subsection as the 'Director') ''; and

(2) by striking ''Commissioner and the Director'' each place it appears and inserting ''both such Directors''.

SEC. 404. STATE GOALS.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (11)(D)(i) by inserting '', which may be provided using alternative means of meeting participation (such as video conferences and conference calls)'' before the semicolon; and

(2) in paragraph (15)—

(A) in subparagraph (A), by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and inserting after clause (i) the following:

''(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities.''; and

(B) by amending subparagraph (D)(i) to read as follows:

''(i) the methods to be used to expand and improve the services to individuals with disabilities including—

''(I) how a broad range of assistive technology services and assistive technology devices will be provided to such individuals at each stage of the rehabilitative process and how such services and devices will be provided to such individuals on a statewide basis; and

''(II) how transition services will be better coordinated with those services under the Individuals with Disabilities Education Act in order to improve transition services for individuals with disabilities served under this Act;''.

SEC. 405. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 is further amended—

(1) in section 100(b)(1) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(2) in section 100(d)(1)(B) by striking ''fiscal year 2003'' and inserting ''fiscal year 2009'';

(3) in section 110(c) by amending paragraph (2) to read as follows:

''(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2003 through 2009.'';

(4) in section 112(h) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(5) in section 201(a) by striking ''fiscal years 1999 through 2003'' each place it appears and inserting ''fiscal years 2004 through 2009'';

(6) in section 302(i) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(7) in section 303(e) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(8) in section 304(b) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(9) in section 305(b) by striking ''fiscal years 1999 through 2003'' and insert ''fiscal years 2004 through 2009'';

(10) in section 405 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(11) in section 502(j) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(12) in section 509(l) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(13) in section 612 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(14) in section 628 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(15) in section 714 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(16) in section 727 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009''; and

(17) in section 753 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009''.

SEC. 406. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2004 through 2009''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of such Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2004 through 2009''.

TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act, shall take effect on the date of enactment of this Act.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 108–92. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider Amendment No. 1 printed in House Report 108–92.

AMENDMENT NO. 1 OFFERED BY MR. MCKEON

Mr. MCKEON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. MCKEON:

Page 6, strike lines 18 through 21 and insert the following:

''(III) if not included under subclause (I), the director of the State unit, defined in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 705(8)(B)) except that in a State that has established 2 or more designated State units to administer the vocational rehabilitation program, the board representative shall be the director of the designated State unit that serves the most individuals with disabilities in the State;

Page 15, line 14, strike ''(a) ONE-STOP PARTNERS.—'' and all that follows through page 16, line 12, and insert the following:

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) in subparagraph (B)—

(i) by striking clauses (ii) and (v)

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and by redesignating clauses (vi) through (xii) as clauses (iv) through (x), respectively;

(iii) in clause (ix) (as so redesignated), by striking ''and'';

(iv) in clause (x) (as so redesignated), by striking the period and inserting ''; and''; and

(v) by inserting after clause (x)(as so redesignated) the following:

''(xi) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et. seq.), subject to subparagraph (C).''; and

(B) by adding after subparagraph (B) the following:

''(C) DETERMINATION BY THE GOVERNOR.—The program referred to in clauses (xi) of subparagraph (B) shall be included as a required partner for purposes of this title in a State unless the Governor of the State notifies the Secretary and the Secretary of Health and Human Services in writing of a determination by the Governor not to include such programs as required partners for purposes of this title in the State.''.

(2) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended—

(A) by striking clause (i) and redesignating clauses (ii) through (v) as clauses (i) through (iv) respectively;

(B) in clause (iii) (as so redesignated) by striking ''and'' at the end;

(C) in clause (iv) (as so redesignated) by striking the period and inserting a semicolon; and

(D) by adding at the end the following new clauses:

''(v) employment and training programs administered by the Social Security Administration, including the Ticket to Work program (established by Public Law 106–170);

''(vi) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement); and

''(vii) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers.''.

Page 24, strike lines 2 and 3 and insert the following:

Section 123 is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

''(a) IN GENERAL.—From the funds allocated under section 128(b) to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth activities identified based on the criteria in the State plan and shall conduct oversight with respect to such providers.

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there are an insufficient number of eligible providers of training services in the local area involved (such as rural areas) for grants to be awarded on a competitive basis under subsection (a).

Page 25, line 10, strike ''(C) STATES.—'' and all that follows through page 26, line 9, and insert the following:

''(C) STATES.—

''(i) IN GENERAL.—Of the remainder of the amount appropriated under section 137(a) for a fiscal year that is available after determining the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot—

''(I) the amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2003 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) in accordance with the requirements of such section 127(b)(1)(C); and

''(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I) in accordance with clause (ii).

''(ii) FORMULAS FOR EXCESS FUNDS.—Subject to clauses (iii) and (iv), of the amounts described in clause (i)(II)—

''(I) 33 and ⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16–19 in each State, compared to the total number of individuals in the civilian labor force who are ages 16–19 in all States;

''(II) 33 and ⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and''; and

Page 26, line 13, strike ''the'' and insert ''each''.

Page 28, strike lines 1 through 10.

Page 28, line 11, strike ''formula'' and insert ''formulas''.

Page 28, strike lines 17 through 21.

Page 31, strike lines 14 through page 32, line 2, and insert the following:

''(i) 33 and ⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16–19 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16–19 in all local areas in the State;

''(ii) 33 and ⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and;'' and

Page 33, strike lines 7 through 10, and insert the following:

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.''.

Page 36, line 11, insert ''who are deficient in basic skills'' after ''disabilities)''.

Page 44, line 1, strike ''(b) ALLOTMENT'' and all that follows through page 47, line 14 and insert the following:

''(b) ALLOTMENT AMONG STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) RESERVATION FOR OUTLYING AREAS.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults and statewide workforce investment activities.

''(2) STATES.—Subject to paragraph (5), of the remainder of the amount referred to under subsection (a)(2) for a fiscal year that is available after determining the amount to be reserved under paragraph (1), the Secretary shall allot to the States for employment and training activities for adults and for statewide workforce investment activities—

''(A) 26 percent in accordance with paragraph (3); and

''(B) 74 percent in accordance with paragraph (4)

''(3) BASE FORMULA.—

''(A) FISCAL YEAR 2004.—

''(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2004 on the basis of allotment percentage of each State under section 6 of the Wagner-Peyser Act for fiscal year 2003.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2004 exceeds the amount that was available for allotment to the States under the Wagner-Peyser Act for fiscal year 2003, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2003.

''(B) FISCAL YEARS 2005 AND THEREAFTER.—

''(i) IN GENERAL.—Subject to clause(ii), the amount referred to in paragraph(2)(A) shall be allotted for fiscal year 2005 and each fiscal year thereafter on the basis of the allotment percentage of each State under this paragraph for the preceding fiscal year.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2005 or any fiscal year thereafter exceeds the amount that was available for allotment under this paragraph for the prior fiscal year, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under this paragraph in a fiscal year that is received by the State involved for such fiscal year.

''(4) CONSOLIDATED FORMULA.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount referred to in paragraph (2)(B)—

''(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

''(ii) 25 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

''(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allotment percentage of the State under this paragraph for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment for a fiscal year under this paragraph that is more than 130 percent of the allotment of the State under this paragraph for the preceding fiscal year.

''(C) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (B), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 2/10 of 1 percent of the amount available under subparagraph (A).

''(D) DEFINITIONS.—For the purposes of this paragraph:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the amounts described in paragraph (2)(B) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) and under reemployment service grants received by the State involved for fiscal year 2003.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4 and ½ percent of the civilian labor force in the State.

''(5) ADJUSTMENTS IN ALLOTMENTS BASED ON DIFFERENCES WITH UNCONSOLIDATED FORMULAS.—

''(A) IN GENERAL.—The Secretary shall ensure that for any fiscal year no State has an allotment difference, as defined in subparagraph (C), that is less than zero. The Secretary shall adjust the amounts allotted to the States under this subsection in accordance with subparagraph (B) if necessary to carry out this subparagraph..

''(B) ADJUSTMENTS IN ALLOTMENTS.—

''(i) REDISTRIBUTION OF EXCESS AMOUNTS.—

''(I) IN GENERAL.—If necessary to carry out subparagraph (A), the Secretary shall reduce the amounts that would be allotted under paragraphs (3) and (4) to States that have an excess allotment difference, as defined in subclause (II), by the amount of such excess, and use such amounts to increase the allotments to States that have an allotment difference less than zero.

''(II) EXCESS AMOUNTS.—For purposes of subclause (I), the term 'excess' allotment difference means an allotment difference for a State that is—

''(aa) in excess of 3 percent of the amount described in subparagraph (C)(i)(II); or

''(bb) in excess of a percentage established by the Secretary that is greater than 3 percent of the amount described in subparagraph (C)(i)(II) if the Secretary determines that such greater percentage is sufficient to carry out subparagraph (A).

''(ii) USE OF AMOUNTS AVAILABLE UNDER NATIONAL RESERVE ACCOUNT.—If the funds available under clause (i) are insufficient to carry out subparagraph (A), the Secretary shall use funds reserved under section 132(a) in such amounts as are necessary to increase the allotments to States to meet the requirements of subparagraph (A). Such funds shall be used in the same manner as the States use the other funds allotted under this subsection.

''(C) DEFINITION OF ALLOTMENT DIFFERENCE.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'allotment difference' means the difference between—

''(I) the total amount a State would receive of the amounts available for allotment under subsection (b)(2) for a fiscal year pursuant to paragraphs (3) and (4); and

''(II) the total amount the State would receive of the amounts available for allotment under subsection (b)(2) for the fiscal year if such amounts were allotted pursuant to the unconsolidated formulas (applied as described in clause (iii)) that were used in allotting funds for fiscal year 2003.

''(ii) UNCONSOLIDATED FORMULAS.—For purposes of clause (i), the unconsolidated formulas are:

''(I) The requirements for the allotment of funds to the States contained in section 132(b)(1)(B) of this Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that were applicable to the allotment of funds under such section for fiscal year 2003.

''(II) The requirements for the allotment of funds to the States contained in section 132(b)(2)(B) of this Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that were applicable to the allotment of funds under such section for fiscal year 2003.

''(III) The requirements for the allotment of funds to the States that were contained in section 6 of the Wagner-Peyser Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that were applicable to the allotment of funds under such Act for fiscal year 2003.

''(IV) The requirements for the allotment of funds to the States that were established by the Secretary for Reemployment Services Grants that were applicable to the allotment of funds for such grants for fiscal year 2003.

''(iii) PROPORTIONATE APPLICATION OF UNCONSOLIDATED FORMULAS BASED ON FISCAL YEAR 2003.—In calculating the amount under clause (i)(II), each of the unconsolidated formulas identified in clause (ii) shall be applied, respectively, only to the proportionate share of the total amount of funds available for allotment under subsection (b)(2) for a fiscal year that is equal to the proportionate share to which each of the unconsolidated formulas applied with respect to the total amount of funds allotted to the States under all of the unconsolidated formulas in fiscal year 2003.

''(iv) RULE OF CONSTRUCTION.—The amounts used to adjust the allotments to a State under subparagraph (B) for a fiscal year shall not be included in the calculation of the amounts under clause (i) for a subsequent fiscal year, including the calculation of allocation percentages for a preceding fiscal year applicable to paragraphs (3) and (4) and to the unconsolidated formulas described in clause (ii).''.

Page 50, line 1, strike ''15 percent'' and insert ''25 percent''.

Page 50, line 5, insert ''and'' after the semicolon;

Page 50, strike lines 6 through 11.

Page 50, line 12, strike ''(iv) 10 percent'' and insert ''(iii) 15 percent''.

Page 61, line 3, strike ''and''.

Page 61, line 5, insert ''and'' after ''employers;''.

Page 61, after line 5, insert the following:

''(iii) reemployment services provided to unemployment claimants.''.

Page 77, line 22, strike ''$1,001,000,000'' and insert ''$1,250,000,000''.

Page 80, strike lines 4 through 14 (and redesignate subsection (b) and (c) of section 116 as subsections (a) and (b) respectively).

Page 80, after line 22, insert the following:

(d) MIGRANT AND SEASONAL FARMWORKER PROGRAMS.—Section 167(d) is amended by inserting ''(including permanent housing)'' after ''housing''.

Page 91, line 20, strike ''recipients'' and insert ''a recipient''.

Page 108, beginning at line 24, strike ''the English language and math, and English language acquisition'' and insert ''the English language and basic math,''.

Page 126, line 25, strike ''DEFINITION OF CRIMINAL OFFENDER.—'' and insert ''DEFINITIONS.—''.

Page 128, line 7, strike '', including essential workplace skills''.

Page 128, line 12, strike ''family'' and insert ''Family''.

Page 129, line 16, strike the period and insert a semicolon.

Page 129, line 17, strike ''whether or not''.

Page 129, line 24; page 130, lines 1, 4, 8, 10, 17, and 22; and page 131, lines 3, 10, and 14, strike the term ''whether'' each place such term appears.

Page 130, line 5, insert ''when appropriate and scientifically based,'' after ''real-life contexts,''.

Page 131, line 15, strike ''is of'' and insert ''are of''.

Page 131, after line 18, insert the following:

''(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

Page 140, strike lines 8 through 15 and insert the following:

(a) IN GENERAL.—There is established the National Institute for Literacy. The Institute shall be administered, in accordance with this part, under the supervision and direction of a Director. There shall be an agreement between an Interagency Group (comprised of the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services) and the Institute on how the purposes of the Institute may be achieved effectively. Such agreement—

(1) shall be regularly reviewed, and modified as needed to remain current with any changes in the purposes of the Institute; and

(2) shall be updated no later than 1 year after the enactment of this part.

Page 140, lines 17 through 19, strike ''The Board (established under section 216 of this part), in consultation with the Secretary of Education,'' and insert ''The Interagency Group''.

Page 140, line 23, insert ''If a vacancy in the position of the Director of the Institute occurs, the Interagency Group shall appoint an Interim Director until such time as a new Director can be appointed.'' after ''and adults.''.

Page 141, lines 5 and 6, strike '', if approved by the Board,''.

Page 141, beginning at line 8, strike all of section 213 and insert the following:

SEC. 213. ADMINISTRATION.

(a) IN GENERAL.—The Director of the Institute shall be responsible for administering the Institute. The Director of the Institute shall—

(1) provide leadership for the Institute, consistent with the purposes described in section 211(b);

(2) supervise all employees in the Institute;

(3) assign responsibility to carry out the duties of the Institute among officers ad employees, and offices of the Institute;

(4) prepare requests for appropriations for the Institute and submit those requests to the Interagency Group;

(5) oversee the expenditure of all funds allocated for the Institute to carry out the purposes under section 211(b); and

(6) ensure that the Institute's standards for research quality are consistent with those promulgated by the Institute for Education Sciences.

(b) OFFICES.—The Institute shall have separate offices from the Department of Education, the Department of Labor, and the Department of Health and Human Services, and shall have maximum flexibility in its operations to carry out the purposes of the Institute.

(c) ADMINISTRATIVE SUPPORT.—The Secretary of Education shall provide administrative support for the Institute, including the administration of grants, contracts and cooperative agreements, personnel, legal counsel, and payroll.

Page 144, line 5, insert ''Director of the'' before ''Institute''.

Page 144, line 17, strike '', when requested, policy and''.

Page 145, after line 23, insert the following (and make such conforming changes as are necessary):

(8) develop an Internet site that provides useful information to educators and the public on reading literacy that is consistent with the purposes described in section 211(b).

Page 146, lines 14 through 17, strike ''The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director of the Institute considers necessary,'' and insert ''The Director of the Institute may award fellowships, with such stipends and allowances as necessary,''.

Page 147, lines 3 and 4, strike ''The Institute, in consultation with the Board,'' and insert ''The Director of the Institute''.

Page 148, line 16, strike ''work closely with'' and insert ''provide advice to''.

Page 148, strike lines 20 through 24 (and make such conforming changes as are necessary).

Page 150, lines 10 and 11, strike ''The Board, in consultation with the Director of the Institute,'' and insert ''The Director of the Institute''.

Page 151, line 18, strike ''Labor and Human Resources'' and insert ''Health, Education, Labor, and Pensions''.

Page 152, after line 12, insert the following (and make such conforming changes as are necessary):

(3) the term ''Interagency Group'' means the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services;

(4) the term ''literacy'' means the ability to read, write, and speak the English language with competence, knowledge, and comprehension; and

Page 153, line 4, insert ''the administration of'' after ''such amounts for''.

Page 153, after line 12, insert the following:

PART C—GENERAL PROVISIONS

SEC. 241. TRANSITION.

The Secretary shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this title.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from California (Mr. MCKEON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Chairman, I yield myself such time as I may consume.

I rise to offer this bipartisan amendment which contains a number of changes to improve the underlying bill that will help millions of unemployed Americans find jobs.

The amendment revises the formula for allocation of funds to States under the consolidated adult funding stream. The amendment includes a hold harmless provision for States so that in each year each State will receive at least what that State would have received under the current formulas for the three adult employment and training programs. It also creates a two-part formula reflective of the population to be served while minimizing the large swings from year to year in funding among States.

The amendment revises the factors for the youth formula for allocation of funds to States to better reflect available data on youth. It also clarifies that the new formula applies only to funds appropriated in excess of the level of funds appropriated in 2003. While better targeting the resources, this provision will ensure that States are not adversely affected by this formula revision.

The amendment makes TANF a mandatory partner in the one-stop career center system unless the governor of the State notifies the Secretaries of Labor and of Health and Human Services that the governor does not want the TANF program to be a mandatory partner. Including TANF in the one-stop centers will help provide a continuum of services for welfare participants. Individuals no longer receiving cash assistance will be able to continue to access job search, counseling and training services available through WIA. This continuity should help individuals become self-sufficient.

The amendment reinstates the requirement that youth providers be selected by competitive process, unless the local board determines that there are insufficient numbers of eligible providers of youth services in the local area involved.

The amendment clarifies that State-recognized tribes may continue to participate in the WIA program for Native Americans.

The amendment provides that the National Institute for Literacy is under the direction of an interagency group, composed of the Department of Education, the Department of Labor and the Department of Health and Human Services. This is current law.

The amendment makes additional clarifying, technical and conforming amendments to Titles I and II.

These amendments, Mr. Chairman, will ensure that workers have better access to the benefits included in the bill. As with the rest of the bill, these improvements will help hundreds of thousands of Americans who are searching for good and stable new jobs.

I urge my colleagues to adopt this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition?

Mr. KILDEE. Yes, Mr. Chairman. I ask unanimous consent to claim the time in opposition although I am not in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KILDEE. Mr. Chairman, I yield as much time as he may consume to the gentleman from Wisconsin (Mr. KIND).

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

Mr. KIND. Mr. Chairman, I thank my friend for yielding me time.

Mr. Chairman, as a member of the Committee on Education and the Workforce, I rise not in opposition to the technical amendment, but I do oppose the underlying bill.

Mr. Chairman, I, along with other members on the committee, have worked hard to try to work in a bipartisan fashion in the committee to produce bills that we feel comfortable that both sides of the aisle can support. Unfortunately, I cannot say that that is true with this legislation before us

today. I think it is a significant step in the wrong direction in regards to the workforce investment legislation to where we need to go.

Just last month, Mr. Chairman, the Department of Labor revised their unemployment rate to 6 percent. We lost approximately 48,000 jobs in the last month alone, which is approximately the size of my hometown, La Crosse, Wisconsin. Over the last 2 years we have lost 2.7 million jobs in this economy, and I think the American people are going to have to ask at some point whether this administration is capable of producing one new job during the 4 years in which they are in charge. Right now they are working from a 2.7 million job loss hole, and I think that question is very seriously in doubt right now.

This would have provided a perfect vehicle, as the gentleman from Michigan (Mr. KILDEE) tried to accomplish in the committee, for the extension of unemployment benefits which will soon expire and Congressional Budget Office shows that for every dollar spent for the extension of these unemployment benefits, it provides a $1.74 return on economic stimulus in the economy, unlike the tax exemption on corporate dividends that the President is proposing, which will only return 9 cents on the dollar in economic stimulus for our economy.

There are very few tools at our disposal that can actually have an impact on economic growth and job creation in this country. This is one of them, and that is why it is so essential that we work hard in a bipartisan fashion to structure a piece of legislation that is going to make sense for the 2.7 million who are currently out of work and for the changing needs of the workforce in this century.

Unfortunately, this bill actually reduces preventative in-school youth training programs targeted at students before they may drop out of school, and it consolidates adult employment and training programs into one block grant, removing many of the Federal performance and accountability measures that make the Workforce Investment Act a quality workforce program.

In addition, H.R. 1261 requires participating partners, and this is significant because this is what's going to lead to the reduction of program funding; it requires participating partners to contribute an unlimited amount towards infrastructure costs for these one-stop centers. This sets the stage for reducing job training programs by taking money away from the participating partners of this act such as veterans employment programs, Perkins vocational education program, and the vocational rehabilitation program. These programs have already been severely slashed because of the current state of State budgets, and the provision will only further jeopardize these valuable funding streams.

Specifically, I am concerned that the rerouting of funding could have a devastating impact on the Wisconsin technical college system's abilities to provide training and education for students. Over 8,000 dislocated workers alone looked to Wisconsin technical colleges in just recent months for education and job retraining. I foresee it also having a negative impact on our State's economy because it will not be able to provide students with the academic foundation and technical skills that will make them workforce ready.

We have made significant progress under the Workforce Investment Act in recent years in regards to the direction of job training opportunities in our community. We are very proud of the one-stop job centers, the workforce investment boards, the public-private partnerships that have been established back in the State of Wisconsin in regards to these programs and the tremendous amount of good it has done to so many of our citizens during a particularly tough run of our Nation's economy.

I believe we can do much better with this underlying piece of legislation, and hopefully as we move forward with the process in working with the Senate that we are going to be able to refine some of these points I have highlighted here today to produce a job training and workforce development bill that is going to add to our economic growth and help create more jobs in our economy at a time when we desperately need it.

I thank my friend again from Michigan for the leadership that he has shown on this issue, the experience that he is providing and also for yielding me this time.

Mr. MCKEON. How much time do we have left?

The CHAIRMAN. The gentleman from California (Mr. MCKEON) has 2½ minutes remaining, and the gentleman from Michigan (Mr. KILDEE) 30 seconds remaining.

Mr. KILDEE. Mr. Chairman, I yield back my time.

Mr. MCKEON. Mr. Chairman, I yield the balance of our time to the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee.

Mr. BOEHNER. Mr. Chairman, let me clarify some of the remarks that my good friend from Wisconsin was making during his presentation.

Right now we have taken the 63 Federal job training-retraining programs back in the late 1990s and ran them into three funding streams to the States. What we propose to do in this bill is to reduce that to one funding stream. This idea of we are block granting this to the States and giving full discretion to the governor is just not true.

□ 1330

Under the bill, we require that half of the funds go directly to the local boards. Of the half that stays at the State, the State must use 50 percent of that money to assist and provide services to local boards.

So when we begin to look at how this program will be enhanced, at least 75 percent of the money will be spent by our local boards. The other 25 percent is given to the governors based on their need to react to unemployment problems, sudden unemployment problems somewhere else in the State where additional assistance may be needed.

In the bill we also provide much more local control by our local boards. Our vision when we started this was to give local businesses and local community leaders the ability to control what happens in terms of how these monies are spent and the types of services that are provided. I do believe that it is going to result in not only better services, but better outcomes for our workers.

Let me make one other point that has been referred to several times where we eliminate the funding in this bill for in-school youth activities. There are a tremendous number of programs already designed to deal with in-school youth who could possibly be in danger or risk of dropping out. We should focus the limited youth resources we have in this bill to out-of-school youth or in-school youth outside of school time because there is not as much money as we would like to spend in these programs. There are sufficient programs for in-school youth during the school day.

We are trying to better target our resources to get better results for those at-risk students who may in fact be thinking of dropping out of school.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MCKEON).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 108–92.

AMENDMENT NO. 2 OFFERED BY MR. ALLEN

Mr. ALLEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. ALLEN:

Page 13, line 7, insert ", administrators of entities providing adult education and literacy activities," after "school systems".

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Maine (Mr. ALLEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, I yield myself such time as I may consume.

This amendment directs governors to appoint administrators of adult education and literacy programs to be members of local workforce investment boards. That is the current law but the underlying bill strips that provision out of the proposal.

This amendment would ensure that workforce investment boards are well-informed when developing strategies to strengthen and improve our Nation's workforce. Business and workforce representatives need to be aware of all

that the adult education system can offer.

As the participation in adult education continues to grow, we must expand and support a strong relationship between the education community and the business sector. The better educated and informed our workforce, the better our businesses can compete in the global economy. We know that a person with a college degree earns more than $1 million in the course of his or her lifetime as compared to someone with a high school diploma. Clearly education is a vital part of developing a successful workforce. Adult educators must continue to have a voice in workforce development, and that is what my amendment would provide.

I am told that the majority has agreed to support this amendment. I thank the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. MCKEON) for their help in preserving active communication between the education and business communities to ensure a sufficient and quality workforce.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

Mr. MCKEON. Mr. Chairman, although I do not oppose the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Without objection, the gentleman from California (Mr. MCKEON) is recognized for 5 minutes.

There was no objection.

Mr. MCKEON. Mr. Chairman, I yield myself such time as I may consume.

As I stated, we do not oppose the amendment. We feel that it will improve the bill. This amendment ensures that administration of entities providing adult education and literacy activities are included in the membership of each local board. The composition of the local workforce boards have been streamlined in H.R. 1261, and it is important that participants in adult education are represented on the local boards alongside superintendents of the local secondary school system and the presidents and chief executive officers of secondary educational institutions.

Mr. Chairman, I thank the gentleman for picking this up and offering the amendment, and we would be happy to accept the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. ALLEN. Mr. Chairman, I thank the gentleman for his support, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. ALLEN).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 108–92.

AMENDMENT NO. 3 OFFERED BY MR. VITTER

Mr. VITTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. VITTER:

Page 18, line 5, insert ‘‘, and how the centers ensure that such providers meet the employment needs of local employers and participants’’ after ‘‘partners’’.

Page 21, line 18, insert ‘‘how the centers ensure that such providers meet the needs of local employers and participants,’’ after ‘‘providers,’’.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Louisiana (Mr. VITTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. VITTER).

Mr. VITTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today with the Workforce Investment Act, we are addressing perhaps our best and most valuable resource in this economy and this society, which is people.

This bill, along with the economic stimulus package slated for tomorrow, are the results of a Congress and President who are focused on important issues relating to the economy, jobs, employment, and job training.

In my home State of Louisiana, we are working together at every level, State, regional and local, to improve our workforce and create real jobs, too. Passage of the Workforce Investment Act will advance those goals, and certainly we look forward to that.

But just as we expect government on all levels to work together toward this end, we certainly need to make sure that employers, training centers, potential employees, also all work together as seamlessly as possible. So my amendment is designed to improve the bill in that respect. It is a very simple and commonsense amendment, but one that I think is important to our overall goals.

In two sections of the bill, the section that sets out criteria for certification of one-stop centers and the section that sets out the criteria governors will use to determine eligibility for Federal funds, concise language is inserted that will ensure that the needs of local employers are taken into account. This gives input to those employers who at the end of the job training and education process will be asked and expected to hire newly trained workers.

Right now in some situations, including in my home State of Louisiana, there is a real gap. There are jobs there on the ground even in a relatively poor economy, but there is not the hired workforce to fill those jobs at the local level. A quick example, Avondale Shipyards in the Northrop Grumman Ship Systems, one of the biggest private employers in the whole State of Louisiana, busses in dozens of skilled workers every day from Mississippi because people with those specific job skills are not available immediately in the metro New Orleans area.

This amendment is a simple, commonsense amendment to try to fill that gap, to try to make sure that we train up workers in areas where there are jobs waiting in the economy. This will not only serve employers who need to fill those jobs, if possible, at the local level without resorting to bussing in workers or resorting to foreign workers. And, of course, it will also serve workers who want to be trained up, and most of all, want a good job to walk into at the end of their training.

With that, I want to congratulate the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. MCKEON) for their good work.

Mr. BOEHNER. Mr. Chairman, will the gentleman yield?

Mr. VITTER. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I think the gentleman from Louisiana (Mr. VITTER) makes a valuable contribution to the bill. I believe Members ought to support the amendment, and we would be happy to include it.

The CHAIRMAN. Does any Member claim the time in opposition?

Mr. KILDEE. Mr. Chairman, I ask unanimous consent to claim the time in opposition, although I do not oppose the amendment.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. KILDEE) is recognized for 5 minutes.

Mr. KILDEE. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, numbers that were released today show that Oregon continues to record the highest jobless rate in the Nation at 7.6 percent. Since this administration took office, my State has lost 28,600 jobs, and over 2.5 million private sector jobs have been lost nationwide.

Rather than addressing directly this grave problem by focusing on investments and programs that could put people back to work today; for example, simply repairing bridges that are falling apart all across America, the proposal is to tamper with valuable worker retraining programs that are actually making a positive difference.

I agree with the gentleman from Ohio (Mr. BOEHNER) that there was some outstanding work that was done in 1998 under the leadership of the gentleman from California and the gentleman from Michigan. I think there were important changes, but this legislation is an unfortunate attempt to not just rearrange the deck chairs on the Titanic, but pull them out from underneath some victims.

The most optimistic outcome is that it will cause a disruption in some services that people need. It fails to address the pressing needs of disadvantaged and unemployed workers around the Nation, fails to provide enhanced funding, and fails to strengthen the State and local publicly provided unemployment services. The changes in this bill do little to improve the situation for hard-hit working families in the current economic downturn in my community.

Not only are we bringing forward legislation that at best is disruptive, they are preventing opportunities by Democrats to help our constituents. The House rule that brought the bill forward denied us an opportunity to vote on an amendment to extend unemployment insurance benefits by 26 weeks for newly unemployed workers.

My constituents tell me this legislation could not come at a worse time. We are taking money potentially from programs that work and are well-managed, and handing them back in a block grant form, to a certain extent, to governors in States that are operating in a crisis mode, and the money could end up anywhere.

At a cumulative budget shortfall of over $70 billion, our States are facing the worst financial crisis since World War II. It is time for us to keep our funding commitments for programs that work instead of reshuffling programs, making it harder to keep our promises.

I have no objection to the Vitter amendment. I did want to have an opportunity to clarify my concerns, and hope that we as a Congress before we adjourn this spring are able to come forward with something that will make a difference helping the economy in areas for people that need it.

Mr. VITTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Chairman Boehner) to address the comments on the bill by the gentleman from Oregon.

Mr. BOEHNER. Mr. Chairman, I support the Vitter amendment, but let me just clarify for Members what we are doing here in the reauthorization of WIA.

This is nothing more than a fine-tuning effort, further streamlining the funding stream, further clarifying that we expect the local boards to get most of the money to provide the resources, and to give the local boards the flexibility to provide high quality services to men and women in their communities who have needs.

I think the amendment offered by the gentleman from Louisiana (Mr. VITTER) says we need to consider what the needs are in the local communities and is in fact a valuable contribution. But no one should believe that we are doing a complete overhaul of the Workforce Reinvestment Act. These one-stop shops around the country by and large have begun to work very well.

What we are trying to do here in this reauthorization is to make those changes to help the one-stops do a more effective job in their local communities, and to provide the governors and the local boards with the kind of flexibility they need to look at the broad needs of the workforce, whether it is training, retraining, preparing people for better jobs in their communities.

We believe that the underlying bill does in fact make this much more likely because services will be offered more efficiently, the use of the resources will be more efficient. Thus, we believe that the outcomes, the results of all of this, will give us better services and better outcomes at home.

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Mr. KILDEE. Mr. Chairman, I yield the balance of my time to the gentlewoman from Texas (Ms. JACKSON-LEE).

The CHAIRMAN. The gentlewoman from Texas is recognized for 2½ minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if my colleagues want to know about jobs and job loss, they do not have to go any farther than Houston, Texas, when just about 2 years ago, Enron Corporation laid off thousands of employees that are now still suffering, an action that has built upon the increasing unemployment rate across the Nation.

Mr. Chairman, I would have liked to have been on the floor of the House today joining with my good friends on the other side of the aisle in passing a bill that would truly deal with workforce reinvestment and adult education. But in actuality what this does is rather than responding to the needs of the unemployed by extending unemployment benefits or including a jobs creation package, H.R. 1261 will repeal dedicated funding for vulnerable workers in America. It will probably impact Harris County and Houston, Texas, in a devastating way because, Mr. Chairman, we are still confronting the question of those unemployed workers.

Further, I would say that to my dismay, this bill gives to Governors the right to take unspecified amounts of funds from adult education, crucial, from disability and veterans services, crucial, and to cut job opportunities for the youth. Clearly, this is not a bill that creates jobs or responds to the needs of those who are in need.

And then I am disappointed that the Committee on Rules did not understand that our job is to create greater access to jobs, and that means that an amendment that I offered that dealt with the question of having online access to being able to get the training and the resources was an amendment that was not put in order, along with 12 to 13 other amendments of Democrats. If we are truly in the business of creating jobs, we would have done this in a bipartisan manner.

And then I think the ultimate insult, Mr. Chairman, of this legislation, and I am a believer in the first amendment, the freedom of religion, the freedom of speech, the freedom of association; but this Congress cannot in the year 2003 with the representations from Members of the other body about individuals' life-style or the individual's support of a President who would support segregationist policies, we cannot go on record in this body against civil rights, against civil liberties. This particular legislative initiative blindly allows individual groups to be able to discriminate against individuals on the basis of their religious beliefs.

Mr. Chairman, we can do better. I would think that we would want to do better. I would hope that my colleagues would vote this down, this legislative initiative, so we could go back to the drawing board and serve the American people as we should.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. VITTER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. VITTER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Louisiana (Mr. VITTER) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 4 printed in House Report 108–92.

AMENDMENT NO. 4 OFFERED BY MR. KLINE

Mr. KLINE. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. KLINE:

Page 18, line 18, strike ''subsection (b)'' and insert ''subsection (b)(1)(B) and participating additional partner programs described in (b)(2)(B)''.

Page 18, strike lines 21 through 25 and insert the following:

''(B) DETERMINATION OF GOVERNOR.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

''(C) LIMITATIONS.—

''(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

''(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.''.

Page 19, line 3, insert ''in accordance with the formula established under paragraph (3)'' after ''local area''.

Page 20, line 2, strike ''subsection (b)'' and insert ''subsection (b)(1)(B) and participating partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from

Minnesota (Mr. KLINE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. KLINE).

Mr. KLINE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I am pleased to offer an amendment to H.R. 1261 that remedies concerns raised about the funding of one-stop development centers. Under current law, each partner program in the WIA system is to contribute to the cost of infrastructure for one-stop career centers. Unfortunately, many partners do not contribute as intended and the process for determining each partner's share has proved to be cumbersome at best. As a result, WIA has been left to cover the one-stop center infrastructure costs, and fewer funds have been available for the provision of services and training for individuals.

H.R. 1261 recognizes the problems of saddling WIA with most of the infrastructure costs and takes the steps to remedy those problems. H.R. 1261 requires partner programs to help pay administrative and infrastructure costs. The amount is determined at the State level in consultation with the State workforce investment board. Under the bill, the directors of mandatory partner programs will sit on this board, giving them a voice in the negotiation. Under H.R. 1261, the Governor makes the final determination of the appropriate amount of funding to be provided by each partner program. Unfortunately, this provision caused partner programs to be concerned that the Governor would be able to take needed program dollars away from direct services in order to pay for administrative costs at the one-stop career centers.

My amendment solves this problem by ensuring the administrative funding requirements will not cut into funding for the services program partners provide. My amendment will require the Governor to consult with the State board to determine the proportionate use of the one-stop centers by each partner. This consideration will ensure a program accounting for 10 percent of the usage of the center would not be responsible for 50 percent of the infrastructure costs. The Governor and the State board would also consider any additional administrative costs each program must cover in addition to those costs associated with the participation in the one-stop centers. This will ensure that program dollars intended for services to individuals are not spent on infrastructure costs.

Some may suggest that it would be better to create a new Federal program to cover infrastructure costs. Rather than create yet another government program, I would prefer to improve the program we have. When WIA passed in 1998, Congress expected the partner programs to pay their portion of the administrative costs of operation. The process outlined in H.R. 1261, as modified by my amendment, will ensure this happens while maintaining flexibility to each State to set the standards that work best for them. I think we would all agree that one of the hallmarks of WIA, the one-stop career center system, benefits both job seekers and the programs themselves. The centers provide individuals with streamlined access to a variety of programs and improve the efficient delivery of service. We cannot, however, expect these robust relationships to continue without reasonable, proportional financial participation. By streamlining the process, H.R. 1261 ensures the best use of investment by partner programs.

I urge my colleagues to support the amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

Mr. KILDEE. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from Michigan (Mr. KILDEE) is recognized for 5 minutes.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

The Kline amendment makes marginal improvements to the bill, but it does not reduce the funding that can be taken from veterans programs and programs serving individuals with disabilities. Instead, the Kline amendment puts this funding, and the services which it provides, at risk. I have two letters from leading organizations representing veterans and individuals with disabilities. Let me read from the letter from the National Rehabilitation Association:

''The Kline amendment would, we regret to say, have the unintended consequence of diverting deserving dollars from individuals with disabilities who want to work to fund a one-stop system which remains to this day largely inaccessible both programmatically and physically to individuals with disabilities.''

Let me also read a part of the letter from the Paralyzed Veterans Association of America:

''This amendment will not protect the disabled veterans outreach program and local veterans employment representatives services because the authorizing language for those programs sets no specific limits on administrative costs. As a result, the full amount of money appropriated for DVOPs and LVERs could, ostensibly, be directed by Governors to be used for one-stop infrastructure expenses.''

Clearly, this amendment does not address the critical issues of this legislation. It does, however, make marginal improvements. For that reason, I will not oppose it, but wish that we could get together at some point and try to improve the language.

NATIONAL REHABILITATION ASSOCIATION,
Alexandria, VA, May 8, 2003.

DEAR REPRESENTATIVE: As President and Executive Director of the National Rehabilitation Association, respectively, we have continuing concerns regarding the one-stop funding structure being proposed for mandatory and additional partner's participation in H.R. 1261 and in the proportionality approach to that funding embodied in the Kline amendment which was made in order under the Rule granted yesterday to this bill.

The National Rehabilitation Association was established in 1925 and is the longest-serving and one of the strongest advocates in ensuring the rights of individuals with disabilities are respected and realized. Our mission is to promote ethical and excellent practice in the field of vocational rehabilitation.

The Workforce Investment Act (WIA) comprises in Title IV programs administered under the Rehabilitation Act of 1973, as amended. The Public VR Program, as it is commonly known, is an accountable, eligibility-based employment program dedicated to the education, job training and counseling, career placement and independence of individuals with disabilities, including those individuals with significant disabilities.

The Public VR Program, being the productive partner that it is and always has been, continues to partner at the one-stops on a cost-allocation basis, consistent with OMB guidelines.

The Kline amendment would, we regret to say, have the unintended consequence of diverting deserving dollars from individuals with disabilities who want to work to fund a one-stop system which remains to this day largely inaccessible both programmatically and physically to individuals with disabilities.

The impact on individuals with disabilities is clear: If individuals with disabilities cannot get through the door of the one-stop shops, or do not find meaningful access to employment information once inside, these individuals will not become employed and may be forced to seek public assistance in lieu of advancing or initiating a career.

H.R. 1261 reneges on a promise by Congress to safeguard the separate funding stream of the Public VR Program, and in doing so, exposes the Public VR Program to a one-stop system that does not have a proven or uniform track record of accountability, according to a recent General Accounting Office (GAO) Report, and other well-respected organizations.

Both H.R. 1261 and the Kline amendment do not appreciate that the one-stops do not now have—nor have ever had—the qualified staff who provide comprehensive services and supports that individuals with disabilities require in seeking the dignity of work in an increasingly one-size-fits-all employment environment. These requirements include qualified rehabilitation counselors and other qualified professionals employed by accountable State Agencies, in conjunction with their Community Rehabilitation Program Partners (CRPs), who include private providers, employers and businesses.

Most importantly, the Kline amendment does not define the term ''proportionality'' and, accordingly, we are unsure of how and if this approach would work to the benefit of all individuals with disabilities who want to work.

Relatedly, the Public VR Program does not have a separate line item funding stream for administrative costs or a cap on administrative costs, which we believe, further complicates participation of the Public VR Program at the one-stops other than on a cost-allocation basis.

The untested, unproven proportionality approach advanced by the Kline amendment simply does not—and cannot—protect the millions of eligible individuals with disabilities who will benefit from the comprehensive services and supports that only the Public VR program can provide individuals with disabilities who want to work.

The Public VR Program has been doing more with less for years. Presently, there are

37 State Agencies on an Order of Selection, which places a priority of service on those individuals with the most significant disabilities. The waiting lists for the holistic services and supports that only the Public VR Program can provide individuals with disabilities increase everyday.

While the Public VR Program has served and secured employment for millions of eligible individuals with disabilities for decades, because of years of woeful underfunding, the following State Agencies cannot now serve all of the thousands upon thousands of eligible individuals with disabilities who seek the dignity of work and the comprehensive services that only the Public VR Program provides individuals with disabilities include, by Region:

Region I—Connecticut General, Maine General and Blind Agencies, Massachusetts General Agency, Rhode Island and Vermont General.

Region II—New Jersey General; the Virgin Islands.

Region III—Delaware Blind Agency, Maryland, Pennsylvania and West Virginia General Agencies.

Region IV—Georgia and Kentucky General and Blind Agencies, Mississippi, North Carolina, General Agency and Tennessee.

Region V—Illinois, Minnesota General, Ohio and Wisconsin.

Region VI—Iowa General, Kansas, Missouri General, Nebraska General.

Region VIII—Colorado; North Dakota.

Region VIII—Colorado, North Dakota.

Region IX—Arizona, California, Hawaii.

Region X—Oregon Blind, Washington State General Agency.

As we mentioned previously, these are the State Agencies that maintain continually-increasing waiting lists for eligible individuals with disabilities who want to share in the American Dream by having a career, owning a home, being able to support a family and living independently in their communities.

While having a career is the primary goal of the Public VR Program, this can only become a reality with a solid plan for employment developed with and supported by the Public VR qualified professionals in conjunction with the individual.

The Kline amendment does not and cannot solve the problems that individuals with disabilities continue to confront at the one-stops.

Just think about it. The Public VR Program is funding the administration of an inaccessible one-stop program—which is absent qualified staff and accountability—with funds designated for supporting the poorest group in our society with the highest unemployment rate and the majority of the community living below the poverty line.

Given the continuing, critical concerns the disability community at large has with the absence of accessibility, accountability and qualified staff at the one-stops, the National Rehabilitation Association cannot and will not support H.R. 1261.

Respectfully Submitted,

L. ROBERT MCCONNELL, PH.D., *President.*

MICHELLE VAUGHAN, MBA, *Executive Director.*

PARALYZED VETERANS OF AMERICA,
Washington, DC, May 8, 2003.

Hon. JOHN TIERNEY,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN TIERNEY: On behalf of Paralyzed Veterans of America (PVA), I want to thank you for offering your amendment to create line item funding for the operating costs of one-stops under H.R. 1261. This would have been the surest way to protect veterans' employment programs from damaging diversion of funds authorized by the subject bill.

Regrettably, the Rules Committee rejected your amendment and approved one that requires states, in determining funds to be taken, to consider the proportionate use of the one-stop centers by each partner, the costs of administration unrelated to the use of the one-stop center by each partner and other relevant factors. This amendment further requires that the funds provided by the one-stop partner programs for infrastructure costs are to be provided from funds available for administrative costs under the program and that those funds would be subject to whatever administrative cost limits are applicable to that program.

This amendment will not protect the disabled veterans outreach program (DVOP) and local veterans' employment representatives (LVERs) services because the authorizing language for those programs sets no specific limits on administrative costs. As a result, the full amount of money appropriated for DVOPs and LVERs could, ostensibly, be directed by Governors to be used for one-stop infrastructure expenses.

Thank you again for your efforts on behalf of veterans and veterans with disabilities.

Sincerely,

RICHARD FULLER,
National Legislative Director.

Mr. Chairman, I reserve the balance of my time.

Mr. KLINE. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee.

The CHAIRMAN. The gentleman from Ohio is recognized for 2 minutes.

Mr. BOEHNER. Mr. Chairman, let me thank my colleague and new member of our committee, the gentleman from Minnesota (Mr. KLINE), for his important contribution. Many of us believe that the language was sufficient in the bill, but clearly there were questions raised about how the determination was going to be made over how much each of the participating partners were going to contribute to the infrastructure. The amendment that is offered here does in fact make it clear to the Governors that there is a proportionate share that each of these groups will contribute.

Why is this necessary? Unfortunately in some parts of the country, some groups just decided they were not going to be participating partners. Our goal here is to have one-stops where all of the providers of services are there. We are talking about providers of services that are funded by the Federal Government. They need to be participating. What we do here is to make sure that they have a financial commitment to the well-being of these one-stops as well.

The gentleman from Michigan makes a point that not all of these mandatory partners have administrative funds. Most of them do. Their participation in the funding of the infrastructure would come from their own administrative funds. But the one point that he did bring up was the veterans programs. They have administrative funds and it is done by regulatory process as opposed to being outlined in statute. And so we believe that because each of these groups has administrative funds by some means, the Governors and the statewide WIA board would take that into consideration in terms of what the proportionate share of costs should be for each of these groups. I do think the gentleman from Minnesota makes an important contribution, helps clarify the bill, and we should support his amendment.

Mr. KILDEE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. KLINE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 108–92.

AMENDMENT NO. 5 OFFERED BY MR. LEWIS OF GEORGIA

Mr. LEWIS of Georgia. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. LEWIS of Georgia:

Page 36, line 4, strike ''21'' and insert ''24''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Georgia (Mr. LEWIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1261 as written leaves out a significant portion of its targeted population that needs job training. My simple amendment would extend the eligibility requirement from 21 years of age to 24 years of age for training programs in the Workforce Reinvestment and Adult Education Act. Existing job training programs such as Job Corps, YouthBuild, Conservation Corps, and others already use the age range 16 to 24. Extending the age from 21 to 24 will enable the Workforce Reinvestment and Adult Education Act to coincide with organizations that benefit from it.

When young people drop out of high school, they are in a suspended state of adolescence, not taking responsibility for themselves financially or otherwise. They often are unable to get a job or support themselves or their children, if they have children. Furthermore, the needs of the 22- to 24-year-old high school dropouts are more like the needs of the 18- to 21-year-olds than their counterparts in their late twenties and thirties. The process of completing their high school education, preparing for the workforce, the world of work, and developing the values of responsibility and the sense of belonging to a community are the difficult tasks of youth, but some have taken a detour onto the streets or prison. When they get back on track, they still need to be mentored. They need

help, a sense of purpose, a sense of direction. They simply have not learned the skills and responsibilities in the work world to be adults. This amendment will help our young people meet this goal.

Mr. Chairman, I have visited organizations such as YouthBuild and Job Corps. I must tell you they do good work. These are good and necessary programs to help our young people get ahead. I strongly urge my colleagues, all of my colleagues, to pass this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

Mr. BOEHNER. Mr. Chairman, I ask unanimous consent to claim the time in opposition, even though I am not opposed to the amendment.

The CHAIRMAN. Without objection, the gentleman from Ohio is recognized for 5 minutes.

There was no objection.

Mr. BOEHNER. Mr. Chairman, let me congratulate my friend and colleague from Georgia for his amendment and make it clear that I support his amendment.

The amendment ensures that States and local areas have flexibility in creating their own out-of-school youth program. For instance, a State may find it beneficial to allow youth who begin participating in an out-of-school youth program to continue in the program beyond the 21st birthday in order to complete the program. Often 22-, 23- and 24-year-olds have many of the same basic educational and job training needs as youth under the age of 21.

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And I think that the amendment offered by the gentleman from Georgia (Mr. LEWIS) aligns the eligibility age with other programs serving youth, including JobCorps and Youth Build, and this will allow greater coordination amongst programs serving youth and could ease the transition for these youth into employment and self-sufficiency programs. So I congratulate the gentleman for his amendment and urge my colleagues to support it.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the gentleman from Ohio (Mr. BOEHNER).

Mr. Chairman, I ask unanimous consent to reclaim my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The gentleman from Georgia (Mr. LEWIS) has 2½ minutes remaining.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding me this time.

I am very familiar with the group that he is seeking to serve here. In the City of Flint, Michigan, we have people who really have a sense to find themselves during that period in their life, and I think extending this to age 24 is a reasonable thing for us to do and will make sure that we give those people in that age group that second chance to find themselves and to set goals for themselves. So I think this will be something that will add immeasurably to the bill, and I am very happy that the gentleman has offered the amendment and certainly urge everyone to support the amendment.

I know the gentleman from Atlanta has been up to my city and I have been to his city. We have seen youth in this group.

The CHAIRMAN. The gentleman has 1½ minutes remaining.

Mr. LEWIS of Georgia. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

This is an excellent amendment, and the reason why I say that is because this is the month of May, when a number of our students are graduating from college, many of them older than the age originally in this legislation, and extending this to the age of 24 responds not only to those students who may be older in our colleges but also to returning veterans and military personnel who will be older. So might I just join in supporting this excellent amendment, and I would like to add as well my support for the amendment to be coming forth of the gentlewoman from California (Ms. MILLENDER-MCDONALD) dealing with single parents and pregnant women and others to expand the opportunity for training.

So I thank the gentleman for yielding, and I want to say this is a very progressive but important amendment on helping a large number of these young people who are in need of these very vital services.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the gentlewoman.

Mr. Chairman, I yield back the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEWIS).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 108–92.

AMENDMENT NO. 6 OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, as designee of the gentleman from Florida (Mr. HASTINGS), I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. KILDEE:

Page 49, line 10, strike ''80 percent'' and insert ''85 percent''.

Page 49, line 13, strike ''20 percent'' and insert ''15 percent''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Michigan (Mr. KILDEE) as the designee of the gentleman from Florida (Mr. HASTINGS) and a Member opposed each will control 5 minutes.

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

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

We have discussed this amendment with the majority, and we have agreement upon this.

This amendment simply would increase the amount of funding going to local areas by a statutorily defined formula.

Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. HASTINGS).

(Mr. HASTINGS of Florida asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Florida. Mr. Chairman, I thank the ranking member for yielding me this time, and I am thankful for the opportunity for this intervention.

I rise to offer the amendment to the Workforce Investment Act Reinvestment and Adult Education Act of 2003. Although this amendment is a technical one, if enacted, it will result in an increase of need-based funding for virtually every workforce development board in the country. In fact, if the administration's fiscal year 2004 budget request is appropriated, the amendment would result in an increase of no less than $77.5 million in guaranteed formula or need-based funding in areas with highest demand for assistance. Specifically, the amendment requires that no less than 85 percent of the total funds allocated to local boards under the Comprehensive Employment and Training Activities for Adults program are formula based. H.R. 1261, as reported, establishes a formula for this funding that takes into consideration the unemployment rate of a given area compared with the entire State and the size of the workforce. Further, it gives priority to those living in areas of high unemployment as well as disadvantaged individuals.

I rise today to offer an amendment to the Workforce Reinvestment and Adult Education Act. Although my amendment is a technical one, if enacted, it will result in an increase of need-based funding for virtually every workforce development board in the country.

In fact, if the Administration's Fiscal Year 2004 budget request is appropriated, my amendment would result in an increase of no less than $77.5 million in guaranteed formula- or need-based funding in areas with the highest demand for assistance.

Specifically, the amendment requires that no less than 85 percent of the total funds allocated to local boards under the Comprehensive Employment and Training Activities for Adults program are formula-based. H.R. 1261, as reported, establishes a formula for this funding that takes into consideration the unemployment rate of a given area compared with the entire state and size of the workforce. Further, it gives priority to those living in areas of high unemployment, as well as disadvantaged individuals.

My amendment ensures that those areas with the highest unemployment rates and

need for job training receive the greatest level of immediate and guaranteed assistance.

Even more, my amendment limits the ability of governors—Democrat or Republican—to play politics with adult job training and education funds, as well as those funds intended for dislocated worker assistance. The amendment is fair, and it is certainly in line with what Congress intended when it initially passed the Workforce Investment Act in 1998.

Mr. Chairman, America is faced with an unemployment epidemic of enormous proportion. Today, 8.8 million hard working Americans are out of jobs, many for reasons beyond their own control. Nearly 2 million of them have been without work for 27 weeks, and the average length of unemployment is almost 20 weeks, the highest since 1984.

Unfortunately, relief is nowhere in site. 4.8 million workers are stuck in part-time jobs because they can't find full-time work, and there is a meager one job available for every three unemployed workers looking.

My amendment sends guaranteed help to those most in need. It places assistance over politics and ensures that those without jobs receive a greater level of assistance than they currently do under H.R. 1261.

I urge my colleagues to support my amendment.

Mr. BOEHNER. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I thank the gentleman from Florida for yielding.

Under the bill 80 percent of the funds are, under formula, to go to the local boards. This would bring that to 85 percent. I do think it gives the local boards more certainty over exactly the kind of funding that they should expect from year to year, would reduce the amount of dislocation or expectation as to what is coming in. I think he makes a valuable contribution, and we would be pleased to accept the amendment.

Mr. HASTINGS of Florida. Mr. Chairman, I thank the gentleman.

Mr. KILDEE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 108–92.

AMENDMENT NO. 7 OFFERED BY MS. MILLENDER-MCDONALD

Ms. MILLENDER-MCDONALD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. MILLENDER-MCDONALD:

Page 65, line 14, insert '', including single parents, displaced homemakers, and pregnant single women,'' after ''individuals''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentlewoman from California (Ms. MILLENDER-MCDONALD) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California (Ms. MILLENDER-MCDONALD) on her amendment.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I yield myself such time as I may consume.

I thank the committee for the work that they have done on this act.

I am here today to offer my amendment to H.R. 1261. My concern is reflected in my amendment, and it is to ensure that all training and intensive services offered under the Workforce Investment Act continues to focus on displaced homemakers, single parents, and teen pregnant parents. It is imperative that displaced homemakers and other women in need are prepared for employment in nontraditional careers and that once they are employed they will be able to achieve a level of self-sufficiency. I have had first hand on this issue as I served as the director of Gender Equity in Los Angeles.

Men and women go to work because families depend more on women's income now more than ever before. Today's families with two full-time incomes are the least likely to live in poverty. Some women work because they are especially in need of economic independence that a job brings. Currently, there are 7 million displaced homemakers and 10 million single mothers living in the United States. And given the economic decline, I want to be certain that these individuals' needs continue to be met as they will be entering the workforce. As of 2001, working women were 40 percent more likely to be poor than working men and 6.6 percent of working women were living below the poverty line, according to the U.S. Census Bureau.

What we have learned since the JTPA was replaced by the WIA is that under the former JTPA, 149,356 displaced workers received job training in 1998, while 42,426 dislocated workers completed job training under its replacement, the Workforce Investment Act, or WIA, through the end of 2000. However, these numbers are not reflective of the displaced homemakers, the single parents, and the teen parents, and these are the folks who are in dire need of job training. While 40,468 displaced and dislocated workers were participating in the WIA training service in 2000, and they were women, we still are not recruiting, Mr. Chairman, or identifying those classes of prospective workers who need the job training necessary for a productive work success.

Among the adults served by WIA through 2000, 60 percent were women, 78 percent of those whom we talk about were unemployed upon the registration and 11 percent of whom received the TANF, Temporary Assistance for Needy Families. Fifty-eight percent of the adults participating in WIA in 2000 either held high school diplomas or had attained a higher level of education. About 40 percent of these adults received training services. While this is very important, it does not address those who are lacking a high school diploma or were unable to complete their education because of family matters.

Mr. Chairman, it should be noted that 121,000 fewer adults were trained under WIA in 2000 than received training under JTPA in 1998. These displaced homemakers and single parents are also greatly in need of the comprehensive job training services offered by WIA. We will be doing a great disservice to these women, particularly those from disadvantaged backgrounds, if we fail to adequately expose and educate them to work in high technology and nontraditional jobs.

Given the statistics in how these women are underrepresented in job training, we can and must do more to assist these displaced homemakers, single parents, and teen parents who are seeking employment for the first time as well as those who need to acquire 21st century skills in order to become marketable and economically self-sufficient in the emerging 21st century workplace. They are our today and tomorrow workforce. We must prepare them through comprehensive training and intensive service for this new high tech work environment.

Mr. BOEHNER. Mr. Chairman, will the gentlewoman yield?

Ms. MILLENDER-MCDONALD. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I think the gentlewoman does make an important contribution to the bill and clarifies that these out-of-work homemakers and single mothers do in fact play a role and do need services and should in fact be considered in a higher level as funds are being distributed to the local boards, and I ask Members to support the gentlewoman's amendment.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the distinguished chairman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 108–92.

AMENDMENT NO. 8 OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Ms. KAPTUR:

Page 86, line 20, insert ''assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State),'' after ''this title,''.

Page 87, line 2, strike the period and insert ''; and''

Page 87, after line 2, inset the following:

(5) by inserting, after subsection (c) (as redesignated by paragraph (3)), the following:

''(d) BEST PRACTICES COORDINATION.—The Secretary shall establish a system whereby

States may share information regarding best practices with regards to the operation of workforce investment activities under this Act.''

The CHAIRMAN. Pursuant to House Resolution 221, the gentlewoman from Ohio (Ms. KAPTUR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) on her amendment.

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

I want to thank the Committee on Rules. I want to thank the gentleman from Ohio (Mr. BOEHNER) of the Committee on Education and the Workforce and the gentleman from Michigan (Mr. KILDEE), ranking member, for allowing us to move this amendment today, and I want to acknowledge the hard work of Keysha Brooks-Coley on my own staff who has worked so very hard on this amendment and others.

This past Friday the Department of Labor reported that unemployment again went up in our country to a level of 8.8 million citizens, of which at least 250,000 are unemployed in the State of Ohio, and the unemployment level is now somewhere around 6 percent of those that we are still counting.

Without question people need access to training and to transitional assistance, which this bill offers so much hope to those who are struggling out there, trying to find a good-paying job with good benefits. The amendment I have proposed would strengthen the technical assistance provisions of the underlying bill to allow the Department of Labor where a State does not do it to give help to localities to apply for the program and to administer the program.

□ 1415

It would also require that a best practices system be established at the Department of Labor, so if a county in New York wants to learn what a county in Illinois might have done, or vice versa, that that would be available.

The amendment would require the Department of Labor to establish a coordinated system so there is no duplication at all. For example, in the technical assistance, it would only be allowed to be provided when the State itself is not doing it.

So this amendment was two parts: to better help the localities to apply, and then best practices.

I would like to just say for the record, if I could, Mr. Chairman, that we did try to offer another amendment and it was not allowed in order in the Committee on Rules. But I do think it is important with the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER), here on the floor, to just state for the record that in a State like Ohio, which ranks at the bottom in terms of drawdowns of these funds, I really hope that as this bill is perfected, as it moves over to the other body and through conference, that some thought might be given to the accounting aspect of our funds, the Federal funds that are sent to the States, and to require quarterly reports, and also to differentiate between allocations to the State and actual expenditures by the State and the local counties.

Believe me, its impossible to get this information. We cannot even obtain it for a State like our own from the Department of Labor. We asked the General Accounting Office to become involved in this. Even they have not been able to obtain these numbers.

Frankly, I would like to strongly recommend to the committee that if dollars have not been spent by the States that there be a pass-through to the localities, so that our counties that are dealing with unemployed people and people needing training every day would have the flexibility to expend funds that, for whatever reason, seem to be getting lost or stored at the State capital level and never really getting down to those who need to establish contracts for trading with those who are unemployed.

Mr. Chairman, although this amendment does not deal with that, I would ask Members for strong consideration of the amendment that does require technical assistance to be given by the Department of Labor if the States are not doing it and also to establish this best-practices opportunity at the Department of Labor, so people can learn across our country, from one State to another, from one county to another, and strongly urge the committee to think about requiring strict accounting of these dollars, with quarterly reports and differentiating between expenditures and allocations, and then, if the State is not spending the money, allowing the locality to receive the pass-through of those funds.

I would ask for support of this amendment.

The CHAIRMAN. Does any Member claim the time in opposition?

Mr. BOEHNER. Mr. Chairman, I ask unanimous consent to claim the time in opposition, even though I am not opposed to the gentlewoman's amendment.

The CHAIRMAN. Without objection, the gentleman from Ohio (Mr. BOEHNER) is recognized for 5 minutes.

There was no objection.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me ask my colleagues to support the gentlewoman from Ohio's amendment. I think for those States that do not provide the technical assistance to the local boards, they need that help, especially in terms of the financial integrity of the funds that they are dealing with. I do believe that the Department is in a position to do that. I would obviously think the sharing of best practices, that forum needs to occur, and somewhere at the Department of Labor is the most likely place for it to occur.

I should note with regard to the other amendment that the gentlewoman had offered that was not made in order under the rule dealing with the financial integrity of the monies that move from here to the States, that we do clarify the issue of obligations versus expenditures, which we think is an important step in ensuring that there is a clear picture of what the drawdown numbers are, which today I do not think is as clear as it could be.

We will continue to work with the gentlewoman as we get into conference at some point with the Senate in terms of ensuring that these Federal funds are used for their intended purpose.

With that, I would urge my colleagues to support the gentlewoman's amendment.

Mr. Chairman, I yield back the balance of my time.

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just thank the chairman very much for his openness to these amendments and for working on this with us to perfect the legislation as it moves through the process. I am very grateful for that and grateful to the gentleman from California (Mr. GEORGE MILLER), the gentleman from Michigan (Mr. KILDEE), and the Committee on Rules.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time having expired, the question is on the amendment offered by the gentlewoman from Ohio (Ms. KAPTUR).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. VITTER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Louisiana (Mr. VITTER) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 423, noes 0, not voting 11, as follows:

[Roll No. 173]

AYES—423

Abercrombie	Bereuter	Boyd
Ackerman	Berkley	Bradley (NH)
Aderholt	Berman	Brady (PA)
Akin	Berry	Brady (TX)
Alexander	Biggert	Brown (OH)
Allen	Bilirakis	Brown (SC)
Baca	Bishop (GA)	Brown, Corrine
Bachus	Bishop (NY)	Brown-Waite, Ginny
Baird	Bishop (UT)	Burgess
Baker	Blackburn	Burns
Baldwin	Blumenauer	Burr
Ballance	Blunt	Burton (IN)
Ballenger	Boehlert	Buyer
Barrett (SC)	Boehner	Calvert
Bartlett (MD)	Bonilla	Camp
Barton (TX)	Bonner	Cannon
Bass	Bono	Cantor
Beauprez	Boozman	Capito
Becerra	Boswell	Capps
Bell	Boucher	

Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—11

Andrews
Combest
Conyers
DeLay
Dingell
Feeney
Gephardt
Goss
Miller, Gary
Rohrabacher
Schrock

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised there are 2 minutes left to vote.

□ 1440

Ms. DELAURO changed her vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. GOSS. Mr. Chairman, on rollcall No. 173, I was unavoidably detained. Had I been present, I would have voted ''aye.''

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATOURETTE) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1261) to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes, pursuant to House Resolution 221, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

Mr. GEORGE MILLER of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GEORGE MILLER of California. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. George Miller of California moves to recommit the bill H.R. 1261 to the Committee on Education and the Workforce with instructions to report the same back to the House promptly with an amendment that will achieve the policy of providing direct spending for 26 weeks of income support for unemployed individuals who have exhausted regular unemployment benefits and an additional 13 weeks of income support for individuals who have exhausted their Federal extended unemployment benefits, through the Workforce Investment Act in a manner equivalent to the receipt of Federal extended unemployment insurance benefits.

□ 1445

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to the rule, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes in support of his motion.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, this week in the Committee on Ways and Means we attempted to offer this amendment to extend unemployment insurance benefits for those people who are going to lose their benefits at the end of this month.

That bill will spend $550 billion but does not provide one penny for those people who are going to lose their unemployment insurance benefits at the end of this month. Every prior recession we have extended Federal unemployment benefits for far longer than we have in this recession even though this recession is deeper than the prior recessions.

Mr. Speaker, in the next 6 months if we do not extend Federal unemployment insurance, 2 million of our fellow citizens are going to exhaust their State benefits. We have already seen 1 million of our citizens exhaust their extended benefits. What this motion simply does is we should be extending Federal unemployment insurance by 26 weeks and for those who have exhausted their benefits under the Federal system, an additional 13 weeks.

Mr. Speaker, the money is in the Federal unemployment trust account to pay for this; $21 billion is there. The money is there just for that reason, for

a recession. We should do it. For those who are interested in helping stimulate the economy, the study by the Department of Labor found that every dollar of unemployment benefits generated $2.15 of economic activity. It is the right policy to do. It will help our economy. We have done it in the past on a bipartisan basis. We are going to use every opportunity we can. We have to do this before the end of this month.

I urge my colleagues to support the motion to recommit so that we can move forward to help the unemployed in our community.

Mr. Speaker, I thank the gentleman for yielding me time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, this motion responds to the economic realities that American families are facing today. We have 8.8 million individuals who are out of work. We have a growing budget deficit of about a half trillion dollars. Most alarming is the fact that three unemployed individuals are competing for every job.

In light of these dire economic conditions, this motion responds to America's needs by extending UI benefits. This motion would extend UI benefits for 26 weeks for newly unemployed workers and 13 weeks for those who have exhausted their benefits. Mr. Speaker, over 42 percent of those individuals who have exhausted their benefits are still unemployed under the present economic conditions.

Mr. Speaker, nearly 9 million workers are unemployed. The current UI extension expires at the end of this month, only 24 days from now. Where is the compassion of this House? How can we leave our Nation's families guessing as to when their next meal will be coming?

Mr. Speaker, this motion deserves the support of the House today.

The SPEAKER pro tempore. The gentleman from California (Mr. GEORGE MILLER) has 2½ minutes remaining on this motion.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this amendment would have the effect of providing an equivalent of 26 weeks of unemployment insurance to individuals who have exhausted both their State and their Federal extended benefits. The importance of this amendment is that it can provide a certainty to those people who are going to exhaust their benefits to know that these benefits will be there. We have tried in the Committee on Ways and Means yesterday to offer an amendment to send a message to these families. It was rejected. We tried in our committee. It was rejected. We tried in the Committee on Rules last night. It was rejected.

None of you, if you were in the situation of these families, would want to be taken up to the eve of the exhaustion of your benefits or, as we did a few months ago, we went past the exhaustion of the benefits. They exhausted on the 31st, and we went into January before we approved those benefits.

We owe it to these families. These families were working before their job disappeared. They are trying to provide for their families. They are trying to provide for their health care. They are trying to provide for their education and keep their house and keep their car. The least we can do is let them know in advance, but so far the Republican leadership has refused to do that.

The administration claims that they are still debating on whether or not they will extend the unemployment benefits upon exhaustion. Every member of our committee voted for this amendment. Every member of our committee on our side of the aisle spoke for this amendment because it is a compassionate thing to do. It is a decent thing to do, and it is a smart economical thing to do because this money to these families will enable them to participate in the economy and put demand into the economy. It is the minimum that we can do. We would like to just have a simple extension of the unemployments benefits, but so far there has been a deaf ear on the other side of the aisle on that matter.

So we would like to have this motion to recommit to succeed, to go back and to extend the equivalent of those 26 weeks to those individuals and to those families that are in dire straits. A million more families have exhausted their benefits than at this time in the last recession. The severity and the duration of this economic downturn is such, and this administration has yet to take a single step, a single step to help create jobs in this country, to help create the benefits for these individuals that they need.

That is what this amendment helps us to address. The first plan of this administration was a massive failure. They passed their big tax cut, a trillion dollars, and we have lost 2½ million jobs. We cannot just do more of the same. The American families that are under this economic stress in this job market in this lousy economy deserve better.

Mr. BOEHNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. BOEHNER) is recognized for 5 minutes.

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

Mr. Speaker, the bill before us is about helping job seekers find meaningful employment. And we know the one-stop shops have worked. And the underlying bill seeks to fine-tune that process, to make it more effective in helping more people find and keep meaningful employment.

Now, the motion to recommit is about the issue of unemployment insurance, something that is not in the purview of our committee. Now, Members in this House on both sides of the aisle have worked together to extends unemployment benefits on a regular basis, and I have full confidence that we will continue to do that if the need persists.

We are going to continue to meet our commitment and our resolve in this Congress to help those who are in fact unemployed. But let me just point out that if anyone thinks that the motion to recommit is going to result in one unemployed worker getting one additional dollar this year, they are wrong. This does not extend unemployment insurance through the unemployment insurance system. It would take the money and send it to the local one-stops, who have no system for distributing unemployment, and require them to distribute the money.

I will guarantee you there is not one dime that would flow to one unemployed worker within 2 years under this mechanism that was set up within the rules of the House in order to try to get this issue on the table today.

And if there is something that is even worse than that, in the motion to recommit it refers it back to the committee and we are promptly to deal with it. For those of you who are not that familiar with the nuance, that means the bill is dead forever.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding me time.

We are the committee that will deal with the issue. And the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce, is correct, this motion to recommit says promptly, not forthwith. That means that everything they said means absolutely nothing, or perhaps that is too drastic a statement. When they said that they are going to have spending for 26 weeks, that is a bubble; and if you touch it, it bursts. When they said they are going to provide an additional 18 weeks of income support, that is a bubble; and if you touch it, it bursts, because the underlying structure of this motion to recommit kills the bill. That is what this motion to recommit does. No one will lose their unemployment payment, currently unemployed, all the way through August.

The gentleman from Maryland was correct, there are sufficient funds. The Committee on Ways and Means will act. The problem is they want to create a phony issue at a phony time so that they can act like they are going to do something. What they propose to do is blow bubbles. We propose to act and solve the problem. Vote ''yes'' on the motion to recommit, you kill the bill. Vote ''no'' and you will get an addressing of this problem in an appropriate time frame.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. GEORGE MILLER of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic votes on the question of final passage and on the motion to suspend the rules and agree to House Resolution 213.

The vote was taken by electronic device, and there were—yeas 202, nays 223, not voting 9, as follows:

[Roll No. 174]

YEAS—202

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—223

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Andrews
Combest
DeLay
Dingell
Feeney
Gephardt
Herger
Miller, Gary
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE) (during the vote). The Chair would advise all Members there are 2 minutes left in this vote, approximately 2 minutes.

□ 1515

Mr. JOHNSON of Illinois changed his vote from ''yea'' to ''nay.''

Mrs. MALONEY changed her vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. KILDEE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote followed by a second 5-minute vote on a motion to suspend the rules.

The vote was taken by electronic device, and there were—ayes 220, noes 204, not voting 10, as follows:

[Roll No. 175]

AYES—220

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Dunn
Ehlers
Emerson
Everett
Ferguson
Fletcher
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Marshall
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Weldon (FL)
Weldon (PA)

Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Conyers
Cooper
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Duncan
Edwards
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Flake
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hefley
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tancredo
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Wamp
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Andrews
Clyburn
Combest
DeLay
Dingell
Emanuel
Feeney
Gephardt
Miller, Gary
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1523

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. EMANUEL. Mr. Speaker, on rollcall No. 175, I was unavoidably detained. Had I been present, I would have voted "no."

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES THAT PUBLIC SERVICE EMPLOYEES SHOULD BE COMMENDED FOR THEIR DEDICATION AND SERVICE TO THE NATION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 213.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MURPHY) that the House suspend the rules and agree to the resolution, H. Res. 213, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 418, nays 0, not voting 16, as follows:

[Roll No. 176]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—16

Andrews
Berman
Clyburn
Combest
DeLay
Dingell
Doolittle
Feeney
Gephardt
Greenwood
Kaptur
McCrery
Miller, Gary
Northup
Putnam
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1530

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1261, WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT OF 2003

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1261, the Clerk be authorized to make technical corrections and conforming changes to the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. BOEHNER. Mr. Speaker, I move that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER).

The motion was agreed to.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES OF COMMITTEE ON HOMELAND SECURITY IN THE 108TH CONGRESS

Mr. NEY, from the Committee on House Administration, submitted a privileged report (Rept. No. 108–93) on the resolution (H. Res. 110) providing amounts for the expenses of the Committee on Homeland Security in the 108th Congress, which was referred to the House Calendar and ordered to be printed.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF HOUSE RESOLUTION 148, PROVIDING FOR EXPENSES OF CERTAIN COMMITTEES OF THE HOUSE OF REPRESENTATIVES IN THE 108TH CONGRESS

Mr. NEY. Mr. Speaker, I ask unanimous consent that it shall be in order at any time without intervention of any point of order to consider House Resolution 148;

The resolution shall be considered as read for amendment;

The amendment recommended by the Committee on House Administration now printed in the resolution, modified by the amendment that I have placed at the desk, shall be considered as adopted;

The resolution, as amended, shall be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration; and

The previous question shall be considered as ordered on the resolution, as amended, to final adoption without intervening motion.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Strike all after the resolved clause and insert the following:

SECTION 1. COMMITTEE EXPENSES FOR THE ONE HUNDRED EIGHTH CONGRESS.

(a) IN GENERAL.—With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than the amount specified in subsection (b) for the expenses (including the expenses of all staff salaries) of each committee named in such subsection.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $10,327,531; Committee on Armed Services, $11,931,357; Committee on the Budget, $11,869,572; Committee on Education and the Workforce, $14,673,371; Committee on Energy and Commerce, $18,622,138; Committee on Financial Services, $13,696,487; Committee on Government Reform, $19,614,435; Committee on House Administration, $8,527,057; Permanent Select Committee on Intelligence, $7,809,730; Committee on International Relations, $14,552,695; Committee on the Judiciary, $14,048,616; Committee on Resources, $13,509,424; Committee on Rules, $5,669,311; Committee on Science, $11,690,845; Committee on Small Business, $5,120,301; Committee on Standards of Official Conduct, $3,071,250; Committee on Transportation and Infrastructure, $16,461,893; Committee on Veterans' Affairs, $5,486,795; and Committee on Ways and Means, $16,136,288.

SEC. 2. FIRST SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,084,900; Committee on Armed Services, $5,871,876; Committee on the Budget, $5,856,333; Committee on Education and the Workforce, $7,047,896; Committee on Energy and Commerce, $9,101,042; Committee on Financial Services, $6,601,085; Committee on Government Reform, $9,740,963; Committee on House Administration, $4,122,092; Permanent Select Committee on Intelligence, $3,780,487; Committee on International Relations, $6,993,645; Committee on the Judiciary, $6,957,554; Committee on Resources, $6,492,029; Committee on Rules, $2,797,898; Committee on Science, $5,711,401; Committee on Small Business, $2,535,261; Committee on Standards of Official Conduct, $1,527,825; Committee on Transportation and Infrastructure, $7,982,558; Committee on Veterans' Affairs, $2,703,328; and Committee on Ways and Means, $7,908,037.

SEC. 3. SECOND SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,242,632; Committee on Armed Services, $6,059,481; Committee on the Budget, $6,013,239; Committee on Education and the Workforce, $7,625,475; Committee on Energy and Commerce, $9,521,097; Committee on Financial Services, $7,095,402; Committee on Government Reform, $9,873,472; Committee on House Administration, $4,404,965; Permanent Select Committee on Intelligence, $4,029,243; Committee on International Relations, $7,559,050; Committee on the Judiciary, $7,091,062; Committee on Resources, $7,017,395; Committee on Rules, $2,871,413; Committee on Science, $5,979,444; Committee on Small Business, $2,585,041; Committee on Standards of Official Conduct, $1,543,425; Committee on Transportation and Infrastructure, $8,479,334; Committee on Veterans' Affairs, $2,783,466; and Committee on Ways and Means, $8,228,251.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in amounts under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

Mr. NEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

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

There was no objection.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF HOUSE RESOLUTION 110, PROVIDING AMOUNTS FOR EXPENSES OF COMMITTEE ON HOMELAND SECURITY IN THE 108TH CONGRESS

Mr. NEY. Mr. Speaker, I ask unanimous consent that it shall be in order at any time without intervention of any point of order to consider House Resolution 110;

The resolution shall be considered as read for amendment;

The amendment recommended by the Committee on House Administration now printed in the resolution shall be considered as adopted;

The resolution, as amended, shall be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration; and

The previous question shall be considered as ordered on the resolution, as amended, to final adoption without intervening motion.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Strike all after the resolved clause and insert the following:

Resolved,

SECTION 1. EXPENSES FOR THE SELECT COMMITTEE ON HOMELAND SECURITY FOR THE ONE HUNDRED EIGHTH CONGRESS.

With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable

accounts of the House of Representatives, in accordance with this primary expense resolution, not more than $10,952,787 for the expenses (including the expenses of all staff salaries) of the Select Committee on Homeland Security.

SEC. 2. FIRST SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,366,866 shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

SEC. 3. SECOND SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,585,921 shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the Select Committee on Homeland Security, signed by the chairman of such Committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in the amount under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

Mr. NEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 684

Ms. MAJETTE. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 684.

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

There was no objection.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, yesterday on May 7, 2003, I had to miss several rollcall votes because of official business in my hometown of Houston, Texas, attending the honoring of Earl Loggins and the opening of a very important service in my constituency. If I had been present, I would have voted ''aye'' on rollcall vote 167, H.R. 766, the nanotechnology bill; I would have voted ''aye'' on rollcall vote 168, H. Con. Res. 53; and I would have voted ''aye'' on rollcall vote 169, H.R. 866.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1738

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CULBERSON) at 5 o'clock and 38 minutes p.m.

PROVIDING EXPENSES OF CERTAIN COMMITTEES OF THE HOUSE OF REPRESENTATIVES IN 108TH CONGRESS

Mr. NEY. Mr. Speaker, pursuant to the order of the House of today, I call up the resolution (H. Res. 148) providing for the expenses of certain committees of the House of Representatives in the One Hundred Eighth Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House today, the resolution is considered read for amendment.

The text of House Resolution 148 is as follows:

H. RES. 148

Resolved,

SECTION 1. COMMITTEE EXPENSES FOR THE ONE HUNDRED EIGHTH CONGRESS.

(a) IN GENERAL.—With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than the amount specified in subsection (b) for the expenses (including the expenses of all staff salaries) of each committee named in subsection.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $10,623,640; Committee on Armed Services, $12,377,680; Committee on the Budget, $11,869,572; Committee on Education and the Workforce, $14,922,183; Committee on Energy and Commerce, $19,117,623; Committee on Financial Services, $16,995,487; Committee on Government Reform, $20,400,000; Committee on Homeland Security, $11,028,787; Committee on House Administration, $10,374,974; Permanent Select Committee on Intelligence, $7,809,730; Committee on International Relations, $16,037,995; Committee on the Judiciary, $17,248,067; Committee on Resources, $14,910,527; Committee on Rules, $5,669,311; Committee on Science, $12,301,690; Committee on Small Business, $6,372,008; Committee on Standards of Official Conduct, $3,443,150; Committee on Transportation and Infrastructure, $17,682,505; Committee on Veterans' Affairs, $6,776,617; and Committee on Ways and Means, $16,521,319.

SEC. 2. FIRST SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,292,225; Committee on Armed Services, $5,943,675; Committee on the Budget, $5,894,018; Committee on Education and the Workforce, $7,398,237; Committee on Energy and Commerce, $9,385,902; Committee on Financial Services, $8,144,280; Committee on Government Reform, $10,000,000; Committee on Homeland Security, $5,657,656; Committee on House Administration, $5,028,573; Permanent Select Committee on Intelligence, $3,773,567; Committee on International Relations, $7,693,249; Committee on the Judiciary, $8,422,720; Committee on Resources, $7,360,564; Committee on Rules, $2,816,332; Committee on Science, $6,072,465; Committee on Small Business, $3,080,591; Committee on Standards of Official Conduct, $1,636,825; Committee on Transportation and Infrastructure, $8,722,428; Committee on Veterans' Affairs, $3,225,344; and Committee on Ways and Means, $8,063,151.

SEC. 3. SECOND SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,331,415; Committee on Armed Services, $6,434,005; Committee on the Budget, $5,975,554; Committee on Education and the Workforce, $7,523,946; Committee on Energy and Commerce, $9,731,721; Committee on Financial Services, $8,851,207; Committee on Government Reform, $10,400,000; Committee on Homeland Security, $5,371,131; Committee on House Administration, $5,346,401; Permanent Select Committee on Intelligence, $4,036,163; Committee on International Relations, $8,344,746; Committee on the Judiciary, $8,825,346; Committee on Resources, $7,549,963; Committee on Rules, $2,852,979; Committee on Science, $6,229,225; Committee on Small Business, $3,291,417; Committee on Standards of Official Conduct, $1,806,325; Committee on Transportation and Infrastructure, $8,960,077; Committee on Veterans' Affairs, $3,551,273; and Committee on Ways and Means, $8,458,168.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in amounts under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

The SPEAKER pro tempore. The amendment printed in the resolution, modified by the amendment reported by the Clerk in conjunction with that previous order, is adopted.

The text of House Resolution 148, as amended, is as follows:

Resolved,

SECTION 1. COMMITTEE EXPENSES FOR THE ONE HUNDRED EIGHTH CONGRESS.

(a) IN GENERAL.—With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than the amount specified in subsection (b) for the expenses (including the expenses of all staff salaries) of each committee named in such subsection.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $10,327,531; Committee on Armed Services, $11,931,357; Committee on the Budget, $11,869,572; Committee on Education and the Workforce, $14,673,371; Committee on Energy and Commerce, $18,622,138; Committee on Financial Services, $13,696,487; Committee on Government Reform, $19,614,435; Committee on House Administration, $8,527,057; Permanent Select Committee on Intelligence, $7,809,730; Committee on International Relations, $14,552,695; Committee on the Judiciary, $14,048,616; Committee on Resources, $13,509,424; Committee on Rules, $5,669,311; Committee on Science, $11,690,845; Committee on Small Business, $5,120,301; Committee on Standards of Official Conduct, $3,071,250; Committee on Transportation and Infrastructure, $16,461,893; Committee on Veterans' Affairs, $5,486,795; and Committee on Ways and Means, $15,976,288.

SEC. 2. FIRST SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,084,900; Committee on Armed Services, $5,871,876; Committee on the Budget, $5,856,333; Committee on Education and the Workforce, $7,047,896; Committee on Energy and Commerce, $9,101,042; Committee on Financial Services, $6,601,085; Committee on Government Reform, $9,740,963; Committee on House Administration, $4,122,092; Permanent Select Committee on Intelligence, $3,780,487; Committee on International Relations, $6,993,645; Committee on the Judiciary, $6,957,554; Committee on Resources, $6,492,029; Committee on Rules, $2,797,898; Committee on Science, $5,711,401; Committee on Small Business, $2,535,261; Committee on Standards of Official Conduct, $1,527,825; Committee on Transportation and Infrastructure, $7,982,558; Committee on Veterans' Affairs, $2,703,328; and Committee on Ways and Means, $7,828,037.

SEC. 3. SECOND SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,242,632; Committee on Armed Services, $6,059,481; Committee on the Budget, $6,013,239; Committee on Education and the Workforce, $7,625,475; Committee on Energy and Commerce, $9,521,097; Committee on Financial Services, $7,095,402; Committee on Government Reform, $9,873,472; Committee on House Administration, $4,404,965; Permanent Select Committee on Intelligence, $4,029,243; Committee on International Relations, $7,559,050; Committee on the Judiciary, $7,091,062; Committee on Resources, $7,017,395; Committee on Rules, $2,871,413; Committee on Science, $5,979,444; Committee on Small Business, $2,585,041; Committee on Standards of Official Conduct, $1,543,425; Committee on Transportation and Infrastructure, $8,479,334; Committee on Veterans' Affairs, $2,783,466; and Committee on Ways and Means, $8,148,251.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in amounts under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

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

Mr. Speaker, we are here today to consider H. Res. 148, an omnibus funding resolution providing for the expenses of certain committees of the United States House of Representatives in the 108th Congress.

In February of this year, the Chair, myself, and the gentleman from Connecticut (Mr. LARSON), ranking member, reviewed what was presented to us by each Chair and ranking member of each committee. They presented a budget request to the Committee on House Administration and introduced individual resolutions to support their funding requests. This resolution, H. Res. 148, the omnibus primary expense resolution, combines all of the individual resolutions that came from those committees into one bill, excluding the Select Committee on Homeland Security.

I am pleased to put before the House a bipartisan resolution that can be supported by a majority of Members on both sides of the aisle. I feel that both chairmen and ranking members will agree that this carefully crafted agreement will provide sufficient funding for them to carry out the duties and responsibilities for which they are charged.

As we all know, the Select Committee on Homeland Security was created at the beginning of this Congress. That committee will provide an important oversight function, overseeing the newly created Department of Homeland Security and ensuring that the combined agencies are doing the job we all expect of them with regards to protecting our homeland and its security. However, due to the fact that the Homeland Security Budget represents a special situation with regard to this funding cycle, we have not included them in this omnibus funding resolution, but they will instead be considered separately. During this cycle committees requested from the Committee on House Administration a total of $252.5 million in spending. This is $49 million more than what was authorized in the 107th Congress and represents a 24.1 percent requested increase.

In removing Homeland Security from the equation, the request by committees total $241.5 million, which is a $37.9 million increase over the 107th authorized levels and an 18.6 percent increase. This resolution reduces the amount requested by committees by $18.6 million, or a 7.7 percent decrease.

House Resolution 148, as amended, provides for expenses of all committees other than Homeland Security and authorizes $222.8 million, a 9.4 percent increase, and that is 9.4 percent over a 2-year period. This is a $19.3 million increase over the 107th congressional authorized levels.

It should be noted that the 108th Congress funding level of $222.8 million in this resolution is still lower than the funding levels in the 103rd Congress in both constant and actual dollars. The mark for the 103rd Congress was $223.3 million and when adjusted for inflation amounts to $284.7 million in 2003 dollars. This means that while 10 years have lapsed since the beginning of the 103rd Congress, our funding levels are just now reaching the levels authorized in that Congress on a real dollar business basis because of the drastic costs instituted in the 104th Congress. On a constant dollar basis, we are significantly under the adjusted amount by approximately $62 million.

The reason I mention this, Mr. Speaker, is it shows, I think, prudent history on the part of the House for the committees to continue to do their job. Yet if we look back at the 103rd Congress, we are living I think within a very reasonable presented budget. I am proud of the numbers we are putting forward with this resolution. As I stated earlier, I feel that most, not all, but most Members will be able to widely support this measure.

This resolution also carries forward a goal that we have reached in the 107th Congress whereby committees allocated at least one third of their resources to the minority. Since the 104th Congress, we have strived to reach the goal of dividing committee resources on a two-thirds/one-third basis between the majority and minority of each committee. I am proud to say that committee chairmen have worked with their respective ranking members and produced agreements that provide for a two-thirds/one-third split of resources. And it is important to note that if not for the leadership of Speaker HASTERT in cooperation with the gentleman from Connecticut (Mr. LARSON), our ranking member, this goal absolutely would never have been reached nor would we have been able to continue to ensure the fair division of the resources in this resolution.

Also I want to thank both the gentleman from California (Chairman THOMAS) and the gentleman from

Maryland (Mr. HOYER), minority whip, for their work on this issue while in their previous assignments in setting this into motion.

When the gentleman from Maryland (Mr. HOYER) was the ranking member of the committee and I became the Chair 2 years ago, we decided this was going to absolutely finally be completed, and we did that. And when the gentleman from Connecticut (Mr. LARSON) became our ranking member, which we are so happy to have him in that position of leadership, he was insistent with the tenacity that I think his ranking members need to be aware of to make sure that goal that was attained should be kept and would be kept. So this is an argument that went right off the table because we completely agree with the gentleman from Connecticut (Mr. LARSON) that that is the only fair way to do it, and I hope this sets a precedent that after we are not in these positions it continues to be two-thirds/one-third split always.

I also want to thank the chairmen of each committee and their ranking member on their cooperation with each other on this matter.

In addition to the funding issues that are part of this process, the committee identified two special categories of requests that we feel need to be addressed separately from the regular funding process. I believe it is important to ensure that we put forth the most accurate reflection of the amounts we are providing to committees and those numbers should not be distorted and inflated with other special needs.

Here I refer to requests to upgrade committee hearings rooms and requests for disaster recovery equipment. In the 107th Congress, we removed hearing room upgrade requests from the normal committee funding process, as those costs would have severely distorted the actual amounts it cost to run each committee.

□ 1745

It was also felt that the hearing room served an institutional function and, therefore, upgrades should be paid for out of a centralized House fund where appropriate.

Hearing rooms were in desperate need of refurbishing. Most have not seen an upgrade in decades. Having removed the upgrades from the committee funding process, we were able to make significant progress towards bringing our hearing rooms up to 21st century standards. While we have not finished all of our main and subcommittee hearing rooms as yet, we are well on our way to making the proceedings of committees more accessible and user-friendly to the general public.

In the 104th Congress when the switch was flipped and Thomas became online and brought the Congress to the world and the world was able to view Congress, we then had to embark on the technological upgrades. I mention this because it would be very, very unfair for the first time really in our Nation's history to embark on these technical upgrades, it would be unrealistic to ask these committees to be able to do their function and to pay for this.

The beauty of this Congress as this continues, and we are going to work with our ranking member, the gentleman from Connecticut (Mr. LARSON), and all the other members of the committee, the beauty of it is if you cannot get to Washington, D.C., you do not have to be shut out of the process. The public will be able to watch their Congress and know what the Congress is doing; and I think this is a very, very laudable, good goal that we have to, again, encourage the upgrades to continue.

On a different, but related, note, the 108th Congress has seen a substantial, but understandable, amount of requests from committees with regard to disaster recovery equipment directly related to the events of September 11 and the subsequent biological attacks directed at this Capitol complex with the anthrax brought into our complex.

Like the hearing room upgrades, the protection of committee data was thought to serve an institutional function. Therefore, the cost of providing the mechanism that gives committees an alternative off-site storage site for data in the event of a catastrophic event should be borne by the House, and, again, not by committees individually.

Further, providing an enterprise solution for off-site data storage ensures that a common standard will be applied for the equipment purchased and used to provide back-up storage for committee data. The committee will continue to work with the proper entities in the House and consult with other committees to ensure that a secure, standard enterprise system is instituted that will satisfy the needs of committees.

In conclusion, I again would like to thank from my end of it the Speaker for his leadership, and also the Democratic leader, the gentlewoman from California (Ms. PELOSI). I would like to thank the ranking member, the gentleman from Connecticut (Mr. LARSON), for his efforts in working with the ranking members and with the majority in order to assist us in fashioning an agreeable bipartisan resolution that could be supported by minority Members on the floor and majority Members. I appreciate the patience and cooperation, and I will stress patience, that the gentleman from Connecticut (Mr. LARSON) has shown. Without that, we would not be here today on the floor with this resolution.

Thanks also should go out to the chairmen of the committees and the ranking members who submitted, for the most part, very fair and reasonable budget requests.

I would also like to thank the staff of the majority and minority on the committee, both sides, who have worked diligently to make sure this institution can continue and can service the constituents across this Nation, as the committees do and should.

I also want to note in closing that there has been a spirit on this committee, and it has been noted in the media, a spirit in this committee that was in the last Congress and has continued with the gentleman from Connecticut (Mr. LARSON) and also the minority members being able to express their view, push their point of view, and fight the good fight for what they believe in and for us to be able to also weigh in on the opinions. But at the end of the day, we realized that working together for the good of the committees and this institution is something that is working for the people of the Nation.

So I am very proud of the committee members, and I am very proud of our ranking member, his integrity and diligence, due diligence, for not only the ranking members, but for the good of the whole of the committees.

Mr. Speaker, I ask that Members support this carefully crafted bipartisan resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me begin by expressing my support for House Resolution 148, which provides an overall average of a 9.4 percent increase in funding for the 19 committees under the jurisdiction of the Committee on House Administration; and I want to thank, again, the chairman of this committee for his outstanding work and effort. This is, after all, an extraordinarily important action that we are taking today. This funds the work of our committees, so in essence it funds the work of the people of this country.

The process through which this resolution was developed and the majority's commitment to ensuring equitable treatment for the minority indicates the healthy respect for the work of this institution and the vital contributions that both sides of the aisle make in enacting and overseeing public policy.

The committee chairman, the gentleman from Ohio (Mr. NEY), and his staff must be commended for their commitment to equity and bipartisanship.

I also want to express my gratitude to my leader, the gentlewoman from California (Ms. PELOSI), and her staff. Her leadership was critical to the progression towards fairness in the allocation of committee resources between the majority and the minority. As any outstanding leader would, the gentlewoman from California (Ms. PELOSI) early on chose to focus on the legitimate institutional needs of the House committee system. I thank her for that; and I thank her for her vision, her clarity, and her focus on the continued need for diversity in our committees, technological enhancement, and an

outreach to Members, so that they are able to perform their tasks to their utmost ability. She reached out to the gentleman from Illinois (Speaker HASTERT) and to his staff to make sure that the committee funding for the House of Representatives did not get caught up in the same partisan bickering that previous Congresses had.

Without question, her leadership and decision to put politics aside has made my job much easier. I commend the gentlewoman from California (Ms. PELOSI) and the gentleman from Illinois (Speaker HASTERT) for working in conjunction to aid and abet the cause of this great institution of ours.

Mr. Speaker, I think all of our colleagues will agree that the proposed 9.4 percent increase in committee funding from the 107th Congress level is fiscally responsible and in fact quite thrifty, especially when three factors are considered: the committee workload, the committee staff compensation, and the mission-critical technological upgrades that the chairman so adequately addressed in his remarks.

Let me say as a person who is enjoying the experience of serving on this committee for the first time, we had the chairmen come before us and enunciate their specific concerns about the workload that they now possess, their desire to reach out beyond the Beltway, their specific concern as it relates to events that have transpired since September 11, and the new kind of pressure that so many of our committees find themselves under with expanding jurisdictions and issues that heretofore were not part of the day-to-day business of this institution. The Committee on Armed Services, the Committee on Veterans Affairs, and the Committee on International Relations all were particularly impacted in this past legislative session, so I am pleased that we were able to provide adequate funding for those specific committees.

Congress will confront many issues, including the heightened policing needed for the Nation's accounting, financial and pension systems, which will impose new demands on the Committee on Ways and Means, the Committee on Financial Services, the Committee on Education and the Workforce, and the Committee on Energy and Commerce, as well the investigation of the Space Shuttle *Columbia* tragedy, all important issues that fall squarely on the shoulders of our various committees impacted by this decision.

As to the committee staff itself, again I want to thank the various Chairs who came before our committee, to a person all concerned that there be equity. Since COLAs are already in place for the United States Senate and the executive branch, it is increasingly important that staffers who work for our House committees get the same kind of just reward and equity they richly deserve. They carry out the great work of our various committees here. The work this institution's committee staffs conduct on behalf of the American people is no less important than the work conducted by their peers in the Senate and the executive branch, and their monthly paychecks must reflect that.

Again, I thank the chairmen of the various committees who came forward and made that one of their top concerns as well.

As the chairman has pointed out, mission-critical technology upgrades equally are important as we continue to reach out to our constituents to make sure that they receive the most up-to-date data in a timely fashion. This can be a costly, but essential, activity; and we expect that a separate vehicle will be used to meet some of the essential institutional needs, but many technological needs cannot wait for later action. Again, I appreciate the great efforts that were put forward in the committee.

Most of all, I would like to focus on the great equity that this chairman has brought to the committee. I am a new ranking member to this committee, but I am well aware of its past history. The gentleman from Michigan (Mr. EHLERS) reminded me in subcommittee that it was not always the practice of the Democratic majority to provide the same kind of equity that the gentleman from Ohio (Mr. NEY) has pursued and the gentleman from Maryland (Mr. HOYER) along with him in the previous session, and I am proud to join in this session. Repeatedly and with the support of the Democratic leader, the gentlewoman from California (Ms. PELOSI), and the gentleman from Illinois (Speaker HASTERT), the issue of two-thirds/one-third funding has been uppermost in my concern and those of the Members of the minority, and also the way that those dollars are handled equitably within the committee process.

The gentleman from Ohio (Mr. NEY) has continually stepped forward, not only in words, but in deeds, to insist upon that kind of equity within our committees, and I thank him for that. It has been especially important to our Committee on Small Business. The gentlewoman from New York (Ms. VELÁZQUEZ) has made this issue important, and I thank the chairman for stepping forward and aiding and abetting her cause and the concerns of that committee.

Lastly, I would like to conclude by saying that I do think that it is important that when you are working in a bipartisan nature like this that you have an esprit de corps.

I want to thank my members of the minority on our committee, the gentleman from Texas (Mr. BRADY) and the gentlewoman from California (Ms. MILLENDER-MCDONALD), who have submitted remarks for the RECORD. Both bring great value to this committee process, and especially in carrying out the mission of our leader, the gentlewoman from California (Ms. PELOSI).

Mr. Speaker, let me begin by expressing my support for House Resolution 148, which provides for an overall average 9.4 percent increase in funding for the 19 committees under the jurisdiction of the Committee on House Administration from the level set in the 107th Congress.

The process through which this resolution was developed, and the Majority's commitment to ensuring equitable treatment for the Minority, indicate a healthy respect for the work of this institution and the vital contributions that both sides of the aisle make in enacting and overseeing public policy. The Committee Chairman, Rep. BOB NEY, and his staff must be commended for their commitment to comity and bipartisanship.

I also want to express my gratitude to my Leader, NANCY PELOSI, and her staff. Her leadership was critical to the progress toward fairness in the allocation of committee resources between the Majority and Minority which this resolution represents. As any outstanding leader would, Leader PELOSI early-on chose to focus on the legitimate institutional needs of the House committee system. She reached out to Speaker HASTERT and his staff to make sure that the committee funding work of House Administration did not get caught up in the same partisan bickering that had plagued committee funding in previous Congresses. Without question, her leadership and decision to put politics aside made my job much, much easier. I commend Leader PELOSI and Speaker HASTERT.

I think my colleagues will agree that the proposed 9.4 percent increase in committee funding from the 107th Congress level is a fiscally-responsible and in fact quite thrifty, especially when three key factors are considered: Factor #1: Increased committee workload: September 11, 2001 cast into sharp focus the need for the U.S. House of Representatives to examine the gaps and deficiencies in this nation's military and security apparatus. While I expect the new House Select Committee on Homeland Security to lead the charge in this area in the 108th Congress, virtually no House committee has been spared responsibilities because the issue of security extends to the jurisdiction of virtually every House committee. In addition, the recent military action in Iraq, combined with the immense diplomatic and reconstruction challenges associated with its successful resolution, will impose new oversight and legislative demands on several House committees, particularly the Committees on Armed Services, Veterans Affairs, and International Relations.

Other significant committee duties that were never contemplated at the beginning of the 107th Congress but will confront the committee system in 108th Congress include heightened policing of the nation's accounting, financial, and pension systems, which will impose new demands on the Committees on Ways & Means, Financial Services, Education & the Workforce, and Energy & Commerce, and investigating the Space Shuttle Columbia tragedy, a critical mission that will fall largely to the Science Committee.

Factor #2 Committee staff compensation/cost-of-living adjustments. I was greatly encouraged that virtually all the committee chairs sought cost-of-living adjustments for their committee staff personnel on par with COLAs already in place in the U.S. Senate, the Executive Branch, House MRA's and House support offices like the Chief Administrative Office. If House committees are to attract and retain the

best and brightest staffers the market has to offer, committees must properly compensate them. The work this institution's committee staff conduct on behalf of the American people is no less important than the work conducted by their peers in the Senate and Executive Branch. Their monthly paychecks must reflect that.

Factor #3 Mission-critical technology upgrades: Virtually every committee chairman and his ranking Minority member told us that they confront the immediate need of implementing disaster-recovery programs in the event that their committee is unable to conduct regular business in its House office space. Central to meeting this need is developing off-campus computer systems to store mission-critical data—a costly but essential activity. We expect that a separate vehicle will be used to meet this essential institutional need. But many technology needs cannot wait for later action.

I am pleased to report that in most instances, the 9.4 percent increase accounts for cost-of-living increases since the 107th funding resolution.

Managed properly by committee chairmen and their ranking minority members, I am confident that the proposed average 9.4 percent increase will provide most House committees adequate resources over the next two years to match the 4.1 percent pay increase that President Bush has provided to federal employees in the Executive Branch under the Federal Pay Comparability Act of 1990, a decision that the U.S. Senate quickly followed with respect to its committee staff compensation policies and that House Committees would be wise to follow.

It is my view that the proposed 9.4 percent increase is modest. One question is whether the proposed 9.4 percent increase is enough to permit the Chairmen and their ranking minority members to carry out the ambitious agendas they described to the Committee of House Administration in March, perform crucial oversight and legislative responsibilities as they relate to the post-September 11 environment, and respond to exigencies that no amount of planning can predict.

Mitigating my concern about the adequacy of the proposed 9.4 percent increase is the Majority's oft-repeated commitment to the "⅔–⅓ principle."

This common-sense principle will provide ranking minority members and the Minority committee staffs a minimum of ⅓ of the total funds, ⅓ of the total staff positions, and the discretion to expend those funds within appropriate administrative guidelines, with no unusual constraints on the Minority.

Because the principle sets only a floor, not a ceiling, committee chairmen can always grant additional spending and hiring authority to their ranking minority members. It is my fervent hope that chairmen will be favorably disposed to grant such authority as circumstances may require.

Were this a previous era in committee funding, I would be concerned that in cases where committee resources are just enough to cover basic committee needs, chairmen might be inclined to deprive the Minority of ⅓ of the resources. Fortunately, it is not a previous era. In two days of committee funding hearings in March, I specifically asked each chairman if he intended to honor this important principle in the 108th Congress. The answer, to my satisfaction, was "yes."

In the spirit of "trust but verify," I will monitor closely the distribution of resources to the ranking minority members of each committee during the 108th Congress. I expect no problems, however. Practiced faithfully, ⅓–⅔ principle will help ensure that the House committee operate in as non-partisan a manner as possible. The American people deserve nothing less.

I thank the distinguished Chairman for bringing House Resolution 148 to the floor.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I do not have additional speakers; but I do want to say one thing, too, in closing from my end of it. I thanked our Speaker, the gentleman from Illinois (Mr. HASTERT), but I also want to thank Scott Palmer and Ted Van Der Meid of the Speaker's staff, who have helped us throughout this process. I think it is important to recognize them.

Mr. Speaker, I again stress that we have tremendous committees that have important obligations, and that is why this budget is important for our Members to support.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would be remiss as well if I did not thank my staff personally for the hard work that they have put forward in putting these deliberations together. I would also like to acknowledge Bill Cable, who was a valued member of this staff who is moving on, as well, and who we had a small party for today. His help in assisting George Shevlin was invaluable.

Mr. Speaker, I reserve the balance of my time.

□ 1800

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

One thing I wanted to express, I do appreciate, and the gentleman from Maryland (Mr. HOYER) is here, but I do appreciate that the gentleman from Maryland and the gentleman from Connecticut both indicated if, in fact, the body would change here in the numbers of who controls the Chamber they in fact will keep this ratio. I just want to add though in all sincerity on behalf of the majority, let us not put that to the test.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I felt compelled to come to the floor because I wanted to thank the gentlemen for the very kind comments that they had to say about my working on the Committee on House Administration. I know the distinguished gentleman from Connecticut (Mr. LARSON), the former President of the Connecticut Senate, and I both had that honor having been selected by our colleagues to head our State Senates. He is more than a worthy successor and I am very proud of the work that he is doing on this committee and I want to congratulate him.

The Committee on House Administration is uniquely an institutional committee that tries to provide the resources to Members, to staff so that we can serve our constituents better and so that staff will have an environment and the ability to serve well. I congratulate the gentleman from Connecticut for his work.

I know that the gentleman from Connecticut, like myself, has found the gentleman from Ohio (Mr. NEY), the chairman of the Committee on House Administration, to be an extraordinarily positive leader in this House and one who wants to do things and do things right and does not care about the politics, does not care about partisanship, is extraordinarily easy to work with, and I want to again say how much I enjoyed working with him.

If there is one downside to my "promotion" to the position of Democratic whip, it was that I left the Committee on House Administration on which I had served for I think approximately 14 years. And serving with the gentleman from Ohio (Mr. NEY), when I look back on the congressional career, whenever it ends, I want the gentleman to know when I look back on my career, one of the highlights will be the opportunity to serve with the gentleman from Ohio, to serve this institution and, indeed, in the cosponsorship of the Help America Vote Act, to serve our country as well.

I thank the gentleman for his kind words but, more than that, I want to thank him for his service to this institution and to this country. He does a great job. I know that the gentleman will enjoy and is enjoying working with the gentleman from Connecticut (Mr. LARSON), who is also, like the gentleman from Ohio and like me, committed to making sure that we operate in a way that will bring credit not to Republicans, not to Democrats, but to the House of Representatives and facilitate the work on behalf of the American people. I thank the gentleman from Ohio for his kind words and I thank the gentleman from Connecticut as well.

Mr. NEY. Mr. Speaker, reclaiming my time, I want to thank the gentleman. Prior to his arrival I had praised the gentleman from Maryland (Mr. HOYER), the minority whip, but I also want to mention something, and I have said this a lot of times. We have a homeland security bill coming up. It was a pleasure having the relationship with the gentleman from Maryland (Mr. HOYER) on that committee and members on that side of the aisle making the institution work. But during 9/11, when we had very, very tough decisions to make in this body that involved the Speaker's Office and at that time Leader GEPHARDT, and the gentleman from Maryland (Mr. HOYER) and myself and members of that committee, there was not one single time

that the gentleman from Maryland (Mr. HOYER) ever, ever injected one ounce of politics in tough decisions which an individual could have done, and he never did it, and neither did the members of that committee on either side of the aisle. They hung together with what I call our Capitol family. We appreciate that. I will never forget it. We also hated to lose the gentleman, but we like the gentleman from Connecticut, too.

Mr. Speaker, I yield back the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

I would just like to add that in the presence of a great leader like the gentleman from Maryland (Mr. HOYER) and, as he indicated, also a former President of the Maryland legislative Senate, what an outstanding job that he has done in this committee. It is always great when one is able to stand on the shoulders of those who came before you, and the work that he has done for this committee has set a very important and exemplary example of how we should conduct ourselves here on the floor and in the committee. On behalf of all of those committee members and the committee staff who especially appreciate the gentleman's commitment to the one-third/two-thirds ratio, we extend our great thanks, love and devotion. In a word, the gentleman is a class act, as is the chairman, the gentleman from Ohio (Mr. NEY), and as we continue this love fest here on the floor of the House of Representatives.

Mr. Speaker, we have no further speakers on our side, and I yield back the balance of my time.

Ms. MILLENDER-McDONALD. Mr. Speaker, Chairman NEY and Ranking Member LARSON, I am pleased to offer my support today in favor of H. Res. 148 to fund committees of the House of Representatives during the 108th Congress.

As the Committee on House Administration moves forward with its mission of overseeing the functions of the House, I want to make sure that as opportunities arise for companies to do business with the House, African American, Women and other minority-owned firms are included in the awarding of contracts. With the construction of the Visitors Center offering up to $100 million in contracts for Sequence 1, and $125 million in contracts to be awarded for Sequence 2, it is imperative that African American, Women and minority owned businesses have as much opportunity to submit and win bids as do majority-owned firms. Along these lines, I sent a letter to the Architect of the Capitol Alan Hantman on April 16 stating my interest in being informed regarding the status of the House's outreach efforts to include eligible women and minority-owned firms in ongoing construction projects.

As of 2001, we know that according to the Small Business Administration, 259,143 contracts totaling $15.6 billion were awarded to small disadvantaged firms nationwide. Overall, small disadvantaged businesses won 7.12 percent of contracts awarded across the country in 2001 according to the Congressional Research Service. Given this information, we must do all we can to ensure that minority-owned firms, which frequently come under the heading of small disadvantaged businesses are able to bid on and win contracts awarded by the House. I have a keen interest in this matter, given that my home State of California is one of four states across the country accounting for 35 percent of all businesses owned by African Americans as documented by the U.S. Census Bureau. Right here, the District of Columbia is home to the nation's highest percentage of African American-owned firms at 24 percent, yet only 2.5 percent of the District's business receipts come from these companies as reported by the U.S. Census. Further, the State of Maryland ranks second with 12 percent of the country's African American-owned businesses which generate 1.4 percent of Maryland's business tax receipts. It is clear from these numbers that as Members of the House, we can do more to assure African American, Women and other minority-owned firms greater access to contracts under our jurisdiction.

I wholeheartedly support the bipartisan nature of the funding resolution put forth by this committee, and I applaud the Chairman and Ranking Member as they continue to make efforts to make contracting opportunities controlled by the House more available to minority business owners.

The SPEAKER pro tempore (Mr. CULBERSON). All time for debate has expired.

Pursuant to the order of the House of today, the previous question is ordered on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Resolution 148.

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

There was no objection.

PROVIDING AMOUNTS FOR THE EXPENSES OF THE COMMITTEE ON HOMELAND SECURITY IN THE ONE HUNDRED EIGHTH CONGRESS

Mr. NEY. Mr. Speaker, pursuant to the order of the House of today, I call up the resolution (H. Res. 110) providing amounts for the expenses of the Committee on Homeland Security in the One Hundred Eighth Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the resolution is considered read for amendment.

The text of House Resolution 110 is as follows:

H. RES. 110

Resolved,

SECTION 1. AMOUNTS FOR COMMITTEE EXPENSES.

For the expenses of the Committee on Homeland Security (hereafter in this resolution referred to as the ''Committee''), including the expenses of all staff salaries, there shall be paid, out of the applicable accounts of the House of Representatives for committee salaries and expenses, not more than $11,028,787 for the One Hundred Eighth Congress.

SEC. 2. SESSION LIMITATIONS.

Of the amount specified in section 1—

(1) not more than $5,657,656 shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004; and

(2) not more than $5,371,131 shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

SEC. 3. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the Committee, signed by the Chairman of the Committee, and approved in the manner directed by the Committee on House Administration.

SEC. 4. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

The SPEAKER pro tempore. The amendment printed in the resolution is adopted.

The text of House Resolution 110, as amended, is as follows:

Resolved,

SECTION 1. EXPENSES FOR THE SELECT COMMITTEE ON HOMELAND SECURITY FOR THE ONE HUNDRED EIGHTH CONGRESS.

With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than $10,952,787 for the expenses (including the expenses of all staff salaries) of the Select Committee on Homeland Security.

SEC. 2. FIRST SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,366,866 shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

SEC. 3. SECOND SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,585,921 shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the Select Committee on Homeland Security, signed by the chairman of such Committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in the amount under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. NEY) and the

gentleman from Connecticut (Mr. LARSON) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

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

Mr. Speaker, we are here today to consider House Resolution 110, a resolution providing for the expenses of the Select Committee on Homeland Security.

House Resolution 110 authorizes a total of $10,952,787 for the 108th Congress for the Select Committee on Homeland Security with $5,366,000 being allocated for 2003 and $5,585,000 being allocated for 2004.

The select committee was created to oversee the implementation of the Homeland Security Act of 2002. Its functions include working with the President to ensure the efficient and timely establishment of the Department of Homeland Security; coordinating efforts between Congress and the Federal agencies responsible for protecting our Nation from terrorist attacks; and reviewing and studying laws, programs, and government activities affecting homeland security.

This funding will enable the select committee to provide this important oversight function by overseeing the newly created Homeland Security Department and ensuring that the combined agencies are doing the job we all expect of them with regards to protecting our homeland and its security.

The funding for the Select Committee on Homeland Security is being considered in a resolution separate from the resolution that was just passed that funds the other standing committees, which was House Resolution 148, again due to the fact that the select committee is not yet a permanent committee.

I think we can all agree that after the tragic events of September 11, 2001 and the subsequent biological attacks that took place here at the U.S. Capitol, it was necessary to create a Federal department to coordinate security activities on the home front and to follow that up by creating an entity that will conduct the appropriate oversight activities.

I believe this resolution represents the product of a carefully constructed budget request. Ongoing discussions were held between myself, our staff, the gentleman from California (Chairman COX) and his staff to come up with a budget that was not only reasonable, but would also allow the select committee to do the job that it was chartered to do. I should also mention the gentleman from Connecticut (Mr. LARSON), our ranking member, and his staff greatly assisted in this process by communicating with the select committee's ranking member, the gentleman from Texas (Mr. TURNER) to produce the product that we have before us.

Like the other committees, the select committee will adhere to the two-thirds/one-third ratio of dividing committee resources between the majority and the minority. I would like to thank the gentleman from California (Chairman COX) and the gentleman from Texas (Mr. TURNER) for their efforts in reaching that goal.

In conclusion, I believe this resolution provides the Select Committee on Homeland Security with the necessary funds to complete its mission. I urge my colleagues to support the passage of the resolution. I again thank our ranking member and our members from both sides of the aisle and the staff on the committee for bringing this before us today.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support House Resolution 110 which provides almost $11 million for the Select Committee on Homeland Security for the 108th Congress. Mr. Speaker, I want to commend my leader, the gentlewoman from California (Ms. PELOSI) and the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), for their outstanding choices in Select Committee on Homeland Security leadership. I do not believe one could select two finer individuals than the gentleman from California (Mr. COX) or the gentleman from Texas (Mr. TURNER). We all know that they face a daunting task of building a committee from scratch while they simultaneously are engaging in substantive committee business. Since September 11, this has created an important urgency that the United States Congress must address, and both of these gentlemen, we believe, along with the vast experience that the members of that committee will bring, will handle this task adroitly.

Again, I would applaud the efforts of the committee Chair in ensuring the one-third/two-thirds split on the committee, and I also want to extend an extra thanks to the gentleman from California (Mr. COX) as well who went out of his way to secure extra space on behalf of the committee as well.

Mr. Speaker, I strongly support House Resolution 110, which provides almost $11,000,000 to the Select Committee on Homeland Security for the 108th Congress. The Select Committee on Homeland Security is the newest committee in the House of Representatives. Its mission—to oversee and set policy for the new Department of Homeland Security—will affect the security and safety of every American for years to come.

No one denies that the Select Committee on Homeland Security must be given ample resources to oversee the most significant restructuring of the Federal government since 1947 and help secure this nation's borders. I am pleased that House Resolution 110 proposes just that.

As I learned during committee funding hearings in March, the gentleman from California, Chairman COX, and the gentleman from Texas, Rep. TURNER, face the daunting task of building a committee from scratch while simultaneously engaging in substantive committee business.

House Resolution 110 will provide the wherewithal for Mr. COX and Ranking Mr. TURNER to hire professional staff with a wide-range of expertise, establish secure office space, procure office equipment and technology, and conduct field hearings on a wide-range of security issues, including port security, First Responders, and continuity in communications.

Mr. Speaker, I want to commend my leader, NANCY PELOSI, and Speaker HASTERT for their outstanding choices to lead Homeland Security Committee. If there are two individuals better qualified to lead the committee, I do not know them. I dare say our colleagues do not know them, either.

Rep. TURNER and Rep. COX bring a command of the issues, the respect of their colleagues, an ability to put politics aside when circumstances demand it, and an incredible appetite for hard work. Without question, these qualities will serve the new committee very well. In selecting the gentlemen from Texas and California to carry out the toughest and most sensitive assignments of the 108th Congress, Leader PELOSI and Speaker HASTERT have distinguished themselves by putting the security and safety of the American people ahead of all other considerations. That is what leadership is all about.

I was especially pleased to learn during the March hearing that Chairman COX intends to honor what is referred to as the ''Two-thirds, One-third Principle.'' This common-sense principle, which has worked extremely well for the other House committees, will provide Ranking Minority Member TURNER and the Committee's Minority Staff a *minimum* of one-third of the total funds, one-third of the total staff positions, and the control to expend those funds within the Committee's administrative guidelines, with no unusual constraints on the gentleman from Texas. Practiced faithfully, this principle will help ensure that the Select Committee on Homeland Security operates in as non-partisan a manner as possible. Given the sensitive nature of the Committee's work, the American people deserve nothing less.

Finally, let me thank Chairman COX for his efforts to procure adequate committee space for Mr. TURNER and his staff. As we all know, space is a scarce resource in the House. Nevertheless, Mr. COX has gone out of his way to accommodate the space needs of Mr. TURNER.

I thank the distinguished Chairman for bringing House Resolution 110 to the floor, and I yield back the balance of my time.

Mr. NEY. Mr. Speaker, I yield back the balance of my time.

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

Pursuant to the order of the House of today, the previous question is ordered on the resolution, as amended.

The resolution, as amended, was agreed to.

The title of the resolution was amended so as to read: ''Resolution providing amounts for the expenses of the Select Committee on Homeland Security.''.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of House Resolution 110.

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

There was no objection.

APPOINTMENT AS MEMBER TO TICKET TO WORK AND WORK INCENTIVES ADVISORY PANEL

The SPEAKER pro tempore. Pursuant to section 101(f)(3) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 1320b-19), and the order of the House of January 8, 2003, the Chair announces the Speaker's appointment of the following member on the part of the House to the Ticket to Work and Work Incentives Advisory Panel:

Mrs. Berthy De la Rosa-Aponte, Cooper City, Florida, to a four-year term.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TAX CUTS FOR THE WEALTHY NOT HEALTHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, 2 years ago, as the recession began and the government was projecting a $5.6 trillion surplus, the President muscled through a big $1.2 trillion tax cut based on those rosy projections that we would have surpluses as far as the eye could see. He said we could have it all. We could fully fund the Social Security Trust Fund and the lockbox and the Medicare Trust Fund and the lockbox, we could increase spending for education, the military, and we could cut taxes. A number of us at the time said, well, we really should not spend the money before we have it in the bank, and we said, let us do it year by year. We lost and we went forward.

Now, they also said at the time, and this is a quote from the gentleman from California (Mr. THOMAS), the chairman of the House Committee on Ways and Means, that their $1.2 trillion tax proposal was the solution for the then beginnings of the malaise of the United States economy.

□ 1815

The quote, ''By moving quickly our hope is to have both monetary and fiscal policy pull this economy out of its nose dive.''

Since the gentleman from California (Mr. THOMAS) made that statement on the day the bill was passed, March 8, 2001, the United States of America has lost a million jobs and the economy is still in decline.

Now the entire surplus has vanished. We are now confronted with deficits as far as the eye can see. And what do they propose? They propose now to borrow money to give tax cuts. That is right. We are going to borrow money to give tax cuts. Never before in the history of our Nation will we have borrowed so much, a trillion dollars, to give to so few. A few thousand individuals will benefit principally from this massive tax giveaway.

Every penny of the Social Security surplus only paid by wage-earning Americans will be borrowed and in great part transferred to those who earn over a million dollars a year, $105,000 each average tax cut for people who earn over a million dollars a year. It is an awful lot of Social Security taxes. That is an awful lot of hours worked by Americans and their families to finance those tax cuts for the wealthiest of the wealthy. The top 5 percent, $200,000 and up, will get 64 percent of the benefits. And as I said, families $1 million and up will average $105,600. And it principally goes to people who do not work for wages.

Somehow this administration honors those who either inherited or otherwise, perhaps they were part of the Enron scam or something else have accumulated a bunch of money, or otherwise honorably earned a bunch of money, but they can invest for a living. They do not work for wages. They do not have to go in 40 hours a week, 60 hours a week. They do not have to hold two jobs. They do not have to work for wages. They should pay a tax rate lower, according to this administration, than working American families.

Now, in the short term they say this trickle down from these wealthy people will put those working wage-earning folks back to work, and understand their theory since wage earners will pay higher taxers than investors, that will ultimately undo the deficits. We will get the money from the wage earners because the investors will not be paying the taxes anymore. But even to get there, they had to put in a Brooklyn Bridge provision which is that many of the provisions of this legislation will expire in a few years. Otherwise, the cost tag would go over a trillion dollars; and since we are borrowing all this money to give back, that would be a problem with a lot of folks. So the Brooklyn Bridge provision says that most of these tax cuts, except the ones that go to the wealthy, will expire in 2005. So the child care credit increase up to a thousand dollars, well, that drops back down to $700 in 2005. The increasing of the 10 percent bracket for the lowest income earners, those around $12,000–$14,000 a year, well, that expires in 2005. Married couples, helping to do away with the marriage penalty, that expires in 2005. The AMT, a lot of people do not know what that is, but a lot of middle-income families and upper-middle-income families will be falling into this trap, it needs to be fixed, that expires in 2005.

But guess what? The capital gains and dividend provisions, those that give the $105,000 a year to the families that earn over a million dollars, that never expires under the proposal the House will vote on tomorrow. And the top bracket rate reductions, those will not ever expire either. Wage-earning suckers will pay the bill while people who can afford to invest for a living will reap the benefits.

But this is trickle-down economics revisited; and as we know, it worked really well in the 1980s. In fact, DICK CHENEY was one of the principal architects back then to the deficit-producing, job-killing, trickle-down economics of the 1980s; and now we will revisit it in the 21st century. Shame on this House of Representatives for bringing up this bill in this manner with this constrained debate with no alternative that would produce jobs and wealth in this country allowed to be offered.

MACROECONOMIC ANALYSIS OF H.R. 2, THE ''JOBS AND GROWTH RECONCILIATION TAX ACT OF 2003'' PREPARED BY THE STAFF OF THE JOINT COMMITTEE ON TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. THOMAS) is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, pursuant to clause 3 (h)(2)(A)(iii) of rule XIII, I submitted the following macroeconomic impact analysis:

In accordance with House Rule XIII.3(h)(2), this document, prepared by the staff of the Joint Committee on Taxation (''Joint Committee staff''), provides a macroeconomic analysis of H.R. 2, the ''Jobs and Growth Reconciliation Tax Act of 2003.'' The analysis presents the results of simulating the changes contained in H.R. 2 under three economic models of the economy. The models employ a variety of assumptions regarding Federal fiscal policy, monetary policy, and behavioral responses to the proposed changes in law.

1. DESCRIPTION OF MODELS AND RESULTS FORMAT

(A) MODELS

The Macroeconomic Equilibrium Growth (''MEG'') model.—This model, developed by the Joint Committee staff, is based on the standard, neoclassical assumption that the amount of output is determined by the availability of labor and capital, and in the long run, prices adjust so that demand equals supply. This feature of MEG is comparable to a Solow growth model, described as the ''textbook growth model'' by the Congressional Budget Office (An Analysis of the President's Budgetary Proposals for Fiscal Year 2004, March 2003, pp. 28–29) (''CBO''). Individuals are assumed to make decisions based on observed characteristics of the economy, including current period wages, prices, interest rates, tax rates, and government spending levels. Because individuals do not anticipate changes in the economy or government finances, this type of behavior is referred to as

''myopic behavior.'' Consumption in MEG is determined according to the life-cycle theory, which implies that individuals attempt to even out their consumption patterns during their lifetimes.

MEG differs from a simple neoclassical growth model in that prices in MEG adjust to equilibrate supply and demand with a delay or lag, rather than instantaneously. This feature allows the model to simulate a disequilibrium adjustment path, in which resources may be underemployed or over-employed (used at an unsustainable rate) in response to policies that stimulate or depress economic activity. It also allows an analysis of the effects of differing intervention policies by the Federal Reserve Board. In this respect, the MEG model resembles econometric models such as the Macroeconomic Advisers model and the Global Insight model.

In the MEG simulations in each of the tables below, it is assumed that the Federal Reserve Board either acts aggressively by raising interest rates to counteract almost completely any demand stimulus provided by H.R. 2 (''MEG aggressive Fed response''), or remains neutral with respect to any changes in fiscal policy, allowing temporary changes in demand to affect levels of employment and output (''MEG neutral Fed response'').

The Global Insight (''GI'') econometric model.—Like the MEG model, this commercially available model is capable of simulating disequilibrium adjustments to changes in demand. The model is made up of a set of equations that estimate from historical data the behavioral coefficients that determine the timing and strength of economic relationships within the model. Comparable parameters in the MEG and OLG models are derived from economic research. In many cases this research is also based on econometric analysis of historical data.

Individuals and firms behave myopically in the GI model. For this analysis, the Joint Committee staff uses an estimated monetary reaction function designed to moderate gradually, but not completely offset, deviations from full employment by lowering or increasing interest rates. Thus, if the economy is operating near capacity, proposals that increase employment and accelerate the economy will result in increasing interest rates.

The overlapping generations life cycle model (''OLG'').—In this model, individuals are assumed to make consumption and labor supply decisions with perfect foresight of economic conditions, such as wages, prices, interest rates, tax rates, and government spending, over their lifetimes. The OLG model is similar to the type of model described as a ''life cycle model'' by the CBO, ibid.

One result of the perfect foresight assumption is that if a policy results in an economically unstable outcome, such as increasing government deficits indefinitely into the future, the model will not solve. Therefore, to run simulations in this model, it is necessary to assume that an offsetting budget balancing fiscal policy will be enacted. In the tables below, it is assumed that either government spending will be reduced after 2013 to offset the tax cut (''OLG future government spending offset'') or individual income tax rates will be increased after 2013 (''OLG future tax rate increase'').

The cut in government spending to offset the costs of a tax cut can be modeled either as a cut in transfer payments, as is presented here, or as a cut in ''non-productive government spending.'' The latter assumption is used in CBO, ibid. The difference between the two approaches is that consumers are assumed to value transfer payments, and thus work and save more within the budget window in anticipation of losing them; but they are assumed not to value non-productive spending, and therefore do not increase work or savings in anticipation of this cut. Thus, the anticipation of valued spending cuts results in more growth in the early years than the anticipation of non-valued spending cuts.

(B) RESULTS FORMAT

Because the exact time path of the economy's adjustment to changes such as a new tax policy is highly uncertain, the Joint Committee staff presents results as percent changes during the Congressional budgeting time frame. In addition, for the MEG and OLG models, which have been designed to provide long-run equilibrium results, information is provided about the long run. While it is impossible to incorporate unknowable intervening circumstances, such as major resource or technological discoveries or shortages, these models are designed to predict the long-run effects of policy changes, assuming other, unpredictable influences are held constant.

Because the MED model is myopic, if the policy simulated is ultimately a fiscally unstable policy, such as a net decrease in taxes that produces deficits that grow faster than the rate of growth of the economy, ''long-run'' is defined as the last period before the model fails to solve because of this unstable situation. For the OLG simulations, which incorporate a stabilizing fiscal policy offset, ''long-run'' is defined as the eventual steady-state solution.

2. ESTIMATED MACROECONOMIC EFFECTS OF H.R. 2

The magnitude of the macroeconomic effects generated by these simulations depends upon a number of assumptions, some of which are described above, that are inherent in the models used. Several additional assumptions detailed below.

(A) ASSUMPTIONS

Effect of tax rate reductions on investment.—Reductions in marginal tax rates (tax rates on the last dollar of income earned) on interest, dividend, or capital gains income create incentives for individuals to save and invest a larger share of their income, as each additional dollar of investment yields more after-tax income. Conversely, reductions in the average tax rate on income from capital provide taxpayers with more after-tax income for the same amount of investment, reducing their incentive to save and invest. Changes in the statutory tax rate affect both marginal and average rates of tax on these sources of income, providing potentially offsetting incentives. Consistent with existing research, the model simulations assume that on net, the marginal rate effect is slightly larger than the average rate effect, and thus decreases in tax rates on capital income increase savings.

Effect of reductions in the dividend tax rate.—There is general agreement that dividend taxation reduces the return on investments financed with new share issues. However, there are two alternative views regarding the effect of dividend taxation on corporate investment returns financed with retained earnings. The ''traditional view'' holds that reductions in dividend taxes would lower the cost of corporate investment financed with either new share issues or retained earnings, and thus would provide an incentive for corporations to increase investment. Alternatively, the ''new view,'' holds that a reduction in the dividend tax rate would not lower the cost of corporate investment financed with retained earnings. Under this view, a decrease in the dividend tax rate would result in an immediate increase in the value of outstanding stock reflecting the reduction in dividend tax payments, thus increasing the wealth of the stockholders, and providing an incentive for additional consumption. The model simulations assume that half of the corporate sector is in accordance with the traditional view and half with the new view.

Foreign investment flows.—Increased Federal government budget deficits increase the amount of borrowing by the Federal government. Unless individuals increase their savings enough to finance completely the increased deficit, the increase in government borrowing will reduce the amount of domestic capital available to finance private investment. This effect is often referred to as the ''crowding out'' of private business activity by Federal government activity. A reduction in national saving may lead to a reduction in domestic investment, and domestic capital formation, depending on the mobility of international capital flows. The government and private firms would compete for the supply of available funds and interest rates would rise to equate the demand and supply of funds. Returns on foreign investments would accure mainly to foreigners and would only increase the resources available to Americans to the extent that higher domestic investment resulted in higher wages in the United States. The MEG and GI simulations incorporate an assumption that there would be some in-flow of foreign capital to the extent that the rate of return on capital is increased by the tax policy. However, the inflow in foreign capital is not enough to offset completely the increased Federal borrowing. The OLG simulations assume there is no inflow of foreign capital.

Effect of tax rate reductions on labor supply.—As in the case of savings responses, tax rate reductions provide offsetting labor supply incentives. Reductions in the marginal tax rate on earnings create an incentive to work more because taxpayers get to keep more of each dollar earned, making each additional hour of work more valuable; while reductions in the average tax rate create an incentive to work less, because they result in taxpayers having more after-tax income at their disposal for a given amount of work.

Consistent with existing research, the simulations assume that taxpayers in different financial positions respond differently to these incentives. Typically, the largest response comes from secondary workers (individuals whose wages make a smaller contribution to household income than the primary earner in the household) and other underemployed individuals entering the labor market. As described above, labor supply responses are modeled separately for four different groups in MEG: low income primary earners, other primary earners, low income secondary earners, and other secondary earners.

Effects of reductions in tax liability on demand.—Generally, any net reduction in taxes results in taxpayers making more purchases because they have more take-home income at their disposal. Policies that increase incentives for taxpayers to spend their income rather than save it provide a bigger market for the output of businesses. The amount of economic stimulus resulting from demand side incentives depends on whether the economy has excess capacity at the time of enactment of the policy, and on how the Federal Reserve Board reacts to the policy. If the economy is already producing near capacity, demand-side policies may, instead, result in inflation, as consumers bid up prices to compete for a fixed amount of output. If the Federal Reserve Board believes there is a risk that the policy will result in inflation, it may raise interest rates to discourage consumption. In this case, depending on how strongly the Federal Reserve Board

reacts, little, if any increase in spending will occur as a result of would-be stimulative tax policy. The MEG aggressive Fed response simulation assumes the Federal Reserve Board completely counteracts demand stimulus; the MEG neutral Fed response simulation assumes the Federal Reserve Board ignores the stimulus; and the GI simulation assumes the Federal Reserve Board partially counteracts demand stimulus. The OLG simulations have no monetary sector because they assume demand automatically adjusts to supply through market forces.

(B) SIMULATION RESULTS

Economic Growth.—

TABLE 1.—EFFECTS ON NOMINAL GROSS DOMESTIC PRODUCT PERCENT CHANGE IN NOMINAL GDP

	Calendar years	
	2003–08	2009–13
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.3	0.2
MEG—neutral Fed reaction	0.9	1.0
Econometric Model:		
GI Fed Taylor reaction function	1.5	1.2
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	n.a.	n.a.
OLG Increased Taxes in 2014	n.a.	n.a.

TABLE 2.—EFFECTS ON REAL GROSS DOMESTIC PRODUCT PERCENT CHANGE IN NOMINAL GDP

	Calendar years	
	2003–08	2009–13
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.2	−0.1
MEG—neutral Fed reaction	0.3	0.0
Econometric Model:		
GI Fed Taylor reaction function	0.9	−0.1
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	0.2	−0.1
OLG Increased Taxes in 2014	0.2	−0.2

As shown in Table 1, depending on the assumed Federal Reserve Board reaction to the policy, the estimated change in Gross Domestic Product (''GDP'') due to this proposal can range at least from a 0.3 percent (an average of $43 billion) to a 1.5 percent (an average of $183 billion) increase in nominal, or current dollar GDP over the first five years, and 0.2 percent to a 1.2 percent increase over the second five years. As shown on Table 2, depending on the assumed Federal Reserve Board reaction to the policy, and on how much taxpayers anticipate and plan for the effects of future Federal government deficits, the change in real (inflation-adjusted) GDP due to those proposal can range from a 0.2 percent (an average of $18 billion per year) to a 0.9 percent (an average of $76 billion per year) increase in real GDP over the first five years, with a small decrease over the second five years.

Investment.—

TABLE 3.—EFFECTS ON CAPITAL STOCK

	Calendar years	
	2003–08	2009–13
Percent Change in Non-Residential Capital Stock		
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.6	0.4
MEG—neutral Fed reaction	0.8	0.6
Econometric Model:		
GI Fed Taylor reaction function	1.5	0.4
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	0.1	−0.7
OLG Increased Taxes in 2014	0.1	−0.8
Percent Change in Residential Housing Stock		
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	−1.0	−1.5
MEG—neutral Fed reaction	−0.8	−1.1
Econometric Model:		
GI Fed Taylor reaction function	−0.5	−1.3
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	−0.2	−0.1
OLG Increased Taxes in 2014	−0.2	−0.1

As the results in Table 3 indicate, this policy may increase investment in non-residential capital in the first five years by 0.1 percent to 1.5 percent, while reducing investment in residential capital by −0.2 percent to −1.0 percent because of the reduced cost of capital, which is due to the reduction in taxation of dividends and capital gains, and the temporary bonus depreciation. The investment incentives for producers' equipment in this proposal are likely to shift some investment from housing to other capital. The size of the shift differs between the simulations because of different assumptions about adjustment costs and savings responses. In the second five years, the sunset of the bonus depreciation provision, combined with the negative effects of crowding out will slow increases in private nonresidential investment. The simulations indicate that eventually the effects of the increasing deficit will outweigh the positive effects of the tax policy, and the build up of private nonresidential capital stock will likely decline.

Labor Supply and Employment.—

TABLE 4.—EFFECTS ON EMPLOYMENT PERCENT CHANGE IN EMPLOYMENT

	Calendar years	
	2003–08	2009–12
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.2	0.0
MED—neutral Fed reaction	0.4	−0.1
Econometric Model:		
GI Fed Taylor reaction function	0.8	−0.4
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	0.2	−0.1
OLG Increased Taxes in 2014	0.2	−0.1

As shown in Table 4, employment may increase from 0.2 percent (approximately 230,000 new jobs) to 0.8 percent (about 900,000 new jobs) in the first five years, as the effects of the acceleration of individual rate cuts, and the initial increase in investment prevail. Employment increases in the first five years because of both the positive labor supply incentive from the individual rate cuts, and the economic stimulus effect of the proposal taken as a whole. This increase disappears by the end of the budget period, ranging from 0 percent to −0.4 percent. The acceleration of the individual tax rate reductions is effectively a temporary provision relative to present law; thus, the positive labor supply incentives are temporary.

A substantial portion of the tax cuts in the proposed growth package, those attributable to the acceleration of the individual income tax provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (''EGTRRA''), and the bonus depreciation/NOL carryback combination are temporary (operating from 2003–2006), and therefore likely to result in modest demand stimulus primarily in the first five years in the myopic models. In the OLG stimulations, in which individuals foresee the temporary nature of the stimulus, the increase in consumption is spread across both periods.

3. BUDGETARY EFFECTS

When the macroeconomic effects of a change in tax policy are taken into account, estimates of the change in receipts due to the proposal may change. To the extent that a new policy changes the rate of growth of the economy, it is likely to change the amount of taxable income, which will have a ''feedback effect'' on receipts. In addition, by increasing the after-tax return on investments in capital that generate taxable income, a change in policy may shift investment from non-taxable or tax-favored sectors, such as the owner-occupied housing market, into the taxable sector, and thereby increase receipts. The model simulations indicate that the policy analyzed here is likely to result in more economic growth in the first five years than under current law, and hence results in less revenue loss than what is predicted using conventional revenue estimates. As the GDP growth declines in years 6–10, the revenue feedback also declines.

A change in policy, however, may result in inflation as well as real economic growth. Inflation causes increases in nominal revenues (revenues measured in current dollars), without necessarily increasing the purchasing power of the Federal government. Conventional budget analysis is conducted in nominal dollars. To the extent that this analysis applies equally to revenue and expenditure estimates, this practice provides a reasonably accurate picture of the effects of inflation on the Federal budget. However, the Joint Committee staff analyzes the effects of tax policy on receipts, but not spending. Reporting revenues due to inflation, without reporting the commensurate budget effects would present an inaccurate picture of the effects of the proposal on the entire deficit. Therefore, the Joint Committee staff provides budgetary analysis in real (inflation-adjusted), rather than nominal terms. Table 5 shows the percent revenue feedback relative to the conventional revenue estimate, in real terms.

Even when presented in real terms, revenue feedback analysis alone may provide an incomplete picture of the effects of tax policy on the Federal budget. To the extent that the policy results in a net decrease in Federal receipts, with no offsetting expenditure reductions, the policy results in an increase in the Federal deficit. Increases in the Federal deficit generate additional debt service costs.

To determine how changes in tax policy affect the ability of the government to meet its current and future obligations it is helpful to compare tax-induced changes in the deficit and GDP. If GDP is growing faster than the deficit, the fiscal situation is improving, whereas if the deficit is growing faster, the fiscal situation is worsening. If deficits are growing faster (slower) than GDP, then the ratio of Federal debt to GDP would increase (decrease), which implies that future generations would have less (more) income to consume and invest after making payments on the debt.

TABLE 5.—EFFECTS ON REAL REVENUES PERCENT FEEDBACK IN REAL REVENUES RELATIVE TO REAL CONVENTIONAL ESTIMATE

	Calendar Years	
	2003–08	2003–13
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	9.8	3.6
MEG—neutral Fed reaction	27.5	23.4
Economic Model:		
GI Fed Taylor reaction function	16.1	11.8
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	6.1	3.0
OLG Increased Taxes in 2014	5.8	2.6

Table 5 shows the relationship between the change in receipts generated using macroeconomic analysis, and the predicted change in receipts provided by a conventional revenue estimate. A positive percentage indicates the estimated revenue loss is less when macroeconomic effects are taken into account than when estimated using conventional methods. As the simulations indicate, depending on how much temporary demand stimulus is generated by the proposal, the revenue feedback could range from 5.8 percent to 27.5 percent in the first five years, and 2.6 percent to 23.4 percent over the ten-year budget period.

4. DATA SOURCES

All of the macroeconomic models used by the Joint Committee staff are based primarily on quarterly National Income and

Product Account (''NIPA'') data published by the Bureau of Economic Analysis, U.S. Department of Commerce. In the MEG model, and to the extent possible in the commercial models, Joint Committee staff use the forecast for Federal and State and local government expenditures and receipts forecast by the Congressional Budget Office (The Budget and Economic Outlook: Fiscal Years 2004–2013, January 2003) instead of the NIPA series for these fiscal variables. For purposes of modeling changes in average and marginal tax rates in the macroeconomic models, the Joint Committee staff use microsimulation models that are based on tax return data provided by the Statistics of Income Division of the Internal Revenue Service (''SOI'').

The Joint Committee staff uses these microsimulation models to determine average tax rates and average marginal tax rates for the different sources of income in each model, and to calculate the changes in these rates due to the proposal. The tax calculator calculates the change in liability due to the proposal for each record. These changes are aggregated for use in the macroeconomic models according to the different levels of disaggregation in each model. In the aggregations, averages are weighted by the income for each group. The percent change in average and marginal rates due to this proposal are:

TABLE 6.—PERCENT CHANGE IN TAX RATES DUE TO PROPOSAL

Year	Average tax rate on wages	Average marginal tax rate on			
		Wages	Interest	Dividends	Capital gains
2003	−11	−9	−11	−51	−24
2004	−10	−6	−8	−49	−23
2005	−9	−3	−6	−52	−24
2006	0	0	0	−48	−23
2007	−1	0	0	−48	−23
2008	0	0	0	−50	−22
2009	−1	0	0	−47	−22
2010	−1	0	0	−48	−22
2011	−1	0	0	−52	−22
2012	−1	0	0	−50	−21
2013	0	0	0	0	0

To obtain information about the effects of proposals affecting business tax liability, the Joint Committee staff uses a corporate tax microsimulation model that is similar in structure to the individual tax model. This data source for the corporate model is a sample of approximately 140,000 corporate tax returns provided by SOI.

Depending on the requirements of the policy simulation, the corporate model can be run either on a full cross section of sampled tax returns, (i.e., one full year, or on a panel of returns constructed from any combination of tax years in the 1987 through 1998 period). This panel feature is particularly useful in tracking net operating losses and credits that can be either carried back or carried forward to other tax years.

Finally, Joint Committee microsimulation tax calculators are also used to help assess the effect of a tax proposal on the cost of capital because some firms are operating at or near a net operating loss (''NOL'') position, not all of the 50 percent of equipment expenses can be deducted by each firm each year. A key component of the cost of capital is the net present value of depreciation deductions. An increase in the value of the depreciation deduction lowers the cost of capital. The calculated percent increases in the net present value of the depreciation deduction due to this proposal are shown below (the change is different for each of the first three years because of the temporary nature of the bonus depreciation provisions in present law and in the proposal):

TABLE 7.—EFFECTS ON NET PRESENT VALUE OF DEPRECIATION DEDUCTION

Year	Percent change from present law
2003	8.3
2004	9.1
2005	15.4
2006	.005

5. CONCLUSION

The Joint Committee staff model simulations indicate that H.R. 2 would likely stimulate the economy immediately after enactment by creating temporary incentives to increase work effort, business investment, and consumption. This stimulus is reduced over time because the consumption, labor, and investment incentives are temporary, and because the positive business investment incentives arising from the tax policy are eventually likely to be outweighted by the reduction in national savings due to increasing Federal government deficits.

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SUPPORTING JOBS AND GROWTH ACT OF 2003

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HENSARLING) is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I rise today in strong support of H.R. 2, the Jobs and Growth Act of 2003. Now that we have won the battle for Baghdad and liberated the people of Iraq from despotism, it is time to win the battle for jobs and liberate the American family from economic uncertainty.

American families need more job opportunities and they need them now. The Democrats' plan for the American family is the same that it has been for 50 years, tax and spend, tax and spend, in other words, to take a larger slice of the family income pie. Our plan, the Republican plan, is to grow the size of that family income pie by growing the economy. Democrats have a plan to create more government. Republicans have a plan to create more jobs. The Republican plan will create 1.2 million new jobs by the end of 2004. The Democrat plan grows the government and erases tax relief, increasing taxes by $128 billion, dramatically threatening our economic recovery.

Mr. Speaker, Americans want more jobs, not more government. When economic growth occurs, businesses generate greater profits, more people go to work, they get better jobs, and they get better wages. But to encourage individuals and families to risk their time, to risk their savings on that new software idea, a transmission repair shop or any other enterprise, they need tax relief. Our plan provides it.

Mr. Speaker, we have historical evidence that tax relief works. Each time our Nation has significantly reduced income tax rates, economic growth has followed. After President Reagan lowered tax rates in the 1980s, real economic growth averaged 3.2 percent per year and Federal revenues actually increased by 20 percent.

When President Kennedy reduced marginal rates in the 1960s, we experienced several years of 5 percent economic growth.

The same is true of tax relief during the 1920s, where economic growth averaged 4.3 percent. The Democrats criticize the Jobs and Growth Act because they claim tax relief causes deficits. But as I just explained, history shows us that tax relief and business incentives can grow our economy and create jobs. That is the way to fight deficits. And while the Democrats protest job-creating tax relief on the one hand, they want to bust the budget by increasing Federal Government spending by over $1 trillion on the other.

The tax relief proposed in the Republican Jobs and Growth Plan amounts to just 2 percent of the budget. In other words, 98 percent of the deficit problem is on the spending side, the Democrat side. No Democrat in Congress should be able to look the American people in the eye, claim to care about deficits, yet propose to spend billions and billions more on Federal programs.

The Democrat plan guts the family budget. It is wrong. It is unfair, and does nothing to create jobs. Democrats claim to love jobs. They just seem to hate those who create them.

Now, Mr. Speaker, before becoming a Member of Congress, I was a small businessman for 10 years. And small

business is the job engine of America, creating two out of three new jobs in our Nation. While consumer spending has grown over the last 2 years, total business investment has declined for 8 consecutive quarters. We must reverse this trend.

Mr. Speaker, we cannot have capitalism without capital. Small business needs greater access to capital. Under the Republican jobs and growth package, 23 million small businesses in America would face a simpler, fairer Tax Code. They will benefit from a reduction in marginal income tax rates; they will face lower capital gains and dividend taxes; they can increase the amount of plant and equipment they can expense, all of which will allow them to grow their businesses and hire new workers.

Mr. Speaker, H.R. 2 will indeed create new jobs and jump-start the economy. I urge all of my colleagues to support the Jobs and Growth Act and do the right thing for our economy and do the right thing for our American families.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

HONORING HILL T.O.P.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. WICKER) is recognized for 5 minutes.

Mr. WICKER. Mr. Speaker, I rise today to commend a group of remarkable volunteers in my district call Hill T.O.P., which stands for Tupelo Outreach Project.

Conceived by the head of the local FBI field office in Tupelo, Mississippi, Hill T.O.P.'s mission is to meet the physical, spiritual, emotional, and social needs of the people of Tupelo and Lee counties.

Since its formation in 1995, Hill T.O.P. has quickly grown into one of the preeminent youth outreach ministries in the region. Just a few weekends ago, the annual event had teenage workers and adult supervisors at 57 different sites, helping needy families with yard work, clean up, painting, and minor home repairs.

With the idea that ''mission work begins at home,'' the organization started by FBI agent Mark Denham, truly embodies the finest principles of the Golden Rule and the biblical admonition to love thy neighbor as thyself.

Once a year, Hill T.O.P. seeks to provide what may seem simple services to dozens of elderly and less fortunate families in and around Lee County, such as painting a fence or raking a yard. To the recipients, these services would otherwise be financially or physically impossible.

This ministry is a wonderful example of the kind of commitment to community service that, I am proud to say, is evidenced throughout my home State of Mississippi. The work performed by Hill T.O.P. participants, youth and adults, demonstrates the strong volunteer spirit and Judeo-Christian values which lead so many Mississippians and Americans to become involved in activities to help friends and neighbors in need.

The organization's simple focus over the past 9 years has been on team work and serving God. This is probably one of the main reasons Hill T.O.P. continues to attract more enthusiastic volunteers each year. When Hill T.O.P. was started in 1995, Mr. Speaker, volunteers numbered 75 youths, and the group helped eight local families. This year's events included 347 volunteers working on 57 different projects. The volunteers came from different religious denominations, social backgrounds, and races, with more than 35 church youth groups being involved.

Everything Hill T.O.P. contributes to the community is the result of a massive outpouring of generosity and a volunteer spirit which is quite alive and well in our society. Professionals give of their time. Donations come from the wealthy and not-so-wealthy alike. Civic clubs and other organizations provide food, and the list goes on.

Mr. Speaker, this is an editorial about Hill T.O.P., which appeared in the April 25, 2003, edition of the Northeast Mississippi Daily Journal.

The editorial calls the efforts ''an amazing pooling of the local volunteerism, inter-church cooperation, and efficient organization.''

Mr. Speaker, the editorial reads as follows:

[From the Northeast Mississippi Daily Journal, Apr. 26, 2003]

AT THE HILL T.O.P.—AMAZING VOLUNTEER DAYS ACCOMPLISH GREAT THINGS

The unusual number of home repair projects visible to passersby today and Sunday in Tupelo and Lee County grows from the work of more than 400 volunteers involved in Hill T.O.P.—Tupelo Outreach Project.

The annual weekend of building, painting, cleaning, repairing, roofing and other chores places kids and adult supervisors at 57 sites. The work for people physically or financially unable to do it themselves can be as simple as raking yards and as complex as rebuilding porches or installing handicap access ramps.

The project started in one congregation. Now, it involves dozens who share a common understanding that service to others is at the heart of Christian discipleship.

Everything about the weekend is provided without cost to the people given help. Tools and materials used in the weekend are mostly donated, and they are stored in a warehouse funded by the Carpenter Foundation, a major funding source for many philanthropic enterprises in the greater Tupelo area. Many of the adult volunteers bring to the weekend a lifetime of professional skills in engineering, home-building, landscaping, administration, the arts, education, and the health sciences. All their labor and knowledge is freely given.

Behind the scenes, volunteers from many congregations pool their time and talent to provide food for most meals and snacks for each shift of workers. Outback Steakhouse continues its amazing record of corporate generosity with donation of the Saturday night meals.

Ecumenical worship services sustain the inspiration for the weekend.

The event also has strong support from many civic clubs, Tupelo's banking community, and individuals who make donations. All in all, it is an amazing pooling of local voluntarism, inter-church cooperation, and efficient organization.

Volunteers range from kids in their second decades to seniors in their ninth decade.

Mark Denham is the volunteer director, and Bill Dickson is his chief assistant. The two accomplish in one Hill T.O.P. weekend what some would consider the feat of a lifetime.

Mr. Speaker, I congratulate my friend, FBI agent Mark Denham, for his vision and leadership, and I commend the citizen volunteers of Hill T.O.P. for truly making a difference in the lives of their neighbors.

TAX CUT HURTS MIDDLE-INCOME AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

Mr. ALLEN. Mr. Speaker, I rise tonight to discuss the proposed Republican tax cut that will be on the floor tomorrow, and I speak tonight because I know that the majority will not give us the kind of time to debate the issue tonight that the subject deserves.

I want to begin by just saying for anyone in the country trying to follow this debate, it is bound to be confusing and the question would have to arise, What is going on? I hate to say it, but I am afraid there is a good deal of deception in the arguments that are being made to promote this particular tax cut. For example, when the President spoke on April 15, he said that American workers and American businesses need every bit of their tax relief now. He said, a significant part of the benefit from his tax cut package would come within the first 2 years of the plan. He wanted to give Americans, he said, immediate tax relief.

□ 1830

When we look at the facts, only 6 percent of the tax cuts in the President's package would occur in the current fiscal year which ends September 30. Only 21 percent of the tax cuts would occur by the end of fiscal year 2004.

The White House has also released a fact sheet which says that under the President's proposal to speed up tax relief 92 million American taxpayers would receive, key words, on average a tax cut of $1,083 in 2003. Once again, the averages do not speak the truth. Eighty percent of the American taxpayers would get less than the average of $1,000. Forty-nine percent of the American taxpayers would receive a tax cut of less than $100.

So what is really going on here? It is very clear. If we look at what the Republican majority does and not what

they say, the goal is to reduce taxes on the wealthiest people in this country. The goal is to push the burden of funding government from the Federal level onto the States, and this is driven by an astonishing and remarkable continuing hostility to everything that the Federal Government does.

Let us look at our brothers in the States. Almost every State in this country is struggling with trying to fulfill their responsibilities. They are under pressures to raise property taxes and sales taxes because of reductions in Federal funds. We are not talking about a tax cut at the Federal level. We are talking about a tax shift. They are reducing funding for education, reducing funding for Medicaid, laying off State employees.

There is no way, furthermore, that we can call this tax cut fair by any stretch of the imagination. To take one more figure, one group of Americans will get tax cuts that total $139 billion. That group of American taxpayers are the 183 households that earn more than $1 million per year. Another group of Americans will get a total package of $139 billion, but that group is 124 million American households, the bottom 89 percent of our taxpayers, but that is not the worst.

People will come to this floor and they will say we are going to let people keep more of their money. It is not their money. Every single dollar that is going to be given back in tax cuts under the Republican proposal, every single dollar will be borrowed from the American people, and we, the American people, will wind up if this tax cut passes tomorrow with an additional Federal debt of somewhere between $550 billion on the low side to well over $1 trillion on the upside. This is our children's money that is being taken from them to give to the wealthiest people in the country, and it is an outrage.

This will also, for obvious reasons, drive up the debt. We have people coming to this floor and saying, well, these tax cuts will stimulate economic growth and they will try to leave us with the impression that there will be even more Federal revenues coming in. It is not true. By every economic model that the Congressional Budget Office has run, there is a dramatic decline in Federal revenues. We are looking, when we add up the 2001 tax legislation, other Bush administration tax proposals, when we package it all together, we are looking at a reduction in Federal revenues over 10 years of $4.6 trillion.

This plan is a disaster for our States, for working Americans. It is a violation of the fundamental premise that we will work together in this country to build a better and stronger America. This plan, this Republican tax cut plan, is a disaster for the country.

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

(Mr. PENCE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

(Mr. SOUDER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PRESCRIPTION DRUG PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise tonight to talk about an issue that I have talked about on this House floor before, and that is the high cost of prescription drugs here in the United States compared to the rest of the industrialized world, but before I do I want to just come back to something my colleague just was talking about in terms of the tax relief.

I am going to support the tax relief package because I understand that there are only three things people can do with their money. One is they can spend it. Two, they can save it, or three, they can send it to the government in the form of taxes. They can only spend it, save it or pay taxes. That is the only three things people can do, and we know that when the economy is soft, at least most of us believe, that if we allow people to keep their own money, that will grow the economy faster than having them send it into the Federal Government.

I want to talk about something else tonight because cutting taxes is not the only way that we can help the economy, and on this first chart I say if we want to allow Americans to keep and spend over $600 billion during the next 10 years, here is a good place to start.

We have got the picture of some prescription drug containers. That is right, according to the Congressional Budget Office, the CBO, American seniors will spend over $1.8 trillion on prescription drugs over the next 10 years. A conservative estimate would be that we could save 35 percent by allowing free markets to work. Thirty-five percent of $1.8 trillion equates to $630 billion. Now, if my colleagues doubt that, just look at this chart, and this chart is available on my Web site at gil.house.gov, and just check the number for yourself, but let me pull out a few of these.

A common drug we all know about is Cipro. It is made by a German company named Bayer. They also make aspirin. Cipro in the United States, it sells for $87.99. This is according to the Life Extension Foundation, but on average, last year, Cipro sold in the United States, a 30-day supply, for about $87.99. The average price in Canada for those same drugs, $53.55 and in Europe, $40.75, less than half the price in Europe for the same drug.

Let us look at GLUCOPHAGE, a very commonly prescribed drug for diabetes, in many respects a miracle drug. In the United States, average price for 30-day supply, $124.65. That same drug sells in Canada for $26.47, and in Europe the average price is $22.

We go on down the list, we look at drugs like Premarin, Premarin in the United States, $55; in Europe, $8.95. Zocor, very commonly prescribed drug, today $123 in the United States; $28 in Europe. Do the arithmetic. I think we are being very conservative.

At the bottom of this chart I have something from one of my favorite Presidents, President Ronald Reagan. He said, ''Markets are more powerful than armies.''

Tax cuts are great, but if we want to help seniors lower prescription drug prices and allow Americans to keep and spend $630 billion of their money, let us open markets now. Americans deserve world class drugs at world market prices.

I was in Germany not too long ago, and we actually bought some drugs. This is a very commonly prescribed, a very effective drug against women's breast cancer. This drug was bought at the Munich airport pharmacy for $59.05 American. This same box of drugs bought here in Washington, D.C., sells for $366. What makes matters worse, this drug was developed, almost all of the research expenses were paid for by the American taxpayers. I think Americans ought to pay their fair share for the price of research and development for all of these miracle drugs. I think most Americans believe that, but we should not be required to subsidize the starving Swiss.

The time has come to open up markets, to give Americans access to world class drugs at world class prices. We can do that in the next several weeks. I need my colleagues' help. Let us all work together to make certain that Americans have access to those drugs at prices that they can afford.

BILL OF RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. CASE) is recognized for 5 minutes.

Mr. CASE. Mr. Speaker, our Federal budget and taxes are heavy on all of our minds tonight, but I stand today in defense of that most basic expression of our fundamental freedoms, our Bill of Rights, and I rise in doing so with incredible pride in my State of Hawaii,

which does not just talk about the Bill of Rights, we live it.

For generations now we have understood, not just in our heads but in our hearts, in our bones, the very essence of the Bill of Rights, which is that it protects minorities against the will of the majority. We have understood it not just because it was handed down to us from the cultural heritage of our indigenous peoples, the native Hawaiians, but because in Hawaii we are all minorities. Ethnically, no race is a majority. My own Caucasian race, no more than 25 percent. Americans of Asian descent, no more than 40 percent. Native Hawaiians, little over 10 percent. None of us is in the majority. We have to take care of each other, and similarly with the religions we have in Hawaii.

Our predominant Christian tradition in the rest of our country, no more than a third of the people in Hawaii, perhaps another third practicing religions that come primarily from Asia, Buddhist, Shinto, Hindu, and the rest of them an assortment of religions.

So in my Hawaii tolerance of diversity is not a matter just of civility. It is a matter of basic necessity.

In this tradition I am especially proud that my Hawaii State legislature has become the first legislative body in our country to officially call upon this Congress to alter those portions of the so-called PATRIOT Act and related Bush administration executive orders which run counter to this foundation rock of our democracy and rather than summarize what my legislature did, let me just read Senate Concurrent Resolution 18 passed just a few days ago by overwhelming majorities and reaffirming our commitment in Hawaii to civil liberties in the Bill of Rights.

''Whereas, the Hawaii State legislature is committed to upholding the United States Constitution and its Bill of Rights, and the Hawaii State Constitution and our Bill of Rights; and

''Whereas, the State of Hawaii has a distinguished history of safeguarding the freedoms of its residents; and

''Whereas, the State of Hawaii is comprised of a diverse and multi-ethnic population, and has experienced firsthand the value of immigration to the American way of life; and

''Whereas, the residents of Hawaii during World War II experienced firsthand the dangers of unbalanced pursuit of security without appropriate checks and balances for the protection of basic liberties; and

''Whereas, the recent adoption of the U.S. PATRIOT Act and several executive orders may unconstitutionally authorize the Federal Government to infringe upon fundamental liberties in violation of due process, the right to privacy, the right to counsel, protection against unreasonable searches and seizures, and basic first amendment freedoms, all of which are guaranteed by the Constitutions of Hawaii and the United States; and

''Whereas, the citizens of Hawaii are concerned that the actions of the Attorney General of the United States and the United States Justice Department pose significant threats to Constitutional protections; now, therefore,

''BE IT RESOLVED by the Senate'' and House of the State of Hawaii ''that the State of Hawaii urges its Congressional delegation to work to repeal any sections of the USA PATRIOT Act or recent executive orders that limit or violate fundamental rights and liberties protected by the Constitutions of Hawaii and the United States; and

''BE IT FURTHER RESOLVED that to the extent legally possible, no State resources, including law enforcement funds and educational administrative resources, may be used for unconstitutional activities, including but not limited to the following under the USA PATRIOT Act:

''Monitoring political and religious gatherings exercising their first amendment rights;

''Obtaining library records, bookstore records and website activities without proper authorization and without notification;

''Issuing subpoenas through the United States Attorney's Office without a court's approval or knowledge;

''Requesting nonconsensual releases of student and faculty records from public schools and institutions of higher learning; and

''Eavesdropping on confidential communications between lawyers and their clients.

''Be it further resolved that this resolution be forwarded to this U.S. Congress.''

Mr. Speaker, powerful words from my State legislature, and I have heard it said that those who oppose any provision of the PATRIOT Act are not patriotic. For my State and myself personally, I categorically reject that view. We in Hawaii give nothing away to any other part of our great country and our patriotism. We are proud of our country and our place in it. We are proud of the military service of our own sons and daughters in defense of this country, and we are proud that we in Hawaii are the center of our Nation's defense efforts in half of our world stretching from the mainland United States to the coasts of Africa.

To quote my State legislature in passing this resolution, our United States can be both safe and free. We must revisit the PATRIOT Act and accomplish the basic protection of our Bill of Rights.

□ 1845

PASS MEANINGFUL TAX RELIEF

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentlewoman from Ohio (Ms. PRYCE) is recognized for 5 minutes.

Ms. PRYCE of Ohio. Mr. Speaker, I am going to get right to the point, we have an economy today that is flat on its back. The national unemployment rate has hit an 8-year low at 6 percent. Manufacturing has dipped to historic lows, causing inventories to decline. While worker productivity may be on the rise, more and more employees are logging in 3 hours less every day. In the past 2 years, the Nasdaq has fallen over 60 percent.

Americans are out of work, and those with jobs are seeing their 401(k)s and retirement savings dwindle by the day. What this economy needs, Mr. Speaker, is what we would call in Ohio a Buckeye boost.

We know what the problem is, an investor-led sluggishness, that is stifling growth, new capital demand, and job creation. And we have the right solution.

That formula for success begins with the understanding that government does not earn a profit. Government just does not earn a profit. Government does not create the jobs in this economy. Government can only stand in the way of progress and prosperity.

So House Republicans have developed a common sense plan that targets the twin pillars of economic growth, consumers and small businesses. Let us talk about consumers first. It might surprise the average American to know that he or she comprises three-fourths of economic activity in this country. That is right. Consumer spending on goods and services represents 75 percent of the entire economy.

Think about that for a minute. That is why Republicans place such emphasis on returning power and income back to the hands of the individual taxpayer. Because when they have the money, they spend it on their needs and their family's needs, and that grows the economy.

So our plan accelerates income tax relief for every American who pays taxes. We give a little extra help for married couples struggling to make ends meet by eliminating the extra taxes they pay just for saying ''I do.'' I do not know about others, but I have never seen the tax man leave a wedding gift when he confiscates the extra taxes from married couples every April 15.

Additionally, our plan expands the child tax credit for families, giving parents an extra $1,000 to help raise their child and pay the bills. Finally, the onerous AMT continues to push more and more families into higher tax brackets. Our plan will save nearly 10 million Americans from paying more. That is real relief.

Let us talk about small businesses for a moment. Now the second and perhaps the most important part of this package is small businesses. Nine out of 10 jobs in your neighborhoods and communities were created by small businesses. That local entrepreneur who wanted to take a risk and open their own business is the reason jobs are created and this economy grows.

Republicans feel it is important to help that small business owner whenever we can. Our business expensing

provisions are just what the doctor ordered. Every business owner I talked to in Columbus, Ohio, tells me how important these expensing deductions are because when we lower costs, we free up income. That lets us businesses make investments elsewhere.

How often do we forget that over 23 million small business owners pay taxes at the personal rates, not the lower corporate tax rates. Did you ever wonder where the Democrats come up with these bogus numbers for the ''super rich'' and then they wage class warfare with these numbers? The dirty little secret they hope Americans do not realize is that most of these super wealthy people are actually small business owners.

Finally, the capital gains and dividends relief provisions in this package are an economist's dream come true. History is on our side. Every time this Congress has reduced the capital gains rate in this country, the economy has grown and revenues into Washington have increased. Conversely, every time we have raised the rate in order to tax businesses more and reduce the deficit, the opposite has happened. It is a simple economic truism. If you want more of something, tax it less.

So the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means have developed a revolutionary idea to tax both dividends and capital gains less. This provision alone is projected to produce 400,000 new jobs and boost the stock market by as much as $550 billion. That is what I call a return on investment.

Mr. Speaker, we have failed the American taxpayer and the American worker if we do not first commit in this body to do our level best to create more and better-paying jobs, and that is what we have done. Taken together, this package will produce 1.2 million new jobs in a little more than a year.

In contrast, our opponents' plan pledges more spending and more unemployment checks, but no new jobs. There is not one guarantee for any new job under their plan because they raise taxes on individuals and businesses 1 year after they lower them.

So the next time Members hear of soaking the rich or reverse Robin Hood, just ask our opponents if their constituents would prefer 1.2 million new jobs or none with an unemployment check. The choice is clear.

This economy has one obstacle standing between historic levels of growth and a jobless recovery. That is meaningful tax relief. As Members, we can choose to do something about it, to make bold decisions for a bold recovery. Or we can sit on the sidelines, wring our hands, and hope, like the Democrats, that things get better on their own.

Mr. Speaker, the American people did not send us here to be potted plants. We came to change the course of history, to make this country a better place to live, work and raise a family, and that is what I intend to do.

VOTE FOR DEMOCRATIC SUBSTITUTE ON JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, what I like about the opportunity in addressing colleagues and speaking about issues in a pointed fashion, we can simply cut to the chase.

Mr. Speaker, it was in 1993 that a Democratic House and the President of the United States had to make a very difficult decision. But out of making that budgetary decision, we moved into the 1990s rebuilding our economy and generating the kind of surplus that America had not seen for 10, 15, 20, 25, 30 years. In 1997 again, when I was a Member of this body, the President of the United States, William Jefferson Clinton, and many of us, the Democratic Caucus, worked in a bipartisan manner to put forward a budget that really addressed the question of rebuilding the surplus.

So we see that out of that work we do not have to give anecdotal stories. We do not have to speak to pie in the sky. We have real proof because in January 2001 we had a $5.6 trillion surplus built upon the sacrifices of Democrats and the willingness to invest in the American public.

As we move through the Republican presidency, President Bush and the Republican Congress, under the Republican budget we now have a minus $2 trillion deficit as given to us by the Congressional Budget Office and the House Budget Committee, two independent sources.

Interestingly enough, we come over here to this question of jobs, and we hear that the bill on the floor of the House tomorrow is a job growth bill. We surely need jobs. I need jobs in Houston, Texas, and the State of Texas, jobs in New York and California, Mississippi and Kansas and Colorado, jobs all over the Nation. Well, from January 1993 to April 1995, the Bureau of Labor Statistics will tell us that the labor market gained 6.8 million jobs, not pie in the sky, reality.

Under President Clinton's policies and a Democratic Caucus working together from 1993 to 1995, we gained 6.8 million jobs. Then we get to January 2001, changing the administration and a Republican Congress, April 2003, we have lost 2.7 million jobs.

That is why I believe it is extremely important that we look realistically at what we need to do tomorrow. Frankly, what we need to do is to pass a real jobs growth initiative. The Democrats have the answer. We know that millions of Americans are going to lose their unemployment benefits, working men and women who do not owe us anything, we owe them because they worked and put dollars into the economy. So we want to extend Federal unemployment benefits.

We believe that we should support the States who are suffering. Texas alone has a $12 billion deficit. Republicans are down in Texas trying to redraw lines of congressional seats that will cost the State millions and millions of dollars. It is a nonsensical plan, but we are willing to commit money to the States to help with Medicaid, education, homeland security and infrastructure.

We were just in Texas looking at the needs of the Port Authority, looking at the needs of hospitals and emergency rooms. This is a program that makes sense to put money into States and support them. Yes, we would like to make sure that we include a response to the Republican plan by creating jobs. Every single aspect of our particular proposal, the Democratic proposal, would do so.

I hope there is a substitute. But, Mr. Speaker, frankly, I hope that it is a substitute that will draw the support of all of our colleagues, Democrats and Republicans, because if Members are truly interested in job creation, we cannot do it by giving a tax cut to 1 percent of the population or individuals making over $350,000. Those individuals making a million dollars and up getting $17,000 in a tax cut, and as the numbers go down to working Americans, we wind up with zero.

People are hurting. The unemployment rate is increasing, but let me add another component to this. This is the month of May. I will be attending many, many graduations, young Americans looking for jobs. And I can say there are no jobs. The job numbers are down. Add to that the brave men and women from the United States military just returning from Iraq. Yes, many will maintain their service in the military, and we applaud that. But many of them will be ending their service in the military, brave men and women who were willing to offer themselves to fight for our principles, and they have no jobs, plain and simple.

I do not understand how we can put forward a tax cut of $550 billion, ultimately $1.7 trillion, and suggest it is job creation when if Members speak to any of the CEOs of the Fortune 500 corporations and others they question whether or not the dividend tax cut would generate any dollars. What we need is investment in our small businesses, and investment in homeland security and infrastructure. That creates jobs.

Mr. Speaker, I am about to submit to the Committee on Rules another amendment that decreases taxes, and that is for those hard-working, taxpaying employees that suffered the roller coast of corporate malfeasance and criminal activity of corporations like WorldCom, which went bankrupt, Enron went bankrupt, they gave them severance pay, and they had to pay taxes on the severance pay.

I am putting forward an amendment which will decrease taxes on these hard-working Americans who lost their

jobs so that no one has to pay taxes on any kind of pay they get when the corporation went bankrupt because of malfeasance and criminal activity.

Mr. Speaker, I conclude by saying vote for a real jobs growth program. Vote for the Democratic substitute and stop all of the poppycock about what a $550 billion tax cut can do except put money in the pockets of the rich.

JOBS AND GROWTH PACKAGE WILL STIMULATE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. HARRIS) is recognized for 5 minutes.

Ms. HARRIS. Mr. Speaker, I remain amazed at revisionist history which continues to accompany arguments against this visionary jobs and growth package.

We continue to hear accusations that the President's 2001 economic plan has not worked. Against what benchmark are we evaluating the success of this policy? President Bush inherited a speculative bubble that had burst in the Clinton-Gore recession when this body passed that plan. September 11, of course, worsened our economic outlook even more dramatically.

What was the result, then, of the President's 2001 economic plan? A potential deep depression became one of the shortest recessions on record. The economy is growing again, yet the American people continue to fear for their own economic security and for the dreams they nurture for their children and grandchildren.

The recovery remains sluggish, because the temporary nature of the 2001 tax cuts has restrained businesses from fully returning to the investment and growth mode. An unpredictable and ever-changing Federal tax policy is inimical to the long-term, predictable model that businesses require.

Thus, this year's job and growth package finishes the job that President Bush and Congress began in 2001.

□ 1900

Mr. Speaker, President Bush's plan to revitalize our economy is rooted in values instead of expediency. It reflects his belief that the genius of the American people is more powerful than the power of government. It follows the principle that indeed the American people are far better than Washington bureaucrats when it comes to creating jobs and wealth. John F. Kennedy and Ronald Reagan understood the power of this idea. They featured tax cuts as the centerpiece of their economic agenda, launching two of the longest economic expansions in American history. When Ronald Reagan inherited a shattered economy wracked by double-digit inflation, 20 percent interest rates, long gas lines and stagnant productivity, he turned the conventional economic wisdom on its head. At the time, the so-called experts told us that high inflation was a necessary evil of a growing economy. They also said that the Reagan tax cut plan would not fix the economy; it would only worsen it. They were wrong. President Reagan once quipped that when a friend of his was invited to a costume party, he actually slapped some egg on his face and went as a liberal economist.

President Bush's plan will rescue us from the economic morass the previous administration left behind, just as Ronald Reagan's visionary leadership accomplished more than 20 years ago. The jobs and growth package Chairman THOMAS has proposed includes all of the President's priorities, including the acceleration of individual rate cuts, marriage penalty relief, an increase in the child tax credit and a capital gains and dividend tax cut. Balancing the budget remains a very important objective and growing the economy while controlling spending is the best way to achieve that goal. I am concerned about deficits, but I am much more concerned about making certain that Americans have jobs.

The Federal Government's tax revenues increased after the Reagan tax cuts. The deficits of the 1980s occurred because spending outpaced revenue. Thus, we must keep spending in check. This tax plan will create 1.2 million new jobs for Americans, and we must pass it.

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentleman from Ohio (Mr. RYAN) is recognized for 5 minutes.

(Mr. RYAN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Ms. LINDA T. SANCHEZ of California. Mr. Speaker, I ask unanimous consent to give my Special Order at this time.

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

There was no objection.

ON REPUBLICAN TAX PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LINDA T. SANCHEZ) is recognized for 5 minutes.

Ms. LINDA T. SANCHEZ of California. Mr. Speaker, I am here this evening to talk about H.R. 2, the Republican proposed tax plan. By proposing H.R. 2, House Republicans are prompting a reckless tax cut for the wealthiest 1 percent of all Americans. Despite their efforts to deceive Americans, this tax cut will not create jobs or stimulate the economy. In California, 47 percent of taxpayers would receive less than $100 from the Republicans' tax plan, while the average tax cut for the top 1 percent of California taxpayers would be $35,940. The Republican proposal offers virtually no benefit to the average American. Even more alarming is that Republicans propose gutting critical programs that many Californians rely on, like Medicare, Social Security and education, to pay for the so-called tax cut.

In addition, the Republicans' tax package will generate a record $1.4 trillion deficit over the next 10 years. Imagine what we could do with $1.4 trillion. We could be using that amount of money to shore up our ailing Social Security and Medicare programs; $1.4 trillion could be used to assist States like California who are facing enormous budget deficits. This would put a halt to increases in property taxes and to cuts in education. If we really want to stimulate the economy, we need to provide tax relief for working families, like the Democratic tax proposal does. Republicans are showing their true values and priorities by giving permanent tax breaks to the very wealthy while shortchanging America's families.

If my Republican colleagues have any regard for hardworking American families, they will heed my plea to not support H.R. 2.

JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, just yesterday our friends across the aisle introduced their version of a jobs and growth package. I have looked into the details of this plan, and it is nothing more than another empty promise to America's workers and entrepreneurs. On a daily basis, we in Congress meet with our constituents, and the message that they are sending should be clear to each and every one of us. Significant tax relief and jobs growth is what our economy needs most. We do not need another do-nothing plan, and American workers will not accept more spending on government programs. They will not accept more spending on government programs. They are sick and tired of tax and spend and tax and spend some more. And they are sick and tired of the old class warfare tactics.

The Democrats have proposed a $152 billion stimulus plan for a Nation with a GDP of over $10 trillion each year. Putting this in perspective, you may as well try and boost nationwide bubble gum sales by buying a single piece of bubble gum. The American people are not dumb. They know that you cannot expect significant economic growth without significant investment, and by ''investment'' I mean tax relief. Tax relief is an investment. It provides the capital that businesses and investors need to fuel expansion and jobs growth. There is no mystery here.

Republicans have a jobs and growth plan that is absolutely necessary. It amounts to much more than a drop-in-the-bucket plan that is proposed by

those across the aisle whose talents lay more in spending taxpayer dollars than trusting hardworking Americans to manage their own paychecks.

I want to speak specifically, Mr. Speaker, to the President's plan and what it means for Tennessee. This is a great plan. It will create new jobs. In Tennessee, it is going to create 11,500 new jobs per year for the next 4 to 5 years. That is about 55,000 new jobs for Tennesseans alone. Nationwide we are talking about 1.2 million new jobs by the end of 2004, and almost 2.9 million new jobs in the next 4 to 5 years. This is a jobs and growth plan. Increasing the child tax credit to $1,000 is good for American families. When we are talking about the child tax credit, that is money back in the hands of 27 million Americans during 2003. Moving the child tax credit from $600 to $1,000 is good for American families. It means less money taken from their paycheck to pay for taxes. Accelerating the individual rate reductions in 2003 is good for millions of taxpayers. Again, that means less money from their paycheck to pay for taxes. Providing marriage penalty relief now is the right thing to do. Marriage penalty relief means less money from their paycheck to pay for taxes.

I would encourage every Member of this body, our friends on both sides of the aisle, to join in making these tax cuts permanent. These are not radical provisions, Mr. Speaker; and they are central to a plan that will not only stimulate the economy, it provides a foundation for long-term job and economic growth. It is a plan for America's future that will produce results.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

OLD MEN'S OIL WARS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I would just like to say in response to the earlier Special Order, if the tax rate programs of the Bush administration as enacted 2 years ago actually produced jobs, then why has America lost nearly 3 million more jobs since that last bill was passed when in fact all those dollars were not invested in America but taken abroad and continue to empty out the manufacturing and agricultural sector of this country?

My speech this evening actually has to do with old men's oil wars. I thought it would be important to put on the record the following:

Midland, Texas, home to our current President, was drilled dry of oil decades ago. The President's father, who had also been President, had launched Zapata Oil Company to find more oil when Texas ran dry in the Gulf of Mexico and beyond. And then to his son, when the father was President and through his father's friends, was born Harken Energy which the current President headed. Both these firms looked beyond Texas' border for black gold. Both these firms were headed by men who became President of the United States. Harken invested in Bahrain. The President had to divest himself of that before he became our current President; but his father, George 41, still remains a Carlyle Group oil and defense acolyte. Their world view is shaped by oil. Their life has been oil. The politics they pursue is directly entwined with oil.

America consumes 25 percent of the world's petroleum, which is a diminishing world resource, yet we only have 2 percent of the world's people. So having drilled America dry for all intents and purposes, the fifties oilmen, I call them, began to rely more heavily on remaining global supplies. The motherlode lies in the Middle East. It is now on these supplies that America has become dangerously reliant. But rather than become energy self-sufficient here at home and create thousands of jobs in this country, America's older leaders have continued to drive America backwards into a dying petroleum age.

But Henry Kissinger, age 79, is smiling. For longer than I have been an adult, his vision has been to tie Iraq's oil to Israel and points west. This trade route would secure U.S. vital interests in the Persian Gulf, in oil and Israel. And now America has assured that Iraq is policed by over 100,000 U.S. forces.

Donald Rumsfeld, age 70, is smiling, too. He vainly bragged this month he is not known for his diplomacy. The world agreed. In his 1983 visit to Saddam Hussein as Middle East special envoy for the Reagan administration, he was rebuffed when he proposed on behalf of Bechtel Corporation, whose chairman in those days was George Schulz, an oil pipeline that would extend from Iraq through Jordan to Aqaba. Hussein demurred, fearing the pipeline would run too close to Israel. Now Rumsfeld has sat in Abu Gharyb Palace in Baghdad as viceroy Jay Garner receives Bechtel and Halliburton, which DICK CHENEY headed. That company now receives noncompetitively bid contracts from this government to secure the oil fields. Not far from northern Iraq lies Baku on the Caspian Sea, an oil bonanza that even Hitler coveted. U.S. forces in both Iraq and Afghanistan make future pipeline defense there so much easier.

George Schulz, age 82, is smiling. No longer Chair of Bechtel, he still serves on its board. His Stanford protege Condoleezza Rice, for whom Chevron named an oil tanker, heads the National Security Council.

DICK CHENEY, 62, is smiling. Halliburton, of which he served as CEO before becoming Vice President, just landed a no-bid contract, $7 billion from the government of the United States paid for by the taxpayers of the United States, to control the oil fields of Iraq. Vice President CHENEY already is receiving $180,000 a year from Halliburton in deferred compensation. I want to know if Halliburton plans to make an oil deal with President Karzai in Afghanistan who just happens to have ties to Unocal Oil.

Let America embrace the world of the future. Let us move beyond the hydrocarbon age. U.S. addiction to foreign petroleum has cost too many lives and the undemocratic oil kingdoms it has perpetuated are an international disgrace and the primary reason for the rise of terrorism. This world view of the old oil barons should be no more. Let America become energy independent here at home. Let the oil kingdoms democratize. Let us invest that $100 billion-plus we spend to defend foreign oil routes in new technologies here at home: photovoltaics, fuel cells, biofuels, in high speed rail, hydrogen, renewables.

Mr. Speaker, it is time for a new generation of Americans to take over the government of the United States.

□ 1915

GENERAL LEAVE

Mr. PRICE of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of the special order today.

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE REPUBLICANS' PROPOSED TAX CUT PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from North Carolina (Mr. PRICE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PRICE of North Carolina. Mr. Speaker, I come to the floor tonight with several of my colleagues to discuss our Republican friends' proposed tax cut package and the way it will affect the Federal budget and the American people.

Mr. Speaker, President Bush has presided over the Nation's worst economic performance since the Great Depression and the worst fiscal reversal in all of American history. Since President Bush took office, we have lost more than 2.7 million private sector jobs, and real GDP has inched at only 1.5 percent annually, the worst record for any administration in over 50 years. The 10-year $5.6 trillion unified budget surplus projected when President Bush

came into office is gone, totally gone. In its place the administration has proposed a budget with over $2 trillion in deficits over that same time period. That is a fiscal reversal approaching $8 trillion.

These charts tell the story. Here we have the fiscal reversal illustrated going from a $5.6 trillion surplus 2 years ago projected until now looking at a $2 trillion deficit over the next 10 years. And this chart gives the picture on jobs. In the first 28 months of the Clinton administration, 6.8 million private sector jobs gained, 1993 through April of 1995. In the first 28 months of the Bush administration, 2.7 million private sector jobs lost as of April of this year.

Unfortunately, in the face of all this, in the face of the worst fiscal reversal in this Nation's history, the response of our Republican friends is to propose more and more of the same failed policies. Finding themselves in a hole, their message seems to be just keep digging. Mr. Speaker, Democrats believe that a stimulus plan should be based on three simple principles, principles that should be self-evident but that our Republican friends incredibly seem unable to grasp.

First, a stimulus plan should be fair. It should put money back in the pockets of average Americans, boosting consumer demand and the business investment needed to meet it.

Secondly, a stimulus plan should actually stimulate the economy. It should be fast-acting with its impact concentrated to provide an immediate jump-start to the economy. It should get the most bang for the buck by targeting consumers likely to spend and businesses likely to invest and hire new workers.

Finally, a stimulus plan should be fiscally sound. It should be paid for. It should not pile up national debt. It should not contain gimmicks which disguise its true cost.

Mr. Speaker, the Democratic plan that we will be debating tomorrow is organized around these three principles. The Republican plan fails to meet the standards by a country mile. It is not even close. Tomorrow the House is scheduled to debate the Republicans' $550 billion tax cut, every penny of it borrowed money, funded by increased government debt that will be passed on to our children and grandchildren.

Tax cuts that actually stimulate the economy during a downturn make good sense. However, the Republican plan only puts in place 9 percent of its tax cuts this year, precisely when they are needed the most. The House Republican plan centers on tax cuts, on stock dividends and capital gains, both of which economists have rated as very ineffective in stimulating the economy. These proposals would benefit mainly upper-income individuals who are much more likely to save such windfalls than would be low- and moderate-income families. Under the Republicans' proposal millionaires would receive approximately $139 billion in tax cuts through 2013. That is essentially the same amount of tax cuts that would be received by the entire bottom 89 percent of households combined.

Mr. Speaker, it is simply irresponsible to be considering large upper-bracket tax cuts that will worsen the long-term deficit to the tune of $1.2 trillion over the next 10 years, to be doing this at a time when we should be paying down the national debt to prepare for the retirement of the baby boom generation, which after all begins in only 5 years. Moreover the Republican plan is full of phony sunsets and other gimmicks that actually understate its true cost.

By contrast House Democrats have proposed a stimulus package that is fast, fair acting, fiscally responsible, and paid for. It uses a proven approach to creating jobs and growing the economy, puts money directly into the hands of average Americans, the very people most likely to spend it, and it provides tax relief to businesses most likely to invest. It focuses on jump-starting the economy now at a fraction of the cost of the Republican tax cut proposal. It provides permanent tax cuts for most American families, including an immediate increase in the child tax credit, marriage penalty relief, the expansion of the 10 percent tax bracket. The House Democratic plan also extends unemployment benefits for 26 weeks. It increases the level of benefits and provides temporary aid to States to broaden coverage to low-wage earners and part-time workers. These benefits would provide financial help to 5 million out-of-work Americans, and economists have rated that as one of the most effective stimuli that would we could apply.

In contrast the Republican plan would allow the Federal Unemployment Benefits program to expire on May 31, leading to millions of families being denied this unemployment insurance to help tide them over.

What about the States? As a result of a bad economy, States are facing the worst fiscal crisis since World War II. States across the country are cutting education and health programs and raising taxes, undermining jobs, undermining economic recovery. The Democratic jobs and growth plan in stark contrast to the Republican plan which has said to the States go elsewhere, the Democratic plan would provide $44 billion in aid to States to minimize tax increases and service cuts and to prevent the job losses that would otherwise occur.

The second chart compares the stimulative effect of the proposals I have been discussing. If we extend Federal unemployment benefits for every dollar we spend, the stimulative effect in the economy, the amount of economic activity generated, comes to $1.73, one of the most effective things we could do. If we support the States through Medicaid and education and homeland security funding, for every dollar we invest that way we get $1.24 in bang for the buck, also a good stimulative effect.

The centerpiece for our Republican friends' dividend tax reduction, 9 cents of impact for every dollar of revenue lost. If what we are talking about is stimulating the economy, then this chart says it all.

Finally, the Democratic plan would provide companies with a tax credit worth up to $2,400 for hiring somebody who has been out of work at least 6 months and includes $29 billion in tax incentives to generate investment and jobs now, such as allowing small businesses to expense up to $75,000 of the cost of new investments through 2004, triple the current limit. In other words, businesses would be encouraged to invest sooner rather than later, again fueling economic growth.

Mr. Speaker, the bottom line is that the Democratic plan would create almost twice as many jobs as the Republican plan in the first year. Let me be specific. The Democratic plan would create 1.1 million jobs compared to the Republicans' 600,000 jobs. And the Democratic plan would achieve this at a fraction of the cost.

Instead of saddling our children and grandchildren with a mounting national debt, I urge my colleagues to support the Democratic plan that will help revive the economy, promotes economic growth, offers tax relief to those who need it most, uses honest accounting, and is paid for.

A number of Members are going to be speaking over this hour about the choices that we have tomorrow and about what we can do now, what we can do effectively to turn this economy around and to do that in a fiscally responsible way, and I yield to the gentleman from Virginia (Mr. MORAN), a valued colleague from Virginia, a member of the Committee on the Budget who over the years has stood for fiscal integrity, fiscal responsibility.

Mr. MORAN. Mr. Speaker, I thank the gentleman from North Carolina (Mr. PRICE), my very good friend and colleague, for yielding. I thank him for laying out the Democratic and the Republican plans tonight.

These are going to be the subjects of the debate tomorrow, and it appears that we are going to have another party-line vote. My friend recalls another party-line vote that we had in 1993 when President Clinton proposed an economic growth strategy to get out of another Bush recession. We were told by our colleagues on the Republican side of the aisle that this was going to cause more unemployment, further recession, that we would never recover, that it was unfair.

The fact is President Clinton did raise taxes. We are not talking about raising any taxes. President Clinton went ahead, raised taxes on the wealthiest people in this country. He balanced the budget. He made sure everything was paid for, that we did not

have to borrow money from Social Security and Medicare to pay for tax cuts as of course this tax cut plan does. It borrows every penny out of Social Security and Medicare. But now that we look back on the effects of that economic growth strategy that was very consistent with the Democratic plan that the gentleman from North Carolina (Mr. PRICE) has laid out and that the Democrats are going to present tomorrow, it worked. It worked.

During the 8 years of the Clinton administration, this country experienced the highest prosperity that any country in the history of civilization has ever experienced. Certainly this was the best extended economic boom that America could ever have realized. And, in fact, all those people, those people at the highest tax bracket, that was 39.6 percent at that time, they took home more after-tax income than has ever been achieved in any economy in the history of this United States of America. The wealthiest made more wealth, more wealth than they have ever experienced. So it was not a confiscatory rate. What we did was to plow money back into investing in people and education and training, balancing the budget so the financial markets had confidence that there were not going to be high interest rates in the future, and it worked. It worked. And of course those who own the means of production, they benefitted the most.

So now what are we going to do? As the gentleman from North Carolina (Mr. PRICE) has shared with us, we are doing just the opposite of the Clinton plan. We are consistent with what President Bush has already done, although so far the tax cuts that he has implemented have cost this economy 2.7 million jobs, but now we have a tax cut that is going to give the same amount of money to 1/10 of 1 percent of the American people. The 1/10 of the 1 percent of the very wealthiest Americans are going to get the same amount of money that the 90 percent of Americans who are earning less than $95,000 a year, which is pretty good but those are in the middle class. From $95,000 down, that is 90 percent of the American people, they are going to get as much benefit as the top 1/10 of 1 percent of the very wealthiest. Can that possibly be fair? It is not fair, and it is going to come back to haunt us. And this money that has to be borrowed from Social Security and Medicare that is going to come due, we are not going to have to pay it. Our kids are going to have to pay it. We have estimates now that the public debt of a child that is born today, by the time they are ready to enter high school, we are going to have $12 trillion of debt.

□ 1930

By the time they become a working adult, it is going to be much more than that; and they are going to be spending half of their income paying off debt that their parents' generation caused because of these tax cuts that are unpaid for. It is almost criminal.

Also, in addition to being so unfair to subsequent generations of Americans, it is so duplicitous. Now, I know it seems like nickel and diming; but, gosh sakes, in order to get this plan that is going to be offered by the majority through, we get a whole lot of magic tricks in this.

For example, you raise the child tax credit to $1,000, but for 3 years; and then you bring it back down again so that it does not look as though it is as costly as it really is. You do the same thing with the marriage penalty.

The American people ought to ask the proponents of this tax plan, do we get to keep these tax cuts? Are you going to give it on the one hand and take it away from the other? The fact is it is the latter. It is just like the last tax cut, to purport we could pay for it, they sunsetted it all in 2011. Now they come back, of course, and want to make all the tax cuts permanent.

Mr. PRICE of North Carolina. Why on Earth would our Republican friends want to do such a thing? It clearly is something that they do not intend to stick by. They do not really intend for these tax cuts to expire. Why would they write such a bill?

Mr. MORAN of Virginia. I suspect, I know it is a very good question, that they figure the American people are never going to catch on to what they are doing, to what the real cost of these tax cuts are, to the fact that the real cost of these tax cuts is $4.6 trillion over the next decade, if you include the interest on the debt that has to be borrowed and if you do what we know is going to have to be done, which is to make all these tax cuts permanent.

No Congress is going to restore taxes, nor is it going to increase taxes. We know everybody wants to cut taxes, so they are not going to be reinstated. It is just like the ones passed in 2001. We know that, the Republicans know that, but the Republicans are assuming the American people are not going to catch on, and they can fit this in a budget resolution and purport to suggest that this is some kind of balanced budget. It is not. We have got deficits as far as the eye can see. Who is going to pay for them? Not us. We are going to be retired. It is our kids that are going to have to pay for them. Thousands of dollars a year they are going to be paying because of what we are about to do tomorrow.

This is wrong. This country cannot afford it. What this country can afford is getting people back on their feet, getting money back to States where they can generate $1.73 for every dollar invested, instead of 9 cents generated by the President's proposal.

We need to believe in America. We need to recognize what has worked in the past, what worked in the 90s, and what has not worked since President Bush took office. We have turned a $5.6 trillion surplus into trillions of dollars of debt, and it is mounting every year.

I know my colleagues are here, and they want to share their views as well; but I appreciate the gentleman yielding.

Mr. PRICE of North Carolina. Before we yield to our colleague from Washington State, let me just commend the gentleman for a powerful statement and also for reminding us of a little bit of history, not too ancient history, but history that goes back to 1993 and a night on this House floor that many of us will never forget, where without a single Republican vote we passed a far-reaching plan to move the budget toward balance; and in fact from every year from then forward, until this President took office, every year for 8 years the deficit came down.

Mr. MORAN of Virginia. We had the strongest economy.

Mr. PRICE of North Carolina. The strongest economy and the most sustained recovery. We even reached the point where we were running a surplus, not just a Social Security surplus, but a surplus in the general fund of this government. We retired $400 billion worth of the national debt. But our Republican friends might not be convinced by that historical lesson. It does not reflect very well on them.

So let me just ask the gentleman, look back to some previous Republican administrations. Is it not true that in 1982, when the Nation went into a recession and President Reagan had pushed through some tax cuts and the deficits were mounting, that with Senator Robert Dole's leadership some of those tax cuts were rescinded and some spending was cut? The Congress and the President found themselves in a hole, and they quit digging. They at least quit digging. They did not make the problem worse. To some extent they halted the deterioration of our fiscal situation.

Then think about the first President Bush. I am sure you remember that battle. President Bush said ''read my lips'' and had gotten himself locked into a situation. But when the economy declined, when the fiscal situation deteriorated, he had the courage and the statesmanship to work with Democrats across the aisle and to put a 5-year budget plan in place. So the first President Bush, when he found himself in a hole, he quit digging.

So if our Republican friends do not find the 1993 episode instructive, then maybe they will find those earlier episodes instructive. Then the question comes back, why is it that this White House seems to feel none of that restraint? Why is it that this Republican leadership seems to feel none of that concern, but is perfectly willing, finding themselves in a deep and dangerous fiscal hole, to propose that we should just keep digging?

Mr. MORAN of Virginia. That is the operable phrase, my friend. If you are in a hole, and we are in a very deep deficit hole, you ought to stop digging. In 2001 we were told that the tax cuts of $1.3 trillion were going to revive the economy. They did nothing like that. What they did was to cause more unemployment and the financial markets

to lose confidence in the future, and it has hurt States and localities terribly.

I suspect, though, that the answer to the gentleman's question, why has this President Bush acted so differently than his father, is that he recognizes that although his father did the right thing in 1990, set this country on the course of a balanced budget, and really it was President Clinton acting consistently with that 1990 legislation in 1993, but the first President Bush deserves a lot of credit. But I suspect the people in the White House now feel that may have been why he lost the presidency.

But that ought not be the criteria. The criteria ought to be whether your years in service to this country have produced a better America, not only for your family and my family and the whole American family, but, most importantly, for future generations of America. That is what we are looking for. We are looking for that long-sighted economic policy that has worked in the past.

I thank the gentleman for his thoughtful, historical perspective; and I yield back to the gentleman so he may call on other colleagues.

Mr. PRICE of North Carolina. I thank the gentleman.

I turn to our colleague, the gentleman from the State of Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means and a long time member of the Committee on the Budget.

Mr. MCDERMOTT. Mr. Speaker, I was coming downstairs from the Committee on Rules where I was up there making a presentation as they prepare for our consideration of this bill tomorrow. It was never so clear to me as it was sitting there that we are in a one-party government here, where the President and the House and the Senate are all from one party, and they are going to have a discussion down here tomorrow on their proposal. But what I really am fearful of is that the proposal the gentleman is putting out here tonight will not be allowed into the discussion tomorrow, except in a very abbreviated form. I think that is unfortunate, because I think the American people ought to have a chance to choose between alternatives. That is what this government is about.

Will Rogers one time said people would rather have fair taxes than lower taxes. The fact is we do not have fair taxes. The proposal that is coming down here tomorrow is one that 80 percent of the benefit goes to people above $90,000 a year in income. Now, I do not think they need a tax break. The effect of this bill tomorrow would be to give a $105,000 tax break to people making $1 million, while people who are making $40,000 will get $325.

Now, that is not a fair tax structure, and it basically says the only people who know what to do with their money are people who are rich. If you give it to the people down there making $40,000, they will not know what to do with it. They will squander it away on something, I do not know what; but if we give it to the rich people, suddenly things will be stimulated.

The problem with that theory is that the Commerce Department, Mr. Bush's Commerce Department, has come out and said that industry in this country is operating at 75 percent of capacity. There is plenty of capacity right now. There is no need for further investment in capacity. What you need is people with money in their hands to buy things.

Now, the bill that I proposed, the amendment I proposed upstairs, is a proposal that would give a tax holiday on the first $20,000 of your payroll taxes. Everybody pays payroll taxes. Not everybody pays income tax, because if you are down low enough, you do not. But if you are down low or high up, you pay payroll taxes for Social Security and for Medicare.

If you gave a tax holiday on $20,000 of income, everybody in this country, every working person in this country, would get somewhere between $1,400 or $1,500 in rebates. That means that 94 percent of the money would go to people below $75,000 in income, and it goes all the way to the bottom. Everybody gets it. In my view, that is a fair tax cut, if you are going to have one.

I really think the idea of a tax cut in the first place is a bad one. Sitting on the Committee on Ways and Means, I have watched these tax cuts go whistling through there one after another, and we go deeper in debt.

I was looking at what is going on in the States. California is $34 billion in the hole; New York is $12 billion; Texas is $10 billion; Washington State, my State, is $2.4 billion. The National Conference of State Legislatures reports that 41 States have accumulated almost $84 billion worth of deficit in this year, and what we are doing at the national level is looking out on those States and all the mess that is out there and saying, tough luck, you are on your own.

Now, that is a major philosophical debate that goes on in this House, what responsibility does the Federal Government have and what responsibility does the State have, and this administration has been pushing off on to the States all the responsibility for education, health care, the environment, whatever; and the States are being destroyed.

The Missouri Governor, the new Governor, is going around turning off every third light bulb. He put out a memo for the State of Missouri. Connecticut is laying off prosecutors in the court system. In Kentucky they are laying off prison guards. Nebraska just put 25,000 women and children off the Medicaid program. In Michigan they are considering a proposal to put advertising on the sides of police cars so they can make money, making them rolling billboards. That is where these States are. Ohio has taken 50,000 off of health coverage and Colorado is cutting out the senior citizen benefits on property taxes for 120,000 seniors in Colorado.

Now, I could go on with that list, and it does not make any difference what State you are talking about. And we at this level are saying what we are going to do with the money we have is we are going to give it to those people at the top. They are the only ones who know what to do. They are going to save us. And we are not giving money out to the States and the counties, with all the problems at the State level or dealing with the problems in our own system, or preparing for all the people who are going to come on to Medicare and Social Security in 2008 or 2009 or 2010. We are not preparing for that at all.

□ 1945

Today, we are giving it all away. And then we are saying, gee, Social Security does not work anymore, Medicare does not work anymore. We have to put that responsibility on people.

Next Friday, a week from today, we will be dismantling the Medicare system in the same way. That is the system that this party has put in order and they are going to keep doing it one week at a time, and we are seeing it, and we will not have any money to respond to that because we have given it all away.

Now, we have a choice tomorrow. We could say no to the President's way and the Committee on Ways and Means chairman's way. The chairman said upstairs that the Congress is kind of like a poker game where everybody sits down at the table and at the end of the night the same amount of money is there, but different people have it. And what I am saying, my answer to that is yes, that is true, and I think that ordinary working people ought to get it and the Democratic proposal is an attempt to do that. But the leadership of this House is going to bring in a bill tomorrow that will make it increasingly unfair in this country.

I congratulate my colleagues from North Carolina and Virginia and Connecticut for coming down here and letting the people know that the Democrats do have a proposal, because they will control the rule tomorrow in such a way it will look like we did not even have any ideas. We do have ideas, but they are not consistent with giving it all to the people on the top.

Mr. Speaker, the American people are sitting there, after dinner, at the dinner table and you think to yourself, does somebody who makes $1 million really need a $105,000 tax break? I mean just ask yourself. And then you think about the people in your neighborhood who are scraping to pay their drug benefits and do the things that they have to do for themselves. My mother just bought a hearing aid. She is 93. Hearing aids cost $800 if you can get a cheap one. They are not covered by Medicare. So if you do not have kids who can help you, you do not get a hearing aid.

I mean, do we really need to give all of this money to the people on the top? Where is the fairness in that?

I think the gentleman from North Carolina (Mr. PRICE) should be congratulated for his effort tonight to give the people an understanding of what is going on. It is unfair.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman and I particularly appreciate his focus on the plight of the States. My colleagues may recall that the governors were in town a few weeks ago, Democratic and Republican governors who went to the White House, I understand, and talked about the ways that in a temporary way there could be some help for the States and, as we said earlier, help for the States is one of the best ways to stimulate the economy. It gives good bang for the buck. They suggested such obvious ideas as a little better cost-sharing on Medicare temporarily to tide them over. What kind of reception did they get down there, Republican and Democratic governors alike?

Mr. MCDERMOTT. They basically were stiffed.

Mr. PRICE of North Carolina. Stiff-armed, I understand.

Mr. MCDERMOTT. Mr. Speaker, I do not think the American people understand, and the gentleman is down in Chapel Hill and he knows the pressure that is on the hospitals; it is the same in Chicago or Richmond or Seattle or New York or anywhere. What we are saying to those counties, to those cities, to those States, we are not going to help you. You are on your own. The President made no provision.

Mr. PRICE of North Carolina. What about our Republican colleagues in the House? They are supposedly in closer touch with these local communities. Does their bill contain one dime of help for the States?

Mr. MCDERMOTT. No, not a single dime.

Mr. PRICE of North Carolina. And the Democratic plan, $44 billion, it is temporary, it stimulates the economy, it helps bail the States out. It will help avoid counterproductive things at the State level, cutting back services, raising taxes. What good is it going to do to cut taxes here if they have to be reimposed at the State level?

Mr. MCDERMOTT. Mr. Speaker, I think the long-term effects of not dealing with the social problems in this society are more costly in the end than if you put the money up front. If you do not feed people and take care of them and give them preventive health care, you pay much more at the far end when they are seriously ill and then you spend thousands and thousands of dollars that would not have been necessary if you had dealt with it in the early stages. It is so cost ineffective.

We talk about history. I do not know where the people went who were here on the other side when I came here. They used to talk about deficits being terrible and bad, and they have all disappeared. I mean I sat on the Committee on Ways and Means and the Treasury Secretary, Mr. Snow, came before us and said, deficits are not bad. I could not believe what is going on. We are going to spend so much money financing that debt. And the gentleman and I, we will not do it. It will be our kids. That is not fair.

Mr. PRICE of North Carolina. Mr. Speaker, there is nobody within our hearing tonight who could not think of better public and private uses for that than throwing it down the rat hole of $300 billion, $400 billion of interest on the debt each year. I thank the gentleman for his contribution.

Mr. Speaker, I am pleased now to recognize our colleague from Virginia, another colleague from Virginia (Mr. SCOTT), a member of the Committee on the Budget and a much respected Member of this body who has made himself an expert on budget affairs, and we appreciate him having his usual array of charts tonight to illustrate the situation we are facing.

Mr. SCOTT of Virginia. Mr. Speaker, I thank the gentleman from North Carolina for his distinguished leadership on this budget issue. It is a very difficult issue and the gentleman has provided excellent leadership, and we thank him for that service.

The gentleman is right, I like to use charts, because we have heard a lot of descriptions, we have heard a lot of adjectives and projections. Let us just look at the numbers. This chart shows the numbers over the past few years of what the deficit has been, starting with Presidents Johnson, Nixon, Ford, Carter, great deficits under Presidents Reagan and the first Bush. And we have heard comments about the 1993 vote when President Clinton came in, without a Republican vote in the entire House or Senate, very close votes, 218 to 216 in the House, 50–50 with Vice president Gore breaking the tie in the Senate. And, as a direct result of that, along with economic growth, every year was better than the one before until we went into a surplus. Social Security and the lockbox, Medicare in a lockbox and a $100 billion surplus after that.

The Republicans will say that after 2 years of the Clinton administration, they took over. That is true, and they offered the same kind of tax cuts that President Bush has signed, but President Clinton vetoed that bill. They threatened to close down the government. He vetoed it again. They closed down the government. He vetoed the bill again, and continued vetoing their irresponsible tax cuts year after year as the budget situation got better and better each year. Under his leadership, he had enough Democrats in the House and the Senate to sustain those vetoes and control the budget situation year after year, each year being better than the last.

When President Bush came in, he signed those irresponsible tax cuts and we see what happens. Actually, this chart, as bad as it looks, needs to be updated. We have not gotten the more recent numbers; it may in fact be off the chart.

People ask, well, if things are this bad, where is the Democratic plan? Well, the Democratic plan is in green. That is our plan; this is their plan.

Now, how did we get in this mess? We got in this mess with tax cuts and we have asked, well, who got the tax cuts? And you have heard the adjectives. Let us look at the graph. The bottom 20 percent, the next 20 percent, the middle 20 percent, the fourth 20 percent, and the top 20 percent, blue is the 2001 tax cut, green is the proposed 2003 tax cut. The same pattern.

Now, there is a line that is hard to see right at about the 50 percent mark. The top 1 percent get 50 percent of the tax cut that we enacted in 2001. So we have a budget mess. We got there with tax cuts to the wealthy, and we were told that the reason we needed to do that, the reason we needed to mess up the budget to give tax cuts to the wealthy was to create jobs.

Let us look at the jobs per administration, the second Truman administration, the Eisenhower administration, first and second, Kennedy, Johnson, Johnson, all of the administrations over the years, the job creation record, George W. Bush, President Bush, the worst job creation record since the Truman administration, a loss of over 2.5 million jobs.

Now, we are told that, well, what do you expect after September 11? Let us point out that this chart includes the Korean War. It includes the Vietnam War. It includes the whole Cold War, the first Persian Gulf War, hostages taken in Iran, it includes all of that, and still the worst in over 50 years.

So how bad does it have to get before we acknowledge that it did not work?

What did we get? We got debt. If we left the budget alone, we would have paid off the national debt by 2008. The projection in May of 2001, right after this administration came in, virtually no debt held by the public. Instead, in 2008 we are going to have almost $5 trillion in debt.

With debt, we get interest on the national debt. Let us look at the interest. The interest on the national debt, because the debt was going to zero, was going to zero, interest on the national debt. Instead, this red line is the interest on the national debt that we have to pay. And the difference as we go, the billions of dollars in additional debt by 2010, $1.6 trillion wasted in additional interest on the national debt that we would not have had to pay.

Now, let us put these numbers in perspective. The green is the interest on the national debt that we were going to pay going down to zero. Red is the interest on the national debt that we are going to pay. Blue is the defense budget. To show how much interest on the national debt we are going to end up paying and put it in perspective, instead of zero we are going to be spending almost as much interest on the national debt as we are spending on national defense.

Now, let us make it personal. Take the interest on the national debt, divided by the population, multiplied by 4, what is a family of four's portion of the national debt? Right now it is about $4,500 every year, interest on the national debt going to zero. By 2013, because we have messed up the budget, interest on the national debt, a family of four's portion of interest on the national debt, $8,500 and growing. That means the first $8,500, you get nothing, except pay for what has already been spent.

Now, the next chart shows how challenging a situation we have gotten ourselves into because this is the Social Security chart. Right now, we are not even balancing the budget, spending the Social Security surplus. We are not balancing the budget. But in 2017, because the baby boomers are retiring, we are having a deficit, almost $1 trillion, running up to about $1 trillion over the next 30 years. If we cannot balance the budget with a Social Security surplus and we are spending the surplus, what are we going to be doing out here when we have a $300 billion deficit, divided by 300 million people in America, $1,000 a piece, will be $300 billion, that is $1,000 for every man, woman, and child, for Social Security deficit, you end up with the interest on the national debt deficit. How bad does it have to get?

There is one more thing I want to mention. That is, I told my colleagues about the chart where 1 percent gets half of the tax cut. Instead of the tax cut for the upper 1 percent, if we had allocated that into a trust fund for Social Security, we could pay Social Security for the next 75 years without any diminution in benefits. Seventy-five years for the tax cut that the top 1 percent got.

Mr. Speaker, we cannot afford another tax cut. We need to go back to the green, the Democratic plan. What we are doing, what we have done to the budget is obscene. What we are doing to the budget is just unconscionable.

Mr. PRICE of North Carolina. Mr. Speaker, if I could just ask the gentleman to underscore what he just said. Are you saying that the amount that it would take to make Social Security whole for the next 75 years is less than the amount of this Republican tax cut?

Mr. SCOTT of Virginia. Mr. Speaker, it is less than what the top 1 percent got in 2001.

Mr. LARSON of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. PRICE of North Carolina. Yes.

Mr. LARSON of Connecticut. Mr. Speaker, I am very intrigued by the gentleman's charts, and it seems to me, based on the number of speakers that we have had in this hour that we have been given; my question is, Mr. Stockton used to say that what we have to do in order to get rid of these social programs that the Democrats have put forward like Social Security, Medicare, and Medicaid, is starve the beast.

□ 2000

Is this not the method that is now being used? We have just heard the gentleman from Washington State talk about what is going to happen next week with respect to Medicare. We saw a budget atrocity last week. And now we are talking about taxes, a tax cut tomorrow that basically leaves us, as your charts amplify, with no money to provide for these much-needed and highly successful and highly valued programs that have helped all of our citizens.

Mr. SCOTT of Virginia. You cannot get to balance through spending cuts. As I indicated, the entire defense budget is about $400 billion. We are 500 billion and counting, slightly offset because we are spending $150 billion on Medicare and Social Security surplus that is coming in. But this is out of budget. The onbudget part of the budget, what is coming in and going out outside of Social Security and Medicare is $500 billion. The entire defense budget. Everything we spend outside of Social Security, Medicare, and defense and pensions, everything is about $800 billion. Everything. Foreign aid, FBI, prisons, NASA, everything, education, roads, everything. It is about 800. If you cut the government in half, you could not balance it as bad as it has gotten.

Mr. LARSON of Connecticut. So this is incredible when you think that this seems to be all part of a design, a design that is geared to in fact deny people over time the ability to respond to needs that we know, as your charts illustrate, with the baby boomers retiring, that are funds that are going to be necessitated, less the programs per the design of starving the beast, the beast in this case being social programs.

Mr. SCOTT of Virginia. You cannot create a chart like this by accident. Eight consecutive years, each year better than the last; under the present administration, each year worse than the last and no help in sight. You do not do that by accident.

Mr. PRICE of North Carolina. I wonder if the gentleman from Virginia (Mr. SCOTT) would put the chart back up giving the distribution of who benefits from these tax cuts, because on the talk shows these days you sometimes hear it said, well, of course, the tax cuts are mainly going to benefit the wealthy because they are the ones that pay the taxes. As a matter of fact, is it not true that this tax cut compounds the advantage of the wealthy? It does not just mirror their advantage.

For example, if you look just at millionaires, millionaires in this country pay 19 percent of the income taxes, but what percent of this tax cut do you think they get? Twenty-seven percent. They get 27 percent of the tax cut; they pay 19 percent of the taxes. So it just does not wash to say, well, they are paying more taxes, so naturally they get a better tax cut.

The fact is this is a grossly unfair tax cut, and it targets those in the upper brackets. That is not fair, but it also does not do what needs to be done in terms of turning this economy around.

Mr. SCOTT of Virginia. Mr. Speaker, this chart shows that the top one percent get half the tax cut that we enacted in 2001. The people in the lower brackets who are more likely to spend the money and stimulate the economy, you can hardly see the lines that they get. The top 20 percent get the lion's share of the tax cut and virtually nothing on down. All of the studies show if you give money to those who are most likely to spend it, you will stimulate the economy.

Mr. PRICE of North Carolina. I thank the gentleman for a very fine presentation.

I yield to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, again noting the chart there, I just want to point out that certainly it is true that most individuals are happy to get any form of a tax cut from their government. That is an indisputable truth. People like to receive a tax cut. When I go home to my district and talk to people about a tax cut, they are generally enthused, even if it is a modest amount. But when you explain to them the ramification of this tax cut, the enormity of the tax cut, the extended amount of time, and then what will have to be sacrificed in order to achieve that goal, it is an entirely different story.

People back in my district in Connecticut have a lot of common sense. They understand that you cannot have it all. We cannot possibly prosecute the war in Afghanistan, the war against terror, the war against Iraq and not sacrifice. And yet seemingly with both our budget proposals and now our tax cuts we are asking people to sacrifice. The people we are asking to sacrifice are the veterans, the elderly in need of prescription drugs, the towns and States as have been enumerated here today that desperately need town aid so they will not have to raise local taxes or cut programs and close schools, the communities that need school construction funds, the amount of money that will not be available for special education, that we will continue to underfund that program, a Federal commitment. We have enough money to provide a tax cut for the wealthiest 1 percent, but not enough to take care of those in the shadows of life, those in the dawn of life, and those in the twilight of life as Hubert Humphrey would so eloquently talk about.

So tomorrow we are seeing a philosophical debate on the direction and focus of this Nation. And what the Nation stands for in a time of sacrifice when men and women are truly sacrificing their lives overseas to defend our vital freedoms for what? When they come home and face the devastating deficits and the problematic concerns that that will raise for each and every one of their children as we project these deficits out into the future.

This is an outrage. We do not have the megaphone here. We cannot even get a small voice because of how our Committee on Rules allocates time for people to come to the floor. I commend the gentleman from North Carolina (Mr. PRICE), always able to articulate in a very intelligent manner the disparity that exists here and providing the intellectual underpinnings hopefully so the other voices in America besides the right wing and talk radio get the message out here to the American public what is absolutely happening to them.

People understand you cannot have it all. What the Democratic proposal demonstrates is that knowing that and knowing that we are going to have to sacrifice, should we not make sure that there is money there for prescription drugs, for school construction, for Social Security, for Medicare, Medicaid. Our hospitals are crying to us because of the needs that they have to take care of the population that comes to our urban and rural hospitals on a daily basis. I thank the gentleman for his strong voice here on the floor.

Mr. PRICE of North Carolina. Mr. Speaker, the gentleman is absolutely right. As to the pressing nature of these needs, many of them carry out of the State level at the time that our States are flat on their back fiscally, and our Republican friends are offering no help in that regard whatsoever.

The gentleman talks about tax cuts. And we know people would rather pay less taxes than more. We are all pleased when we can offer tax cuts; but it does matter what kind of tax cuts.

Mr. LARSON of Connecticut. Ask them if they would like to see a veteran get his benefits. Would they forego a tax cut to see veterans get their benefits? These are the questions the American public needs to ask themselves. Would you forego the tax cut so your parents could have prescription drugs? Would you forego a tax cut so you did not have to raise local property taxes and actually provide school construction or lessen the burden that school districts have to pay because of special education? Would you be willing to forego that tax cut if we were reinvesting in our infrastructure and providing jobs for people? That is what the Democratic proposal is all about.

Mr. PRICE of North Carolina. Sure and that is what we need to face. If you are going to have tax cuts then, for goodness sake, have the honesty and the integrity to pay for those tax cuts so it is not coming out of the hide of the most vulnerable among us.

There are some tax cuts in the Democratic proposal, but they are aimed at the broad middle class in this country. They were designed to stimulate the economy and they are paid for. And in all three of those respects they contrast with these upper-bracket tax cuts which our Republican friends are trying to peddle as an economic stimulus when I do not know any economist who is going to tell you you get much bang for the buck from cutting the tax on dividends for goodness sake. The estimate I have heard is 9 cents on the dollar. That is not a very good return.

Mr. LARSON of Connecticut. The gentleman is absolutely right. I could not agree more with him. To quote our leader as she often says, ''These are both fair and fast-acting and fiscally responsible.''

That is the alternative that is being presented tomorrow. It is up to us to get back to our districts and talk to people. I have held town hearings on these issues which I think are vitally important so that average citizens get to speak up.

They get it when they see the choice. Tomorrow is going to be an orchestrated event whereby a proposal will be jammed down the minority's throat with maybe an hour of debate on an issue that is this important to the American citizens.

We owe it, Democrat and Republican alike, to go back to our districts and say during this time of national crisis as we are fighting terrorism, ask them plainly and clearly, would you forego a tax cut so that you get prescription drugs for the people that need them? So that the veterans can get their benefits? So that school buildings could be paid for and technologically upgraded? So that the special education students would get their fair share of money, lessening the burdens on our local communities and States?

It is great to pat yourself on the back here and say you gave a tax cut, but our tax cuts here become their tax increases back home with a suffering burden that none of our States and municipalities can afford at this time.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman.

Before we run out of time, I want to turn to one of our most passionate and effective advocates in the House, the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I would like to thank the gentleman from North Carolina (Mr. PRICE) for organizing this stellar Special Order this evening on the important question of economic stimulus and recovery for our people and join with all of my able colleagues, the gentleman from Virginia (Mr. SCOTT), the gentleman from Connecticut (Mr. LARSON), and others this evening.

I just wanted to mention jobs, J-O-B-S; and the Republican tax cut bill is a job killer. There is plenty of evidence that this plan is merely a repeat of what happened in 2001 in this Congress, in the first Bush tax bill that came before us where now we have lost 3 million more jobs across this country.

It is also a debt-accumulator bill. This tax bill is not going to balance the budget. It is going to increase the deficit. I always thought Republicans were budget balancers. That is what Republicans used to be. They are not that anymore. And I just wanted to point out back in 1981 when Congressman DICK CHENEY was a Member of this House, I came here 2 years later in the midst of the worst recession America had faced since the Great Depression. July 29, 1981, when Mr. CHENEY chaired the Republican Policy Committee here, a bill was passed that they called the 1981 tax cut bill. And in the following 2 years, millions of Americans were thrown on to unemployment lines; and I became part of a class to try to restore economic integrity to this country. It took us almost 20 years until Bill Clinton became President of the United States. And in 1993, 1996, we began to restore those surpluses that the gentleman from Virginia (Mr. SCOTT) referenced.

In 2001 under the first Bush plan, the gentleman from California (Mr. THOMAS) said here, ''By moving quickly our hope is to have both monetary and fiscal policy pull this economy out of its nose dive.''

And again, now, we have another job-killer bill. We had a job-killer bill in 1981. We had a job-killer bill in 2001, and now we will have another job-killer bill brought up on this floor tomorrow. It seems to me that one thing Democrats stand for is full employment and good jobs. We should reject this bill tomorrow. It is a repeat of the same old hash they gave us back in 1981 and they gave us in 2001. We should not be snookered for the third time.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentlewoman, and I want to thank all of my colleagues who were part of this Special Order tonight.

Often we have very heated debates in this House and we have a good bit of rhetoric filling the air; sometimes there may even be an exaggeration or two. But I must say with respect to this bill tomorrow and with respect to our fiscal situation, we are not exaggerating. We are not exaggerating the danger we face. We are not exaggerating the unprecedented character of the risks that are being taken with our fiscal future by this administration and by the leadership of this House.

□ 2015

We are not exaggerating the differences between the parties.

There is a simple three-point test that any proposal ought to be able to pass: Is it effective? Does it stimulate the economy? Is it broad based and fair? Is it fiscally responsible? The two plans before us tomorrow could not be more opposed or more different in the way those basic questions are answered.

So I thank all of my colleagues for helping us line this out tonight and address our colleagues about this critical debate. It is not an exaggeration to say that our fiscal future is on the line, and I appreciate all those who have helped point that out so forcefully this evening.

Mr. HINOJOSA. Mr. Speaker, I rise today to discuss the tax proposal the House Ways and Means Committee approved on a party-line vote of 24–15 last Tuesday. I believe that

what the committee reported to the House floor is flawed, misguided and will harm our American economy now and for generations to come.

I agree with Ways and Means Committee Chairman THOMAS's assertion during the committee's consideration of the tax bill that, ''Congress must take bold steps to spur economic expansion, create more jobs for workers, better opportunities for families and bigger paychecks for all Americans.'' I agree with that. But, I strongly disagree with the ways and means by which he intends to accomplish these goals.

Mr. THOMAS's bill focuses tax relief on the wealthiest 1 percent of the population by providing tax cuts mainly on stock dividends and capital gains. Many economists have rated this proposal as very ineffective in stimulating the economy. It would be more appropriate to provide an immediate increase in the child tax credit, marriage penalty relief and the expansion of the 10-percent tax bracket.

With deficits soaring, the last thing our government should be doing is proposing major tax cuts that do not spur economic growth. Our government would be borrowing to finance the revenue losses associated with the tax cuts for years to come. Furthermore, Chairman THOMAS's proposal fails to include support for state and local governments. It crowds out Federal investment in education, training, infrastructure, and research and development to pay for their tax cuts for the wealthy.

Next year, the GOP tax plan gives tax cuts totaling approximately $44 billion to those making over $374,000 a year, while their budget provides $9.7 billion less than the amount promised in the No Child Left Behind Act for educating our children.

The Thomas plan also allows the extended unemployment benefits program to expire May 31, 2003, leading to millions of families being denied needed unemployment insurance.

Not only would extending benefits help the families of nearly 5 million out-of-work Americans pay their bills, it would also efficiently jumpstart the economy by putting money into the pockets of consumers who will spend it.

I urge my colleagues to defeat this plan when it comes to the floor of the House.

Mr. PRICE of North Carolina. Mr. Speaker, I yield back the balance of my time.

REPUBLICANS' JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Under the Speaker's announced policy of January 7, 2003, the gentleman from South Carolina (Mr. WILSON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WILSON of South Carolina. Mr. Speaker, I rise tonight with several of my colleagues in support of the Republicans' jobs and growth package, H.R. 2, which we are scheduled to vote on tomorrow; and in fact, this vote is so important, I am really going to be missing a very significant event in South Carolina.

We are very proud that President George W. Bush is going to be commencement speaker tomorrow at the University of South Carolina for graduation. I am just so proud of our president there, President Sorenson, what he has done for our institution, the trustees, Mack Whittle, Miles Loaholt, Mark Buyck, Eddie Floyd. They are working so hard to make the University of South Carolina, my alma mater from law school, one of the best universities in the United States; and certainly having our President there tomorrow, I am just so proud, and I know that my wife, Roxanne, will be right on the front row with our sons Julian and Hunter and Alan to encourage the President.

Our economy is hurting and it needs an immediate boost. House Republicans believe the best way to get the economy back on track is to allow Americans to keep more of their own money, and I heard a few minutes ago that indeed it was not the public's money, it was not the people's money; but I know so well that, indeed, it is the people's money, and that is the first fact that we should address; and I appreciate good people like Jerry Bell of the Lexington County Chronicle making that point almost every week in his publication.

This will give the economy an immediate shot in the arm by accelerating tax relief from the marriage penalty, increasing the child tax credit and providing working families with more of their hard-earned dollars through accelerated income tax relief.

Furthermore, with sizeable, long-term tax relief on capital, businesses will receive investment incentives that will help create more jobs. This Republican plan is estimated to create 1.2 million jobs by the end of 2004 alone and will create many more in the years to come.

On the other side of the aisle, House Democrats are talking about a government growth package. It busts a $30 billion hole in the budget, guts the Republican child tax credit increases, and it weakens job growth by watering down Republican tax relief for small businesses. Once again, the Democrats' answer to every problem, raise taxes and spend more.

Americans are already overtaxed. Americans for Tax Reform, an invaluable nonprofit group headed by the visionary Grover Norquist, has tracked the tax burden in a way that puts it in proper perspective. Each year, Americans for Tax Reform determines the cost to government date which is the average date at which every American worker has earned enough to pay his or her share of taxes imposed by Federal, State and local governments. The cost to government date 2002 was July 1, representing the largest tax burden since 1996.

Today, we are working a full 6 months just to give Uncle Sam his yearly check before we can even begin to earn enough to pay for food, health care, medicine, housing, clothing, college tuition, car payments and all the other needs that we have to provide for our families.

My friend and former Congressman, the gentleman from Oklahoma (Mr. WATTS), put it best when he said, ''Americans are taxed when we turn on a light. We are taxed when we use the phone. We are taxed when we eat lunch. We are taxed when we do brunch. Moms are taxed at the gas pump when they fill the tank to drive the kids home from a little league game. Dads are taxed when they try to save a few bucks for retirement in order to provide for their families, and Grandma and Grandpa are taxed for having the audacity to die.''

Ronald Reagan was even more blunt and always correct when he described the government's economic policy this way, ''If it moves, tax it.''

President George W. Bush understands that Americans are overtaxed. President Bush also understands that the only way to increase jobs in America is to allow individuals and small businesses to keep more of their own money to invest in our economy.

The gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, has crafted a very wise and sensible bill that takes the best solutions of President Bush's proposals, and I urge all of my colleagues to vote for this bill tomorrow.

Americans have given Republicans a tremendous opportunity to lead on issues that affect every working family. We must not squander this moment and work to bring them real tax relief. Let us hold true to the commission given by President Ronald Reagan.

We need true tax reform that will at least make a start toward restoring for our children the American Dream, that wealth is denied to no one, that each individual has the right to fly as high as his strength and ability will take him.

At this time, I will be yielding to the gentleman from North Carolina (Mr. HAYES). He is a very respected member on the Committee on Armed Services. He also serves on the Committee on Transportation and Infrastructure, the Committee on Agriculture; and I know firsthand the respect that his constituents have for him.

Last year, I went with my sons Julian and Hunter door to door in his hometown of Concord, North Carolina; and that is where one really finds out what people think of their local Congressman, and I found out that he was a person who was well thought of. He was highly respected and my colleagues will see tonight what a knowledgeable and fine person the Congressman from North Carolina is.

Mr. HAYES. Mr. Speaker, I want to thank my good friend and colleague, the gentleman from South Carolina (Mr. WILSON), for yielding time; and if I may, I would like my colleague to yield just a few moments of time to the gentleman from Pennsylvania (Mr. MURPHY), who has a very important issue that he wants to raise before we continue to discuss the important issue of how can we in the U.S. Congress

allow our folks back home to keep more of their own money.

Mr. MURPHY. Mr. Speaker, will the gentleman yield?

Mr. WILSON of South Carolina. I yield to the gentleman from Pennsylvania.

SUICIDE AWARENESS WEEK

Mr. MURPHY. Mr. Speaker, I appreciate the gentleman yielding to me.

These issues about creating jobs and dealing with the economy are extremely important to families. I would just like to take a couple of moments to talk about another important issue to families.

Later on the floor this evening, one of our other colleagues, the gentlewoman from California (Mrs. NAPOLITANO), will also be speaking; and she and I have been working together to establish a Mental Health Caucus in the U.S. Congress, and I am proud to co-chair that caucus with her.

The goal of the Mental Health Caucus is to raise awareness both in Congress and among the public of the importance of mental health; and it is fitting that this week we speak because it is Suicide Awareness Week, and it is really the first issue that this caucus is taking up on speaking on the floor.

Every 18 minutes someone in this country takes their own life, and suicide is the 11th leading cause of death in the United States and third leading cause of death among 15- to 24-year-olds. The American Society of Suicidology found that 4 to 8 percent of adolescents attempted suicide within the last 12 months, and data from the Centers for Disease Control and Prevention indicate that half a million teens attempt suicide each year.

In 2000, suicide attempts outnumbered homicides by five to three. In that same year, in my home State of Pennsylvania, 1,356 people took their own lives. As a psychologist, a husband and a father, I find these numbers disturbing, as does everybody else who works in this Chamber.

Everyone knows someone who has been depressed in any given year. In fact, about one out of every 10 adults in this country suffers from some form of depression. Every family knows someone who has suffered from this. For those suffering from severe depression, without treatment, nearly one in six will commit suicide.

The good news is that suicide can be prevented if one recognizes the signs. People commit suicide when they are overwhelmed with a sense of hopelessness and are unable to see alternative solutions to problems. Suicidal behavior is often linked to depression or drug or alcohol abuse. These are not the worried well, but these are people whose life circumstances are overwhelming or they have a physiologically based depression or mental illness that leaves them feeling that the only way to end their pain is to end their life.

Those who have suffered the loss of a loved one from suicide know the pain does not end with death. The family members and friends will feel the loss, perhaps triggering their own life struggle to come to terms.

When someone tells you they are thinking of suicide, it is very important that everyone take them seriously and get them professional and medical help. In fact, if someone has reason to believe that, they should call 911 or the national suicide hotline which is 1–800–SUICIDE.

I would like to mention other dangers include talks of hopelessness, helplessness, worthlessness, preoccupation with death, loss of interest in things that a person cares about or giving away valued objects as if preparing to say good-bye.

In sum, danger signs may also take the form of engaging in risky or dangerous behavior, like teens who take too many chances with fast cars or drugs or alcohol.

I would like to highlight for just a moment here some of the things happening in my home State. Since the 1980s, Pennsylvania has made a strong effort towards preventing suicide in youth. The Commonwealth Student Assistance Program was created in 1985; and core teams in each secondary school consist of teachers, principals, school counselors, school nurses, psychologists and social workers from this program called SAP; and they work with identifying students and helping them.

They also have Service for Teens at Risk, otherwise known as STAR, to address problems of teen suicide and violence. They serve children in Pennsylvania and West Virginia.

I would like to make one other note here, too, that although I focused on suicide among our youth, a common misperception is that suicide rates are highest among the young. However, it is the elderly, particularly elder white males, with the highest rates. White men, 85 and older, have suicide rates of six times that of the overall national rate.

If we are going to address the problems of suicide, everyone needs to recognize the warning signs. Parents need to talk to their children. Adults and others need to talk to their parents.

This brings us to the underlying important issue of mental health care. Without question, having major depression increases the risk for suicide, and anyone suffering from depression in this country must recognize that depression is a treatable disorder; and we in Congress can do more to improve access to mental health care.

I know that others will be talking about this later tonight, and I appreciate the gentleman yielding on this during this important time when we are speaking about families on many levels. It is important to know we do care about the family on every level, what happens to them mentally and emotionally, socially, economically. All these things are the business of Congress, and they are the business of government; and, again, I thank the gentleman for the time.

At this point, I will insert for the RECORD my full statement.

I join my colleagues on the floor tonight to call attention to a health care epidemic that claims the lives of three-quarters of a million Americans a year: suicide. This is ''Suicide Awareness Week,'' and it's an important reminder why it's so important for parents, educators, and children to learn the signs of depression and suicide.

I'd like to first take a moment to thank my colleague, Mrs. NAPOLITANO of California, for her hard work in establishing the Congressional Mental Health Caucus, and I'm proud to be co-chair of that Caucus with her. The goal of the Mental Health Caucus is to raise awareness, both in Congress and among the public, of the importance of mental health.

It is fitting that suicide awareness is the first issue that the Caucus takes up by speaking on the Floor today. Every 18 minutes, someone in this country takes their own life. Suicide is the 11th leading cause of death in the United States, and the 3rd leading cause of death among 15–24 year olds. The American Society of Suicidology found that 4 to 8 percent of adolescents attempted suicide within the last twelve months. Data from the Centers for Disease Control and Prevention indicates that a half-million teens attempt suicide each year. In 2000, suicide deaths outnumbered homicides by 5 to 3, and that same year in my home state of Pennsylvania, 1,356 people took their own lives. As a psychologist, a husband, a father, I find these numbers deeply disturbing. Everyone in this Chamber knows someone who had been depressed—in any given year, about 1 out of every 10 adults in this country suffer from some form of depression. For those suffering from severe depression, without treatment nearly one in six will commit suicide.

The good news is that suicide can be prevented if you recognize the signs. People commit suicide when they are overwhelmed with a sense of hopelessness and unable to see alternative solutions to problems. Suicidal behavior is often linked to depression or drug and alcohol abuse. These are not the ''worried well,'' but a person whose life's circumstances of physiologically-based depression or mental illness leaves them feeling that the only way to end their pain is to end their life. Those who have suffered the loss of a loved one from suicide know that the pain does not end with death. Family members and friends will feel the loss—perhaps triggering their own lifelong struggle to come to terms with the loss.

If someone tells you they are thinking about suicide, you should take them seriously and get them professional medical help immediately. If you have any reason to believe that someone is in imminent danger of harming him or herself, call 911 or the national suicide hotline, 1–800–SUICIDE. Other danger signs include talking about hopelessness, helplessness, or worthlessness; preoccupation with death, loss of interest in things that a person cares about, or giving away valued objects as if preparing to ''say goodbye.'' In some, danger signs may also take the form of engaging in risky or dangerous behavior.

I'd like to take a few minutes to highlight some of the efforts my home State, Pennsylvania, has undertaken. Since the 1980's, Pennsylvania has made strong efforts toward

preventing youth suicide. The Commonwealth Student Assistance Program (SAP) was created in 1985 and operates in all 501 school districts. Every secondary school building is required to have a student assistance program. Core teams in each secondary school, consisting of teachers, principals, school counselors, school nurses, psychologists, social workers, and community liaisons from mental health and drug and alcohol agencies assist in identifying students at risk for suicide or other behavioral health problems.

I am also proud of the accomplishments of the Services for Teens at Risk, commonly abbreviated as STAR-Center, in addressing problems related to youth suicide, depression, and violence. STAR-Center began in Pittsburgh in 1986, and is affiliated with the Western Psychiatric Institute and Clinic. The Center's clinic serves patients in West Virginia, Ohio, and Pennsylvania, and since 1996 has treated over 6,400 children and adolescents at risk for suicide. Through its outreach program STAR-Center goes into communities throughout Pennsylvania to address suicide, depression, and other mental health issues our teens may face. And when a suicide or other tragedy does occur, STAR-Center staff consults with educators on how to provide postvention services. This is particularly important given the traumatic impact the death of a fellow student can have on his or her peers. The center also publishes STAR-Center Link, a newsletter featuring best practices on mental health treatment and violence prevention, and its ''Survivors of Suicide'' program is nationally recognized. I'd personally like to thank the staff of STAR-Center for their dedication to our youth.

Although I've focused a lot on suicide among our youth, one common misperception is that suicide rates are highest among the young. However, it is the elderly, particularly older white males, who have the highest rates. White men 85 and older have suicide rate that is six times that of the overall national rate. If we are going to address the problem of suicide, everyone needs to learn to recognize the warning signs, parents need to talk to their children, and adult children need to talk to their parents.

This brings us to the important underlying issue, mental health care. Without question, having major depression increases the risk for suicide. Anyone suffering from depression in this country must recognize that depression is a treatable disorder. And we here in Congress can do more to improve access to mental health care. Legislation has been introduced in the House to provide for Mental Health Parity, H.R. 953. I am proud to be a co-sponsor of this legislation, and I hope my colleagues will support this bill as well.

JOBS AND GROWTH PACKAGE

Mr. HAYES. Mr. Speaker, I thank the gentleman for bringing to our attention a vitally important part of our attempt to do everything we can for families in America, to strengthen those families and to provide them with the wherewithal they need to support this great country.

The gentleman from South Carolina (Colonel WILSON) did spend time in my district. The gentleman's district and mine are very similar. We have some large cities, Columbia and Charlotte, Fayetteville; but we also have a tremendous amount of rural America that we represent in our districts, and as the gentleman and I spend time listening to our constituents, the themes are clear and consistent. National security and economic security through good jobs are the two issues that are on people's minds.

I continue to refer to the gentleman as our colonel because our Armed Forces have distinguished themselves in ways heretofore never known. We are talking about the economy and jobs tonight, not only because it is so vitally important, but because we are in the midst of a period of trial in America, the likes of which we have never seen.

September 11, 2001, no one ever thought that would happen. The terror, the horror of that still sticks with us, our people, our families, and, yes, our economy. We are fighting a war on terrorism very successfully, and that is a most appropriate use of the money that our constituents work so hard to earn. That is a big issue as we discuss what tomorrow will be, a jobs creation, economic stimulus package.

It is not a complicated matter. Whose money are we here discussing tonight? Are we discussing the government's money? I do not think so. The last time I checked, the government had no money except that money which was sent to us by our people back home.

That being true, then the question very simply is, Whom do the people trust to spend that money most wisely? In my case, we do not talk in my district, and I am sure it is the same in my colleague's, that much about Democrats and Republicans, because obviously both constituencies are vitally important; and the Democrats in my district are very conservative. They care about their families. They care about education. They care about jobs.

□ 2030

Mr. Speaker, as I and other Members of Congress empower and enable our people at home to keep more of their money to spend on their education, their needs, then that money goes straight into the economy because there is not only a need for services and goods, there is the financial ability to buy those goods and services.

Here we have a chart. This is the essence of our discussion tonight, creating new jobs. How do we do it? Fulfilling America's promise of a bright financial future for us, but more especially for future generations. I have a new granddaughter, 3 weeks last Monday night. Members can rest assured, I am concerned about future generations.

The package that we are considering and will pass tomorrow creates over a million new jobs. A million new jobs or zero. What is the choice?

Mr. WILSON of South Carolina. Mr. Speaker, I appreciate the gentleman bringing up the point about jobs.

Joining us in this discussion is the gentleman from Pennsylvania (Mr. MURPHY). I am very proud that he is a member of the Committee on Financial Services and the Committee on Government Reform. Additionally he serves on the Committee on Veterans' Affairs. He is a freshman, but as a freshman he has been the most recent of being truly in a tough campaign and finding out what the people think. I look forward to joining the Mental Health Caucus along with the gentleman. I am proud that the gentleman has taken that lead, and I yield to the gentleman from Pennsylvania (Mr. MURPHY).

Mr. MURPHY. Mr. Speaker, when I came to this town I found it to be very different. Back in Pennsylvania, it is not always one of those things that has such partisan disagreements as Republicans or Democrats or Independents. It is a matter of talking with people and finding out what is important to them. In that I would just like to relate a couple things. Whether it is rural communities in Washington County, Pennsylvania, or towns that are struggling along in Allegheny County, Pennsylvania, but Americans are concerned about basic things for their family. I hear them say they want some of their tax money back. Some of the issues that are going to be discussed in upcoming votes about increasing the child credit to a thousand dollars, to eliminate the marriage penalty, are so important to families so they can have money for rent, mortgages, and groceries. It is important because they know what their families need.

Here we are battling within the Beltway, and most Americans do not care about Republicans or Democrats. They care about doing the right thing for their family. When they go to bed at night and when they wake up in the morning, that is what they are concerned about. Whether they have decent jobs is a big part of that. Some of the things that are so important are in this job package.

They included aspects which will help small business. Having owned a small business for a few years, I know how important those aspects are. Again, many Americans may not appreciate such concepts as depreciation or small business expensing, but when you are a small business owner and you are taking the money that is really your family's money and investing it to create jobs for other employees, whether it is buying equipment, whether it is a computer or desk or building new office space, that is money that the family cannot use. They are making an investment, and when government says we would like you to take some of that money to create jobs, it means a tremendous amount to families to do that.

I hope we can lay down the arms of battle and pick up the arms that embrace jobs, and do what is right for families. I believe many of these things here, again when we go back to the streets and the farms of America and ask them what they think, they like

these ideas of creating new jobs and bringing some of that money back home so they can do what is best for their families.

Mr. WILSON of South Carolina. Mr. Speaker, I thank the gentleman for his input. For a person who is leading a young family, the gentleman is making a difference trying to protect them for the future.

As we discuss H.R. 2 tomorrow, the Jobs and Growth Tax Act of 2003, we are going to hear a lot of scare tactics and misinformation, but I would like to go over what the different points are of the act because I believe the American people will understand that this is beneficial again in creating jobs, creating opportunities for our young people, for persons of all ages to have a better life. I am so pleased that we have an opportunity to discuss it tonight, and then tomorrow to vote on it.

The first point about the acceleration of the 2001 tax relief for individuals, the President achieved an historic cut in taxes, and this is being accelerated.

The first point about the child credit, this will increase the child credit to $1,000 for 2003, 2004, and 2005. I am so aware of the costs, having raised 4 children myself, along with my wife Roxanne, and I know how helpful this is going to be to young families as they are able to care for their children and give them the opportunities they want.

The 10 percent bracket, this will accelerate the expansion of the 10 percent bracket for 2003, 2004 and 2005.

Marriage penalty relief, this accelerates the expansion of the 15 percent bracket and the increase in the standard deduction for married persons filing joint returns, again in the years 2003, for immediate relief, 2004 and 2005.

Individual rate cuts, this accelerates the 2006 individual rate cut scheduled for 2003 retroactively. That means that immediately the people of the United States will receive benefits, and families could receive a benefit on average of $1,048. This is real money to families, and so helpful to raising children and meeting the needs that we have of car payments, mortgage payments, and medical bills.

The increase in the individual alternative minimum tax, the exemption amount, this will be increased by $7,500 for single persons and $15,000 for joint filers in 2003, 2004, and 2005.

To help create the jobs, the business investment incentives that are in the bill which will be voted on tomorrow, first is bonus depreciation. This will increase the bonus depreciation from 30 to 50 percent and extend it through December 31, 2005. This will encourage businesses to buy equipment to increase manufacturing which creates jobs. I want to commend the gentleman from Illinois (Mr. WELLER), who helped lead the effort to provide for the bonus depreciation increase so that small businesses could grow.

Then we have small business expensing for 2003 through 2007. That is an increase in the amount small businesses can expense. That would be immediately to from $25,000 to $100,000. It increases the definition of small business from $200,000 for capital purchases to $400,000, and the provisions are indexed for inflation.

We all know that the backbone of business in America are small businesses. They provide in my State 85 percent of the employment. They are 99 percent of the businesses. So this is something I really am so pleased to have the support of the National Federation of Independent Businesses. We have excellent groups like NFIB which are letting Americans know how beneficial this will be.

There is another business investment incentive and that is the net operating loss carryback which will extend the net operating loss carryback for 3 years, 2003 to 2005, and holds taxpayers harmless for the alternative minimum tax.

Finally, another provision which will be voted on tomorrow is the dividend and capital gain tax reduction. This will reduce the tax rate on dividends and capital gains to 5 percent to taxpayers in the lowest tax bracket, and to 15 percent to all other taxpayers.

I had an opportunity yesterday to meet Rick Wagner, who is the CEO of General Motors. In his presentation he indicated that there would be an increase in the value of the stock market of between 6 to 15 percent. This is hundreds of millions of dollars, billions of dollars which will benefit the American public.

In fact, the dividend reductions in taxes, a majority of that are for the senior citizens of the United States. So I am so pleased that Mr. Wagner, who is building a home in Daufuskie Island in South Carolina, we welcome somebody who has been such an aggressive promoter of reducing taxes on the American people and to increase the value of the stock market, to increase and give incentives for more investment, more jobs for the American people.

Those are the facts that are very clear. I know and I apologize if it sounded like I was an accountant, and I love accountants, but the American people need to know the facts. They will hear other information. The bottom line is this is beneficial to the American taxpayer.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, I might ask a series of questions, and ask that the chart with the tax breakdown be put up on the easel. The gentleman did a wonderful job of outlining the specific areas in which money would be created and put into the economy. The gentleman indicated all of the different pluses of this stimulus package.

I think it would be instructive at this point in time to see where that money comes from. If you would point to the bottom figure, the top 50 percent pays 96.09 percent of the tax bill. So if we are going to give people more of their own money back, we have to go where that money is in order to supply a stimulus, that fuel for the economic engine that creates jobs and creates revenue to drive this wonderful country forward. So I think it is very instructive for people to look at that as we continue this discussion.

Earlier our colleagues on the other side of the aisle I think made just a little difference in the way you and I would look at things. Trying to phrase this kindly, we talk about deficits. You and I and the people in Columbia and Concord hate deficits. They and you and I have to balance our checkbook every month. We cannot spend more than we have or serious problems occur. That is not a serious question. That needs to stay on the table. Everybody agrees on that.

The question becomes how do we create the revenue so this Federal Government can provide for the national defense of our young men and women who have done so well, and provide for the interstate highway system. There is the answer, we have to go where the money is. But our friends and folks at home would be interested to know that these new budget hawks, these new deficit reduction folks, and I am glad to see their new interest, there was a total a couple of weeks ago that was run up, a total of the amendments that they added to the budget bill. I have not seen it published, but the total of their additions, the folks that want to cut the deficit so and are so alarmed by the deficit, which we all hate, added over $1.6 trillion to that budget.

I trust the people at home. I trust them to see through the subterfuge. We talk about stimulating the economy and creating jobs. It is our people using their common sense to solve problems to create jobs and to grow that economy.

□ 2045

Do not fall for the tax and spend. They have never seen a tax hike that they did not like here.

Mr. WILSON of South Carolina. It is so obvious by the tax breakdown that the gentleman from North Carolina (Mr. HAYES) brought out and the points he brought out that we need to be promoting, as the President is doing, the jobs and economic growth plan. I want to quote the President's speech in Little Rock this week. He has clearly indicated that by growing the economy, that is how you reduce the deficit, not by spending more money, as the gentleman correctly indicated the other side is truly proposing, but to grow the economy. His direct quote was, ''In order to offset any deficit, you've got to have more revenues. The best way to have more revenues is to encourage economic growth. The more economic growth there is, the more people are working, the more likely it is that you're going to get more revenues into the Treasury of the United States, and also to the individual States. I'm concerned about the deficit but I'm first

and foremost concerned about that person looking for a job.'' That is what President Bush said this week in Little Rock, Arkansas. I am so proud that he has correctly identified what the gentleman just identified.

Mr. HAYES. If the gentleman will yield further, earlier tonight we heard our colleagues talk about sending more money back to the States. My first question to the gentleman from South Carolina is, are the States better off if they are allowed to keep their own money and spend it there or are they better off sending it to Washington, us taking part of it and then sending the remains back? What do the people back home tell the gentleman? I bet I know the answer.

Mr. WILSON of South Carolina. I had the great privilege of serving the people of South Carolina for 17 years in the State senate. In fact, the State budget is being debated probably as we speak tonight. I know that instead of just sending money back to the States, we have already had a revenue-sharing experience that did not work and so that is simply spending more money. What we need to do is what the President has proposed and, that is, create new jobs, create new opportunities for people to have incomes.

I know that in South Carolina, we are very proud about the expansion of Michelin Tire Corporation in Lexington, South Carolina. There are three plants there producing wonderful jobs and wonderful tires for the people of America. We have worked hard in our State to attract foreign economic investment. We are very proud that in Spartanburg in the community of Greer that we have the BMW facility. All Z–3s in the world are made there, the X–5s. Every time I have had the opportunity to travel, I have been very proud to know that we have had the economic expansion of BMW in our State providing jobs. That is what we are trying to do in the bill tomorrow with H.R. 2, and, that is, to encourage economic investment in the United States, to provide jobs and to give families the ability to spend their own money.

Mr. HAYES. I would like to ask the gentleman one more question. Another thing we heard earlier was that we are not helping the States. That is simply not true. Before the gentleman answers my question, let me make one more point. They talk about States who are cutting teachers and education, who are cutting prosecutors, who are cutting prison guards. My State is not cutting those vital services. They have choices to make. I do not want to send money back to States that are making those kinds of decisions. I do not think that is happening. But the gentleman has a chart before him that gives a good illustration of how we in Washington are working to help our States. Would the gentleman describe that to our listeners at home, please?

Mr. WILSON of South Carolina. This does indicate that under unemployment insurance, that the States have received $8 billion. This is from Federal funding. In 2002, only $2 billion of that was actually used. There was a surplus apparently of $6 billion. The bottom line is by creating jobs, what we are doing in the plan that we will be voting for tomorrow, we are providing for additional State revenue by sales tax. That is virtually a universal tax in the United States at most State levels and, that is, by providing for an increase in income, by a person having the ability to keep their own money, when they go to the store and buy products, when they are at Wal-Mart as I frequently am, that with the sales tax, that goes straight to the State. It goes for schools.

Additionally, I am so pleased that this package includes a reduction in the capital gains tax. I can tell the gentleman from firsthand experience, until 16 months ago I was a real estate attorney. I know that by reducing the capital gains tax, and this has been a cause of the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), for a number of years. By reducing the capital gains tax, this will help again create jobs. The first thing that will occur, because I ran into it, a number of people that I know, particularly elderly people, would not sell property they have, real property, because they felt like they were being overly taxed and they considered it an insult, whatever the percentage was. So by reducing it to 5 percent, what will occur is that people who are currently holding on to property simply because they do not want to pay a capital gains tax, they will sell that property. When they do sell the property, the first occurrence will be construction. I met with the homebuilders association this week. They are very supportive.

The AGC and the ABC, the various construction interests, are very pleased that if we can have a sale of property and the construction, the jobs are created. This also is going to benefit local governments and State governments in that having a turnover of real property, the taxes that are generated will go for schools. They will go for the services of local governments. This is going to be so beneficial because many people in our State, and I think this is true in other States, too, they will actually put goats or they will put a cow on some extraordinarily valuable property in the middle of an urban area. That is because they are able legitimately to qualify for an agricultural assessment.

When they get an agricultural assessment, they may pay $10 in taxes on that particular tract of land. But by having the reduction in the capital gains taxes, by having the sale of the property, by having the development of that property by construction of new businesses or homes, that will generate thousands of dollars, instead of $10 to the local governments, that can be used to build schools, to address the problems that we have in local government, that we have to produce the best schools that we can for our citizens. There is just so much positive in the bill that we will be voting on tomorrow.

I know that the gentleman probably has another question that he wants to ask me.

Mr. HAYES. I thank the gentleman again for his incredible leadership not only here tonight but back home in South Carolina, not only as a Congressman but as a colonel in our wonderful Armed Forces. I think it is appropriate that we close with our continued pride, support and absolute awe at the way they have conducted themselves. That is so important to the economy, to rid the world of terrorists. The costs that have been incurred, they have created hardships for all of us. But thanks to their ingenuity, their courage, their training, their bravery, their leadership, they have gone in and outthought and outfought a very, very difficult enemy. Now we have, because of their sacrifices, the opportunity to put this economy back on its feet, to put our people at home to work. I hope the McMillens in Hampton County are listening tonight. They are farming pretty hard so they may not be. I hope the folks in Richmond County, in Hoke County, all throughout the eighth district, are listening because they understand from the gentleman's leadership and his presentation the sound, commonsense approach that this jobs growth economic stimulus plan that the gentleman and I and others on this side of the aisle support so strongly, they understand and appreciate what that brings to our districts and to our economy.

Mr. Speaker, tonight we have heard the truth in a very clear, in a very concise, and in an understandable fashion. The presentation of the gentleman from South Carolina is responsible for that. I thank the gentleman for serving our country. I thank him for serving this Congress.

Mr. WILSON of South Carolina. Mr. Speaker, I want to conclude with some other points real quickly, that is, that the President's jobs and economic growth plan is designed to strengthen the economy by allowing Americans to keep more of their own money to spend, save, and invest by creating jobs. The President's plan to cut taxes and hold the line on government spending would grow the economy and ultimately reduce the deficit as stronger economic growth and job creation causes revenues to rise to meet the restrained level of spending.

At this time, too, I would like to, as we are concluding, indicate the various groups that are supportive of the bill tomorrow, H.R. 2. In fact, I would like to read a letter which was sent by the Tax Relief Coalition. There are hundreds and hundreds of organizations, in fact there are over 1,000, that are supporting the Jobs and Growth Tax Act of 2003. This is a letter again sent by the Tax Relief Coalition:

''On behalf of the more than 1,000 organizations and 1.8 million businesses of the Tax Relief Coalition, we urge you as a member of Congress to support the full elimination of the double taxation of dividends, the increase in the small business expensing allowance, and the acceleration of all the scheduled income tax rate reductions when the Committee on Ways and Means considers the economic growth reconciliation legislation. As companies and organizations representing businesses that employ tens of millions of Americans, we believe these provisions are necessary if we are to jump-start the economy and put people back to work.

''The full elimination of the double taxation of dividends within the framework of a $550 billion tax relief package is achievable and will have a singularly positive effect on the economy in both the short term and the long term. It will spur consumer spending by putting more money in the hands of shareholders who will pay less in taxes, receive higher dividend payouts and accumulate increased wealth as a result of the upward pressure on stock prices. The resulting increased demand and lower cost of capital will sustain economic growth and create jobs as companies invest in the new equipment, build new plants and develop new products. Many economists also believe eliminating this double tax will boost the stock market from 10 to 20 percent.

''Since small businesses create two-thirds of the new jobs in the United States, the importance of the small business provisions of the President's proposal should not be underestimated. Approximately 85 percent of small business owners file tax returns as individuals and represent nearly 80 percent of the taxpayers at the top income bracket. Accelerating all of the scheduled income tax rate reductions to this year, 2003, will provide approximately $10 billion in tax savings to small businesses that file as individuals. Allowing small business owners to expense critical investments will facilitate economic expansion, so we urge you to support raising the small business expensing limit from $25,000 to $75,000 and indexing it for inflation. These changes will create savings for small businesses that will put money directly into the economy and create new jobs.

''Any proposal that does not include the critical small business provisions and result in the full elimination of the unfair double taxation on dividends will significantly compromise the economic benefits of the President's package and jeopardize the hundreds of thousands of new jobs that would otherwise be created.

''In our view, representing tens of millions of working Americans and businesses, if you do not include the dividend tax reduction and the critical small business provisions, the jobs and growth package will simply not have the same effect.

''This has been respectfully submitted by the Tax Relief Coalition.''

Mr. Speaker, I am just very honored to have been here tonight with the gentleman from North Carolina to present on behalf of nearly 1,000 business associations, businesses and other think tanks that are proposing that we reduce taxes and the tax burden on the American people. I just cannot wait until tomorrow, and I hope the American people follow the debate. I am confident that just as we had the debates following the tax increases of 1993, which when those tax increases were put in place that we heard were so good tonight, the immediate effect was that a Republican Congress was elected for the first time in over 40 years.

And so people do understand these issues. I know in the State of South Carolina that we understand those issues because, in fact, not only was there a new Republican majority in the House here in Washington, but for the first time since 1877 there was a Republican majority and the first Republican Speaker of the House of Representatives in the entire South, David Wilkins, was elected. The American people do understand these issues. We have gotten excellent leadership in our State and here in Washington. The Republicans then achieved a majority in the State Senate in 2001 for the first time since 1877 because people do understand the philosophical differences between the two parties. They understand that we as Republicans are working for limited government, expanded freedom. On the other side, they have tax-and-spend policies. They are well meaning, but they are wrong.

□ 2100

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HENSARLING). The Chair would generally remind Members to address their remarks to the Chair and not to those outside the Chamber.

GENERAL LEAVE

Mrs. NAPOLITANO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order.

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

There was no objection.

MENTAL HEALTH CAUCUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentlewoman from California (Mrs. NAPOLITANO) is recognized for 60 minutes as the designee of the minority leader.

Mrs. NAPOLITANO. Mr. Speaker, as the Democratic Chair of the bipartisan Congressional Mental Health Caucus, which we recently began, I am pleased to anchor at this time along with my Republican cochair, the gentleman from Pennsylvania (Mr. MURPHY), who spoke a few minutes. He was granted some time by my good friend to make his remarks, and I hope that he will be able to return.

Mr. Speaker, this week is National Suicide Awareness Week, and we want to highlight that fact. Approximately 30,000 people, 30,000 people, commit suicide in the United States every year, making suicide the 11th leading cause of death nationwide. Suicide is particularly a problem among young people, communities of color, and seniors. The States with the five highest suicide rates are Nevada, Wyoming, Montana, New Mexico, and Arizona.

Everyone should be screened by the health care providers in our schools for mental health and/or risk of suicide. Because of the associated stigma of the crazies, we cannot count on people to seek out help on their own. Another key point is our need for more mental health professionals to break down financial and language barriers to mental health.

Mr. Speaker, I will right now take the time to introduce the gentleman from Texas (Mr. RODRIGUEZ) to address this same issue.

Mr. RODRIGUEZ. Mr. Speaker, I would like to thank the gentlewoman from California (Mrs. NAPOLITANO) for taking this opportunity to talk about suicide and the mentally ill. I think one of the difficulties that we encounter is the fact that when it comes to the mentally ill, it is usually one of the last that we talk about, and in fact it is usually an afterthought in terms of providing resources that are drastically needed for not only for the mentally ill but for the issue in terms of preventing suicides.

Mental disorders are common in the United States, and we sometimes do not realize how common they are. There is an estimated 22 percent of Americans age 18 and older and one out of five adults who suffer from diagnosed mental disorders throughout a year. Tragically, mental disorder is often linked with suicide. Of the 29,350 people who died by suicide in the year 2000, more than 90 percent of the people who killed themselves have diagnosable mental disorders, commonly depressive disorders as well as substantive abuse disorders and other dual diagnoses.

At this time I would also like to focus my remarks on critical segments of our population, and that is our veterans. Today while we continue to deploy troops in Iraq, it is important to remember that the wounds of combat that would disable and harm our troops are not merely just physical. Many combat wounds will affect the minds, the brain, and the spirit of our Armed Forces and their loved ones. So often we forget that long after the visible battle wounds are healed, many veterans continue to suffer not only physically but also mentally. For our heroes of today as well as yesterday's

stress-related conditions like post-traumatic stress disorders, PTSD, and depression can be among the most chronic and disabling of the illnesses. For example, more than 30 percent of veterans, Vietnam veterans, have experienced PTSD at some point after the war experience. I have heard alarming statistics just the other day in some testimony on the House Committee on Veterans' Affairs, a witness testified that a great number of Vietnam veterans that did not die during Vietnam, of which we lost over 59,000 lives, committed suicide after they came back than soldiers lost in the battle in that conflict.

Given these alarming statistics, it is shameful that we have not appropriated sufficient funds to provide our heroes with the care that they need. From 1996 to 2000, programs for PTSD, or the homeless substantive abuse programs, and serious mental illness grew approximately 5.5 percent overall in the number of patients that they served, but the resources shrank approximately 13.5 percent for the budgets for the mentally ill that are veterans.

In addition to the painful experience of dealing with their mental disorders and especially PTSD and others, many of these veterans find themselves on the street. Homelessness is prevalent in this segment of veterans. A large number of displaced and at-risk veterans live with lingering effects of posttraumatic stress disorders and substance abuse, compounded by the lack of family and social support networks. Although accurate numbers are challenging to identify since no one really keeps the national records on homeless veterans, but the VA estimates that on any given night we will find 300,000 veterans that are homeless, and more than half a million experience homelessness throughout the course of any given year. This is important to note: Of the homeless that are out there, 40 percent report mental health problems.

In order to properly serve these veterans we must be committed to a comprehensive approach to the treatment and we must appropriate sufficient resources in dollars. Veterans need a coordinated effort that provides secure housing and nutritional meals; essential physical health care, substance abuse aftercare, and the mental health counseling; and personal development. And one of the things about substance abuse is a lot of the times the mentally ill, as they try to cope with their depression, as they try to meet and cope with the problems that they are encountering, they self-medicate, and that is why a lot of them go into substance abuse.

As a Member of the House Committee on Veterans' Affairs, I am proud of the work that we put forth and passed in Public Law 107–95, which is the Homeless Veterans Comprehensive Assistance Act, a year and a half ago, to properly address this shameful issue.

This truly comprehensive legislation sought to end homelessness among veterans within a decade, but we have got to continue to move forward. However, just this week we held an oversight hearing where we invited Deputy Secretary McKay to provide us a status report on the implementation of the Homeless Veterans Comprehensive Assistance Act.

The news is not that good. If we continue at this pace, we will not reach our goal in 10 years. Rather, it will take 25 years. This is not acceptable. Especially now after we have seen also the veterans from the Gulf war and now we have the veterans from Iraq, and we encounter to have veterans who are fighting the war on terrorism, we have to make sure that as they leave the Armed Forces that we are there for them, and I am disappointed that the VA has not moved on the critical programs such as the creation of special needs grants for women, veterans especially, and the chronically mentally ill, the ones who real seriously ill and need that service, as well as the fragile elderly and the terminal ill. We must move on the creation of specialized treatment programs for these veterans that are in need. These critical programs have not yet been designed, and it is difficult and it is hard, but we need to continue to move.

In closing, let me just say that I want to thank my colleagues once again for raising this issue and mentioning the importance of zeroing in on the issue of suicide and the issue of the mentally ill. As a social worker personally with clinical experience and training, I am proud to echo the concerns of my colleagues and to urge this body to devote adequate resources and to implement programs which speak to the needs that are before us and of those that are forgotten, yet critical segment of our society, and that is the mentally ill and those who commit suicide.

And I want to add one additional thing. As we talk about suicide, I know the gentlewoman from California (Mrs. NAPOLITANO) has done significant work for the Latino young ladies, Latinas, who are prone to commit suicide, in the need to reach out to our young. We have forgotten Columbine. We have forgotten the fact that we still have young people throughout this country that need assistance, and when it comes to our young, we have not done what we should do, and that is to make sure we have the programs to reach out to them. Most of the time throughout this country, the only resources they have is after they get into the criminal justice system. And that is too late. We need to make sure we have programs that reach out to our young.

I want to congratulate the gentlewoman from California (Mrs. NAPOLITANO) for her legislation and her efforts in providing that assistance in the area of Latina suicide and health care.

One of the other areas that I would like to mention that sometimes goes unnoticed, and that is the issue of depression. As people suffer from depression, women and young, men, young people and the elderly, it is an issue that we do not see as a mental health issue, but it is an issue that hits us without us realizing it. Just like the work burnout. By the time one realizes it, they have gotten into trouble, and a lot of times people lose their jobs because they get burned out and do not have the energy. But people suffer from depression, and it is important for us to work on those areas.

And I just want to mention one other item because I think it is important. As we look at the issue of terrorism and as we look at the problems and the things that we have been confronted with, what has occurred here not only at the Pentagon but what has occurred in New York, those in individuals in New York, those individuals at the Pentagon, as well as others, we need to make sure we reach out to them because they have experienced what a lot of us have not, and in so doing, they are also going to be suffering from nightmares. They are also going to be suffering from coping with a situation that they themselves went through, and so they are going to be having what we might consider post-traumatic stress disorders of which they need to be able to deal with. So as a society and as a community in these United States, we need to put the resources in those areas. And once again I want to thank the gentlewoman from California (Mrs. NAPOLITANO) for having taken the time for us to be here tonight and I want to congratulate her in bringing up this issue that is usually left in the back burner.

Mr. Speaker, when we talk about health care a lot of times as an afterthought we talk about mental health, and that is unfortunate. We really need to put that on the front burner. We need to make sure we bring it forth and provide the resources. I thank the gentlewoman for having me here tonight.

Mrs. NAPOLITANO. I thank the gentleman from Texas (Mr. RODRIGUEZ). Mr. Speaker, I think he has made some very valid points, and I want to elaborate a little more on that, in that more than one third of our veterans need psychiatric care, most, as the gentleman has stressed, for the PTSD, posttraumatic stress disorder, and unfortunately the Veterans Administration's spending for mental health care has decreased since 1996 by a whopping 23 percent, almost a quarter. Veterans in need of mental health services often have to wait weeks, even months in some parts of country, for appointments, never mind having assistance by a psychologist, psychiatrist. One reason is because only 40 percent of the Veterans Administration clinics, Mr. Speaker, have mental health professionals.

□ 2115

Many veterans are forced to travel over an hour for care. Veterans who need weekly or biweekly follow-up appointments for therapy or medication

regulation can only be seen every 6 weeks. The Veterans Administration desperately needs more psychiatric staff. Sadly, less than 9 percent of the Veterans Administration funds are available for residency training or designated for psychiatric residency in the year 2002.

Our heroes, our active duty soldiers, just recently on television there was a young soldier who when asked what he was thinking when he came home, he said, I wake up with dreams where I was in the tank seeing the Iraqis use women and children as shields. Somebody needs to help those young men and women who have witnessed the atrocities and do not have the ability to download or be able to have professional assistance to deal with this traumatic scene that they are going to live with for the rest of their lives.

Not only are they in immediate danger in combat service, they need our help to be able to function properly in our society. Many of them experience extreme flashbacks and nightmares of war situations, but they may not openly talk about them. I can tell you, Mr. Speaker, from experience, from my brother-in-law who was in World War II, he refused to talk about his experiences because they were so painful.

Soldiers must be screened for these mental health problems and given assistance before they progress to suicidal proportions. Families of soldiers who have served in war also need mental health services to cope with their loved ones' fears, their anxiety, and their issues.

Very sadly, unfortunately, lack of appropriate mental health services for soldiers has led not only to suicide, but to homicide. Last year, the four soldiers at Fort Bragg allegedly killed their wives or partners. Family members noticed the soldiers were experiencing rage and other mental wounds of service and needed mental health treatment. None was provided; none was available.

We talk about our homeless, our street people. As my colleague just mentioned, there are over 300,000 people without shelter on any given night. Approximately 25 percent of these homeless have serious mental illness, such as schizophrenia, bipolar disorder and PTSD. Unfortunately, many minorities, particularly African Americans, are overrepresented among the mentally ill homeless population.

Only a handful of the homeless shelters currently provide comprehensive mental health services; and yet without these services, we will never break the cycle of homelessness and help people get back on their feet and function in our society. We do not even have accurate figures on the number of homeless people who commit suicide; but given their likelihood of mental health illness, their desperate situation, this number is expected to be high.

Now I go on to our youngsters, Mr. Speaker. Suicide is the third leading cause of death among young people ages 10 to 24, followed by unintentional injuries and homicide. Our U.S. Surgeon General estimates that one in five children, one in five children, will experience a serious mental health problem during their school years. Can you imagine, one in five? That means three of my grandchildren, because I have fourteen. A sad statistic.

A variety of causes lead youth to serious mental health problems and suicide, including academic problems, peer pressure, fear of school violence, severe change in family situation, rape during college years, and the double stigma of the mental stress and the rape.

Children are considered by many psychologists to be the most resilient age group with regard to mental illness, meaning that, if given appropriate treatment, children are likely to fully recover, if they are given treatment. Children also need a good deal of preventative mental health care to ensure that they do not reach the critical suicide stage. They need help in adapting to dramatic life changes, such as moving from one city to another, switching schools, parental divorce or a loss of a family member, a loved one.

Latino adolescents are the most likely of any racial or ethnic group to attempt suicide in the United States. The Native American and Alaskan Native youth are the most likely of any racial or ethnic group to commit suicide.

I first learned of this problem in a 1990 report by a representative group of health care providers of Hispanic origin that brought to us here in Washington a report presented to the Congressional Hispanic Caucus. It stated that a shocking one in three Latino adolescents ages 9 to 11 had seriously considered suicide, and that 15 percent of those adolescents actually attempted suicide. That is horrible. That is unacceptable.

So we responded by spearheading and securing funding from Health and Human Services, SAMHSA, substance abuse, for a pilot program in my district to provide school-based mental health services through a nonprofit mental health care provider. This program has served over 300 students in three middle schools and one high school, many of whom have no health insurance and could not have received these services elsewhere. They were either unable to provide services to them or their provider would not cover them.

Children exposed to violence and poverty are at a heightened risk for mental illness and for suicide, as are students who have experienced, as I said, parental death or divorce. Children in schools need to be screened for mental illness and suicide risk factors so they can be given appropriate care. Schools should have trained personnel who can spot the first signs and prevent at-risk children from attempting suicide.

Seventy percent of school children and adolescents nationwide who need mental health services are not getting them. Untreated mental illness has led to violence in schools; and as we have seen in the newspaper, there continues to be almost on a daily basis an instance where something has happened in a school, there is violence, there is a suicide attempt or suicide has been committed.

In 1996 a Health and Human Service study found that almost 20 percent of students feared being violently attacked by their peers at school. Students have attacked their teachers and their administrators at a time that is crucial for children in middle schools and high schools that have tremendous pressures.

Then we look at the shortage of mental health services. Many schools do not have mental health professionals. In fact, I do not know of many that can even afford nurses, let alone mental health care providers. Nearly all people who commit suicide have a diagnosable mental illness or substance abuse problem, something that has been found in about 70 percent of the students that have been treated for mental health illness, or they have more than one.

Most people who need mental health services do not have access to them because of the stigma associated with mental health care, because of financial barriers, because of language barriers, or simply a lack of available services. This is a particular problem in minority communities, where individuals are less likely to have health insurance and more likely to have a language barrier to receive care. Only 32 percent of Hispanic female youth at risk for suicide during the year of 2000 received mental health treatment. That is only 32 percent.

The shortage of mental health professionals is a vital, vital necessity, especially amongst minorities. We are facing a severe shortage of mental health professionals, particularly in the areas in high populations of minorities, who can render services bilingually, in the native language, or a language that they can understand.

Research in other areas of health care indicates that minority health care workers are more likely to practice in areas with high minority populations; but unfortunately, we have shockingly few minority health care professionals. Only 1 percent of licensed psychologists are Hispanic, 1 percent. Moreover, there are only 29 mental health professionals for every 100,000 Hispanics in the United States. There are only 70 Asian American/Pacific Islander mental health providers for every 100,000 Asian American/Pacific Islanders in the United States. Further, half of the Asian American/Pacific Islanders who need mental health services report that they do not access them because of language barriers. Interesting.

But do not think that mental illness and suicide only plague minority communities or young people. Let us look at our elderly. Our Nation's seniors are at an enormously high risk of suicide. In fact, the highest suicide rate in the

United States of any age group occurs among people ages 65 years and older. There is an average of one suicide among elderly every 90 minutes.

Seniors are at a high risk for depression. Fifteen out of every 100 people in the U.S. over 65 are depressed. Unfortunately, it goes unnoticed, because families and health care providers are focused only on their health, more often than not. But depression among seniors, when left untreated, can worsen conditions, lead to disability and, ultimately, result in suicide.

Now, Substance Abuse Mental Health Services estimates that 20 percent of the elderly over 65 years old who commit suicide visited a physician within 24 hours of their act; 41 percent visited within a week of their suicide; and 75 percent have been seen by a physician within 1 month of their suicide. Clearly, our physicians are not screening their elderly patients for depression or suicide risk, nor are they providing adequate treatment for mental illness. This has to change. It must change. It cannot continue.

Depression and suicide are not a normal part of aging; and they must not, they cannot be ignored. The most common causes of senior depression and suicide include terminal illness, physical pain, loss of a spouse, and/or social isolation.

Then we go into Medicare. Unfortunately, current Medicare rules make it very difficult for seniors to access mental health services. Currently, Medicare requires beneficiaries to pay 50 percent copay for mental health services, compared to 20 percent copay for other health services. We must make mental health equal to health care delivery.

Further, Medicare imposes a lifetime limit of in-patient care in psychiatric hospitals of 190 days, a lifetime limit, 190 days. Later this year, hopefully Congress will debate this Medicare modernization; and when we do, we must make it clear that we must address these insufficient mental health provisions, and we must ensure that Medicare provides access to mental health services that our seniors desperately need.

Medicare is not the only Federal program falling short on mental health services. While men are more likely to commit suicide, women attempt suicide twice as often as men, often using less lethal means such as pills or slicing their wrists. Suicide is more common among single, divorced, or widowed women than among married women.

The two most common mental illnesses among women who attempt suicide are postpartum depression and bipolar disorder. Suicide rates for women peak between the ages of 45 and 54, often due, guess what, to hormonal changes during menopause that affect their mental health. Unfortunately, gynecologists and obstetricians do not screen enough patients for postpartum depression or mental health illnesses related to menopause.

Then we look at our college students. They are at a heightened risk for mental illness and suicide because they are away from home for the first time, away from traditional support systems, and face intensive peer pressure and academic pressure, and, as has happened in many of our colleges, unfortunately and sadly, rape on our campuses.

□ 2130

This brings shame, shock, and denial and causes them to take the ultimate step of suicide. It is the second leading cause of death among college students. The rate among these students has tripled since 1970.

Well, Mr. Speaker, we are coming to the end of the hour and I want to make sure that we stress that we need to make mental health a higher national priority, to expand access to health care, mental health care for all Americans. I thank the gentleman from Pennsylvania (Mr. MURPHY). He has consented to be a cochair in our bipartisan Mental Health Caucus which now numbers over 17 Members from both sides. We invite more Members to join and work with us and bring this up into the light and be able to talk about it, discuss it, and do something about it.

Mr. Speaker, this is a large and daunting issue. The mentally ill need all the support and supporters they can get. We must eradicate the stigma and work openly and honestly to help those many that need our help.

I want to thank all of the Members who are working with us to improve mental health issues in our Nation. I want to thank my distinguished colleague and cochair, once again, the gentleman from Pennsylvania (Mr. MURPHY), and I would then say to my colleagues that I am very pleased that even at this late hour, I have an opportunity to bring before my colleagues one of the things that has bothered a lot of us for a long time.

Ms. BORDALLO. Mr. Speaker, I am pleased to join my colleagues this evening on this most important issue and I thank my colleague, Mrs. NAPOLITANO, for bringing attention to National Suicide Awareness Week. This is a very personal issue for me as I have experienced first hand the impact of suicide on family and friends.

Tonight I want to bring special attention to the issue of suicide in youth and young adults.

In the year 2000, persons under age 25 accounted for 15 percent of all suicides. In 1999, more teenagers and young adults died from suicide than from cancer, heart disease, AIDS, birth defects, stroke, and chronic lung disease combined.

Nationally, suicide is the 9th leading cause of death. Among 10–24 year-olds, suicide ranks 3rd and in Guam, where the suicide rate is six times higher than the national average, it ranks 2nd as the leading cause of death in youth and young adults.

Mr. Speaker, we cannot stand by and allow this tragedy to continue. We must focus our efforts on what causes the youth in our communities to choose to end their lives.

The report of the Surgeon General's Conference on Children's Mental Health: Developing a National Action Agenda indicates that children with mental health needs are usually identified by the schools only after their emotional or behavioral problems cannot be managed by their regular classroom teacher.

We must educate and train parents, teachers and others who work with our children to recognize the warning signs of suicidal young adults.

We must provide funding for the programs and services that will treat our children and provide guidance and support to their family and friends, including expanding Medicaid eligibility to allow lower income and poor families to access programs and services.

We must also recognize the racial, cultural and ethnic influence on behaviors and its effect on properly identifying at-risk youth and address its impact on intervention and access to the programs and services.

Most importantly, we must help our children understand that suicide is never the answer to their problems.

Ms. WATSON. Mr. Speaker, there are approximately 30,000 suicide deaths every year in the U.S. Suicide is the 11th leading cause of death nationwide, and is the 3rd leading cause of death among people ages 10–24, following unintentional injuries and homicide.

Statistics of completed suicide only tell part of the story. National Institute of Mental Health (NIMH) estimates that research indicates that there are an estimated 8–25 attempted suicides to one completion; the ratio is higher in women and youth. Adolescent males are 4 times more likely to actually commit suicide than females. Adolescent females are twice as likely as adolescent males to attempt suicide.

Since peaking in the early 1990's, overall adolescent suicide rates have dropped. However, most of this is attributed to a drop in male adolescent suicide. Rates for females have remained constant. Fifty-three percent of young people who commit suicide abuse substances.

Most people who commit suicide have a diagnosable mental illness, but are not receiving treatment.

Children who are exposed to violence, experience a loss in the family, experience parental divorce, or have academic problems are at a heightened risk for mental health problems and suicide.

The U.S. Surgeon General estimates that 1 in 5 children will experience a serious mental health problem during their school years. Seventy percent of these children will not receive mental health services, putting them at an even higher risk of suicide.

Native American/Alaskan Native youth are more than twice as likely to commit suicide as any other adolescent racial group to commit suicide, with approximately 20 deaths per 100,000 Native Americans/Alaskan Natives ages 15–19.

Hispanic adolescents are most likely to exhibit non-lethal suicide behavior. A 1999 report found that a shocking 1 in 3 Latina adolescents seriously considered suicide. Fifteen percent of Hispanic high school-age females actually attempt suicide each year.

People who are homeless, incarcerated, in the foster care system, or exposed to serious violence are all at a higher risk for mental illness and suicide. African-Americans and Hispanics are overrepresented in these groups.

Minorities are less likely to access mental health care, due to lack of insurance and other

financial barriers and cultural stigma. For instance, only one third of African-Americans in need of mental health services actually receive them.

Among Hispanic Americans with a mental disorder, fewer than 1 in 11 contact mental health specialists, while fewer than 1 in 5 contact general health care providers. Among Hispanic immigrants with mental disorders, fewer than 1 in 20 use services from mental health specialists, while fewer than 1 in 10 use services from general health care providers.

Of Asian-Americans who report needing mental health services, half of them do not receive them because they cannot find a provider who speaks their language.

There is a serious lack of mental healthcare providers, and an even greater lack of minority providers, who are more likely to practice in communities with high minority populations.

We must invest more in our mental healthcare system in order to prevent suicide. We need more psychiatrists and psychologists. We need to screen all of our children for mental health problems and suicide risk factors. And when our children exhibit symptoms of mental illness—such as withdrawal from family and friends, academic trouble, sadness or behavioral problems—we must make sure they get the appropriate treatment immediately.

Mrs. NAPOLITANO. Mr. Speaker, I yield back the balance of my time.

RECESS

The SPEAKER pro tempore (Mr. HENSARLING). Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 32 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2201

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 10 o'clock and 1 minute p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2, JOBS AND GROWTH RECONCILIATION TAX ACT OF 2003

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–95) on the resolution (H. Res. 227) providing for consideration of the bill (H.R. 2) to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth, which was referred to the House Calendar and ordered to be printed.

OMISSION FROM THE CONGRESSIONAL RECORD OF THURSDAY MAY 1, 2003, AT PAGE H3632

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 162—An Act to provide for the use and distribution of certain funds awarded to the Gila River Prima-Maricopa Indian community, and for other purposes.

CORRECTION TO THE CONGRESSIONAL RECORD OF TUESDAY, MAY 6, 2003, AT PAGE H3658

APPOINTMENT AS MEMBERS TO UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

The SPEAKER pro tempore. Pursuant to section 1238(b)(3) of the Floyd D. Spence National Defense Authorization Act for fiscal year 2001 (22 U.S.C. 7002), amended by Division P of the Consolidated Appropriations Resolution, 2003 (P.L. 108–7), and the order of the House of January 8, 2003, the Chair announces the Speaker's reappointment of the following members on the part of the House to the United States-China Economic and Security Review Commission:

Ms. June Teufel Dreyer, Coral Gables, Florida, for a term to expire December 31, 2003;

Mr. Larry Wortzel, Alexandria, Virginia, for a term to expire December 31, 2004;

Mr. Stephen D. Bryen, Silver Spring, Maryland, for a term to expire December 31, 2005.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DINGELL (at the request of Ms. PELOSI) for today on account of medical reasons.

Ms. JACKSON-LEE of Texas (at the request of Ms. PELOSI) for May 7 after 3:00 p.m. on account of official business in the district.

Mr. FEENEY (at the request of Mr. DELAY) for today and the balance of the week on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DEFAZIO) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mr. CASE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. RYAN of Ohio, for 5 minutes, today.

Ms. Linda T. Sanchez of California, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. HENSARLING) to revise and extend their remarks and include extraneous material:)

Ms. PRYCE of Ohio, for 5 minutes, today.

Ms. HARRIS, for 5 minutes, today.

Mrs. BLACKBURN, for 5 minutes, today.

Mr. THOMAS, for 5 minutes, today.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found a truly enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 289. An act to expand the boundaries of the Ottawa National Wildlife Refuge Complex and the Detroit River International Wildlife Refuge.

ADJOURNMENT

Mr. REYNOLDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, May 9, 2003, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2089. A letter from the Director, Regulatory Review Group, Department of Agriculture, transmitting the Department's final rule — Tobacco Payment Program (RIN: 0560-AG96) received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2090. A letter from the Directors, FinCEN, Department of the Treasury, transmitting the Department's final rule — Customer Identification Prorams for Banks, Savings Associations, Credit Unions and Certain Non-Federally Regulated Banks (RIN: 1506-AA31) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2091. A letter from the Assistant General Counsel for Regulations, Office of Housing, Department of Housing and Urban Development, transmitting the Department's final rule — Tenant Participation in State-Financed, HUD-Assisted Housing Developments [Docket No. FR-4611-F-02] (RIN: 2502-AH55) received May 2, 2003; to the Committee on Financial Services.

2092. A letter from the Deputy Secretary, Division of Investment Management, Securities and Exchange Commission, transmitting the Commission's final rule — Customer Identification Programs for Mutual Funds [Release No. IC-26031; File No. S7-26-02] (RIN: 1506-AA33) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2093. A letter from the Directors, FinCEN, Securities and Exchange Commission, transmitting the Commission's final rule — Customer Identification Programs for Broker-Dealers [Release No. 34-47752, File No. S7-25-02] (RIN: 1506-AA32) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2094. A letter from the Directors, FinCEN, Securities and Exchange Commission, transmitting the Commission's final rule — Customer Identification Programs for Mutual Funds [Release No. IC-26031; File No. S7-26-02] (RIN: 1506-AA33) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2095. A letter from the Acting Assistant General Counsel for Regulations, Office of the General Counsel, Department of Education, transmitting the Department's final rule — Office of Special Education and Rehabilitative Services; National Institute on Disability and Rehabilitation Research -Rehabilitation Engineering Research Centers (RERCs) Program; Notice Inviting Applications for Fiscal Year (FY) 2003 [CFDANo.: 84.133E] received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2096. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule — Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits — received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2097. A letter from the Secretary of the Commission, Bureau of Consumer Protection, Federal Trade Commission, transmitting the Commission's final rule — Rule Concerning Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under the Energy Policy and Conservation Act (''Appliance Labeling Rule'') received April 30, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2098. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's annual report on entitled, ''Patterns of Global Terrorism: 2002,'' pursuant to 22 U.S.C. 2656f; to the Committee on International Relations.

2099. A letter from the Assistant Secretary, International Security Policy, Department of Defense, transmitting the Department's FY 2004 Cooperative Threat Reduction Annual Report; to the Committee on International Relations.

2100. A letter from the Deputy Chief of Mission, Embassy of the Russian Federation, transmitting the Statement of the State Duma on the situation around the Republic of Iraq of January 22, 2003; to the Committee on International Relations.

2101. A letter from the Director, Workforce Compensation and Performance Service, Office of Personnel Management, transmitting the Office's final rule — Locality Pay Areas (RIN: 3206-AJ62) received April 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

2102. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone off Alaska; Yellowfin Sole by Vessels Using Trawl Gear in Bering Sea and Aleutian Islands Management Area [Docket No. 021212307-3037-02; I.D. 041503A] received April 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2103. A letter from the Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Northeastern United States; Scup Fishery; Gear Restricted Area (GRA) Exemption Program [Docket No. 021122284-3056-03; I.D. 110602A] (RIN: 0648-AQ30) received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2104. A letter from the Director, Regulations and Forms Services Division, Department of Homeland Security, transmitting the Department's final rule — Electronic Signature on Applications and Petitions for Immigration and Naturalization [CIS No. 2224-02] (RIN: 1615-AA83) received April 29, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2105. A letter from the Chief Legal Counselor, Department of Homeland Security, transmitting the Department's final rule — Electronic Signature on Applications and Petitions for Immigration and Naturalization Benefits [CIS No. 2224-02] (RIN: 1615-AA83) received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2106. A letter from the Rules Administrator, Office of General Counsel, Department of Justice, transmitting the Department's final rule — Bureau of Prisons Emergencies [BOP-1117-I] (RIN: 1120-AB17) received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2107. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule — VISAS: Documentation of Nonimmigrants under the Immigration and Nationality Act, as amended: Student and Exchange Visitor Information System (SEVIS) — received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2108. A letter from the General Counsel, National Science Foundation, transmitting the Foundation's final rule — Antarctic Meteorites (RIN: 3145-AA40) received April 3,2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

2109. A letter from the Acting Deputy General Counsel, Office of Size Standards, Small Business Administration, transmitting the Administration's final rule — Small Business Size Standards; Tour Operators (RIN: 3245-AE98) received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

2110. A letter from the Deputy General Counsel, Office of Size Standards, Small Business Administration, transmitting the Administration's final rule — Small Business Size Regulations; Petroleum Refiners (RIN: 3245-AE84) received may 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

2111. A letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule — Reasonable Charges for Medical Care or Services; 2003 Update (RIN: 2900-AL57) received April 22, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2112. A letter from the Director, Regulations Management, Departyment of Veterans Affairs, transmitting the Department's final rule — Eligibility for Burial of Adult Children; Eligibility for Burial of Minor Children; Eligibility for Burial of Certain Filipino Veterans (RIN: 2900-AI95) received March 31, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2113. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Tax Return Preparers-Electronic Filing [TD 9053] (RIN: 1545-BC12) received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2114. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Definitions (Rev. Rul. 2003-46) received May 6, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2115. A letter from the Under Secretary, Department of Defense, transmitting the Defense Environmental Restoration Program report for FY 2002, pursuant to 10 U.S.C. 2706(a)(1); jointly to the Committees on Armed Services and Energy and Commerce.

2116. A letter from the Secretary, Federal Trade Commission, transmitting the Second Annual report pursuant to the College Scholarship Fraud Prevention Act of 2000; jointly to the Committees on Education and the Workforce and the Judiciary.

2117. A letter from the Administrator, Agency for International Development, transmitting a report required by Section 653(a) of the Foreign Assistance Act of 1961; jointly to the Committees on International Relations and Appropriations.

2118. A letter from the Attorney General, Department of Justice, transmitting a report required by the Foreign Intelligence Surveillance Act of 1978, pursuant to 50 U.S.C. 1807; jointly to the Committees on the Judiciary and Intelligence (Permanent Select).

2119. A letter from the Board Members, Railroad Retirement Board, transmitting the Board's enclosed bill to amend the Railroad Retirement Act to solve several technical problems that have arisen in connection with the establishment of and actions by the National Railroad Retirement Investment Trust; jointly to the Committees on Transportation and Infrastructure and Ways and Means.

2120. A letter from the General Counsel, Department of Defense, transmitting the Department's legislative initiatives as part of the National Defense Authorization Act for FY 2004; jointly to the Committees on Government Reform, the Judiciary, and Armed Services.

2121. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's proposed legislation to authorize appropriations to carry our its authorities and responsibilities in the conduct of foreign affairs for fiscal years 2004 and 2005; jointly to the Committees on International Relations, Government Reform, the Judiciary, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NEY: Committee on House Administration. House Resolution 110. Resolution providing amounts for the expenses of the Committee on Homeland Security in the One Hundred Eighth Congress; with amendments (Rept. 108–93. Referred to the House Calendar.

Mr. THOMAS: Committee on Ways and Means. House Resolution 2. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth; with amendments (Rept. 108–94). Referred to the Committee of the Whole House on the State of the Union.

Mr. REYNOLDS: Committee on Rules. House Resolution 227. Resolution providing for consideration of the bill (H.R. 2) to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth (Rept. 108–95). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. AKIN (for himself, Mr. DELAY, Mr. BLUNT, Mr. CANTOR, Ms. PRYCE of Ohio, Mr. ADERHOLT, Mr. BACHUS, Mr. BAKER, Mr. BARRETT of South Carolina, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mrs. BLACKBURN, Mr. BEAUPREZ, Mr. BEREUTER, Mr. BISHOP of Utah, Mr. BOEHNER, Mr. BONILLA, Mrs. BONO, Mr. BONNER, Mr. BOOZMAN, Ms. BORDALLO, Mr. BRADY of Texas, Mr. BROWN of South Carolina, Ms. GINNY BROWN-WAITE of Florida, Mr. BURGESS, Mr. BURNS, Mr. BURR, Mr. BURTON of Indiana, Mr. CALVERT, Mr. CAMP, Mr. CHOCOLA, Mr. COLE, Mr. COLLINS, Mr. CRANE, Mr. CULBERSON, Mr. CUNNINGHAM, Mrs. JO ANN DAVIS of Virginia, Mr. DAVIS of Tennessee, Mr. TOM DAVIS of Virginia, Mr. DEAL of Georgia, Mr. DEMINT, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. DOOLITTLE, Mr. DUNCAN, Ms. DUNN, Mrs. EMERSON, Mr. FEENEY, Mr. FLAKE, Mr. FOLEY, Mr. FORBES, Mr. FOSSELLA, Mr. FRANKS of Arizona, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GARRETT of New Jersey, Mr. GIBBONS, Mr. GILLMOR, Mr. GINGREY, Mr. GOODE, Mr. GOODLATTE, Mr. GRAVES, Mr. GREEN of Texas, Mr. GUTKNECHT, Ms. HARRIS, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HOBSON, Mr. HOEKSTRA, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HULSHOF, Mr. HUNTER, Mr. ISSA, Mr. ISTOOK, Mr. JANKLOW, Mr. JENKINS, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. KELLER, Mr. KENNEDY of Minnesota, Mr. KING of Iowa, Mr. KINGSTON, Mr. KLINE, Mr. LAHOOD, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. LUCAS of Oklahoma, Mr. MANZULLO, Mr. MCCRERY, Mr. MCHUGH, Mr. MCINNIS, Mr. MICA, Mrs. MILLER of Michigan, Mr. GARY G. MILLER of California, Mr. MILLER of Florida, Mrs. MUSGRAVE, Mrs. MYRICK, Mr. NEY, Mrs. NORTHUP, Mr. NUNES, Mr. OSBORNE, Mr. OSE, Mr. OTTER, Mr. PEARCE, Mr. PENCE, Mr. PETERSON of Pennsylvania, Mr. PITTS, Mr. PORTER, Mr. PLATTS, Mr. POMBO, Mr. PUTNAM, Mr. REGULA, Mr. REHBERG, Mr. RENZI, Mr. REYNOLDS, Mr. ROGERS of Kentucky, Mr. ROGERS of Michigan, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SAXTON, Mr. SCHROCK, Mr. SESSIONS, Mr. SHADEGG, Mr. SHERWOOD, Mr. SHIMKUS, Mr. SHUSTER, Mr. SIMPSON, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SOUDER, Mr. STEARNS, Mr. SULLIVAN, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. TERRY, Mr. TIAHRT, Mr. TIBERI, Mr. TOOMEY, Mr. WALSH, Mr. WAMP, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITFIELD, Mr. WILSON of South Carolina, Mr. WOLF, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska):

H.R. 2028. A bill to amend title 28, United States Code, with respect to the jurisdiction of Federal courts inferior to the Supreme Court over certain cases and controversies involving the Pledge of Allegiance; to the Committee on the Judiciary.

By Mr. CAMP (for himself and Mr. BLUNT):

H.R. 2029. A bill to amend the Internal Revenue Code of 1986 to provide that long-term vehicle storage by tax-exempt organizations which conduct county and similar fairs shall not be treated as an unrelated trade or business; to the Committee on Ways and Means.

By Mr. CASE (for himself, Mr. ABERCROMBIE, Ms. PELOSI, Mrs. JONES of Ohio, Mr. GEORGE MILLER of California, Ms. LEE, Mr. HONDA, Mrs. NAPOLITANO, Mr. MCDERMOTT, Ms. WATSON, Mr. MORAN of Virginia, Mr. SERRANO, Mr. TIERNEY, Ms. JACKSON-LEE of Texas, Mr. THOMPSON of California, Mr. MATSUI, Mr. GREEN of Texas, Ms. WOOLSEY, Mr. FRANK of Massachusetts, Mr. FROST, Mr. RODRIGUEZ, Ms. LOFGREN, Mr. GRIJALVA, Mr. ANDREWS, Mr. OWENS, Mr. KILDEE, Mr. PAYNE, Mr. SHAYS, Mr. SNYDER, Mr. STARK, Mr. HINOJOSA, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. WU, Ms. DELAURO, Mr. BECERRA, Mr. REYES, Mr. HASTINGS of Florida, Mr. MARKEY, Mr. THOMPSON of Mississippi, Mr. SANDERS, Mr. GUTIERREZ, Mr. KUCINICH, Mr. SCOTT of Virginia, Mrs. MCCARTHY of New York, Mr. HINCHEY, Mr. SKELTON, Ms. MILLENDER-MCDONALD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CUMMINGS, Ms. CORRINE BROWN of Florida, Ms. SLAUGHTER, Mr. DAVIS of Illinois, Mr. HOEFFEL, Ms. BERKLEY, Mr. TOWNS, Ms. BALDWIN, Mr. FALEOMAVAEGA, Mr. BALLENGER, Mr. EVANS, Ms. CARSON of Indiana, Mr. WATT, Mr. RYAN of Ohio, Mr. WEINER, Mr. MCKEON, Mr. MCNULTY, Mr. NADLER, Mr. WYNN, Mr. CROWLEY, Mr. BRADY of Pennsylvania, Mr. ORTIZ, Mr. SANDLIN, Ms. SOLIS, Mrs. LOWEY, Mrs. MALONEY, Mr. BACA, Ms. MCCOLLUM, Ms. WATERS, Ms. SCHAKOWSKY, Mr. FARR, Mr. UDALL of New Mexico, Mr. OBEY, Mr. ETHERIDGE, Mr. OSBORNE, Ms. BORDALLO, Mr. MCGOVERN, Ms. KILPATRICK, Mr. BERMAN, and Mr. CARDIN):

H.R. 2030. A bill to designate the facility of the United States Postal Service located at 120 Baldwin Avenue in Paia, Maui, Hawaii, as the ''Patsy Takemoto Mink Post Office Building''; to the Committee on Government Reform.

By Mr. COLE:

H.R. 2031. A bill to amend the Internal Revenue Code of 1986 to restore and make permanent the exclusion from gross income for amounts received under qualified group legal services plans and to increase the maximum amount of the exclusion; to the Committee on Ways and Means.

By Mr. DAVIS of Illinois (for himself, Mr. SHIMKUS, Mr. DOGGETT, Mr. UDALL of Colorado, Mr. MOORE, Mr. MCNULTY, Mr. ENGEL, Mr. RYUN of Kansas, Mr. HINOJOSA, Mr. MCHUGH, Mr. HOLDEN, Ms. LEE, Mr. DOYLE, Mr. HOYER, Ms. SCHAKOWSKY, Mr. TOWNS, Mr. HINCHEY, Mr. SERRANO, Mr. PAYNE, Mr. GRIJALVA, Mr. KILDEE, Mr. BRADY of Pennsylvania, Mr. PALLONE, and Mrs. CHRISTENSEN):

H.R. 2032. A bill to amend title XIX of the Social Security Act to provide individuals with disabilities and older Americans with equal access to community-based attendant services and supports, and for other purposes; to the Committee on Energy and Commerce.

By Ms. DUNN (for herself, Mr. MCDERMOTT, and Mr. RUSH):

H.R. 2033. A bill to amend title XVIII of the Social Security Act to increase the minimum percentage increase under the MedicareChoice program, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HERGER (for himself and Mr. TANNER):

H.R. 2034. A bill to amend the Internal Revenue Code of 1986 to provide that an employer shall be liable for Social Security taxes on unreported tips paid to an employee only after the Internal Revenue Service establishes the amount of tips received by that employee; to the Committee on Ways and Means.

By Ms. HOOLEY of Oregon (for herself, Mr. LATOURETTE, Mr. FRANK of Massachusetts, Ms. WOOLSEY, Mr. BROWN of Ohio, Ms. NORTON, Mr. KENNEDY of Rhode Island, Mr. LARSON of Connecticut, Mr. BAIRD, Mr. FROST, Ms. LOFGREN, Ms. SLAUGHTER, Mr. KANJORSKI, Ms. CARSON of Indiana, Mr. SHERMAN, Ms. SCHAKOWSKY, Mr. WEXLER, Mr. PLATTS, Mr. GILLMOR, Mr. BAKER, Mr. GUTIERREZ, Mr. CLAY, Ms. BERKLEY, Mrs. LOWEY, Mrs. MALONEY, Mr. UDALL of Colorado, Mr. KIND, Ms. LEE, Mr. MOORE, Mr. CAPUANO, Mr. LYNCH, Mr. HASTINGS of Florida, Mr. JONES of North Carolina, Mr. HINCHEY, Mr. EMANUEL, Mr. HOLDEN, Mr. KILDEE, Ms. WATSON, Mr. ACKERMAN, Ms. MILLENDER-MCDONALD, Ms. WATERS, Mr. SOUDER, Mr. TIBERI, and Mr. GONZALEZ):

H.R. 2035. A bill to prevent identity theft, and for other purposes; to the Committee on Financial Services.

By Mr. ISAKSON:

H.R. 2036. A bill to amend the Internal Revenue Code of 1986 to provide economic incentives for the preservation of open space and conservation of natural resources, and for other purposes; to the Committee on Ways and Means.

By Mr. LEWIS of Georgia (for himself, Mr. LEACH, Ms. NORTON, Mr. OBERSTAR, Ms. JACKSON-LEE of Texas, Mr. DELAHUNT, Mr. JACKSON of Illinois, Mr. GEORGE MILLER of California, Mr. FRANK of Massachusetts, Mr. TOWNS, Mr. HINCHEY, Mr. PAYNE, Mr. BROWN of Ohio, Ms. BALDWIN, Mr. OWENS, Mr. PAUL, Mr. RUSH, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. LEE, Mr. DEFAZIO, Ms. WOOLSEY, Mr. FARR, Ms. HOOLEY of Oregon, Mr. HOEFFEL, Mr. SANDERS, Ms. CARSON of Indiana, Mr. MCGOVERN, Ms. ESHOO, and Mr. CLAY):

H.R. 2037. A bill to affirm the religious freedom of taxpayers who are conscientiously opposed to participation in war, to provide that the income, estate, or gift tax payments of such taxpayers be used for nonmilitary purposes, to create the Religious Freedom Peace Tax Fund to receive such tax payments, to improve revenue collection, and for other purposes; to the Committee on Ways and Means.

By Mrs. MCCARTHY of New York (for herself, Mr. SHAYS, Mr. CONYERS, Mr. SMITH of New Jersey, Mr. NADLER, Ms. LOFGREN, Ms. JACKSON-LEE of Texas, Ms. WATERS, Mr. MEEHAN, Mr. DELAHUNT, Mr. WEXLER, Mr. WEINER, Ms. LINDA T. SANCHEZ of California, Mr. EMANUEL, Mr. CASE, Mrs. MALONEY, Ms. CORRINE BROWN of Florida, Mr. KENNEDY of Rhode Island, Mr. RANGEL, Ms. WOOLSEY, Mr. ACKERMAN, Ms. SCHAKOWSKY, Mr. HONDA, Mr. STARK, Ms. SOLIS, Ms. LEE, Mr. VAN HOLLEN, Mr. WAXMAN, Mr. TOWNS, Ms. ROYBAL-ALLARD, Mr. GRIJALVA, Ms. CARSON of Indiana, Ms. NORTON, Mr. LIPINSKI, Mr. RUSH, Ms. WATSON, Mr. DAVIS of Illinois, Mr. LEWIS of Georgia, Mr. JACKSON of Illinois, Mr. GUTIERREZ, Mr. OWENS, Mr.

BLUMENAUER, Mr. CUMMINGS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FARR, Ms. LORETTA SANCHEZ of California, Mr. MORAN of Virginia, Mr. MARKEY, Mr. ANDREWS, Mr. HOLT, Mr. PAYNE, Mr. MCGOVERN, Mr. PASCRELL, Mr. FRANK of Massachusetts, Mrs. TAUSCHER, Ms. DELAURO, Mr. ENGEL, Mr. CAPUANO, Mr. HOEFFEL, Mrs. LOWEY, Mr. MENENDEZ, Ms. VELAZQUEZ, Mr. TIERNEY, Mr. BRADY of Pennsylvania, Mr. ROTHMAN, Mr. FATTAH, Ms. HARMAN, Mr. BISHOP of New York, and Mr. LANGEVIN):

H.R. 2038. A bill to reauthorize the assault weapons ban, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCRERY:

H.R. 2039. A bill to amend section 376 of title 28, United States Code, to allow a period of open enrollment for certain individuals who are elevated to the position of chief judge of a district; to the Committee on the Judiciary.

By Mr. OSBORNE:

H.R. 2040. A bill to amend the Irrigation Project Contract Extension Act of 1998 to extend certain contracts between the Bureau of Reclamation and certain irrigation water contractors in the States of Wyoming and Nebraska; to the Committee on Resources.

By Mr. PALLONE:

H.R. 2041. A bill to provide for grants to States for enacting statewide laws regulating public playgrounds consistent with playground safety guidelines established by the Consumer Product Safety Commission; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. BOEHLERT, Ms. SCHAKOWSKY, Mr. MCHUGH, Ms. VELAZQUEZ, Mr. GILCHREST, Mr. DOGGETT, Mrs. JOHNSON of Connecticut, Mr. GRIJALVA, Mrs. KELLY, Mr. ALLEN, Mr. LOBIONDO, Mr. PALLONE, Mr. SAXTON, Mr. BISHOP of New York, Mr. SHAYS, Mr. DAVIS of Florida, and Mr. WALSH):

H.R. 2042. A bill to amend the Clean Air Act to reduce emissions from electric powerplants, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BUYER (for himself and Ms. HOOLEY of Oregon):

H. Con. Res. 168. Concurrent resolution commending the Expedition-Six crew of the International Space Station, Commander Ken Bowersox, Flight Engineer Nikolai Budarin, and NASA ISS Science Officer Don Pettit, for their contributions in furthering scientific discovery for the world, and welcoming them back home to Earth; to the Committee on Science, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LANTOS (for himself, Mr. HYDE, Mr. LANGEVIN, and Mr. RAMSTAD):

H. Con. Res. 169. Concurrent resolution expressing the sense of Congress that the United States Government should support the human rights and dignity of all persons with disabilities by pledging support for the drafting and working toward the adoption of a thematic convention on the human rights and dignity of persons with disabilities by the United Nations General Assembly to augment the existing United Nations human rights system, and for other purposes; to the Committee on International Relations.

By Mr. OSE:

H. Con. Res. 170. Concurrent resolution supporting the goals and ideals of ''National Community Residential Care Month''; to the Committee on Government Reform.

By Mr. RAHALL (for himself and Mr. ROHRABACHER):

H. Con. Res. 171. Concurrent resolution expressing the thanks of Congress to the people of Qatar for their cooperation in supporting United States Armed Forces and the armed forces of coalition countries during the recent military action in Iraq and welcoming His Highness Sheikh Hamad bin Khalifah Al-Thani, Emir of the State of Qatar, to the United States; to the Committee on International Relations.

By Mr. HASTERT (for himself, Mr. BLUNT, Ms. PRYCE of Ohio, Mr. REYNOLDS, Mr. WELLER, Mr. KINGSTON, Mr. RADANOVICH, Mr. POMBO, and Mr. PORTER):

H. Res. 224. A resolution expressing the sense of the House of Representatives that Congress should provide adequate funding to protect the integrity of the Frederick Douglass National Historic Site; to the Committee on Resources.

By Mr. ISRAEL:

H. Res. 225. A resolution providing for consideration of the bill (H.R. 1652) to provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system; to the Committee on Rules.

By Mr. KUCINICH:

H. Res. 226. A resolution recognizing the 140th anniversary of the founding of the Brotherhood of Locomotive Engineers, and congratulating the members and officers of the Brotherhood of Locomotive Engineers for the union's many achievements; to the Committee on Transportation and Infrastructure.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

27. The SPEAKER presented a memorial of the Legislature of the State of North Dakota, relative to Senate Concurrent Resolution No. 4040 memorializing the United States Congress that the 58th Legislative Assembly supports and honors the personnel of the Armed Forces of the United States; to the Committee on Armed Services.

28. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to House Joint Resolution No. 752 memorializing the United States Congress to continue the funding for career and technical education in public secondary and postsecondary schools when authorizing the Perkins Vocational and Applied Technology Act in 2003; to the Committee on Education and the Workforce.

29. Also, a memorial of the General Assembly of the State of Iowa, relative to Senate Resolution No. 22 memorializing the United States Congress to urge the federal government to continue to fund the Best Buddies Iowa program; to the Committee on Education and the Workforce.

30. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 9 memorializing the United States Congress that we call for the creation of a Great Lakes Caucus; to the Committee on International Relations.

31. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 10 memorializing the United States Congress to encourage the International Joint Commission to maintain its participation in developing feasible and defensible strategies and policies that protect the Great Lakes water from out-of-basin diversions and to continue to support the Annex 2001 process in a deeply considered and scientifically informed manner; to the Committee on International Relations.

32. Also, a memorial of the Senate of the State of Kansas, relative to Senate Resolution No. 1827 memorializing the United States Congress to seek a constitutional amendment to protect the pledge of allegiance and our national motto; to the Committee on the Judiciary.

33. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 424 memorializing the United States Congress to adopt legislation in support of funding for nitrogen reduction technology in the 108th Congress; to the Committee on Transportation and Infrastructure.

34. Also, a memorial of the House of Representatives of the State of Delaware, relative to House Concurrent Resolution No. 12 memorializing the United States Congress that the Bush Administration be encouraged to support a free trade agreement between the United States and Taiwan; to the Committee on Ways and Means.

35. Also, a memorial of the General Assembly of the State of Iowa, relative to House Concurrent Resolution No. 19 memorializing the United States Congress and the President to eliminate trade barriers with Taiwan by negotiating and adopting a free trade agreement between the United States and Taiwan; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. WICKER.

H.R. 33: Mr. DAVIS of Tennessee.

H.R. 54: Mr. BLUNT, Mr. ENGLISH, Mr. ROGERS of Michigan, Mr. WELLER, Mr. MCHUGH, and Mr. HERGER.

H.R. 125: Mr. DINGELL.

H.R. 135: Mr. GERLACH.

H.R. 176: Mr. NORWOOD and Mr. WELDON of Florida.

H.R. 276: Mr. WICKER.

H.R. 290: Mr. PRICE of North Carolina.

H.R. 375: Mr. ALEXANDER and Mr. BONNER.

H.R. 459: Mr. TOOMEY.

H.R. 467: Ms. SCHAKOWSKY, Mr. ROTHMAN, and Mr. KUCINICH.

H.R. 468: Ms. SCHAKOWSKY and Mr. KUCINICH.

H.R. 469: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 470: Ms. LOFGREN and Ms. DELAURO.

H.R. 471: Ms. LOFGREN and Ms. DELAURO.

H.R. 472: Ms. LOFGREN, Ms. DELAURO, and Mr. ABERCROMBIE.

H.R. 473: Ms. LOFGREN and Mr. GEORGE MILLER of California.

H.R. 474: Ms. LOFGREN and Ms. DELAURO.

H.R. 492: Mr. PETRI.

H.R. 569: Ms. ESHOO.

H.R. 720: Mr. TAUZIN.

H.R. 727: Mr. MARKEY.

H.R. 737: Mr. WU.

H.R. 754: Mr. MCHUGH and Mr. PICKERING.

H.R. 765: Mr. WICKER.

H.R. 781: Mr. GONZALEZ and Mr. BRADLEY of New Hampshire.

H.R. 785: Mr. TERRY, Mr. SIMPSON, Mr. BILIRAKIS, Mr. TIERNEY, Mrs. CAPPS, Mr. CHABOT, Mr. BOUCHER, and Mr. NADLER.

H.R. 786: Mr. MARIO DIAZ-BALART of Florida and Mr. FALEOMAVAEGA.

H.R. 816: Mr. HOEFFEL.

H.R. 817: Mr. CUMMINGS and Mr. ENGLISH.

H.R. 833: Mr. CANTOR.

H.R. 876: Mr. MICHAUD, Mr. PLATTS Mr. HOLT, Mr. SULLIVAN, and Mr. COLE.

H.R. 880: Mr. HONDA and Mr. FRANK of Massachusetts.

H.R. 898: Mr. HOYER, Mr. TANCREDO, Mr. PETERSON of Pennsylvania, Mr. VAN HOLLEN

, Mrs. LOWEY, Mr. WYNN, Mr. RUPPERSBERGER, Mr. TAYLOR of Mississippi, Mr. FATTAH, and Mr. HINCHEY.

H.R. 920: Mr. MATSUI and Mr. HASTINGS of Florida.

H.R. 934: Mr. HASTINGS of Florida.

H.R. 935: Mr. PAYNE, Mr. CASE, and Ms. MCCOLLUM.

H.R. 936: Ms. SLAUGHTER.

H.R. 941: Mr. MARKEY.

H.R. 953: Mr. FERGUSON.

H.R. 954: Ms. CARSON of Indiana.

H.R. 965: Mr. GUTIERREZ and Mrs. MALONEY.

H.R. 980: Mr. WELLER.

H.R. 998: Mr. FROST.

H.R. 1003: Mr. CONYERS, Ms. LEE, and Mr. KUCINICH.

H.R. 1094: Mr. EMANUEL, Mr. STUPAK, Mr. UDALL of Colorado, Mr. DAVIS of Alabama, Mr. BOSWELL, Mr. BERMAN, Mrs. LOWEY, and Mr. DAVIS of Tennessee.

H.R. 1105: Mr. PRICE of North Carolina.

H.R. 1114: Mr. LEACH.

H.R. 1119: Mr. DOOLITTLE.

H.R. 1125: Mr. GIBBONS, Mr. LEWIS of Kentucky, and Mr. EMANUEL.

H.R. 1146: Mr. LUCAS of Oklahoma and Mr. NEY.

H.R. 1157: Mr. THOMPSON of California, Mr. RYAN of Ohio, Mr. BAIRD, and Ms. LINDA T. SANCHEZ of California.

H.R. 1227: Mr. OXLEY.

H.R. 1236: Mr. ROGERS of Michigan and Mr. SIMPSON.

H.R. 1266: Mr. BOSWELL.

H.R. 1275: Mr. RANGEL.

H.R. 1288: Mr. QUINN, Mr. JOHNSON of Illinois, Mr. MILLER of North Carolina, Ms. VELAZQUEZ, Mr. FILNER, Mr. BASS, Mr. BACA, Mr. MCHUGH, Mr. WAXMAN, and Mr. RODRIGUEZ.

H.R. 1306: Mr. WYNN.

H.R. 1316: Mr. GOODE and Mr. LYNCH.

H.R. 1317: Mr. BERRY.

H.R. 1321: Mr. RYAN of Ohio and Mr. CUMMINGS.

H.R. 1329: Mr. EHLERS.

H.R. 1336: Mr. PENCE and Mr. LEVIN.

H.R. 1348: Ms. LORETTA SANCHEZ of California.

H.R. 1375: Mr. CANTOR.

H.R. 1385: Mr. FALEOMAVAEGA, Ms. GINNY BROWN-WAITE of Florida, Mr. MARSHALL, Mr. NEY, Mr. MCNULTY, and Mr. SANDERS.

H.R. 1389: Mr. ISRAEL.

H.R. 1397: Mr. RYAN of Ohio.

H.R. 1460: Mr. KOLBE, Mr. BRADLEY of New Hampshire, Mr. GRIJALVA, and Ms. GINNY BROWN-WAITE of Florida.

H.R. 1512: Mr. KILDEE, Mr. DINGELL, and Mr. KNOLLENBERG.

H.R. 1515: Mr. KOLBE.

H.R. 1519: Mr. HOLDEN.

H.R. 1523: Mr. HULSHOF.

H.R. 1564: Mr. GRIJALVA.

H.R. 1567: Mr. BILIRAKIS, Mr. NORWOOD, Mr. BAKER, Mr. FORBES, Mr. BROWN of South Carolina, Mr. GOODE, Mr. ROHRABACHER, Mr. BURTON of Indiana, Mr. DUNCAN, Mr. BARTLETT of Maryland, Mr. TANCREDO, and Mr. SHADEGG.

H.R. 1568: Mr. BISHOP of New York and Mr. HOEFFEL.

H.R. 1577: Mr. CAMP, Mr. UPTON, Mr. EHLERS, Mr. ROGERS of Michigan, Mr. KNOLLENBERG, Mrs. MILLER of Michigan, and Mr. FLAKE.

H.R. 1580: Mr. HOSTETTLER.

H.R. 1586: Mr. KELLER and Mr. SIMMONS.

H.R. 1613: Ms. LEE, Mr. THOMPSON of Mississippi, Ms. JACKSON-LEE of Texas, Mr. DAVIS of Tennessee, Mr. MILLER of North Carolina, Mr. BISHOP of Georgia, Mr. CLYBURN, Mr. WATT, Mr. HASTINGS of Florida, Mr. DAVIS of Alabama, Mr. LEWIS of Georgia, Mr. BALLANCE, Mr. JACKSON of Illinois, Mr. WYNN, Mr. CLAY, Mr. SCOTT of Virginia, Ms. WATSON, and Mr. MCNULTY.

H.R. 1614: Mr. GREEN of Texas.

H.R. 1615: Mr. HOEFFEL.

H.R. 1618: Mr. COLLINS.

H.R. 1641: Mr. ACEVEDO-VILA, Mr. SPRATT, and Mr. HYDE.

H.R. 1652: Mr. MILLER of North Carolina, Mr. STRICKLAND, and Ms. JACKSON-LEE of Texas.

H.R. 1662: Mr. ROSS, Mr. PUTNAM, and Mr. BISHOP of Georgia.

H.R. 1684: Mr. LEACH, Mr. GIBBONS, Ms. LOFGREN, Ms. SCHAKOWSKY, and Mr. SABO.

H.R. 1688: Mr. LEVIN, Mr. SCHIFF, Mr. GUTIERREZ, Mr. STRICKLAND, Mr. Bishop of New York, Mr. WU, and Mr. NADLER.

H.R. 1692: Ms. LORETTA SANCHEZ of California.

H.R. 1708: Mr. DAVIS of Illinois, Ms. KAPTUR, Mr. DINGELL, Mr. PAYNE, Mr. NADLER, Mr. PRICE of North Carolina, and Mr. BAIRD.

H.R. 1711: Mr. PASCRELL and Mr. JANKLOW.

H.R. 1719: Mr. FRANK of Massachusetts and Mr. MCDERMOTT.

H.R. 1749: Ms. JACKSON-LEE OF TEXAS, Mrs. MILLER of Michigan, Mr. FILNER, Mr. HYDE, Mr. JONES of North Carolina, and Mr. WOLF.

H.R. 1751: Mr. EMANUEL.

H.R. 1754: Mr. GOODLATTE, Mr. GUTKNECHT, and Mr. MCHUGH.

H.R. 1767: Mr. KLINE and Mr. BEAUPREZ.

H.R. 1769: Mr. SIMMONS, Mr. BAKER, Mr. FEENEY, Mr. POMEROY, Mr. INSLEE, Mrs. JONES of Ohio, Mr. BELL, Mr. NETHERCUTT, Ms. HART, Mr. HASTINGS of Washington, Mr. DICKS, Mr. MCNULTY, Mrs. TAUSCHER, Ms. HOOLEY of Oregon, Mr. KLECZKA, Mr. JEFFERSON, Mr. FROST, Mr. JONES of North Carolina, Mr. FRANKS of Arizona, Mr. MEEK of Florida, Mr. SPRATT, Mr. BAIRD, Mr. RYAN of Ohio, Mr. ADERHOLT, Mr. MICHAUD, Mr. LATOURETTE, Mr. BEAUPREZ, Mr. JOHNSON of Illinois, Mr. OTTER, Mr. BACA, Mr. TOOMEY, Mr. BARTLETT of Maryland, Mrs. BIGGERT, Mr. GOODE, Mr. KING of Iowa, Mr. WILSON of South Carolina, Mr. SMITH of Michigan, Mr. NORWOOD, Mr. ETHERIDGE, and Mr. LARSEN of Washington.

H.R. 1779: Mr. RANGEL, Mr. SOUDER, Mr. WILSON of South Carolina, Mr. FRANKS of Arizona, and Mr. FALEOMAVAEGA.

H.R. 1784: Mr. LINDER, Mr. NETHERCUTT, and Mr. HOEFFEL.

H.R. 1814: Mr. GIBBONS, Mr. RYUN of Kansas, Ms. LEE, Mr. BALLANCE, Mr. BERMAN, Mr. WU, Mr. ETHERIDGE, Mr. MORAN of Virginia, Mr. FALEOMAVAEGA, and Mr. SKELTON.

H.R. 1824: Mr. GORDON, Mr. FROST, Ms. JACKSON-LEE of Texas, Mr. BISHOP of New York, Mr. LAMPSON, Mr. COOPER, Mr. HOEFFEL, Mr. UPTON, Mr. LARSON of Connecticut, Mr. TOWNS, Mr. KILDEE, Mr. SMITH of Michigan, Mr. WYNN, and Mr. FALEOMAVAEGA.

H.R. 1828: Mr. WAXMAN, Mr. HOLDEN, Mrs. JONES of Ohio, Mr. LATOURETTE, Mr. HAYWORTH, Mr. CARSON of Oklahoma, Mr. SCHIFF, Mr. CARDOZA, Mr. GARRETT of New Jersey, Mr. ETHERIDGE, Mr. BOSWELL, Mr. MILLER of Florida, Mr. JOHNSON of Illinois, and Mr. GRAVES.

H.R. 1839: Mrs. BLACKBURN.

H.R. 1900: Mr. TIBERI, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FROST, Mr. BISHOP of New York, Mr. DAVIS of Alabama, Mr. LEWIS of Georgia, Mr. LEWIS of California, Mr. COLE, Mr. CLYBURN, and Mr. LAHOOD.

H.R. 1904: Mr. SCOTT of Georgia, Mr. BONNER, Mr. GOODE, Mr. BISHOP of Georgia, Mr. CANTOR, and Ms. PRYCE of Ohio.

H.R. 1906: Mr. GRIJALVA.

H.R. 1925: Mr. UPTON.

H.R. 1992: Mr. SERRANO and Mr. HINOJOSA.

H.R. 2017: Mr. KUCINICH, Mr. FRANK of Massachusetts, Mr. COSTELLO, Mr. FARR, Mr. FROST, Mr. DEFAZIO, and Mr. BROWN of Ohio.

H.R. 2021: Ms. NORTON.

H.R. 2023: Mr. WAXMAN and Ms. WATERS.

H. Con. Res. 151: Mr. GUTKNECHT.

H. Res. 220: Mr. MCDERMOTT, Mr. FROST, and Mr. SERRANO.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 684: Ms. MAJETTE.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2

OFFERED BY: MR. EMANUEL

AMENDMENT NO. 1. Insert at the end of the bill the following (and amend the table of contents accordingly):

TITLE V—EXTENSION OF DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

SEC. 501. EXTENSION OF DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 (relating to termination) is amended by striking ''December 31, 2005'' and inserting ''December 31, 2007''.

(b) CONFORMING AMENDMENTS.—

(1) Section 222(b)(2)(B) is amended by striking ''2004 or 2005'' and inserting ''2004, 2005, 2006, or 2007''.

(2) The heading of section 222(b)(2)(B) is amended by striking ''AND 2005'' and inserting '', 2005, 2006, AND 2007''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

TITLE VI—CORPORATE EXPATRIATION; REDUCTION OF BONUS DEPRECIATION

SEC. 601. TAX TREATMENT OF CORPORATE EXPATRIATION.

(a) IN GENERAL.—Subchapter C of chapter 80 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

''SEC. 7874. TAX TREATMENT OF CORPORATE EXPATRIATION.

''(a) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—If a foreign incorporated entity is treated as an inverted domestic corporation, then, notwithstanding section 7701(a)(4), such entity shall be treated for purposes of this title as a domestic corporation.

''(2) INVERTED DOMESTIC CORPORATION.—For purposes of this section, a foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

''(A) the entity completes after March 4, 2003, the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership,

''(B) after the acquisition at least 80 percent of the stock (by vote or value) of the entity is held—

''(i) in the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or

''(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership, and

''(C) the expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group.

''(3) TERMINATION.—This subsection shall not apply to any acquisition completed after December 31, 2007.

''(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) FOREIGN INCORPORATED ENTITY.—The term 'foreign incorporated entity' means any entity which is, or but for subsection (a) would be, treated as a foreign corporation for purposes of this title.

''(2) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group as defined in section 1504(a) but without regard to paragraphs (2), (3), and (4) of section 1504(b), except that section 1504(a) shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.

''(3) CERTAIN STOCK DISREGARDED.—There shall not be taken into account in determining ownership under subsection (a)(3)(B)—

''(A) stock held by members of the expanded affiliated group which includes the foreign incorporated entity, or

''(B) stock of such foreign incorporated entity which is sold in a public offering related to the acquisition described in subsection (a)(3)(A).

''(4) PLAN DEEMED IN CERTAIN CASES.—If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (a)(3)(B) are met, such actions shall be treated as pursuant to a plan.

''(5) CERTAIN TRANSFERS DISREGARDED.—The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

''(6) SPECIAL RULE FOR RELATED PARTNERSHIPS.—For purposes of applying subsection (a)(3)(B) to the acquisition of a domestic partnership, except as provided in regulations, all partnerships which are under common control (within the meaning of section 482) shall be treated as 1 partnership.

''(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to determine whether a corporation is an inverted domestic corporation, including regulations—

''(A) to treat warrants, options, contracts to acquire stock, convertible debt interests, and other similar interests as stock, and

''(B) to treat stock as not stock.

''(c) SPECIAL RULE FOR TREATIES.—Nothing in section 894 or 7852(d) or in any other provision of law shall be construed as permitting an exemption, by reason of any treaty obligation of the United States heretofore or hereafter entered into, from the provisions of this section.

''(d) REGULATIONS.—The Secretary shall provide such regulations as are necessary to carry out this section, including regulations providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including the avoidance of such purposes through—

''(1) the use of related persons, pass-through or other noncorporate entities, or other intermediaries, or

''(2) transactions designed to have persons cease to be (or not become) members of expanded affiliated groups or related persons.''.

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 is amended by adding at the end the following new item:

''Sec. 7874. Tax treatment of corporate expatriation.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after March 4, 2003.

SEC. 602. REDUCTION IN BONUS DEPRECIATION.

(a) IN GENERAL.—Clause (i) of section 168(k)(4)(A), as added by section 201(a), is amended by inserting ''(or such lesser percentage as the Secretary estimates will offset the excess (if any) of the revenue reduction resulting from the amendments made by section 501 of the Jobs and Growth Reconciliation Tax Act of 2003 over the revenue attributable to the amendments made by section 601 of such Act)'' after ''50 percent''.

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