

Howard Taft, "The ideal of our people as to religious freedom is absolute equality under the law of all religious opinions and sects * * * the government is neutral and while protecting all, it prefers none and disparages none."

The right to express one's religious beliefs freely, as long as their expression does not harm others, is a fundamental part of the American experience. Those who came to this country found the early American colonies nearly four centuries ago, did so in order to escape the bitter sting of religious persecution. So it is no surprise that the first Amendment to the Constitution crafted by the descendants of these brave trailblazers was an attempt to ensure free religious expression. Although at times it is difficult to see, as Americans, we are the products of a great legacy of freedom. A legacy that we, as Members of the United States Congress, have been duly empowered to continue on the people's behalf.

However, in large part, the lasting impact of the 105th Congress, on the people that we have been elected to serve, still remains to be determined. One thing is for sure, whether we are Democrat or Republican, liberal or conservative, male or female, is the fact that the Members of this Congress have a sacred duty to be vigilant defenders of the public good. I believe that a vote of confidence, at least, for the civil libertarian spirit of H.R. 2604, the Religious Liberty and Charitable Donation Protection Act is a necessary step in the right direction. As a proponent of freedom, I can say without reservation that this bill cuts to the heart of what our Constitution and country are really all about.

However, at another level, this bill reminds us of the challenge before us to be at the forefront of the many sorely-needed reforms to our consumer and commercial bankruptcy laws. H.R. 2604, of which I am a co-sponsor, seeks to protect any religious and charitable contribution of a debtor made within one year of their filing for bankruptcy from possible recovery by a Trustee or creditor. Essentially, a Chapter 13 participant can be barred from tithing to their local church if their creditors object to the addition of this gift to their debt restructuring plan. Additionally, in Chapter 7 cases, religious contributions can be used as suitable basis to dismiss a debtor's case on the grounds that they are substantially abusing the Chapter's many favorable bankruptcy provisions. At some point, this subtle form of religious persecution must stop.

Especially at this time when several other sections of Title 11 of our Federal Code are under serious legislative review by this Congress, efforts to provide protection for the charitable and religious donations of debtors are particularly important. If any of the current legislative initiatives that encourage debtors to enter into Chapter 13 recommitment plans are passed, without first enacting these necessary protections for the religious contributions of debtors, then this growing deficiency in our bankruptcy laws will surely be exacerbated. For all of these reasons, I urge all of my colleagues to please support H.R. 2604.

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

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from Pennsylvania (Mr. GEKAS) that the House suspend the rules and pass the bill, H.R. 2604, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. GEKAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1244) to amend title 11, United States Code, to protect certain charitable contributions, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1244

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 "Religious Liberty and Charitable Donation Protection Act of 1998".

SEC. 2. DEFINITIONS.

Section 548(d) of title 11, United States Code, is amended by adding at the end the following:

"(3) In this section, the term 'charitable contribution' means a charitable contribution, as that term is defined in section 170(c) of the Internal Revenue Code of 1986, if that contribution—

"(A) is made by a natural person; and

"(B) consists of—

"(i) a financial instrument (as that term is defined in section 731(c)(2)(C) of the Internal Revenue Code of 1986); or

"(ii) cash.

"(4) In this section, the term 'qualified religious or charitable entity or organization' means—

"(A) an entity described in section 170(c)(1) of the Internal Revenue Code of 1986; or

"(B) an entity or organization described in section 170(c)(2) of the Internal Revenue Code of 1986."

SEC. 3. TREATMENT OF PRE-PETITION QUALIFIED CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 548(a) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking "(1) made" and inserting "(A) made";

(3) by striking "(2)(A)" and inserting "(B)(i)";

(4) by striking "(B)(i)" and inserting "(ii)(I)";

(5) by striking "(ii) was" and inserting "(II) was";

(6) by striking "(iii)" and inserting "(III)"; and

(7) by adding at the end the following:

"(2) A transfer of a charitable contribution to a qualified religious or charitable entity or organization shall not be considered to be a transfer covered under paragraph (1)(B) in any case in which—

"(A) the amount of that contribution does not exceed 15 percent of the gross annual income of the debtor for the year in which the transfer of the contribution is made; or

"(B) the contribution made by a debtor exceeded the percentage amount of gross annual income specified in subparagraph (A), if the transfer was consistent with the practices of the debtor in making charitable contributions."

(b) TRUSTEE AS LIEN CREDITOR AND AS SUCCESSOR TO CERTAIN CREDITORS AND PUR-

CHASERS.—Section 544(b) of title 11, United States Code, is amended—

(1) by striking "(b) The trustee" and inserting "(b)(1) Except as provided in paragraph (2), the trustee"; and

(2) by adding at the end the following:

"(2) Paragraph (1) shall not apply to a transfer of a charitable contribution (as that term is defined in section 548(d)(3)) that is not covered under section 548(a)(1)(B), by reason of section 548(a)(2). Any claim by any person to recover a transferred contribution described in the preceding sentence under Federal or State law in a Federal or State court shall be preempted by the commencement of the case."

(c) CONFORMING AMENDMENTS.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (e)—

(A) by striking "548(a)(2)" and inserting "548(a)(1)(B)"; and

(B) by striking "548(a)(1)" and inserting "548(a)(1)(A)";

(2) in subsection (f)—

(A) by striking "548(a)(2)" and inserting "548(a)(1)(B)"; and

(B) by striking "548(a)(1)" and inserting "548(a)(1)(A)"; and

(3) in subsection (g)—

(A) by striking "section 548(a)(1)" each place it appears and inserting "section 548(a)(1)(A)"; and

(B) by striking "548(a)(2)" and inserting "548(a)(1)(B)".

SEC. 4. TREATMENT OF POST-PETITION CHARITABLE CONTRIBUTIONS.

(a) CONFIRMATION OF PLAN.—Section 1325(b)(2)(A) of title 11, United States Code, is amended by inserting before the semicolon the following: ", including charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3)) to a qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4)) in an amount not to exceed 15 percent of the gross income of the debtor for the year in which the contributions are made".

(b) DISMISSAL.—Section 707(b) of title 11, United States Code, is amended by adding at the end the following: "In making a determination whether to dismiss a case under this section, the court may not take into consideration whether a debtor has made, or continues to make, charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3)) to any qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4))."

SEC. 5. APPLICABILITY.

This Act and the amendments made by this Act shall apply to any case brought under an applicable provision of title 11, United States Code, that is pending or commenced on or after the date of enactment of this Act.

SEC. 6. RULE OF CONSTRUCTION.

Nothing in the amendments made by this Act is intended to limit the applicability of the Religious Freedom Restoration Act of 1993 (42 U.S.C. 2002bb et seq.).

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2604) was laid on the table.

TICKET TO WORK AND SELF-SUFFICIENCY ACT OF 1998

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 450 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 450

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3433) to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to return to work and to extend Medicare coverage for such beneficiaries, and to amend the Internal Revenue Code of 1986 to provide a tax credit for impairment-related work expenses. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), 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.

Before the Memorial Day recess, the Committee on Rules met and granted a modified closed rule for consideration of H.R. 3433 in the House without intervention on any point of order. The rule provides that the amendment recommended by the Committee on Ways and Means shall be considered as adopted, as modified by the amendment printed in the report of the Committee on Rules.

The rule provides for 1 hour of debate on the bill, as amended, equally divided between the chairman and ranking minority member of the Committee on Ways and Means. The rule provides for consideration of an amendment printed in the CONGRESSIONAL RECORD, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour, equally divided between the proponent and opponent.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 3433 would reform the system under which people collect Social Security disability benefits and receive vocational rehabilitation serv-

ices. Under the bill, recipients would receive a ticket or voucher to obtain job training services in a variety of private sector agencies. The Federal Government would then reimburse these agencies based on the number of recipients they have moved into gainful employment.

CBO estimates that H.R. 3433 would add \$38 million to the Federal surplus from 1999 to 2003 because the bill will help to move disability recipients off welfare and into work. Many individuals with disabilities want to work. They are limited, though, in their ability to access rehabilitation services; and they fear losing health care coverage and benefits.

Having served on the board of Learning How in Charlotte for many years, I have seen the frustrations firsthand and the concerns.

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This bill removes such disincentives. It broadens the rehabilitation choices of the disabled and it extends Medicare coverage for an additional 2 years for those who participate in the Ticket to Work program.

Mr. Speaker, it is interesting because a lot of us do not even have any idea that we may one day become disabled. I had a good friend in this field who was disabled who called the rest of us TADs, it was temporarily disabled. The idea is that any day, any time it could happen to one of us and we would be in the same position. The bill makes sense. It grants the disabled a measure of independence while adding to the projected Federal surplus.

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

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from North Carolina for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

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

Ms. SLAUGHTER. Mr. Speaker, H.Res. 450 is a modified closed rule. The rule allows one amendment, if offered by Ways and Means Ranking Member the gentleman from New York (Mr. RANGEL) and if the amendment is previously printed in the CONGRESSIONAL RECORD.

In general, open rules best protect all Members' rights to fully represent their constituents. However, I recognize the potential problems of allowing an unfettered amendment process on bills, such as this one, that amend the Social Security and Medicare Acts. The Rules Committee has followed the useful tradition of allowing only limited floor amendment during consideration of bills that revise these basic safety net programs.

Mr. Speaker, the current disability system has not kept pace with the development of new technologies and

therapies that allow individuals with disabilities to live and work in the mainstream of our society. Too often, our disability system punishes those who wish to work toward living independently by reducing benefits and ending the Medicare benefits on which they depend for their health care.

I am proud to have supported legislation that would aid individuals with disabilities in education, housing, transportation, and many other areas. I was a cosponsor of the Americans with Disabilities Act and have sponsored legislation to prevent genetic discrimination. I am now equally pleased to support H.R. 3433, the Ticket to Work and Self-Sufficiency Act. I am a cosponsor of this legislation, and I urge my colleagues to vote for its passage today.

H.R. 3433 will help to bring our Nation's disability system into line with the reality experienced by persons living with a disability. Individuals with disabilities do want to work, but they need rehabilitation and support services to better enable them to become self-sufficient over time. In particular, Medicare must be maintained for individuals who rely on these services to remain healthy and to be able to work.

H.R. 3433 gives individuals with disabilities the ability to choose the provider of employment or vocational rehabilitation services that meets their particular needs. The chosen employment network will work with the beneficiary to develop an individual plan, including the specific services needed to achieve that individual's employment goal. Perhaps most importantly, during this transition period, Medicare coverage is guaranteed for an additional 2 years. This will allow beneficiaries to concentrate on building their employment skills and careers without the fear that they will lose their health care if they earn above a minimum threshold.

To encourage the best and most comprehensive assistance for beneficiaries, this Act has provider payment plans keyed to the successful attainment of milestones toward permanent employment. For example, under the outcome payment system, the provider could receive 40 percent of the average monthly benefit for each month the beneficiary did not receive benefits because he was working.

Mr. Speaker, this legislation provides a responsible and humane alternative to our current disability system, by empowering individuals with disabilities to take charge of their own lives. It will enable many people to break free of a system that, too often, forces persons with disabilities to remain impoverished to continue to receive benefits. Instead it rewards those who want to work. I look forward to casting my vote today in strong support of this bill.

I urge my colleagues to support the rule so that we may move this important legislation forward toward enactment into law.

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

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 450, I call up the bill (H.R. 3433) to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to return to work and to extend Medicare coverage for such beneficiaries, and to amend the Internal Revenue Code of 1986 to provide a tax credit for impairment-related work expenses, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PEASE). The bill is considered read for amendment.

The text of H.R. 3433 is as follows:

H.R. 3433

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 "Ticket to Work and Self-Sufficiency Act of 1998".

SEC. 2. THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM

"SEC. 1147. (a) IN GENERAL.—The Commissioner of Social Security shall establish a Ticket to Work and Self-Sufficiency Program, under which a disabled beneficiary may use a ticket to work and self-sufficiency issued by the Commissioner in accordance with this section to obtain employment services, vocational rehabilitation services, or other support services from an employment network which is of the beneficiary's choice and which is willing to provide such services to such beneficiary.

"(b) TICKET SYSTEM.—

"(1) DISTRIBUTION OF TICKETS.—The Commissioner of Social Security may issue a ticket to work and self-sufficiency to disabled beneficiaries for participation in the Program.

"(2) ASSIGNMENT OF TICKETS.—A disabled beneficiary holding a ticket to work and self-sufficiency may assign the ticket to any employment network of the beneficiary's choice which is serving under the Program and is willing to accept the assignment.

"(3) TICKET TERMS.—A ticket issued under paragraph (1) shall consist of a document which evidences the Commissioner's agreement to pay (as provided in paragraph (4)) an employment network, which is serving under the Program and to which such ticket is assigned by the beneficiary, for such employment services, vocational rehabilitation services, and other support services as the employment network may agree to provide to the beneficiary.

"(4) PAYMENTS TO EMPLOYMENT NETWORKS.—The Commissioner shall pay an employment network under the Program in accordance with the outcome payment system

under subsection (h)(2) or under the outcome-milestone payment system under subsection (h)(3) (whichever is elected pursuant to subsection (h)(1)). An employment network may not request or receive compensation for such services from the beneficiary.

"(c) STATE PARTICIPATION.—

"(1) PERIODIC ELECTIONS.—Each State agency described in section 222 or 1615 may elect to participate in the Program (or to revoke any such election) as an employment network. The Commissioner shall provide for periodic opportunities for exercising such elections (and revocations).

"(2) TREATMENT OF STATE AGENCIES.—Any such election (or revocation) by a State agency described in section 222 or 1615 taking effect during any period for which an individual residing in the State is a disabled beneficiary and a client of the State agency shall not be effective with respect to such individual to the extent that such election (or revocation) would result in any change in the method of payment to the State agency with respect to the individual from the method of payment to the State agency with respect to the individual in effect immediately before such election (or revocation).

"(3) EFFECT OF PARTICIPATION BY STATE AGENCY.—

"(A) STATE AGENCIES PARTICIPATING.—In any case in which a State agency described in section 222 or 1615 elects under paragraph (1) to participate in the Program—

"(i) the employment services, vocational rehabilitation services, and other support services which, upon assignment of tickets to work and self-sufficiency, are provided to disabled beneficiaries by the State agency acting as an employment network shall be governed by plans for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973, and

"(ii) the provisions of section 222(d) and the provisions of section 1615 shall not apply with respect to such State.

"(B) STATE AGENCIES ADMINISTERING MATERNAL AND CHILD HEALTH SERVICES PROGRAMS.—Subparagraph (A) shall not apply with respect to any State agency administering a program under title V of this Act.

"(d) RESPONSIBILITIES OF THE COMMISSIONER OF SOCIAL SECURITY.—

"(1) SELECTION AND QUALIFICATIONS OF PROGRAM MANAGERS.—The Commissioner of Social Security shall enter into agreements with one or more organizations in the private or public sector for service as a program manager to assist the Commissioner in administering the Program. Any such program manager shall be selected by means of a competitive bidding process, from among organizations in the private or public sector with available expertise and experience in the field of vocational rehabilitation or employment services.

"(2) TENURE, RENEWAL, AND EARLY TERMINATION.—Each agreement entered into under paragraph (1) shall provide for early termination upon failure to meet performance standards which shall be specified in the agreement and which shall be weighted to take into account any performance in prior terms. Such performance standards shall include (but are not limited to)—

"(A) measures for ease of access by beneficiaries to services, and

"(B) measures for determining the extent to which failures in obtaining services for beneficiaries fall within acceptable parameters, as determined by the Commissioner.

"(3) PRECLUSION FROM DIRECT PARTICIPATION IN DELIVERY OF SERVICES IN OWN SERVICE AREA.—Agreements under paragraph (1) shall preclude—

"(A) direct participation by a program manager in the delivery of employment services, vocational rehabilitation services, or

other support services to beneficiaries in the service area covered by the program manager's agreement, and

"(B) the holding by a program manager of a financial interest in an employment network or service provider which provides services in a geographic area covered under the program manager's agreement.

"(4) SELECTION OF EMPLOYMENT NETWORKS.—The Commissioner shall select and enter into agreements with employment networks for service under the Program. Such employment networks shall be in addition to State agencies serving as employment networks pursuant to elections under subsection (c).

"(5) TERMINATION OF AGREEMENTS WITH EMPLOYMENT NETWORKS.—The Commissioner shall terminate agreements with employment networks for inadequate performance, as determined by the Commissioner.

"(6) QUALITY ASSURANCE.—The Commissioner shall provide for such periodic reviews as are necessary to provide for effective quality assurance in the provision of services by employment networks. The Commissioner shall take into account the views of consumers and the program manager under which the employment networks serve and shall consult with providers of services to develop performance measurements. The Commissioner shall ensure that the results of the periodic reviews are made available to beneficiaries who are prospective service recipients as they select employment networks. The Commissioner shall ensure the performance of periodic surveys of beneficiaries receiving services under the Program designed to measure customer service satisfaction.

"(7) DISPUTE RESOLUTION.—The Commissioner shall provide for a mechanism for resolving disputes between beneficiaries and employment networks and between program managers and employment networks. The Commissioner shall afford a party to such a dispute a reasonable opportunity for a full and fair review of the matter in dispute.

"(e) PROGRAM MANAGERS.—

"(1) IN GENERAL.—A program manager shall conduct tasks appropriate to assist the Commissioner in carrying out the Commissioner's duties in administering the Program.

"(2) RECRUITMENT OF EMPLOYMENT NETWORKS.—A program manager shall recruit, and recommend for selection by the Commissioner, employment networks for service under the Program. The program manager shall carry out such recruitment and provide such recommendations, and shall monitor all employment networks serving in the Program in the geographic area covered under the program manager's agreement, to the extent necessary and appropriate to ensure that adequate choices of services are made available to beneficiaries. Employment networks may serve under the Program only pursuant to an agreement entered into with the Commissioner under the Program incorporating the applicable provisions of this section and regulations thereunder, and the program manager shall provide and maintain assurances to the Commissioner that payment by the Commissioner to employment networks pursuant to this section is warranted based on compliance by such employment networks with the terms of such agreement and this section. The program manager shall not impose numerical limits on the number of employment networks to be recommended pursuant to this paragraph.

"(3) FACILITATION OF ACCESS BY BENEFICIARIES TO EMPLOYMENT NETWORKS.—A program manager shall facilitate access by beneficiaries to employment networks. The program manager shall ensure that each beneficiary is allowed changes in employment networks for good cause, as determined by

the Commissioner, without being deemed to have rejected services under the Program. The program manager shall establish and maintain lists of employment networks available to beneficiaries and shall make such lists generally available to the public.

“(4) ENSURING AVAILABILITY OF ADEQUATE SERVICES.—The program manager shall ensure that employment networks provide employment services, vocational rehabilitation services, or other support services to beneficiaries throughout specified service areas, including rural areas.

“(5) REASONABLE ACCESS TO SERVICES.—The program manager shall take such measures as are necessary to ensure that sufficient employment networks are available and that each beneficiary receiving their services under the Program has reasonable access to employment services, vocational rehabilitation services, or other support services. Such services may include case management, career planning, career plan development, vocational assessment, job training, placement, follow-up services, and such other services as may be specified by the Commissioner under the Program.

“(f) EMPLOYMENT NETWORKS.—

“(1) QUALIFICATIONS FOR EMPLOYMENT NETWORKS.—Each employment network serving under the Program shall consist of an agency or instrumentality of a State (or a political subdivision thereof) or a private entity, which assumes responsibility for the coordination and delivery of services under the Program to individuals assigning to the employment network tickets to work and self-sufficiency issued under subsection (b). No employment network may serve under the Program unless it demonstrates to the Commissioner substantial expertise and experience in the field of employment services, vocational rehabilitation services, or other support services for individuals with disabilities and provides an array of such services. An employment network shall consist of either a single provider of such services or of an association of such providers organized so as to combine their resources into a single entity. An employment network may meet the requirements of subsection (e)(4) by providing services directly, or by entering into agreements with other individuals or entities providing appropriate employment services, vocational rehabilitation services, or other support services.

“(2) REQUIREMENTS RELATING TO PROVISION OF SERVICES.—Each employment network serving under the Program shall be required under the terms of its agreement with the Commissioner to—

“(A) serve prescribed service areas,

“(B) meet, and maintain compliance with, both general selection criteria (such as professional and governmental certification and educational credentials) and specific selection criteria (such as the extent of work experience by the provider with specific populations), and

“(C) take such measures as are necessary to ensure that employment services, vocational rehabilitation services, and other support services provided under the Program by, or under agreements entered into with, the employment network are provided under appropriate individual employment plans meeting the requirements of subsection (g).

“(3) ANNUAL FINANCIAL REPORTING.—Each employment network shall meet financial reporting requirements as prescribed by the Commissioner.

“(4) PERIODIC OUTCOMES REPORTING.—Each employment network shall prepare periodic reports, on at least an annual basis, itemizing for the covered period specific outcomes achieved with respect to specific services provided by the employment network. Such reports shall conform to a national

model prescribed under this section. Each employment network shall provide a copy of the latest report issued by the employment network pursuant to this paragraph to each beneficiary upon enrollment under the Program for services to be received through such employment network. Upon issuance of each report to each beneficiary, a copy of the report shall be maintained in the files of the employment network pertaining to the beneficiary. The program manager shall ensure that copies of all such reports issued under this paragraph are made available to the public under reasonable terms.

“(g) INDIVIDUAL EMPLOYMENT PLANS.—

“(1) IN GENERAL.—Each employment network shall—

“(A) take such measures as are necessary to ensure that employment services, vocational rehabilitation services, and other support services provided under the Program by, or under agreements entered into with, the employment network are provided under appropriate individual employment plans as defined by the Commissioner, and

“(B) develop and implement each such individual employment plan, in the case of each beneficiary receiving such services, in a manner that affords such beneficiary the opportunity to exercise informed choice in selecting an employment goal and specific services needed to achieve that employment goal.

A beneficiary's individual employment plan shall take effect upon approval by the beneficiary.

“(2) EMPLOYMENT EVALUATION.—In devising the employment plan, the employment network shall undertake an employment evaluation with respect to the beneficiary. Each employment evaluation shall set forth in writing such elements and shall be in such format as the Commissioner shall prescribe.

“(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—

“(1) ELECTION OF PAYMENT SYSTEM BY EMPLOYMENT NETWORKS.—

“(A) IN GENERAL.—The Program shall provide for payment authorized by the Commissioner to employment networks under either an outcome payment system or an outcome-milestone payment system. Each employment network shall elect which payment system will be utilized by the employment network, and, for such period of time as such election remains in effect, the payment system so elected shall be utilized exclusively in connection with such employment network (except as provided in subparagraph (B)).

“(B) METHOD OF PAYMENT TO EMPLOYMENT NETWORKS.—Any such election by an employment network taking effect during any period for which a disabled beneficiary is receiving services from such employment network shall not be effective with respect to such beneficiary to the extent that such election would result in any change in the method of payment to the employment network with respect to services provided to such beneficiary from the method of payment to the employment network with respect to services provided to such beneficiary as of immediately before such election.

“(2) OUTCOME PAYMENT SYSTEM.—

“(A) IN GENERAL.—The outcome payment system shall consist of a payment structure governing employment networks electing such system under paragraph (1)(A) which meets the requirements of this paragraph.

“(B) PAYMENTS MADE DURING OUTCOME PAYMENT PERIOD.—The outcome payment system shall provide for a schedule of payments to an employment network, in connection with each individual who is a beneficiary, for each month described in paragraph (4)(B) in con-

nection with such individual which occurs during the individual's outcome payment period.

“(C) COMPUTATION OF PAYMENTS TO EMPLOYMENT NETWORK.—The payment schedule of the outcome payment system shall be designed so that—

“(i) the payment for each of the 60 months during the outcome payment period which are described in paragraph (4)(B) is equal to a fixed percentage of the payment calculation base for the calendar year in which such month occurs, and

“(ii) such fixed percentage is set at a percentage which does not exceed 40 percent.

“(3) OUTCOME-MILESTONE PAYMENT SYSTEM.—

“(A) IN GENERAL.—The outcome-milestone payment system shall consist of a payment structure governing employment networks electing such system under paragraph (1)(A) which meets the requirements of this paragraph.

“(B) EARLY PAYMENTS UPON ATTAINMENT OF MILESTONES IN ADVANCE OF OUTCOME PAYMENT PERIODS.—The outcome-milestone payment system shall provide for one or more milestones, with respect to beneficiaries receiving services from an employment network under the Program, which are directed toward the goal of permanent employment. Such milestones shall form a part of a payment structure which provides, in addition to payments made during outcome payment periods, payments made prior to outcome payment periods in amounts based on the attainment of such milestones.

“(C) LIMITATION ON TOTAL PAYMENTS TO EMPLOYMENT NETWORK.—The payment schedule of the outcome milestone payment system shall be designed so that the total of the payments to the employment network with respect to each beneficiary is less than, on a net present value basis (using an interest rate determined by the Commissioner that appropriately reflects the cost of funds faced by providers), the total amount to which payments to the employment network with respect to the beneficiary would be limited if the employment network were paid under the outcome payment system.

“(4) DEFINITIONS.—For purposes of this subsection—

“(A) PAYMENT CALCULATION BASE.—The term ‘payment calculation base’ means, for any calendar year—

“(i) in connection with a title II disability beneficiary, the average disability insurance benefit payable under section 223 for all beneficiaries for months during the preceding calendar year, and

“(ii) in connection with a title XVI disability beneficiary (who is not concurrently a title II disability beneficiary), the average payment of supplemental security income benefits based on disability payable under title XVI (excluding State supplementation) to all beneficiaries having attained 18 years of age for months during the preceding calendar year.

“(B) OUTCOME PAYMENT PERIOD.—The term ‘outcome payment period’ means, in connection with an individual who is a disabled beneficiary, a period—

“(i) beginning with the first month—

“(I) for which benefits are not payable to such individual by reason of engagement in substantial gainful activity, and

“(II) which ends after such beneficiary has assigned a ticket to work and self-sufficiency to an employment network, and

“(ii) ending with the 60th month (consecutive or otherwise) following the first month for which benefits are not payable to such individual by reason of engagement in work activity.

“(5) PERIODIC REVIEW AND ALTERATIONS OF PRESCRIBED SCHEDULES.—

“(A) PERCENTAGES AND PERIODS.—The Commissioner of Social Security shall periodically review the percentages specified in paragraphs (2)(C) and (3)(C) and the period of time specified in paragraph (4)(B) to determine whether such percentages and such period provide an adequate incentive for employment networks to assist beneficiaries to enter the workforce, while providing for appropriate economies. The Commissioner may alter any of such percentages or such period of time to the extent that the Commissioner determines, on the basis of the Commissioner's review under this paragraph, that such an alteration would better provide the incentive and economies described in the preceding sentence.

“(B) NUMBER AND AMOUNT OF MILESTONE PAYMENTS.—The Commissioner shall periodically review the number and amounts of milestone payments initially established by the Commissioner pursuant to this section to determine whether to allow an adequate incentive for employment networks to assist beneficiaries to enter the workforce, taking into account information provided to the Commissioner by program managers, the Ticket to Work and Self-Sufficiency Advisory Panel, and other reliable sources. The Commissioner may from time to time alter the number and amounts of milestone payments initially established by the Commissioner pursuant to this section to the extent that the Commissioner determines that such an alteration would allow an adequate incentive for employment networks to assist beneficiaries to enter the workforce. Such alteration shall be based on information provided to the Commissioner by program managers, the Ticket to Work and Self-Sufficiency Advisory Panel, or other reliable sources.

“(i) AUTHORIZATIONS.—

“(1) TITLE II DISABILITY BENEFICIARIES.—There are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year such sums as may be necessary to carry out the provisions of this section with respect to title II disability beneficiaries. Money paid from the Trust Funds under this section with respect to title II disability beneficiaries who are entitled to benefits under section 223 or who are entitled to benefits under section 202(d) on the basis of the wages and self-employment income of such beneficiaries, shall be charged to the Federal Disability Insurance Trust Fund, and all other money paid from the Trust Funds under this section shall be charged to the Federal Old-Age and Survivors Insurance Trust Fund. The Commissioner of Social Security shall determine according to such methods and procedures as shall be prescribed under this section—

“(A) the total amount to be paid to program managers and employment networks under this section, and

“(B) subject to the provisions of the preceding sentence, the amount which should be charged to each of the Trust Funds.

“(2) TITLE XVI DISABILITY BENEFICIARIES.—Amounts authorized to be appropriated to the Social Security Administration under section 1601 (as in effect pursuant to the amendments made by section 301 of the Social Security Amendments of 1972) shall include amounts necessary to carry out the provisions of this section with respect to title XVI disability beneficiaries.

“(j) DEFINITIONS.—For purposes of this section—

“(1) DISABLED BENEFICIARY.—The term ‘disabled beneficiary’ means a title II disability beneficiary or a title XVI disability beneficiary.

“(2) TITLE II DISABILITY BENEFICIARY.—The term ‘title II disability beneficiary’ means an individual entitled to disability insurance

benefits under section 223 or to monthly insurance benefits under section 202 based on such individual's disability (as defined in section 223(d)). An individual is a title II disability beneficiary for each month for which such individual is entitled to such benefits.

“(3) TITLE XVI DISABILITY BENEFICIARY.—The term ‘title XVI disability beneficiary’ means an individual eligible for supplemental security income benefits under title XVI on the basis of blindness (within the meaning of section 1614(a)(2)) or disability (within the meaning of section 1614(a)(3)). An individual is a title XVI disability beneficiary for each month for which such individual is eligible for such benefits.

“(k) REGULATIONS.—The Commissioner of Social Security shall prescribe such regulations as are necessary to carry out the provisions of this section.”.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO TITLE II.—

(A) Section 222(a) of such Act (42 U.S.C. 422(a)) is repealed.

(B) Section 222(b) of such Act is repealed.

(C) Section 225(b)(1) of such Act (42 U.S.C. 425(b)(1)) is amended by striking “a program of vocational rehabilitation services” and inserting “a program consisting of the Ticket to Work and Self-Sufficiency Program under section 1147 or another program of vocational rehabilitation services, employment services, or other support services”.

(2) AMENDMENTS TO TITLE XVI.—

(A) Section 1615(a) of such Act (42 U.S.C. 1382d(a)) is amended to read as follows:

“SEC. 1615. (a) In the case of any blind or disabled individual who—

“(1) has not attained age 16, and

“(2) with respect to whom benefits are paid under this title,

the Commissioner of Social Security shall make provision for referral of such individual to the appropriate State agency administering the State program under title V.”.

(B) Section 1615(c) of such Act is repealed.

(c) EFFECTIVE DATE.—Subject to subsection (d), the amendments made by subsections (a) and (b) shall take effect with the first month following one year after the date of the enactment of this Act.

(d) GRADUATED IMPLEMENTATION OF PROGRAM.—

(1) IN GENERAL.—Not later than 360 days after the date of the enactment of this Act, the Commissioner of Social Security shall commence implementation of the amendments made by this section (other than paragraphs (1)(B) and (2)(B) of subsection (b)) in graduated phases at phase-in sites selected by the Commissioner. Such phase-in sites shall be selected so as to ensure, prior to full implementation of the Ticket to Work and Self-Sufficiency Program, the development and refinement of referral processes, payment systems, computer linkages, management information systems, and administrative processes necessary to provide for full implementation of such amendments.

(2) REQUIREMENTS.—Implementation of the Program at each phase-in site shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration, so as to ensure that the most efficacious methods are determined and in place for full implementation of the Program on a timely basis.

(3) FULL IMPLEMENTATION.—The Commissioner shall ensure that the Program is fully implemented as soon as practicable on or after the effective date specified in subsection (c) but not later than six years after such date.

(4) ONGOING EVALUATION OF PROGRAM.—

(A) IN GENERAL.—The Commissioner shall design and conduct a series of evaluations to assess the cost-effectiveness of activities carried out under this section and the

amendments made thereby, as well as the effects of this section and the amendments made thereby on work outcomes for beneficiaries receiving tickets to work and self-sufficiency under the Program.

(B) METHODOLOGY.—

(i) DESIGN AND IMPLEMENTATION.—The Commissioner shall design the series of evaluations after receiving relevant advice from experts in the fields of disability, vocational rehabilitation, and program evaluation. In designing and carrying out such evaluations, the Commissioner shall consult with the Comptroller General of the United States and other agencies of the Federal Government and with private organizations with appropriate expertise. Before provision of services begins under any phase of Program implementation, the Commissioner shall ensure that plans for such evaluations and data collection methods are in place and ready for implementation.

(ii) SPECIFIC MATTERS TO BE ADDRESSED.—Each such evaluation shall address (but is not limited to):

(I) the annual cost (including net cost) of the Program and the annual cost (including net cost) that would have been incurred in the absence of the Program;

(II) the determinants of return to work, including the characteristics of beneficiaries in receipt of tickets under the Program;

(III) the types of employment services, vocational rehabilitation services, and other support services furnished to beneficiaries in receipt of tickets under the Program who return to work and to those who do not return to work;

(IV) the duration of employment services, vocational rehabilitation services, and other support services furnished to beneficiaries in receipt of tickets under the Program who return to work and the duration of such services furnished to those who do not return to work and the cost to employment networks of furnishing such services;

(V) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work after receiving tickets under the Program and those who return to work without receiving such tickets;

(VI) the characteristics of providers whose services are provided within an employment network under the Program;

(VII) the extent (if any) to which employment networks display a greater willingness to provide services to disabled beneficiaries;

(VIII) the characteristics (including employment outcomes) of those beneficiaries who receive services under the outcome payment system and of those beneficiaries who receive services under the outcome-milestone payment system; and

(IX) measures of satisfaction among beneficiaries in receipt of tickets under the Program.

(C) PERIODIC EVALUATION REPORTS.—Following the close of the third and fifth fiscal years ending after the effective date under subsection (c), and prior to the close of the seventh fiscal year ending after such date, the Commissioner shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the Commissioner's evaluation of the progress of activities conducted under the provisions of this section and the amendments made thereby. Each such report shall set forth the Commissioner's evaluation of the extent to which the Program has been successful and the Commissioner's conclusions on whether or how the Program should be modified. Each such report shall include such data, findings, materials, and recommendations as the Commissioner may consider appropriate.

(e) THE TICKET TO WORK AND SELF-SUFFICIENCY ADVISORY PANEL.—

(1) ESTABLISHMENT.—There is established in the Social Security Administration a panel to be known as the "Ticket to Work and Self-Sufficiency Advisory Panel" (in this subsection referred to as the "Panel").

(2) DUTIES OF PANEL.—It shall be the duty of the Panel to—

(A) advise the Commissioner of Social Security on establishing phase-in sites for the Ticket to Work and Self-Sufficiency Program and on fully implementing the Program thereafter;

(B) advise the Commissioner with respect to the refinement of access of disabled beneficiaries to employment networks, payment systems, and management information systems and advise the Commissioner whether such measures are being taken to the extent necessary to ensure the success of the Program;

(C) advise the Commissioner regarding the most effective designs for research and demonstration projects associated with the Program or conducted pursuant to subsection (h), and

(D) furnish progress reports on the Program to the President and each House of the Congress.

(3) MEMBERSHIP.—

(A) NUMBER AND APPOINTMENT.—The Panel shall be composed of 6 members as follows:

(i) 1 member appointed by the Chairman of the Committee on Ways and Means of the House of Representatives;

(ii) 1 member appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives;

(iii) 1 member appointed by the Chairman of the Committee on Finance of the Senate;

(iv) 1 member appointed by the ranking minority member of the Committee on Finance of the Senate; and

(v) 2 members appointed by the President, not more than 1 of whom may be of the same political party.

(B) REPRESENTATION.—Of the members appointed under subparagraph (A)—

(i) at least one shall represent the interests of recipients of employment services, vocational rehabilitation services, and other support services;

(ii) at least one shall represent the interests of providers of employment services, vocational rehabilitation services, and other support services; and

(iii) at least one shall represent the interests of private employers.

(C) TERMS.—

(i) IN GENERAL.—Each member shall be appointed for a term of 4 years (or, if less, for the remaining life of the Panel), except as provided in clauses (ii) and (iii).

(ii) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(I) 3 of the members appointed under subparagraph (A) shall be appointed for a term of 2 years; and

(II) 3 of the members appointed under subparagraph (A) shall be appointed for a term of 4 years.

(iii) 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. A vacancy in the Panel shall be filled in the manner in which the original appointment was made.

(D) BASIC PAY.—Members shall each be paid at a rate equal to the daily equivalent of the rate of basic pay for level 4 of the Senior Executive Service, as in effect from time to time under section 5382 of title 5, United

States Code, for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Panel.

(E) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(F) QUORUM.—4 members of the Panel shall constitute a quorum but a lesser number may hold hearings.

(G) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the President. The term of office of the Chairperson shall be 4 years.

(H) MEETINGS.—The Panel shall meet at least quarterly and at other times at the call of the Chairperson or a majority of its members.

(4) DIRECTOR AND STAFF OF PANEL; EXPERTS AND CONSULTANTS.—

(A) DIRECTOR.—The Panel shall have a Director who shall be appointed by the Panel. The Director shall be paid at a rate not to exceed the maximum rate of pay payable for GS-15 of the General Schedule.

(B) STAFF.—Subject to rules prescribed by the Panel, the Director may appoint and fix the pay of additional personnel as the Director considers appropriate.

(C) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Panel, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(D) STAFF OF FEDERAL AGENCIES.—Upon request of the Panel, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Panel to assist it in carrying out its duties under this Act.

(5) POWERS OF PANEL.—

(A) HEARINGS AND SESSIONS.—The Panel may, for the purpose of carrying out its duties under this subsection, hold such hearings, sit and act at such times and places, and take such testimony and evidence as the Panel considers appropriate.

(B) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Panel may, if authorized by the Panel, take any action which the Panel is authorized to take by this section.

(C) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(D) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Panel, the Administrator of General Services shall provide to the Panel, on a reimbursable basis, the administrative support services necessary for the Panel to carry out its duties under this subsection.

(6) REPORTS.—

(A) INTERIM REPORTS.—The Panel shall submit to the President and the Congress interim reports at least annually.

(B) FINAL REPORT.—The Panel shall transmit a final report to the President and the Congress not later than eight years after the date of the enactment of this Act. The final report shall contain a detailed statement of the findings and conclusions of the Panel, together with its recommendations for legislative and administrative actions which the Panel considers appropriate.

(7) TERMINATION.—The Panel shall terminate 30 days after the date of the submission of its final report under paragraph (6)(B).

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the general fund of the Treasury, as appropriate, such sums as are necessary to carry out this subsection.

(f) SPECIFIC REGULATIONS REQUIRED.—

(1) IN GENERAL.—The Commissioner of Social Security shall prescribe such regulations as are necessary to implement the amendments made by this section.

(2) SPECIFIC MATTERS TO BE INCLUDED IN REGULATIONS.—The matters which shall be addressed in such regulations shall include (but are not limited to)—

(A) the form and manner in which tickets to work and self-sufficiency may be distributed to existing beneficiaries pursuant to section 1147(b)(1) of such Act;

(B) the format and wording of such tickets, which shall incorporate by reference any contractual terms governing service by employment networks under the Program;

(C) the form and manner in which State agencies may elect participation in the Ticket to Work and Self-Sufficiency Program (and revoke such an election) pursuant to section 1147(c)(1) of such Act and provision for periodic opportunities for exercising such elections (and revocations);

(D) the status of State agencies under section 1147(c)(2) at the time that State agencies exercise elections (and revocations) under such section 1147(c)(1);

(E) the terms of agreements to be entered into with program managers pursuant to section 1147(d) of such Act, including (but not limited to)—

(i) the terms by which program managers are precluded from direct participation in the delivery of services pursuant to section 1147(d)(3) of such Act,

(ii) standards which must be met by quality assurance measures referred to in paragraph (6) of section 1147(d) and methods of recruitment of employment networks utilized pursuant to paragraph (2) of section 1147(e), and

(iii) the format under which dispute resolution will operate under section 1147(d)(7).

(F) the terms of agreements to be entered into with employment networks pursuant to section 1147(d)(4) of such Act, including (but not limited to)—

(i) the manner in which service areas are specified pursuant to section 1147(f)(2)(A) of such Act,

(ii) the general selection criteria and the specific selection criteria which are applicable to employment networks under section 1147(f)(2)(B) of such Act in selecting service providers,

(iii) specific requirements relating to annual financial reporting by employment networks pursuant to section 1147(f)(3) of such Act, and

(iv) the national model to which periodic outcomes reporting by employment networks must conform under section 1147(f)(4) of such Act;

(G) standards which must be met by individual employment plans pursuant to section 1147(g) of such Act;

(H) standards which must be met by payment systems required under section 1147(h) of such Act, including (but not limited to)—

(i) the form and manner in which elections by employment networks of payment systems are to be exercised pursuant to section 1147(h)(1)(A),

(ii) the terms which must be met by an outcome payment system under section 1147(h)(2);

(iii) the terms which must be met by an outcome-milestone payment system under section 1147(h)(3);

(iv) any revision of the percentage specified in paragraph (2)(C) of section 1147(h) of such Act or the period of time specified in paragraph (4)(B) of such section 1147(h); and

(v) annual oversight procedures for such systems; and

(I) procedures for effective oversight of the Program by the Commissioner of Social Security, including periodic reviews and reporting requirements.

(g) **WORK INCENTIVE SPECIALISTS.**—The Commissioner shall establish a corps of trained, accessible, and responsive work incentive specialists to specialize in title II and title XVI disability work incentives for the purpose of disseminating accurate information to disabled beneficiaries (as defined in section 1147(j)(1) of the Social Security Act as amended by this Act) with respect to inquiries and issues relating to work incentives.

(h) **DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.**—

(1) **AUTHORITY.**—The Commissioner shall conduct demonstration projects for the purpose of evaluating, through the collection of data, a program for title II disability beneficiaries (as defined in section 1147(j)(2) of the Social Security Act, as amended by this Act) under which each \$1 of benefits payable under section 223, or under section 202 based on the beneficiary's disability, is reduced for each \$2 of such beneficiary's earnings that is above a level to be determined by the Commissioner. Such projects shall be conducted at a number of localities which the Commissioner shall determine is sufficient to adequately evaluate the appropriateness of national implementation of such a program. Such projects shall identify reductions in Federal expenditures that may result from the permanent implementation of such a program.

(2) **SCOPE AND SCALE AND MATTERS TO BE DETERMINED.**—

(A) **IN GENERAL.**—The demonstration projects developed under paragraph (1) shall be of sufficient duration, shall be of sufficient scope, and shall be carried out on a wide enough scale to permit a thorough evaluation of the project to determine—

(i) the effects, if any, of induced entry and reduced exit,

(ii) the extent, if any, to which the project being tested is affected by whether it is in operation in a locality within an area under the administration of the Ticket to Work and Self-Sufficiency Program, and

(iii) the savings that accrue to the Trust Funds under the project being tested. The Commissioner shall take into account advice provided by the Ticket to Work and Self-Sufficiency Advisory Panel pursuant to subsection (e)(2)(C).

(B) **ADDITIONAL MATTERS.**—The Commissioner shall also determine with respect to each project—

(i) the annual cost (including net cost) of the project and the annual cost (including net cost) that would have been incurred in the absence of the project,

(ii) the determinants of return to work, including the characteristics of the beneficiaries who participate in the project, and

(iii) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work as a result of participation in the project.

(3) **WAIVERS.**—The Commissioner may waive compliance with the benefit requirements of title II of the Social Security Act, and the Secretary of Health and Human Services may waive compliance with the benefit requirements of title XVIII of such Act, in so far as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least 90 days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the

Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in paragraph (1).

(4) **INTERIM REPORTS.**—On or before June 9 in 2000 and each of the succeeding years thereafter, the Commissioner shall submit to the Congress an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials which the Commissioner may consider appropriate.

(5) **FINAL REPORT.**—The Commissioner shall submit to the Congress a final report with respect to all experiments and demonstration projects carried out under this section no later than one year after their completion.

(6) **EXPENDITURES.**—Expenditures made for demonstration projects under this subsection shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services, to the extent provided in advance in appropriation Acts.

SEC. 3. EXTENDING MEDICARE COVERAGE FOR OASDI DISABILITY BENEFIT RECIPIENTS WHO ARE USING TICKETS TO WORK AND SELF-SUFFICIENCY.

(a) **IN GENERAL.**—The next to last sentence of section 226(b) of the Social Security Act (42 U.S.C. 426) is amended—

(1) by striking "throughout all of which" and inserting "throughout the first 24 months of which", and

(2) by inserting after "but not in excess of 24 such months" the following: "(plus 24 additional such months in the case of an individual who the Commissioner determines is using a ticket to work and self-sufficiency issued under section 1147, but only for additional months that occur in the 7-year period beginning on the date of the enactment of the Ticket to Work and Self-Sufficiency Act of 1998)".

(b) **REPORT.**—Not later than 6 months prior to the end of the 7-year period beginning on the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security shall submit in writing to each House of the Congress their recommendations for further legislative action with respect to the amendments made by subsection (a), taking into account experience derived from efforts to achieve full implementation of the Ticket to Work and Self-Sufficiency Program under section 1147 of the Social Security Act.

SEC. 4. CREDIT FOR IMPAIRMENT-RELATED WORK EXPENSES OF HANDICAPPED INDIVIDUALS.

(a) **IN GENERAL.**—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. IMPAIRMENT-RELATED WORK EXPENSES OF HANDICAPPED INDIVIDUALS.

"(a) **ALLOWANCE OF CREDIT.**—In the case of a handicapped individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the impairment-related work expenses which are paid or incurred by the taxpayer during the taxable year.

"(b) **MAXIMUM CREDIT.**—The credit allowed by subsection (a) with respect to the expenses of each handicapped individual shall not exceed \$5,000 for the taxable year.

"(c) **DEFINITIONS.**—For purposes of this section—

"(1) **HANDICAPPED INDIVIDUAL.**—The term 'handicapped individual' has the meaning given such term by section 190(b)(3).

"(2) **IMPAIRMENT-RELATED WORK EXPENSES.**—The term 'impairment-related work expenses' means expenses—

"(A) of a handicapped individual for attendant care services at the individual's place of employment and other expenses in connection with such place of employment which are necessary for such individual to be able to work, and

"(B) with respect to which a deduction is allowable under section 162 (determined without regard to this section).

"(d) **SPECIAL RULES.**—

"(1) **DENIAL OF DOUBLE BENEFIT.**—The amount of impairment-related work expenses which is allowable as a deduction under section 162 (determined without regard to this paragraph) for the taxable year shall be reduced by the amount of credit allowed under this section for such year.

"(2) **ELECTION TO HAVE SECTION NOT APPLY.**—No credit shall be allowed under subsection (a) for the taxable year if the taxpayer elects to not have this section apply for such year."

(b) **CLERICAL AMENDMENT.**—The table of sections for such subpart A is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Impairment-related work expenses of handicapped individuals."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

The **SPEAKER pro tempore**. Pursuant to House Resolution 450 the amendment printed in the bill, modified by the amendment printed in House Report 105-553, is adopted.

The text of H.R. 3433, as amended pursuant to House Resolution 450, is as follows:

H.R. 3433

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Ticket to Work and Self-Sufficiency Act of 1998".

(b) **TABLE OF CONTENTS.**—The table of contents is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. The Ticket to Work and Self-Sufficiency Program.
- Sec. 3. Extending medicare coverage for OASDI disability benefit recipients who are using tickets to work and self-sufficiency.
- Sec. 4. Technical amendments relating to drug addicts and alcoholics.
- Sec. 5. Extension of disability insurance program demonstration project authority.
- Sec. 6. Perfecting amendments related to withholding from social security benefits.
- Sec. 7. Treatment of prisoners.
- Sec. 8. Revocation by members of the clergy of exemption from social security coverage.
- Sec. 9. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

SEC. 2. THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM

"SEC. 1147. (a) IN GENERAL.—The Commissioner of Social Security shall establish a Ticket to Work and Self-Sufficiency Program, under which a disabled beneficiary may use a ticket to work and self-sufficiency issued by the Commissioner in accordance with this section to obtain employment services, vocational rehabilitation services, or other support services from an employment network which is of the beneficiary's choice and which is willing to provide such services to such beneficiary.

"(b) TICKET SYSTEM.—

"(1) DISTRIBUTION OF TICKETS.—The Commissioner of Social Security may issue a ticket to work and self-sufficiency to disabled beneficiaries for participation in the Program.

"(2) ASSIGNMENT OF TICKETS.—A disabled beneficiary holding a ticket to work and self-sufficiency may assign the ticket to any employment network of the beneficiary's choice which is serving under the Program and is willing to accept the assignment.

"(3) TICKET TERMS.—A ticket issued under paragraph (1) shall consist of a document which evidences the Commissioner's agreement to pay (as provided in paragraph (4)) an employment network, which is serving under the Program and to which such ticket is assigned by the beneficiary, for such employment services, vocational rehabilitation services, and other support services as the employment network may provide to the beneficiary.

"(4) PAYMENTS TO EMPLOYMENT NETWORKS.—The Commissioner shall pay an employment network under the Program in accordance with the outcome payment system under subsection (h)(2) or under the outcome-milestone payment system under subsection (h)(3) (whichever is elected pursuant to subsection (h)(1)). An employment network may not request or receive compensation for such services from the beneficiary.

"(c) STATE PARTICIPATION.—

"(1) PERIODIC ELECTIONS.—Each State agency administering or supervising the administration of the State plan approved under title I of the Rehabilitation Act of 1973 may elect to participate in the Program (or to revoke any such election) as an employment network. The Commissioner shall provide for periodic opportunities for exercising such elections (and revocations).

"(2) TREATMENT OF STATE AGENCIES.—Any such election (or revocation) by a State agency described in paragraph (1) taking effect during any period for which an individual residing in the State is a disabled beneficiary and a client of the State agency shall not be effective with respect to such individual to the extent that such election (or revocation) would result in any change in the method of payment to the State agency with respect to the individual from the method of payment to the State agency with respect to the individual in effect immediately before such election (or revocation).

"(3) EFFECT OF PARTICIPATION BY STATE AGENCY.—

"(A) STATE AGENCIES PARTICIPATING.—In any case in which a State agency described in paragraph (1) elects under paragraph (1) to participate in the Program—

"(i) the employment services, vocational rehabilitation services, and other support services which, upon assignment of tickets to work and self-sufficiency, are provided to disabled beneficiaries by the State agency acting as an employment network shall be governed by plans for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973, and

"(ii) the provisions of section 222(d) and the provisions of subsections (d) and (e) of section 1615 shall not apply with respect to such State.

"(B) STATE AGENCIES ADMINISTERING MATERNAL AND CHILD HEALTH SERVICES PROGRAMS.—Subparagraph (A) shall not apply with respect to any State agency administering a program under title V of this Act.

"(4) SPECIAL REQUIREMENTS APPLICABLE TO CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—

"(A) IN GENERAL.—In any case in which an employment network has been assigned a ticket to work and self-sufficiency by a disabled beneficiary, no State agency shall be deemed required, under this section, title I of the Rehabilitation Act of 1973, or a State plan approved under such title, to accept any referral of such disabled beneficiary from such employment network unless such employment network and such State agency have entered into a written agreement that meets the requirements of subparagraph (B).

"(B) TERMS OF AGREEMENT.—An agreement required by subparagraph (A) shall specify, in accordance with regulations prescribed pursuant to subparagraph (C)—

"(i) the extent (if any) to which the employment network holding the ticket will provide to the State agency—

"(1) reimbursement for costs incurred in providing services described in subparagraph (A) to the disabled beneficiary, and

"(II) other amounts from payments made by the Commissioner to the employment network pursuant to subsection (h), and

"(ii) any other conditions that may be required by such regulations.

"(C) REGULATIONS.—The Commissioner of Social Security and the Secretary of Education shall jointly prescribe regulations specifying the terms of agreements required by subparagraph (A) and otherwise necessary to carry out the provisions of this paragraph.

"(D) PENALTY.—No payment may be made to an employment network pursuant to subsection (h) in connection with services provided to any disabled beneficiary if such employment network makes referrals described in subparagraph (A) in violation of the terms of the contract required under subparagraph (A) or without having entered into such a contract.

"(d) RESPONSIBILITIES OF THE COMMISSIONER OF SOCIAL SECURITY.—

"(1) SELECTION AND QUALIFICATIONS OF PROGRAM MANAGERS.—The Commissioner of Social Security shall enter into agreements with one or more organizations in the private or public sector for service as a program manager to assist the Commissioner in administering the Program. Any such program manager shall be selected by means of a competitive bidding process, from among organizations in the private or public sector with available expertise and experience in the field of vocational rehabilitation or employment services.

"(2) TENURE, RENEWAL, AND EARLY TERMINATION.—Each agreement entered into under paragraph (1) shall provide for early termination upon failure to meet performance standards which shall be specified in the agreement and which shall be weighted to take into account any performance in prior terms. Such performance standards shall include (but are not limited to)—

"(A) measures for ease of access by beneficiaries to services, and

"(B) measures for determining the extent to which failures in obtaining services for beneficiaries fall within acceptable parameters, as determined by the Commissioner.

"(3) PRECLUSION FROM DIRECT PARTICIPATION IN DELIVERY OF SERVICES IN OWN SERVICE AREA.—Agreements under paragraph (1) shall preclude—

"(A) direct participation by a program manager in the delivery of employment services, vocational rehabilitation services, or other support services to beneficiaries in the service area covered by the program manager's agreement, and

"(B) the holding by a program manager of a financial interest in an employment network or

service provider which provides services in a geographic area covered under the program manager's agreement.

"(4) SELECTION OF EMPLOYMENT NETWORKS.—The Commissioner shall select and enter into agreements with employment networks for service under the Program. Such employment networks shall be in addition to State agencies serving as employment networks pursuant to elections under subsection (c).

"(5) TERMINATION OF AGREEMENTS WITH EMPLOYMENT NETWORKS.—The Commissioner shall terminate agreements with employment networks for inadequate performance, as determined by the Commissioner.

"(6) QUALITY ASSURANCE.—The Commissioner shall provide for such periodic reviews as are necessary to provide for effective quality assurance in the provision of services by employment networks. The Commissioner shall take into account the views of consumers and the program manager under which the employment networks serve and shall consult with providers of services to develop performance measurements. The Commissioner shall ensure that the results of the periodic reviews are made available to beneficiaries who are prospective service recipients as they select employment networks. The Commissioner shall ensure the performance of periodic surveys of beneficiaries receiving services under the Program designed to measure customer service satisfaction.

"(7) DISPUTE RESOLUTION.—The Commissioner shall provide for a mechanism for resolving disputes between beneficiaries and employment networks and between program managers and employment networks. The Commissioner shall afford a party to such a dispute a reasonable opportunity for a full and fair review of the matter in dispute.

"(e) PROGRAM MANAGERS.—

"(1) IN GENERAL.—A program manager shall conduct tasks appropriate to assist the Commissioner in carrying out the Commissioner's duties in administering the Program.

"(2) RECRUITMENT OF EMPLOYMENT NETWORKS.—A program manager shall recruit, and recommend for selection by the Commissioner, employment networks for service under the Program. The program manager shall carry out such recruitment and provide such recommendations, and shall monitor all employment networks serving in the Program in the geographic area covered under the program manager's agreement, to the extent necessary and appropriate to ensure that adequate choices of services are made available to beneficiaries. Employment networks may serve under the Program only pursuant to an agreement entered into with the Commissioner under the Program incorporating the applicable provisions of this section and regulations thereunder, and the program manager shall provide and maintain assurances to the Commissioner that payment by the Commissioner to employment networks pursuant to this section is warranted based on compliance by such employment networks with the terms of such agreement and this section. The program manager shall not impose numerical limits on the number of employment networks to be recommended pursuant to this paragraph.

"(3) FACILITATION OF ACCESS BY BENEFICIARIES TO EMPLOYMENT NETWORKS.—A program manager shall facilitate access by beneficiaries to employment networks. The program manager shall ensure that each beneficiary is allowed changes in employment networks for good cause, as determined by the Commissioner, without being deemed to have rejected services under the Program. The program manager shall establish and maintain lists of employment networks available to beneficiaries and shall make such lists generally available to the public. The program manager shall ensure that all information provided to disabled beneficiaries pursuant to this paragraph is provided in accessible format.

"(4) ENSURING AVAILABILITY OF ADEQUATE SERVICES.—The program manager shall ensure

that employment services, vocational rehabilitation services, and other support services are provided to beneficiaries throughout the geographic area covered under the program manager's agreement, including rural areas.

"(5) REASONABLE ACCESS TO SERVICES.—The program manager shall take such measures as are necessary to ensure that sufficient employment networks are available and that each beneficiary receiving services under the Program has reasonable access to employment services, vocational rehabilitation services, and other support services. Such services may include case management, benefits counseling, supported employment, career planning, career plan development, vocational assessment, job training, placement, follow-up services, and such other services as may be specified by the Commissioner under the Program. The program manager shall ensure that such services are coordinated.

"(f) EMPLOYMENT NETWORKS.—

"(1) QUALIFICATIONS FOR EMPLOYMENT NETWORKS.—Each employment network serving under the Program shall consist of an agency or instrumentality of a State (or a political subdivision thereof) or a private entity, which assumes responsibility for the coordination and delivery of services under the Program to individuals assigning to the employment network tickets to work and self-sufficiency issued under subsection (b). No employment network may serve under the Program unless it demonstrates to the Commissioner substantial expertise and experience in the field of employment services, vocational rehabilitation services, or other support services for individuals with disabilities and provides an array of such services. An employment network shall consist of either a single provider of such services or of an association of such providers organized so as to combine their resources into a single entity. An employment network may meet the requirements of subsection (e)(4) by providing services directly, or by entering into agreements with other individuals or entities providing appropriate employment services, vocational rehabilitation services, or other support services.

"(2) REQUIREMENTS RELATING TO PROVISION OF SERVICES.—Each employment network serving under the Program shall be required under the terms of its agreement with the Commissioner to—

"(A) serve prescribed service areas,

"(B) meet, and maintain compliance with, both general selection criteria (such as professional and governmental certification and educational credentials) and specific selection criteria (such as the extent of work experience by the provider with specific populations), and

"(C) take such measures as are necessary to ensure that employment services, vocational rehabilitation services, and other support services provided under the Program by, or under agreements entered into with, the employment network are provided under appropriate individual work plans meeting the requirements of subsection (g).

"(3) ANNUAL FINANCIAL REPORTING.—Each employment network shall meet financial reporting requirements as prescribed by the Commissioner.

"(4) PERIODIC OUTCOMES REPORTING.—Each employment network shall prepare periodic reports, on at least an annual basis, itemizing for the covered period specific outcomes achieved with respect to specific services provided by the employment network. Such reports shall conform to a national model prescribed under this section. Each employment network shall provide a copy of the latest report issued by the employment network pursuant to this paragraph to each beneficiary upon enrollment under the Program for services to be received through such employment network. Upon issuance of each report to each beneficiary, a copy of the report shall be maintained in the files of the employment network pertaining to the beneficiary. The program manager shall ensure that copies of all such reports issued under this paragraph are

made available to the public under reasonable terms.

"(g) INDIVIDUAL WORK PLANS.—

"(1) IN GENERAL.—Each employment network shall—

"(A) take such measures as are necessary to ensure that employment services, vocational rehabilitation services, and other support services provided under the Program by, or under agreements entered into with, the employment network are provided under appropriate individual work plans as defined by the Commissioner, and

"(B) develop and implement each such individual work plan, in the case of each beneficiary receiving such services, in a manner that affords such beneficiary the opportunity to exercise informed choice in selecting an employment goal and specific services needed to achieve that employment goal.

A beneficiary's individual work plan shall take effect upon approval by the beneficiary.

"(2) VOCATIONAL EVALUATION.—In devising the work plan, the employment network shall undertake a vocational evaluation with respect to the beneficiary. Each vocational evaluation shall set forth in writing such elements and shall be in such format as the Commissioner shall prescribe. The Commissioner may provide for waiver by the beneficiary of such a vocational evaluation, subject to regulations which shall be prescribed by the Commissioner providing for the permissible timing of, and the circumstances permitting, such a waiver.

"(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—

"(1) ELECTION OF PAYMENT SYSTEM BY EMPLOYMENT NETWORKS.—

"(A) IN GENERAL.—The Program shall provide for payment authorized by the Commissioner to employment networks under either an outcome payment system or an outcome-milestone payment system. Each employment network shall elect which payment system will be utilized by the employment network, and, for such period of time as such election remains in effect, the payment system so elected shall be utilized exclusively in connection with such employment network (except as provided in subparagraph (B)).

"(B) METHOD OF PAYMENT TO EMPLOYMENT NETWORKS.—Any such election by an employment network taking effect during any period for which a disabled beneficiary is receiving services from such employment network shall not be effective with respect to such beneficiary to the extent that such election would result in any change in the method of payment to the employment network with respect to services provided to such beneficiary from the method of payment to the employment network with respect to services provided to such beneficiary as of immediately before such election.

"(2) OUTCOME PAYMENT SYSTEM.—

"(A) IN GENERAL.—The outcome payment system shall consist of a payment structure governing employment networks electing such system under paragraph (1)(A) which meets the requirements of this paragraph.

"(B) PAYMENTS MADE DURING OUTCOME PAYMENT PERIOD.—The outcome payment system shall provide for a schedule of payments to an employment network, in connection with each individual who is a beneficiary, for each month, during the individual's outcome payment period, for which benefits (described in paragraphs (2) and (3) of subsection (k)) are not payable to such individual.

"(C) COMPUTATION OF PAYMENTS TO EMPLOYMENT NETWORK.—The payment schedule of the outcome payment system shall be designed so that—

"(i) the payment for each of the 60 months during the outcome payment period for which benefits (described in paragraphs (2) and (3) of subsection (k)) are not payable is equal to a fixed percentage of the payment calculation base for the calendar year in which such month occurs, and

"(ii) such fixed percentage is set at a percentage which does not exceed 40 percent.

"(3) OUTCOME-MILESTONE PAYMENT SYSTEM.—

"(A) IN GENERAL.—The outcome-milestone payment system shall consist of a payment structure governing employment networks electing such system under paragraph (1)(A) which meets the requirements of this paragraph.

"(B) EARLY PAYMENTS UPON ATTAINMENT OF MILESTONES IN ADVANCE OF OUTCOME PAYMENT PERIODS.—The outcome-milestone payment system shall provide for one or more milestones, with respect to beneficiaries receiving services from an employment network under the Program, which are directed toward the goal of permanent employment. Such milestones shall form a part of a payment structure which provides, in addition to payments made during outcome payment periods, payments made prior to outcome payment periods in amounts based on the attainment of such milestones.

"(C) LIMITATION ON TOTAL PAYMENTS TO EMPLOYMENT NETWORK.—The payment schedule of the outcome milestone payment system shall be designed so that the total of the payments to the employment network with respect to each beneficiary is less than, on a net present value basis (using an interest rate determined by the Commissioner that appropriately reflects the cost of funds faced by providers), the total amount to which payments to the employment network with respect to the beneficiary would be limited if the employment network were paid under the outcome payment system.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) PAYMENT CALCULATION BASE.—The term 'payment calculation base' means, for any calendar year—

"(i) in connection with a title II disability beneficiary, the average disability insurance benefit payable under section 223 for all beneficiaries for months during the preceding calendar year, and

"(ii) in connection with a title XVI disability beneficiary (who is not concurrently a title II disability beneficiary), the average payment of supplemental security income benefits based on disability payable under title XVI (excluding State supplementation) for months during the preceding calendar year to all beneficiaries who have attained at least 18 years of age.

"(B) OUTCOME PAYMENT PERIOD.—The term 'outcome payment period' means, in connection with any individual who had assigned a ticket to work and self-sufficiency to an employment network under the Program, a period—

"(i) beginning with the first month, ending after the date on which such ticket was assigned to the employment network, for which benefits (described in paragraphs (2) and (3) of subsection (k)) are not payable to such individual by reason of engagement in work activity, and

"(ii) ending with the 60th month (consecutive or otherwise), ending after such date, for which such benefits are not payable to such individual by reason of engagement in work activity.

"(5) PERIODIC REVIEW AND ALTERATIONS OF PRESCRIBED SCHEDULES.—

"(A) PERCENTAGES AND PERIODS.—The Commissioner of Social Security shall periodically review the percentage specified in paragraph (2)(C), the total payments permissible under paragraph (3)(C), and the period of time specified in paragraph (4)(B) to determine whether such percentages, such permissible payments, and such period provide an adequate incentive for employment networks to assist beneficiaries to enter the workforce, while providing for appropriate economies. The Commissioner may alter such percentage, such total permissible payments, or such period of time to the extent that the Commissioner determines, on the basis of the Commissioner's review under this paragraph, that such an alteration would better provide the incentive and economies described in the preceding sentence.

“(B) NUMBER AND AMOUNT OF MILESTONE PAYMENTS.—The Commissioner shall periodically review the number and amounts of milestone payments established by the Commissioner pursuant to this section to determine whether they provide an adequate incentive for employment networks to assist beneficiaries to enter the workforce, taking into account information provided to the Commissioner by program managers, the Ticket to Work and Self-Sufficiency Advisory Panel, and other reliable sources. The Commissioner may from time to time alter the number and amounts of milestone payments initially established by the Commissioner pursuant to this section to the extent that the Commissioner determines that such an alteration would allow an adequate incentive for employment networks to assist beneficiaries to enter the workforce. Such alteration shall be based on information provided to the Commissioner by program managers, the Ticket to Work and Self-Sufficiency Advisory Panel, or other reliable sources.

“(i) SUSPENSION OF DISABILITY REVIEWS.—During any period for which an individual is using a ticket to work and self-sufficiency issued under this section, the Commissioner (and any applicable State agency) may not initiate a continuing disability review or other review under section 221 of whether the individual is or is not under a disability or a review under title XVI similar to any such review under section 221.

“(j) AUTHORIZATIONS.—

“(1) TITLE II DISABILITY BENEFICIARIES.—There are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year such sums as may be necessary to carry out the provisions of this section with respect to title II disability beneficiaries. Money paid from the Trust Funds under this section with respect to title II disability beneficiaries who are entitled to benefits under section 223 or who are entitled to benefits under section 202(d) on the basis of the wages and self-employment income of such beneficiaries, shall be charged to the Federal Disability Insurance Trust Fund, and all other money paid from the Trust Funds under this section shall be charged to the Federal Old-Age and Survivors Insurance Trust Fund. The Commissioner of Social Security shall determine according to such methods and procedures as shall be prescribed under this section—

“(A) the total amount to be paid to program managers and employment networks under this section, and

“(B) subject to the provisions of the preceding sentence, the amount which should be charged to each of the Trust Funds.

“(2) TITLE XVI DISABILITY BENEFICIARIES.—Amounts authorized to be appropriated to the Social Security Administration under section 1601 (as in effect pursuant to the amendments made by section 301 of the Social Security Amendments of 1972) shall include amounts necessary to carry out the provisions of this section with respect to title XVI disability beneficiaries.

“(k) DEFINITIONS.—For purposes of this section—

“(1) DISABLED BENEFICIARY.—The term ‘disabled beneficiary’ means a title II disability beneficiary or a title XVI disability beneficiary.

“(2) TITLE II DISABILITY BENEFICIARY.—The term ‘title II disability beneficiary’ means an individual entitled to disability insurance benefits under section 223 or to monthly insurance benefits under section 202 based on such individual’s disability (as defined in section 223(d)). An individual is a title II disability beneficiary for each month for which such individual is entitled to such benefits.

“(3) TITLE XVI DISABILITY BENEFICIARY.—The term ‘title XVI disability beneficiary’ means an individual eligible for supplemental security income benefits under title XVI on the basis of blindness (within the meaning of section 1614(a)(2)) or disability (within the meaning of

section 1614(a)(3)). An individual is a title XVI disability beneficiary for each month for which such individual is eligible for such benefits.

“(4) SUPPLEMENTAL SECURITY INCOME BENEFIT.—The term ‘supplemental security income benefit under title XVI’ means a cash benefit under section 1611 or 1619(a), and does not include a State supplementary payment, administered federally or otherwise.

“(l) REGULATIONS.—The Commissioner of Social Security shall prescribe such regulations as are necessary to carry out the provisions of this section.”

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO TITLE II.—

(A) Section 221(c) of such Act (42 U.S.C. 421(c)) is amended by adding at the end the following new paragraph:

“(4) For suspension of reviews under this subsection in the case of an individual using a ticket to work and self-sufficiency, see section 1147(i).”

(B) Section 222(a) of such Act (42 U.S.C. 422(a)) is repealed.

(C) Section 222(b) of such Act (42 U.S.C. 422(b)) is repealed.

(D) Section 225(b)(1) of such Act (42 U.S.C. 425(b)(1)) is amended by striking “a program of vocational rehabilitation services” and inserting “a program consisting of the Ticket to Work and Self-Sufficiency Program under section 1147 or another program of vocational rehabilitation services, employment services, or other support services”.

(2) AMENDMENTS TO TITLE XVI.—

(A) Section 1615(a) of such Act (42 U.S.C. 1382d(a)) is amended to read as follows:

“SEC. 1615. (a) In the case of any blind or disabled individual who—

“(1) has not attained age 16, and

“(2) with respect to whom benefits are paid under this title,

the Commissioner of Social Security shall make provision for referral of such individual to the appropriate State agency administering the State program under title V.”

(B) Section 1615(c) of such Act (42 U.S.C. 1382d(c)) is repealed.

(C) Section 1631(a)(6)(A) of such Act (42 U.S.C. 1383(a)(6)(A)) is amended by striking “a program of vocational rehabilitation services” and inserting “a program consisting of the Ticket to Work and Self-Sufficiency Program under section 1147 or another program of vocational rehabilitation services, employment services, or other support services”.

(D) Section 1633(c) of such Act (42 U.S.C. 1383b(c)) is amended—

(i) by inserting “(1)” after “(c)”; and

(ii) by adding at the end the following new paragraph:

“(2) For suspension of continuing disability reviews and other reviews under this title similar to reviews under section 221 in the case of an individual using a ticket to work and self-sufficiency, see section 1147(i).”

(c) EFFECTIVE DATE.—Subject to subsection (d), the amendments made by subsections (a) and (b) shall take effect with the first month following one year after the date of the enactment of this Act.

(d) GRADUATED IMPLEMENTATION OF PROGRAM.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Commissioner of Social Security shall commence implementation of the amendments made by this section (other than paragraphs (1)(C) and (2)(B) of subsection (b)) in graduated phases at phase-in sites selected by the Commissioner. Such phase-in sites shall be selected so as to ensure, prior to full implementation of the Ticket to Work and Self-Sufficiency Program, the development and refinement of referral processes, payment systems, computer linkages, management information systems, and administrative processes necessary to provide for full implement-

tation of such amendments. Subsection (c) shall apply with respect to paragraphs (1)(C) and (2)(B) of subsection (b) without regard to this subsection.

(2) REQUIREMENTS.—Implementation of the Program at each phase-in site shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration, so as to ensure that the most efficacious methods are determined and in place for full implementation of the Program on a timely basis.

(3) FULL IMPLEMENTATION.—The Commissioner shall ensure that the Program is fully implemented as soon as practicable on or after the effective date specified in subsection (c) but not later than six years after such date.

(4) ONGOING EVALUATION OF PROGRAM.—

(A) IN GENERAL.—The Commissioner shall design and conduct a series of evaluations to assess the cost-effectiveness of activities carried out under this section and the amendments made thereby, as well as the effects of this section and the amendments made thereby on work outcomes for beneficiaries receiving tickets to work and self-sufficiency under the Program.

(B) METHODOLOGY.—

(i) DESIGN AND IMPLEMENTATION.—The Commissioner shall design the series of evaluations after receiving relevant advice from experts in the fields of disability, vocational rehabilitation, and program evaluation and individuals using tickets to work and self-sufficiency under the Program. In designing and carrying out such evaluations, the Commissioner shall consult with the Comptroller General of the United States and other agencies of the Federal Government and with private organizations with appropriate expertise. Before provision of services begins under any phase of Program implementation, the Commissioner shall ensure that plans for such evaluations and data collection methods are in place and ready for implementation.

(ii) SPECIFIC MATTERS TO BE ADDRESSED.—Each such evaluation shall address (but is not limited to):

(I) the annual cost (including net cost) of the Program and the annual cost (including net cost) that would have been incurred in the absence of the Program;

(II) the determinants of return to work, including the characteristics of beneficiaries in receipt of tickets under the Program;

(III) the types of employment services, vocational rehabilitation services, and other support services furnished to beneficiaries in receipt of tickets under the Program who return to work and to those who do not return to work;

(IV) the duration of employment services, vocational rehabilitation services, and other support services furnished to beneficiaries in receipt of tickets under the Program who return to work and the duration of such services furnished to those who do not return to work and the cost to employment networks of furnishing such services;

(V) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work after receiving tickets under the Program and those who return to work without receiving such tickets;

(VI) the characteristics of providers whose services are provided within an employment network under the Program;

(VII) the extent (if any) to which employment networks display a greater willingness to provide services to disabled beneficiaries;

(VIII) the characteristics (including employment outcomes) of those beneficiaries who receive services under the outcome payment system and of those beneficiaries who receive services under the outcome-milestone payment system;

(IX) measures of satisfaction among beneficiaries in receipt of tickets under the Program; and

(X) reasons for (including comments solicited from beneficiaries regarding) their choice not to

use their tickets or their inability to return to work despite the use of their tickets.

(C) PERIODIC EVALUATION REPORTS.—Following the close of the third and fifth fiscal years ending after the effective date under subsection (c), and prior to the close of the seventh fiscal year ending after such date, the Commissioner shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the Commissioner's evaluation of the progress of activities conducted under the provisions of this section and the amendments made thereby. Each such report shall set forth the Commissioner's evaluation of the extent to which the Program has been successful and the Commissioner's conclusions on whether or how the Program should be modified. Each such report shall include such data, findings, materials, and recommendations as the Commissioner may consider appropriate.

(5) EXTENT OF STATE'S RIGHT OF FIRST REFUSAL IN ADVANCE OF FULL IMPLEMENTATION OF AMENDMENTS IN SUCH STATE.—

(A) IN GENERAL.—In the case of any State in which the amendments made by subsection (a) have not been fully implemented pursuant to this subsection, the Commissioner shall determine by regulation the extent to which—

(i) the requirement under section 222(a) of the Social Security Act for prompt referrals to a State agency, and

(ii) the authority of the Commissioner under section 222(d)(2) of such Act to provide vocational rehabilitation services in such State by agreement or contract with other public or private agencies, organizations, institutions, or individuals, shall apply in such State.

(B) EXISTING AGREEMENTS.—Nothing in subparagraph (A) or the amendments made by subsection (a) shall be construed to limit, impede, or otherwise affect any agreement entered into pursuant to section 222(d)(2) of the Social Security Act before the date of the enactment of this Act with respect to services provided pursuant to such agreement to beneficiaries receiving services under such agreement as of such date, except with respect to services (if any) to be provided after six years after the effective date provided in subsection (c).

(e) THE TICKET TO WORK AND SELF-SUFFICIENCY ADVISORY PANEL.—

(1) ESTABLISHMENT.—There is established in the executive branch a panel to be known as the "Ticket to Work and Self-Sufficiency Advisory Panel" (in this subsection referred to as the "Panel").

(2) DUTIES OF PANEL.—It shall be the duty of the Panel to—

(A) advise the Commissioner of Social Security on establishing phase-in sites for the Ticket to Work and Self-Sufficiency Program and on fully implementing the Program thereafter;

(B) advise the Commissioner with respect to the refinement of access of disabled beneficiaries to employment networks, payment systems, and management information systems and advise the Commissioner whether such measures are being taken to the extent necessary to ensure the success of the Program;

(C) advise the Commissioner regarding the most effective designs for research and demonstration projects associated with the Program or conducted pursuant to subsection (h);

(D) advise the Commissioner on the development of performance measurements relating to quality assurance under section 1147(d)(6) of the Social Security Act, and

(E) furnish progress reports on the Program to the President and each House of the Congress.

(3) MEMBERSHIP.—

(A) NUMBER AND APPOINTMENT.—The Panel shall be composed of 6 members as follows:

(i) 1 member appointed by the Chairman of the Committee on Ways and Means of the House of Representatives;

(ii) 1 member appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives;

(iii) 1 member appointed by the Chairman of the Committee on Finance of the Senate;

(iv) 1 member appointed by the ranking minority member of the Committee on Finance of the Senate; and

(v) 2 members appointed by the President, who may not be of the same political party.

(B) REPRESENTATION.—Of the members appointed under subparagraph (A), at least 4 shall have experience or expert knowledge as a recipient, provider, employer, or employee in the fields of, or related to, employment services, vocational rehabilitation services, and other support services, of whom—

(i) at least one shall represent the interests of recipients of employment services, vocational rehabilitation services, and other support services;

(ii) at least one shall represent the interests of providers of employment services, vocational rehabilitation services, and other support services;

(iii) at least one shall represent the interests of private employers;

(iv) at least one shall represent the interests of employees, and

(v) at least one shall be an individual who is or has been a recipient of benefits under title II or title XVI based on disability.

(C) TERMS.—

(i) IN GENERAL.—Each member shall be appointed for a term of 4 years (or, if less, for the remaining life of the Panel), except as provided in clauses (ii) and (iii). The initial members shall be appointed not later than 90 days after the date of the enactment of this Act.

(ii) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(I) 3 of the members appointed under subparagraph (A) shall be appointed for a term of 2 years, and

(II) 3 of the members appointed under subparagraph (A) shall be appointed for a term of 4 years.

(iii) 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. A vacancy in the Panel shall be filled in the manner in which the original appointment was made.

(D) BASIC PAY.—Members shall each be paid at a rate equal to the daily equivalent of the rate of basic pay for level 4 of the Senior Executive Service, as in effect from time to time under section 5382 of title 5, United States Code, for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Panel.

(E) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(F) QUORUM.—4 members of the Panel shall constitute a quorum but a lesser number may hold hearings.

(G) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the President. The term of office of the Chairperson shall be 4 years.

(H) MEETINGS.—The Panel shall meet at least quarterly and at other times at the call of the Chairperson or a majority of its members.

(4) DIRECTOR AND STAFF OF PANEL; EXPERTS AND CONSULTANTS.—

(A) DIRECTOR.—The Panel shall have a Director who shall be appointed by the Panel. The Director shall be paid at a rate not to exceed the maximum rate of pay payable for GS-15 of the General Schedule.

(B) STAFF.—Subject to rules prescribed by the Panel, the Director may appoint and fix the pay of additional personnel as the Director considers appropriate.

(C) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Panel, the Director may procure temporary and intermittent services

under section 3109(b) of title 5, United States Code.

(D) STAFF OF FEDERAL AGENCIES.—Upon request of the Panel, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Panel to assist it in carrying out its duties under this Act.

(5) POWERS OF PANEL.—

(A) HEARINGS AND SESSIONS.—The Panel may, for the purpose of carrying out its duties under this subsection, hold such hearings, sit and act at such times and places, and take such testimony and evidence as the Panel considers appropriate.

(B) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Panel may, if authorized by the Panel, take any action which the Panel is authorized to take by this section.

(C) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(D) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Panel, the Administrator of General Services shall provide to the Panel, on a reimbursable basis, the administrative support services necessary for the Panel to carry out its duties under this subsection.

(6) REPORTS.—

(A) INTERIM REPORTS.—The Panel shall submit to the President and the Congress interim reports at least annually.

(B) FINAL REPORT.—The Panel shall transmit a final report to the President and the Congress not later than eight years after the date of the enactment of this Act. The final report shall contain a detailed statement of the findings and conclusions of the Panel, together with its recommendations for legislation and administrative actions which the Panel considers appropriate.

(7) TERMINATION.—The Panel shall terminate 30 days after the date of the submission of its final report under paragraph (6)(B).

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the general fund of the Treasury, as appropriate, such sums as are necessary to carry out this subsection.

(f) SPECIFIC REGULATIONS REQUIRED.—

(1) IN GENERAL.—The Commissioner of Social Security shall prescribe such regulations as are necessary to implement the amendments made by this section.

(2) SPECIFIC MATTERS TO BE INCLUDED IN REGULATIONS.—The matters which shall be addressed in such regulations shall include (but are not limited to)—

(A) the form and manner in which tickets to work and self-sufficiency may be distributed to beneficiaries pursuant to section 1147(b)(1) of such Act;

(B) the format and wording of such tickets, which shall incorporate by reference any contractual terms governing service by employment networks under the Program;

(C) the form and manner in which State agencies may elect participation in the Ticket to Work and Self-Sufficiency Program (and revoke such an election) pursuant to section 1147(c)(1) of such Act and provision for periodic opportunities for exercising such elections (and revocations);

(D) the status of State agencies under section 1147(c)(2) at the time that State agencies exercise elections (and revocations) under such section 1147(c)(1);

(E) the terms of agreements to be entered into with program managers pursuant to section 1147(d) of such Act, including (but not limited to)—

(i) the terms by which program managers are precluded from direct participation in the delivery of services pursuant to section 1147(d)(3) of such Act,

(ii) standards which must be met by quality assurance measures referred to in paragraph (6)

of section 1147(d) and methods of recruitment of employment networks utilized pursuant to paragraph (2) of section 1147(e), and

(iii) the format under which dispute resolution will operate under section 1147(d)(7).

(F) the terms of agreements to be entered into with employment networks pursuant to section 1147(d)(4) of such Act, including (but not limited to)—

(i) the manner in which service areas are specified pursuant to section 1147(f)(2)(A) of such Act,

(ii) the general selection criteria and the specific selection criteria which are applicable to employment networks under section 1147(f)(2)(B) of such Act in selecting service providers,

(iii) specific requirements relating to annual financial reporting by employment networks pursuant to section 1147(f)(3) of such Act, and

(iv) the national model to which periodic outcomes reporting by employment networks must conform under section 1147(f)(4) of such Act;

(G) standards which must be met by individual work plans pursuant to section 1147(g) of such Act;

(H) standards which must be met by payment systems required under section 1147(h) of such Act, including (but not limited to)—

(i) the form and manner in which elections by employment networks of payment systems are to be exercised pursuant to section 1147(h)(1)(A),

(ii) the terms which must be met by an outcome payment system under section 1147(h)(2);

(iii) the terms which must be met by an outcome-milestone payment system under section 1147(h)(3);

(iv) any revision of the percentage specified in paragraph (2)(C) of section 1147(h) of such Act or the period of time specified in paragraph (4)(B) of such section 1147(h); and

(v) annual oversight procedures for such systems; and

(I) procedures for effective oversight of the Program by the Commissioner of Social Security, including periodic reviews and reporting requirements.

(g) **WORK INCENTIVE SPECIALISTS.**—The Commissioner shall establish a corps of trained, accessible, and responsive work incentive specialists to specialize in title II and title XVI disability work incentives for the purpose of disseminating accurate information to disabled beneficiaries (as defined in section 1147(k)(1) of the Social Security Act as amended by this Act) with respect to inquiries and issues relating to work incentives.

(h) **DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.**—

(I) **AUTHORITY.**—The Commissioner shall conduct demonstration projects for the purpose of evaluating, through the collection of data, a program for title II disability beneficiaries (as defined in section 1147(k)(2) of the Social Security Act, as amended by this Act) under which each \$1 of benefits payable under section 223, or under section 202 based on the beneficiary's disability, is reduced for each \$2 of such beneficiary's earnings that is above a level to be determined by the Commissioner. Such projects shall be conducted at a number of localities which the Commissioner shall determine is sufficient to adequately evaluate the appropriateness of national implementation of such a program. Such projects shall identify reductions in Federal expenditures that may result from the permanent implementation of such a program.

(2) **SCOPE AND SCALE AND MATTERS TO BE DETERMINED.**—

(A) **IN GENERAL.**—The demonstration projects developed under paragraph (1) shall be of sufficient duration, shall be of sufficient scope, and shall be carried out on a wide enough scale to permit a thorough evaluation of the project to determine—

(i) the effects, if any, of induced entry and reduced exit,

(ii) the extent, if any, to which the project being tested is affected by whether it is in oper-

ation in a locality within an area under the administration of the Ticket to Work and Self-Sufficiency Program, and

(iii) the savings that accrue to the Trust Funds and other Federal programs under the project being tested.

The Commissioner shall take into account advice provided by the Ticket to Work and Self-Sufficiency Advisory Panel pursuant to subsection (e)(2)(C).

(B) **ADDITIONAL MATTERS.**—The Commissioner shall also determine with respect to each project—

(i) the annual cost (including net cost) of the project and the annual cost (including net cost) that would have been incurred in the absence of the project,

(ii) the determinants of return to work, including the characteristics of the beneficiaries who participate in the project, and

(iii) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work as a result of participation in the project.

The Commissioner may include within the matters evaluated under the project the merits of trial work periods and periods of extended eligibility.

(3) **WAIVERS.**—The Commissioner may waive compliance with the benefit provisions of title II of the Social Security Act, and the Secretary of Health and Human Services may waive compliance with the benefit requirements of title XVIII of such Act, in so far as is necessary for a thorough evaluation of the alternative methods under consideration. No such project shall be actually placed in operation unless at least 90 days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in paragraph (1).

(4) **INTERIM REPORTS.**—On or before June 9 in 2000 and each of the succeeding years thereafter, the Commissioner shall submit to the Congress an interim report on the progress of the demonstration projects carried out under this subsection together with any related data and materials which the Commissioner may consider appropriate.

(5) **FINAL REPORT.**—The Commissioner shall submit to the Congress a final report with respect to all demonstration projects carried out under this section no later than one year after their completion.

(6) **EXPENDITURES.**—Expenditures made for demonstration projects under this subsection shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services, to the extent provided in advance in appropriation Acts.

(I) **STUDY BY GENERAL ACCOUNTING OFFICE OF EXISTING DISABILITY-RELATED EMPLOYMENT INCENTIVES.**—

(1) **STUDY.**—As soon as practicable after the date of the enactment of this Act, the Comptroller General of the United States shall undertake a study to assess existing tax credits and other disability-related employment incentives under the Americans with Disabilities Act of 1990 and other Federal laws. In such study, the Comptroller General shall specifically address the extent to which such credits and other incentives

would encourage employers to hire and retain individuals with disabilities under the Ticket to Work and Self-Sufficiency Program.

(2) **REPORT.**—Not later than 3 years after the date of the enactment of this Act, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General may determine to be appropriate.

(J) **STUDY BY GENERAL ACCOUNTING OFFICE OF EXISTING COORDINATION OF THE DI AND SSI PROGRAMS AS THEY RELATE TO INDIVIDUALS ENTERING OR LEAVING CONCURRENT ENTITLEMENT.**—

(1) **STUDY.**—As soon as practicable after the date of the enactment of this Act, the Comptroller General of the United States shall undertake a study to evaluate the coordination under current law of the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act, as such programs relate to individuals entering or leaving concurrent entitlement under such programs. In such study, the Comptroller General shall specifically address the effectiveness of work incentives under such programs with respect to such individuals and the effectiveness of coverage of such individuals under titles XVIII and XIX of such Act.

(2) **REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General may determine to be appropriate.

SEC. 3. EXTENDING MEDICARE COVERAGE FOR OASDI DISABILITY BENEFIT RECIPIENTS WHO ARE USING TICKETS TO WORK AND SELF-SUFFICIENCY.

(a) **IN GENERAL.**—The next to last sentence of section 226(b) of the Social Security Act (42 U.S.C. 426) is amended—

(1) by striking "throughout all of which" and inserting "throughout the first 24 months of which"; and

(2) by inserting after "but not in excess of 24 such months" the following: "(plus 24 additional such months in the case of an individual who the Commissioner determines is using a ticket to work and self-sufficiency issued under section 1147, but only for additional months that occur in the 7-year period beginning on the date of the enactment of the Ticket to Work and Self-Sufficiency Act of 1998)".

(b) **REPORT.**—Not later than 6 months prior to the end of the 7-year period beginning on the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security shall submit in writing to each House of the Congress their recommendations for further legislative action with respect to the amendments made by subsection (a), taking into account experience derived from efforts to achieve full implementation of the Ticket to Work and Self-Sufficiency Program under section 1147 of the Social Security Act.

SEC. 4. TECHNICAL AMENDMENTS RELATING TO DRUG ADDICTS AND ALCOHOLICS.

(a) **CLARIFICATION RELATING TO THE EFFECTIVE DATE OF THE DENIAL OF SOCIAL SECURITY DISABILITY BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.**—Section 105(a)(5) of the Contract with America Advancement Act of 1996 (Public Law 104-121; 110 Stat. 853) is amended—

(1) in subparagraph (A), by striking "by the Commissioner of Social Security" and "by the Commissioner"; and

(2) by adding at the end the following new subparagraphs:

“(D) For purposes of this paragraph, an individual’s claim, with respect to benefits under title II of the Social Security Act based on disability, which has been denied in whole before the date of the enactment of this Act, may not be considered to be finally adjudicated before such date if, on or after such date—

“(i) there is pending a request for either administrative or judicial review with respect to such claim, or

“(ii) there is pending, with respect to such claim, a readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

“(E) Notwithstanding the provisions of this paragraph, with respect to any individual for whom the Commissioner of Social Security does not perform the entitlement redetermination before the date prescribed in subparagraph (C), the Commissioner shall perform such entitlement redetermination in lieu of a continuing disability review whenever the Commissioner determines that the individual’s entitlement is subject to redetermination based on the preceding provisions of this paragraph, and the provisions of section 223(f) of the Social Security Act shall not apply to such redetermination.”

(b) CORRECTION TO EFFECTIVE DATE OF PROVISIONS CONCERNING REPRESENTATIVE PAYEES AND TREATMENT REFERRALS OF SOCIAL SECURITY BENEFICIARIES WHO ARE DRUG ADDICTS AND ALCOHOLICS.—Section 105(a)(5)(B) of such Act (Public Law 104-121; 110 Stat. 853) is amended to read as follows:

“(B) The amendments made by paragraphs (2) and (3) shall take effect on July 1, 1996, with respect to any individual—

“(i) whose claim for benefits is finally adjudicated on or after the date of the enactment of this Act, or

“(ii) whose entitlement to benefits is based upon an entitlement redetermination made pursuant to subparagraph (C).”

(c) EFFECTIVE DATES.—The amendments made by this section shall take effect as if included in the enactment of section 105 of the Contract with America Advancement Act of 1996 (Public Law 104-121; 110 Stat. 852 et seq.).

SEC. 5. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) IN GENERAL.—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96-265; 94 Stat. 473), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272; 100 Stat. 282), section 10103 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239; 103 Stat. 2472), section 5120(f) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 104 Stat. 1388-282), and section 315 of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103-296; 108 Stat. 1531), is further amended—

(1) in paragraph (1) of subsection (a), by adding at the end the following new sentence: “The Commissioner may expand the scope of any such demonstration project to include any group of applicants for benefits under such program with impairments which may reasonably be presumed to be disabling for purposes of such demonstration project, and may limit any such demonstration project to any such group of applicants, subject to the terms of such demonstration project which shall define the extent of any such presumption.”;

(2) in paragraph (3) of subsection (a), by striking “June 10, 1996” and inserting “June 10, 2001”;

(3) in paragraph (4) of subsection (a), by inserting “and on or before October 1, 2000,” after “1995,”; and

(4) in subsection (c), by striking “October 1, 1996” and inserting “October 1, 2001”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 6. PERFECTING AMENDMENTS RELATED TO WITHHOLDING FROM SOCIAL SECURITY BENEFITS.

(a) INAPPLICABILITY OF ASSIGNMENT PROHIBITION.—Section 207 of the Social Security Act (42 U.S.C. 407) is amended by adding at the end the following new subsection:

“(c) Nothing in this section shall be construed to prohibit withholding taxes from any benefit under this title, if such withholding is done pursuant to a request made in accordance with section 3402(p)(1) of the Internal Revenue Code of 1986 by the person entitled to such benefit or such person’s representative payee.”

(b) PROPER ALLOCATION OF COSTS OF WITHHOLDING BETWEEN THE TRUST FUNDS AND THE GENERAL FUND.—Section 201(g) of such Act (42 U.S.C. 401(g)) is amended—

(1) by inserting before the period in paragraph (1)(A)(ii) the following: “and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons’ representative payee”;

(2) by inserting before the period at the end of paragraph (1)(A) the following: “and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons’ representative payee”;

(3) in paragraph (1)(B)(i)(I), by striking “subparagraph (A),” and inserting “subparagraph (A)” and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons’ representative payee.”;

(4) in paragraph (1)(C)(iii), by inserting before the period the following: “and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons’ representative payee”;

(5) in paragraph (1)(D), by inserting after “section 232” the following: “and the functions of the Social Security Administration in connection with the withholding of taxes from benefits as described in section 207(c)”;

(6) in paragraph (4), by inserting after the first sentence the following: “The Board of Trustees of such Trust Funds shall prescribe the method of determining the costs which should be borne by the general fund in the Treasury of carrying out the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons’ representative payee.”

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to benefits paid on or after the first day of the second month beginning after the month in which this Act is enacted.

SEC. 7. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF TITLE II BENEFITS TO PRISONERS.—(1) IN GENERAL.—Section 202(x)(3) of the Social Security Act (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting “(A)” after “(3)”; and

(B) by adding at the end the following new subparagraph:

“(B)(i) The Commissioner shall enter into an agreement under this subparagraph with any interested State or local institution comprising a jail, prison, penal institution, or correctional facility, or comprising any other institution a purpose of which is to confine individuals as described in paragraph (1)(A)(ii). Under such agreement—

“(1) the institution shall provide to the Commissioner, on a monthly basis and in a manner specified by the Commissioner, the names, social

security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

“(II) the Commissioner shall pay to the institution, with respect to information described in subclause (I) concerning each individual who is confined therein as described in paragraph (1)(A), who receives a benefit under this title for the month preceding the first month of such confinement, and whose benefit under this title is determined by the Commissioner to be not payable by reason of confinement based on the information provided by the institution, \$400 (subject to reduction under clause (ii)) if the institution furnishes the information to the Commissioner within 30 days after the date such individual’s confinement in such institution begins, or \$200 (subject to reduction under clause (ii)) if the institution furnishes the information after 30 days after such date but within 90 days after such date.

“(ii) The dollar amounts specified in clause (i)(II) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 1611(e)(1)(I).

“(iii) The provisions of section 552a of title 5, United States Code, shall not apply to any agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

“(iv) There is authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to enable the Commissioner to make payments to institutions required by clause (i)(II).

“(v) The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any agency administering a Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.”

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the fourth month beginning after the month in which this Act is enacted.

(b) ELIMINATION OF TITLE II REQUIREMENT THAT CONFINEMENT STEM FROM CRIME PUNISHABLE BY IMPRISONMENT FOR MORE THAN 1 YEAR.—

(1) IN GENERAL.—Section 202(x)(1)(A) of such Act (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in the matter preceding clause (i), by striking “during” and inserting “throughout”;

(B) in clause (i), by striking “an offense punishable by imprisonment for more than 1 year (regardless of the actual sentence imposed)” and inserting “a criminal offense”; and

(C) in clause (ii)(I), by striking “an offense punishable by imprisonment for more than 1 year” and inserting “a criminal offense”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the fourth month beginning after the month in which this Act is enacted.

(c) CONFORMING TITLE XVI AMENDMENTS.—

(1) FIFTY PERCENT REDUCTION IN TITLE XVI PAYMENT IN CASE INVOLVING COMPARABLE TITLE II PAYMENT.—Section 1611(e)(1)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)) is amended—

(A) in clause (i)(II), by inserting “(subject to reduction under clause (ii))” after “\$400” and after “\$200”;

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv) respectively; and

(C) by inserting after clause (i) the following new clause:

"(ii) The dollar amounts specified in clause (i)(I) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 202(x)(3)(B)."

(2) EXPANSION OF CATEGORIES OF INSTITUTIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH THE COMMISSIONER.—Section 1611(e)(1)(I)(i) of such Act (42 U.S.C. 1382(e)(1)(I)(i)) is amended in the matter preceding subclause (I) by striking "institution" and all that follows through "section 202(x)(1)(A)," and inserting "institution comprising a jail, prison, penal institution, or correctional facility, or with any other interested State or local institution a purpose of which is to confine individuals as described in section 202(x)(1)(A)(ii)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of section 203(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193; 110 Stat. 2186). The reference to section 202(x)(1)(A)(ii) of the Social Security Act in section 1611(e)(1)(I)(i) of such Act as amended by paragraph (2) shall be deemed a reference to such section 202(x)(1)(A)(ii) as amended by subsection (b)(1)(C).

(d) CONTINUED DENIAL OF BENEFITS TO SEX OFFENDERS REMAINING CONFINED TO PUBLIC INSTITUTIONS UPON COMPLETION OF PRISON TERM.—

(1) IN GENERAL.—Section 202(x)(1)(A) of the Social Security Act (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in clause (i), by striking "or" at the end;

(B) in clause (ii)(IV), by striking the period and inserting ", or"; and

(C) by adding at the end the following new clause:

"(iii) immediately upon completion of confinement as described in clause (i) pursuant to conviction of a criminal offense an element of which is sexual activity, is confined by court order in an institution at public expense pursuant to a finding that the individual is a sexually dangerous person or a sexual predator or a similar finding."

(2) CONFORMING AMENDMENT.—Section 202(x)(1)(B)(ii) of such Act (42 U.S.C. 402(x)(1)(B)(ii)) is amended by striking "clause (ii)" and inserting "clauses (ii) and (iii)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to benefits for months ending after the date of the enactment of this Act.

SEC. 8. REVOCATION BY MEMBERS OF THE CLERGY OF EXEMPTION FROM SOCIAL SECURITY COVERAGE.

(a) IN GENERAL.—Notwithstanding section 1402(e)(4) of the Internal Revenue Code of 1986, any exemption which has been received under section 1402(e)(1) of such Code by a duly ordained, commissioned, or licensed minister of a church, a member of a religious order, or a Christian Science practitioner, and which is effective for the taxable year in which this Act is enacted, may be revoked by filing an application therefor (in such form and manner, and with such official, as may be prescribed in regulations made under chapter 2 of such Code), if such application is filed no later than the due date of the Federal income tax return (including any extension thereof) for the applicant's second taxable year beginning after December 31, 1998. Any such revocation shall be effective (for purposes of chapter 2 of the Internal Revenue Code of 1986 and title II of the Social Security Act), as specified in the application, either with respect to the applicant's first taxable year beginning after December 31, 1998, or with respect to the applicant's second taxable year beginning after such date, and for all succeeding taxable years; and the applicant for any such revocation may not thereafter again file application for an exemption under such section 1402(e)(1). If the application is filed after the due date of

the applicant's Federal income tax return for a taxable year and is effective with respect to that taxable year, it shall include or be accompanied by payment in full of an amount equal to the total of the taxes that would have been imposed by section 1401 of the Internal Revenue Code of 1986 with respect to all of the applicant's income derived in that taxable year which would have constituted net earnings from self-employment for purposes of chapter 2 of such Code (notwithstanding section 1402(c)(4) or (c)(5) of such Code) except for the exemption under section 1402(e)(1) of such Code.

(b) EFFECTIVE DATE.—Subsection (a) shall apply with respect to service performed (to the extent specified in such subsection) in taxable years beginning after December 31, 1998, and with respect to monthly insurance benefits payable under title II of the Social Security Act on the basis of the wages and self-employment income of any individual for months in or after the calendar year in which such individual's application for revocation (as described in such subsection) is effective (and lump-sum death payments payable under such title on the basis of such wages and self-employment income in the case of deaths occurring in or after such calendar year).

SEC. 9. ADDITIONAL TECHNICAL AMENDMENT RELATING TO COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS UNDER TITLES II AND XVI.

(a) IN GENERAL.—Section 1110(a)(3) of the Social Security Act (42 U.S.C. 1310(a)(3)) is amended by striking "title XVI" and inserting "title II or XVI".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103-296; 108 Stat. 1464).

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD, if offered by the gentleman from New York (Mr. RANGEL), or his designee, which shall be considered read and debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. ARCHER) and the gentlewoman from Connecticut (Mrs. KENNELLY) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. 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 H.R. 3433.

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

There was no objection.

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

Mr. Speaker, the Social Security disability program provides essential income to those who are unable to work due to severe illness or injury. Last year, benefits were paid to more than 6.1 million workers, their wives, and their children.

Since arriving on Capitol Hill 27 years ago, I have worked to make this complex, and often very unfriendly, program work better.

That is why I am so pleased today that my effort has been carried forward by the fine work of the gentleman from Kentucky (Mr. BUNNING) our subcommittee chairman and the gentlewoman from Connecticut (Mrs. KENNELLY) the ranking minority member, as well as all of the other members of the Subcommittee on Social Security who have created this important bipartisan legislation aimed at providing real opportunities for those who want to work.

Mr. Speaker, so often we hear about the cacophony of this body, the fractionalism, the partisanship. It is to be noted that here we are doing something together, reaching across the aisle, without distinction as to party, to help give opportunity to those who are disabled.

Most of those receiving disability benefits, due to the severity of their impairments, cannot attempt to work. Today, however, the Americans with Disabilities Act, along with advances in assistive technology, medical treatment, and rehabilitation therapies are opening doors of opportunity, never thought possible, to individuals with disabilities.

Yet current law still tends to chain these disabled persons to an outmoded system, through complex, so-called work incentives. In essence, individuals who try to work lose cash benefits along with access to medical coverage which they so desperately need while they make the move to self-sufficiency.

This legislation will finally help beneficiaries pass through these new doors of opportunity. We are, I believe, our brothers' and sisters' keepers. I consider it very important for us to provide the support which permits disabled individuals the freedom to reach their utmost potential.

This bill, as I mentioned, is bipartisan and is supported by the administration. It also is supported by individuals with disabilities, their advocates, rehabilitation service providers, and many others.

This, therefore, is a proud day for the Committee on Ways and Means and for the House of Representatives. America stands for opportunity. Today we rise together to provide greater opportunities for those individuals with disabilities who want to be gainfully employed.

I know all of my colleagues will join me with pride in support of this pivotal legislation.

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

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

I would like to do a few things before I make my statement. First, I would like to make reference to the letter, the statement of the administration on this bill that we have before us today, President Bill Clinton and his administration. The letter states:

The Administration supports H.R. 3433, and is pleased that the House is taking action on

the critical issue of making it possible for more people with disabilities to return to or enter the workforce. H.R. 3433 would implement a Presidential initiative to increase flexibility and choice for individuals with disabilities who seek services to help them successfully return to work. This is an Administration priority, as reflected in the President's March 13th Executive Order that established a task force of Federal agencies to identify additional actions required to increase the employment of adults with disabilities.

Bill Clinton, his administration supports this bill.

Mr. Speaker, I would like to take this opportunity to thank the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) for allowing the committee to take the time, and the staff effort for bringing this bill forth today so it could be on the floor. I would like to also thank Mr. Tony Young from the United Cerebral Palsy agency for his time and his effort and being with us not only to testify at the hearings but at the various other meetings that we had, the United Cerebral Palsy Association is behind this bill, but he has been remarkable in his efforts in supporting this and making sure that every single "I" was dotted and all the work was done as an advocate for disabilities. I would also like to thank Marty Ford from AARP for the work that she did, the support that she found for us, and I obviously want to thank the gentleman from Kentucky (Mr. BUNNING) the chairman of the Subcommittee on Social Security for his efforts. We would not be here if it was not for him today. He was so wonderful in making sure all the advocates were able to come forth and to show us exactly what happens in the day-to-day life of those with disabilities and what we had to do in this legislation to make their lives that much better.

And so, Mr. Speaker, we are here today to send a very, very simple message. That message is that a disability should not mean retirement. Americans with disabilities have tremendous skills, talents and abilities that are very, very, very important to employers. This legislation, therefore, attempts to help people voluntarily to return to work after they have suffered a disability.

Mr. Speaker, more than 6 million Americans now receive Social Security disability insurance. These people, Mr. Speaker, have paid taxes into public insurance and into the system and they have a right to these benefits to protect them against the loss of income due to retirement or disability.

Another 4 million adults with disabilities receive SSI payments, which are designed to keep low-income Americans who have disabilities from having to live below the poverty line. And so we have these 10 million people being addressed in this legislation today.

There can be no doubt that these are worthwhile programs that millions of Americans depend on. But it is also equally true that given the choice,

many of these individuals who have disabilities would much rather be working. However, Americans with disabilities now find a multitude of barriers standing between them and a job. The loss of disability benefits, the need for training in a different profession, difficulty in learning how to do a new job if in fact you did one particular type of work, then had your accident or your sickness, then going back into the workforce, could not do that job that you had previously done but you could get the training to do a new job, this would make all the difference in the world to somebody with a disability. Obviously, there is another fear, the great fear of losing medical coverage. This very definitely can stand in the way of many individuals when daring to go back into the workforce because they have that fear that if they go back in, they might not be able to make it and then they would lose their health care. Obviously this is something that we had to address and we did in this bill.

This legislation we are now considering would reduce the severity of some of these impediments to work. For example, the legislation would provide recipients with a much greater choice in vocational rehabilitation providers who help train and find jobs for individuals with disabilities. Additionally, the measure would provide a clear incentive for these providers to help beneficiaries not only get jobs but also to stay in them since provider payments would be based on a person's work history over a 5-year period.

□ 1615

This bill would also provide continued Medicare coverage for those leaving the SSDI rolls for work. More specifically, the legislation would guarantee Medicare coverage for at least 6 years after that individual went off disability and returned to the work rolls. Six years sounds like a long time, but if you have a serious disability, it is the time that you need, and this is an additional 2 years. We have under present law 4 years of disability, 4 years of Medicare if you have a disability. This increases that number of years to 6 years.

And, finally, the legislation would test the idea of gradually reducing SSDI benefits for individuals who leave the disability rolls for work rather than immediately ending their benefits of any month in which they earn more than \$500, as is the case under current law. In other words, what we want to examine is the possibility of providing a ramp to get off disability benefits rather than all of a sudden \$500 a month and a cliff and they are off.

We do not offer this legislation as the last word in helping individuals voluntarily leave the disability rolls for work, but we do see this bill as a very constructive first step toward opening the doors of employment a little wider for people with disabilities, a little larger chance to get back into the

mainstream, one opportunity more to make sure that they could go back to where they want to be.

And let me once again point out that even if this bill only increases, only increases the number of people leaving the disability rolls for work by 1 percent, we would save the Social Security system \$3 billion. Now that sounds almost imaginable. You cannot imagine that, Mr. Speaker; but the fact of the matter is, under the present system we are losing \$3 billion a year for the system if we do not get at least 1 percent off the rolls.

So this bill is truly a win-win proposition. It will help people work, and it will strengthen the Social Security system.

Before I conclude, let me once again thank the gentleman from Kentucky (Mr. BUNNING) without whom we would not be here, because he called those meetings, he kept us at those meetings, he listened to the advocates from around the country bring their testimony to the Congress to show what we had to do.

I have enjoyed working with the chairman of the subcommittee, and I really think, I say to the gentleman from Kentucky (Mr. BUNNING) that we have reduced some of those barriers that are so impossible for people to get beyond to get back to work where they want to be. And I thank the gentleman very much for letting me work with him, for both of us working together, and I am pleased and delighted that this bill is on the floor today.

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

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

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

Mr. BUNNING. Mr. Speaker, I want to thank the ranking member, the gentlewoman from Connecticut (Mrs. KENNELLY) for her input on this bill and particularly the staffs who worked very well in cooperation to make it complete.

Sandy, thank you very much; and we appreciate all the hard work Kim and others on our side have done.

The Social Security program is vitally important, as everyone knows, to all Americans. The disability program is particularly critical in protecting those workers and their families who become smitten by an incapacitating illness or accident.

Through our Subcommittee on Social Security hearings over the last 3 years we have been told over and over by individuals with disabilities, their advocates, rehabilitation experts and various providers of services that, due to advances in medicine, technology and the field of rehabilitation, many individuals with disabilities want to work and they believe they could work if provided needed rehabilitation and support services and if the program could be changed to remove the barriers preventing beneficiaries from becoming self-sufficient through employment.

Topping the list, and we have heard it before, is the fear of losing health care coverage and cash benefits. Another disincentive is that beneficiaries currently have limited choices in selecting rehabilitation services and who provides those services.

The gentlewoman from Connecticut (Mrs. KENNELLY) and I, along with all of the members of the subcommittee, have worked very hard on a bipartisan basis and with the administration to replace disincentives with real incentives. Our legislation empowers beneficiaries first by allowing them to choose the public or private provider of services which best suits their needs and to choose the type of services most likely to assist them in entering the work force. The bill pays providers of services for results by permitting them to share in the savings to the Social Security Trust Funds incurred when the beneficiary is working and no longer receiving benefits. The provider payment system is designed to ensure that as many providers as possible are available to beneficiaries.

To address one of the primary obstacles facing disability beneficiaries who attempt to work, our bill extends, as we have heard before, Medicare coverage for an additional 2 years for those who participate in the program. To help beneficiaries who have mental disabilities or chronic conditions transition into work, our bill includes a requirement that SSA test a gradual offset of disability cash benefits by reducing benefits \$1 for every 2 earned over a determined level.

The Subcommittee on Social Security has crafted a solid bill, a bill that, according to preliminary CBO estimates, will more than quadruple the number of beneficiaries who will receive rehabilitation and other support services as the program is implemented. In addition, this bill will save the Social Security Trust Funds and general revenues millions of dollars over the years.

Let me make one point perfectly clear. This is a voluntary program providing real opportunities for those who want to work. No one will be forced to leave the disability rolls. The Social Security and supplemental Social Security income disability programs are preserved as a much-needed safety net for people who are unable to work.

Under this bill, personal responsibility is maximized by allowing beneficiaries to take charge of their own lives and become employed. This legislation, once signed into law, will transform the disability program to a program of investment versus entitlement, encouraging self-sufficiency versus dependency. I urge my colleagues to support this legislation.

I also would like to include in the record a letter from the American Association of Retired Persons in support of this legislation and also a letter from the United States Chamber of Commerce also in support of this legislation.

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

The documents referred to are as follows:

AARP,
June 3, 1998.

Hon. JIM BUNNING,
House of Representatives, Rayburn House Office
Building, Washington, DC.

DEAR REPRESENTATIVE BUNNING: AARP commends you and Representative Kennelly for your leadership on HR 3433, the Ticket to Work Act. We believe your legislation could set the stage for important improvements in both the Social Security and Supplemental Security Income (SSI) disability programs that will benefit society, our economy, and beneficiaries who are able to return to work.

The Ticket to Work Act provides a series of incentives to encourage SSDI and SSI beneficiaries to work to the greatest extent of their abilities. While income support for those who can never return to the workforce is critical, we must do a better job of helping individuals with disabilities who want to, and can, work. This legislation begins the process by phasing-in and then evaluating incentives that many disability experts agree would promote additional work.

Again, we commend you and your committee for developing a program that will promote greater work effort by disabled beneficiaries who have the ability and desire to return to the labor force—a result that helps returning workers, their families, and society.

Sincerely,

MARTIN CORRY,
Director, Federal Affairs.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, June 3, 1998.

Hon. JIM BUNNING,
Chairman, Ways and Means Subcommittee on
Social Security, House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, we commend you for your sponsorship of H.R. 3433, the Ticket to Work and Self-Sufficiency Act of 1998.

As the largest business federation, the U.S. Chamber of Commerce has made it a priority to help meet the growing challenge that businesses face in finding skilled workers to sustain a growing economy. Central to combating this problem is the exploration and training of non-traditional sources of labor, such as persons with disabilities. Studies indicate that faced with inadequate rehabilitation and training, as well as the threat of loss of benefits and health care, many persons with disabilities are discouraged to enter the workforce.

Accordingly, we support H.R. 3433, the Ticket to Work and Self-Sufficiency Act of 1998 which will reduce employment obstacles for Social Security and Supplemental Security Income disability recipients. This bipartisan legislation addresses these employment obstacles by expanding their choices for providers of vocational rehabilitation, by extending their Medicare coverage from four to six years, and by offering them a tax credit of 50 percent for the cost of impairment-related work expenses.

Workforce development is a top priority of the U.S. Chamber. We therefore pledge to work with both Houses of Congress to enact this critical legislation which empowers disability recipients with the ability to return to a life of economic security and self-sufficiency—a goal that is shared by the American business community.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I want to thank the gentlewoman from Connecticut (Mrs. KENNELLY) for yielding this time to me.

I would like to express my strong support for this bipartisan legislation. I think, given the choice, most disability beneficiaries would rather be working. However, as we have learned during committee hearings, there are currently numerous obstacles facing these beneficiaries in their pursuit of employment including the fear of losing health and cash benefits and little known and complex work incentives.

In a true bipartisan manner Congress has addressed these issues in the legislation before us today. After five hearings over nearly 4 years involving individuals with disabilities, advocates, rehabilitation experts, providers and the administration, we finally have a comprehensive bill which we believe will significantly ease the transition of SSDI and SSI disabled beneficiaries into the work force.

In short, H.R. 3433 would establish a ticket to work and self-sufficiency program which would provide beneficiaries with a ticket to obtain vocational rehabilitation employment or other support services. These tickets would provide beneficiary choices and essential rehabilitation and support services. More specifically, this legislation would institute employment networks which would encourage disabled beneficiaries to establish employment goals.

This measure also addresses the fears associated with potentially losing one's health care during pursuit of employment by extending health care coverage an additional 2 years. And another important component of this proposal is that these networks would be paid on a results-oriented basis. In other words, payments to providers would be based on the success of returning the beneficiary to work. Is not this making government and these programs more efficient and effective?

I would like to thank the Committee on Social Security and, more specifically, the chairman, the gentleman from Kentucky (Mr. BUNNING) and ranking member, the gentlewoman from Connecticut (Mrs. KENNELLY) for their hard work and commitment to opening these doors to employment. This is a strong and effective piece of legislation, and I urge my colleagues to give this measure their full support.

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

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, this is truly a red letter day for disabled Americans, and I congratulate the gentleman from Kentucky (Mr. BUNNING) and the gentlewoman from Connecticut (Mrs. KENNELLY) on this bipartisan legislation that is going to change so many lives. They worked together and closely with the disabled community to put together a bill that will begin to break down the barriers to work and personal fulfillment that are now so ingrained in our Social Security disability program.

I am also pleased that the House has made passage of this bill a priority during this session.

Mr. Speaker, it is our job to be sure that every American has the opportunity to develop the skills and abilities they have to fulfill their potential in our free society. It is our job to break down barriers in old laws so that people can create their futures.

The current system has had very limited success in helping people, indeed even allowing people, to take the steps they desperately want to take to change their lives. Currently, less than 5 percent of beneficiaries return to work because the program barriers are so insurmountable, and this in spite of, as the gentleman from Kentucky (Mr. BUNNING) alluded to, the dramatic changes that have taken place in our rehabilitative resources.

One of the greatest of these barriers is lack of access to affordable health care once a person returns to work. People leaving disability usually find employment first in low-paying jobs that rarely offer employer-sponsored health coverage. H.R. 3433 takes a powerful step to address this problem by extending availability of Medicare coverage.

However, Medicare does not provide coverage for some of the critical services that some disabled people depend upon. For example, traditional Medicare does not cover prescription drug coverage or provide prescription drug coverage or personal assistance services, services critical to disabled people and currently covered by Medicaid for low income recipients.

In meetings with people and organizations in my district over the last year I have become keenly aware of the problems faced by people with severe psychiatric disabilities in their search for meaningful employment. The single largest issue affecting their ability to work is their ability to afford psychotropic drugs that help them manage their illness. Because traditional Medicare does not provide prescription drug coverage, this proposal still leaves many people with limited options.

According to a letter I received from the Connecticut Northwest Regional Mental Health Board regarding H.R. 3433, they say persons with long-term psychiatric illness experience significant impairment in cognitive, behavioral, vocation and interpersonal skills. The impact of mental illness on these clients is usually lifelong, with voca-

tional capacity varying significantly over the course of a client's illness.

Mr. Speaker, this is an important piece of legislation, and I urge favorable action by the House.

□ 1630.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, I would like to thank the gentlewoman for yielding me time, and congratulate her and the chairman of our subcommittee on their very diligent and effective work, and now successful work.

Mr. Speaker, I have no doubt this will become law. The reason for that is the basic thrust of this legislation, and that is to enhance the opportunities of the disabled who want to work, while always protecting those who cannot. We must never forget that so many people who are receiving disability payments simply are not able to return to the workforce, and we must never forget them.

But for those who are receiving disability payments who could return to work or to part-time work, what this bill does is attempt to enhance those opportunities, and it does so in a number of imaginative ways. It improves the rehabilitative services that are so critical by definition, and it does that by changing the scheme and structure of payments to try to encourage the effectiveness of their rehabilitation.

It also, as has been mentioned, undertakes another very vital aspect of this, and that is to make sure that there will be continued longer Medicare coverage when people move from the disability roll payments to work. Without that kind of protection of health care, it is pretty clear that there would be continued disincentive to work.

We have found in other instances that we cannot expect those whose only source of medical care is receipt of a payment from the Federal Government to forfeit that, and many of the disabled by definition, as is true of the nondisabled, would be moving into positions that have no health care or very inadequate health care, when the disabled by definition need very, very comprehensive health care.

So I congratulate the gentleman from Kentucky (Mr. BUNNING) and the gentlewoman from Connecticut (Mrs. KENNELLY) for this provision. Also there is an effort to look at the possibility of a new structure so disability payments can continue in some amount while people are moving from disability to work. So I congratulate the authors. I have been proud to be a cosponsor and work with them. I hope this will pass, not only overwhelmingly but unanimously, and we can all go to the White House, or at least maybe in the quiet of night or day it will be signed. One way or another, it will become law.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

(Mr. ENGLISH of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. ENGLISH of Pennsylvania. Mr. Speaker, first of all I want to thank the gentleman from Kentucky (Mr. BUNNING), who more than anyone has put in long years to bring this legislation to the floor. It is a great tribute to him and his efforts.

Mr. Speaker, every American should have the right to aspire to the American dream. In America, every citizen should have the opportunity to participate in our economy to the extent of their talent or abilities.

Unfortunately, many individuals with disabilities have had the American dream recede beyond their reach, not because of physical limitations but because of roadblocks created within our system of social services. These artificial barriers unfairly and unnecessarily reduce workforce participation and economic opportunity for many Americans whose disability should not bar them from gainful employment.

Mr. Speaker, in my view the time has come to empower these Americans to participate fully in the broad emporium of our national economy. I rise in strong support of the Ticket to Work and Self-Sufficiency Act. This bipartisan bill establishes a new program that will provide SSDI and SSI disabled beneficiaries with a ticket to a variety of support services, enabling these beneficiaries to reenter the workforce.

Private sector providers, known as employment networks, would be established to assist beneficiaries, and the Social Security Administration would contract with program managers to administer the Ticket to Work and Self-Sufficiency Program nationwide.

The program will include vocational rehabilitation and employment services, and beneficiaries would be in a position to choose the service provider that they would like to participate in. This will create competition and improve quality.

The Ticket to Work and Self-Sufficiency Program would pay employment networks for results, rather than merely for the cost of their services. It also contains a significant demonstration project that allows the disabled to maintain their benefits while earning more at work than allowed under current law.

Right now, we have a situation which I consider obscene. Once a Social Security disability beneficiary reaches an income level of only \$500 a month, all of their cash benefits are cut off. This has the effect of retarding workforce participation by recipients and punishing hard work and ambition among some of our most vulnerable citizens.

Under this bill, Social Security would be required to conduct a demonstration project to study the effects of replacing that income cliff with a \$1 for \$2 withholding of benefits for earnings at the current cutoff level. Instead of a cliff, it would be a slope, and we know intuitively that more people would be able to participate.

This is balanced and much-needed legislation that finally begins to address the needs of disabled individuals who want to work, but are discouraged from doing so by a variety of irrational roadblocks. I urge passage of this legislation.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I thank the gentlewoman for yielding me time, and commend her and the committee on which she serves for the work they have done on this bill.

Mr. Speaker, I rise in support of this legislation. I think it is important to understand with all the discussion that has gone on with regard to the Social Security programs that nearly 40 percent, 38 percent, actually, of the benefits that are payable by the Social Security Administration from those funds go to those on disability and to survivors and to dependents. Almost 40 percent, 38 cents out of a dollar, go for that purpose.

This bill, of course, attempts to begin to review and try to, I think in a common sense way, provide a positive path for those on Social Security disability to move back into the mainstream of our society and back into the world of work.

It is called a Ticket to Work, and it is very important, as we look at the structure of our Social Security disability system with the \$500 earnings limit, all of a sudden one day you have the benefits coming in for a month, which probably are far in excess of that \$500, plus you have the opportunity for health benefits and other support programs, but you simply would, as indicated, be dropped off a cliff. So it makes it very difficult. This begins to look at trying to change that system.

Of course, as most of my colleagues are aware, Social Security disability recipients, a small number of them, actually do participate in vocational rehabilitation programs. But I believe there is not enough of an emphasis upon that, especially considering the fact that many Social Security disability beneficiaries may be young people. They may have been the victim of an auto accident or some other type of instance. Or they may be older workers that find it is easier to be on Social Security disability than to be involved in retraining. When they are 62, then they are mandatorily retired at that point. In fact, most of us recognize that their efforts in terms of work could well extend beyond the normal retirement age today of 65, and they could be working until they are 70.

This is one of the really important ways to try and rectify some of the problems with the Social Security insurance program. Many of my constituents, and I think many of the people across this country are not aware of the fact that they are insured by this particular system and the amount of resources that move in this direction.

I think it is also, of course, workable for those on SSI. This bill embraces

both, and I note in reading the summary that we have been given of this that this bill actually in five years, while just a pilot program, I guess, in most respects, will save almost \$40 million. So it is actually saving money by investing in people, investing in training and providing incentives to those who do the vocational training so they can share in some remuneration from this. It actually saves the taxpayer and saves the Social Security Administration money.

So, Mr. Speaker, I urge my colleagues to vote for this. I think it is a good idea, and I hope it is a great success when put in place.

Mr. BUNNING. Mr. Speaker, it is my pleasure to yield 4 minutes to the gentleman from Missouri (Mr. HULSHOF).

Mr. HULSHOF. Mr. Speaker, as both a member of the Subcommittee on Social Security and a cosponsor of the Ticket to Work and Self-Sufficiency Act, I rise to express my strong support for this important and well-conceived piece of legislation. I do commend the gentleman from Kentucky (Mr. BUNNING), the chairman of the subcommittee, as well as the gentlewoman from Connecticut (Mrs. KENNELLY), the ranking member, for their efforts in working together.

Over the last 18 months that I have been a member of the subcommittee we have had, I think, three separate hearings on the current SSDI and SSI programs and their existing work incentives. What our subcommittee heard, Mr. Speaker, was heartening testimony from disabled individuals who have a genuine desire to return to work and provide for their own well-being.

What we also discovered is that the existing programs, as has been mentioned, and as are currently structured, often serve as a barrier for these individuals to achieve the noble and worthwhile goal of becoming productive citizens. We cannot as a body in good conscience allow a program that is meant to help the disabled turn into a system that restricts the potential of the motivated and talented individuals who, despite simply a disability, want to move on with their lives.

What this Ticket to Work Act does is give those who are afflicted with a disability a helping hand. Recognizing that the challenges that no two persons face are alike, this bill gives those that are disabled the ability to receive rehabilitation services from the provider of their choosing and then, as empowered consumers, the disabled will be able to receive rehabilitation services from the provider that can best provide their specific needs.

As has been mentioned, under current law the disabled are required to see State agencies for help. This legislation will allow individuals in the public or private or not-for-profit sectors to work together to help those disabled individuals who want to return to the workforce. Private agencies offering vocational training would be reimbursed according to the agency's

success in helping people return to work and then remain in the workforce.

Since one of the major inhibitions preventing the disabled from enjoying economic success is the fear of losing health insurance, this bill we are considering extends Medicare eligibility for an additional two years. Again, under current law people on SSDI, as the gentleman from Pennsylvania pointed out very eloquently, SSDI abruptly terminates benefits once a disabled individual earns \$500 a month.

This legislation authorizes the Social Security Administration to conduct a demonstration project to replace this current income cliff with a gradual, sliding scale reduction in SSDI benefits as individuals enjoy more success in the workforce and their earnings increase.

Mr. Speaker, it takes courage and it takes dedication for a disabled individual to return to work. I have the utmost respect and admiration for those who are willing to take this important step. Again, we should be looking to knock down, not erect, barriers for these courageous individuals. This legislation does just that.

The Ticket to Work Act will go a long way in achieving everyone's goal of helping people move on with their lives, allow our society to benefit, and I urge support. I thank the chairman and ranking member for their great work in fashioning this bill.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I am delighted we have reached this juncture where we are about to pass this bill that sends a message of hope to millions of people on disability that there will be additional help to make that transfer back to the workplace, if possible.

Mr. Speaker, having no further speakers, I yield back the balance of my time.

□ 1645

Mr. BUNNING. Mr. Speaker, I have the great pleasure of yielding 2 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I am pleased to rise in support of H.R. 3433, and commend the gentleman from Kentucky (Mr. BUNNING) and the gentlewoman from Connecticut (Mrs. KENNELLY) for all of their hard work in putting together this important, comprehensive, and what I would call historic legislation and bringing it to the floor today.

This bill will provide a true Ticket to Work for disabled individuals by bringing them back into the workforce while providing them with a safety net of needed government services. It addresses the disincentives which exist in current law that discourage disabled individuals from joining the workforce.

According to a recent Washington Post article, 6.6 million working-age Americans receive disability checks from the Federal Government every month. All too often, these individuals are unable to return to the workforce.

Among the barriers they face upon returning to work is that they risk the loss of important medical benefits such as Medicare health coverage. Under this legislation, individuals would be eligible for up to 6 years of Medicare benefits. In addition, this bill provides a voucher that individuals can exchange for rehabilitation, employment or other necessary services.

The Ticket to Work bill will change the Social Security Administration's disability programs for the better. As Tony Young of the United Cerebral Palsy Association said in his testimony before the Committee on Ways and Means in March, these programs, and I quote, "are transformed from a safety net into a trampoline; not only catching people with disabilities as they fall out of work, but also giving them a boost back into work as they are ready."

I know how important this work is. One of my constituents, Matt Conway of Florham Park, New Jersey, has been honored by the Foundation for Excellent Children's Yes I Can! Program for his achievements in the working world. This type of bill will assure that the Mat Conways of this world have future opportunities.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, as a member of the Subcommittee on Social Security, let me begin by commending the gentleman from Kentucky (Mr. BUNNING), the chairman, and the gentlewoman from Connecticut (Mrs. KENNELLY), the ranking member, for their leadership and hard work in producing some real successful results, legislation that is going to help people, people who want to work and become self-sufficient.

I am proud that it has earned overwhelming bipartisan support; and that is a result of hard work by the two leaders of our subcommittee. The bottom line is this is a good bill, legislation that helps the disabled.

Disabled people have said we need to do a better job. When I came to Washington in 1994, one of our goals was, of course, to change how Washington works and to make government work better for those who need help. It is this type of legislation that can make that kind of difference for those who need help.

People want to work. In this case, the disabled have asked for a helping hand with training and rehabilitation. This legislation works towards that goal, giving the disabled an opportunity to work and become more self-sufficient.

Unfortunately, our current disability system has not been working very well, only enabling about 8,000 Americans who are disabled to join the workforce each year. This legislation will give disability beneficiaries a ticket or voucher so they can use State or non-profit or private employment training programs, and also give service provid-

ers incentives to do a better job, better train their clients, provide them with permanent employment and job opportunities.

There is another important provision I would like to mention, and I particularly want to commend the gentleman from California (Mr. HERGER), my colleague, for his work with this particular provision included in this legislation. That is the legislation that was originally contained in H.R. 530, the Criminal Welfare Prevention Act, Part II, which was included as part of this legislation.

As you know, in 1996 the welfare reform legislation cracked down on convicted criminals, prison inmates, receiving SSI payments, a concern many taxpayers were shocked to discover. Since that legislation was signed into law, as many as 500,000 criminals no longer qualify for SSI. This legislation goes one step further and helps deny Social Security payments to convicted criminals in prison.

I find one frustration of many senior citizens is why, they ask, do we give Social Security benefits to convicted criminals in prison? Thanks to the efforts of the gentleman from Kentucky (Mr. BUNNING) and the gentlewoman from Connecticut (Mrs. KENNELLY), and of course the gentleman from California (Mr. HERGER), this new legislation will potentially save taxpayers \$3.5 billion over the next 7 years.

I am proud to support this legislation. It deserves bipartisan support. It enables those who want into the workforce, and of course to become self-sufficient, to accomplish that goal. We lend them a helping hand. It deserves bipartisan support, and for that, I ask my colleagues to lend that bipartisan support to H.R. 3433, the Ticket to Work and Self-Sufficiency Act.

Mr. BUNNING. Mr. Speaker, may I ask how much time we have remaining?

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Kentucky (Mr. BUNNING) has 7 minutes remaining. The gentlewoman from Connecticut (Mrs. KENNELLY) has yielded back her time.

Mr. BUNNING. Mr. Speaker, I yield myself whatever time I may consume.

Mr. Speaker, I want to thank everyone for their cooperation in the subcommittee; the gentlewoman from Connecticut (Mrs. KENNELLY), who has done a very good job in helping craft this legislation.

I think this is the type of legislation that we ought to work for on a daily basis, a bipartisan piece of legislation that I am sure when it goes to the other body, we will find people that will work to make sure that we finally get this bill to the President's desk for his signature.

I am very, very proud of the 3 years of work that we have put in on this legislation to iron out the many differences that we had so that we can bring a bill that everyone in the subcommittee and everyone in the full

Committee on Ways and Means supports.

Mr. Speaker, I yield whatever time he may consume to my good friend, the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I want to start by commending the gentleman from Kentucky (Mr. BUNNING) for spending the last couple of years putting together this legislation. It was a great example of rolling up your sleeves and working on a tough problem that not many people want to face.

I also want to congratulate the gentlewoman from Connecticut (Mrs. KENNELLY) who worked on a bipartisan basis with the gentleman from Kentucky (Mr. BUNNING).

We have heard over the last couple years on the subcommittee from a lot of people who have disabilities but they truly want to work, and technological as well as medical advances might permit them to work, might make it possible for them to work. Unfortunately, the current Social Security disability program has an inherent number of obstacles and disincentives that make it pretty difficult and undesirable for people to leave the rolls and seek gainful employment, because they might lose cash or critical Medicare benefits.

This proposal is designed today to eliminate obstacles. I know there has been a lot of discussion on it already. Again, I want to say it is good common sense work. It took a lot of time to put together something that makes sense. It is bipartisan. In the end, what is exciting about this is it is going to help people to work, to be able to have gainful employment, to be able to take care of themselves. It also, in the end, saves the taxpayer money.

The information we have is that it will save the Social Security system nearly \$40 million over the next 5 years alone. Again, the key to it is it can provide people with opportunities and means that they have asked for to become productive members of society.

It is a good, fiscally responsible bill, and I want to congratulate again the gentleman from Kentucky (Mr. BUNNING) for spending the time and effort to put this together, and his cosponsor, the gentlewoman from Connecticut (Mrs. KENNELLY).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise on behalf of the Ticket to Work and Self-Sufficiency Act of 1998.

I support this bill because it facilitates the task of rejoining the workforce for the over 8 million people with disabilities who are currently collecting monies from Social Security Income (SSI) or Social Security Disability Insurance (SSDI). More than 30,000 of these people live in Harris County, in which my district sits.

I truly believe that the majority of people with disabilities want to work. This act opens up a multitude of resources that they can use to find work that were only sporadically available to them before. Under current law, vocational counseling for people receiving SSI or SSDI can only be done by state-run Vocational Rehabilitation (VR) agencies, who are only able to serve about 10% of the disabled

people referred to them. This bill allows non-profit and private organizations to help these people find meaningful and productive work.

Furthermore, by extending benefits to people who join this program for two years, it alleviates a fear common to almost all people who receive public assistance—that in reentering the workforce, they will lose the entirety of their benefits. Without this loss of necessary income to stop their progress, these people will no longer feel inhibited to go out and find work.

I also support this Act because it furthers the goals of the Americans with Disabilities Act (ADA)—to help disabled persons participate in a meaningful way in our society. This bill, coupled with the ADA, not only prohibits employers from discriminating against disabled persons, but also gives those employers access to a new pool of potential recruits, who are both qualified and willing to work.

Finally, I am happy to report to you that current estimates have this bill saving the taxpayers \$38 million over the next five years. Colleagues, this bill is fiscally and socially beneficial for all Americans.

I ask that all my colleagues join this bipartisan effort to give hope and meaning to millions of people's lives.

Mr. RAMSTAD. Mr. Speaker, I rise today in strong support of H.R. 3433, the "Ticket to Work and Self-Sufficiency Act."

The National Council on Disability said it best in its report to the 105th Congress on removing barriers to work when it wrote, "Social Security programs can be transformed from a lifelong entitlement into an investment in employment potential for thousands of individuals."

Historically, fewer than 1% of people with disabilities leave the Supplemental Security Income (SSI) and Social Security Disability Income (SSDI) rolls following successful rehabilitation.

Individuals with disabilities have insufficient access to, and choice of, the services and supports they need to achieve employment. In fact, most SSI and SSDI beneficiaries are never even offered rehabilitation services.

This legislation empowers individuals with disabilities to choose from the state Vocational Rehabilitation agency or among private-sector employment networks which provide an array of vocational rehabilitation, employment and other support services to beneficiaries.

It also breaks through the complexities of the current system by establishing a corps of work incentive specialists to accurately disseminate information on SSI and SSDI work incentives.

While I wish the bill included a more comprehensive approach for tackling the complex health care needs of individuals who return to work, I am glad it does include a provision to at least extend Medicare eligibility for two years during the program's implementation.

I look forward to continuing to work on these critical health care issues during the conference with the Senate on this legislation, or next year when the Commerce Committee looks at health care needs under the Medicaid program.

Mr. Speaker, despite my concerns about the health care provisions in this bill, I urge my colleagues to support this legislation before us today because it begins the process of breaking down the barriers to work for individuals with disabilities.

Preventing people from working run counter to the American spirit, a spirit that thrives on individual achievements and the larger contributions to society that result.

Creating work incentives for people with disabilities is not just humane public policy, it is sound fiscal policy.

Removing the barriers that discourage people with disabilities from working will mean they can earn a regular paycheck, pay taxes and move off public assistance. It means they can return to work and live up to their full potential.

Mr. Speaker, I want to thank Reps. BUNNING and KENNELLY for this work in this area. Again, I urge members to vote yes on H.R. 3433.

The SPEAKER pro tempore. Pursuant to House Resolution 450, the previous question is ordered on the bill, as amended.

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.

The SPEAKER pro tempore. The question is on passage of the bill.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question will be postponed until tomorrow.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

EXTENSION OF WAIVER AUTHORITY FOR THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-262)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I hereby transmit the document referred to in subsection 402(d)(1) of the Trade Act of 1974, as amended (the "Act"), with respect to the continuation of a waiver of application of subsections (a) and (b) of section 402 of the Act to the People's Republic of China. This document constitutes my recommendation to continue in effect this waiver for a further 12-month period and includes my determination that continuation of the waiver currently in effect or the People's Republic of China will substantially promote the objectives of section 402 of the Act, and my reasons for such determinations.

WILLIAM J. CLINTON.

THE WHITE HOUSE, June 3, 1998.

EXTENSION OF WAIVER AUTHORITY FOR VIETNAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-263)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I hereby transmit the document referred to in subsection 402(d)(1) of the Trade Act of 1974 (the "Act"), as amended, with respect to the continuation of a waiver of application of subsections (a) and (b) of section 402 of the Act to Vietnam. This document constitutes my recommendation to continue in effect this waiver of a further 12-month period and includes my determination that continuation of the waiver currently in effect for Vietnam will substantially promote the objectives of section 402 of the Act, and my reasons for such determination.

WILLIAM J. CLINTON.

THE WHITE HOUSE, June 3, 1998.

EXTENSION OF WAIVER AUTHORITY FOR BELARUS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-264)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I hereby transmit the document referred to in subsection 402(d)(1) of the Trade Act of 1974, as amended (the "Act"), with respect to the continuation of a waiver of application of subsections (a) and (b) of section 402 of the Act. This document constitutes my recommendation to continue in effect this waiver for a further 12-month period and includes my determination that continuation of the waiver currently in effect for the Republic of Belarus will substantially promote the objectives of section 402 of the Act, and my reasons for such determination. I will submit separate reports with respect to Vietnam and the People's Republic of China.

WILLIAM J. CLINTON.

THE WHITE HOUSE, June 3, 1998.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, the Chair will