In the Navy nominations beginning Gary L. Murdock, and ending Brian G. Wilson, which nominations were received by the Senate and appeared in the Congressional Record of May 22, 1998.

In the Army nominations beginning Isaac V. Gusukuma, and ending James I. Pylant, which nominations were received by the Senate and appeared in the Congressional Record of June 9, 1998.

In the Army nominations beginning Michael D. Corson, and ending Kenneth H. Newton, which nominations were received by the Senate and appeared in the Congressional Record of June 9, 1998.

In the Army nomination of *Timothy C. Beaulieu, which was received by the Senate and appeared in the Congressional Record of June 9, 1998.

In the Army nominations beginning *James E. Ragan, and ending *John H. Chiles, which nominations were received by the Senate and appeared in the Congressional Record of June 9, 1998.

In the Marine Corps nominations beginning William M. Aukerman, and ending Dayle L. Wright, which nominations were received by the Senate and appeared in the Congressional Record of June 9, 1998.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WELLSTONE:

S. 2215. A bill to provide transitional community employment for unemployed persons, and other individuals in poverty, who live in certain identified communities, and for other purposes; to the Committee on Finance.

By Ms. COLLINS:

S. 2216. A bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program; to the Committee on Finance.

By Mr. FRIST (for himself, Mr. ROCKEFELLER, Mr. DOMENICI, Mr. LIEBERMAN, Mr. BURNS, Mr. BINGAMAN, Mr. GRAMM, and Mr. BREAUX):

S. 2217. A bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SARBANES (for himself, Mr. FAIRCLOTH, Mr. WARNER, Ms. MIKULSKI, and Mr. ROBB):

S. 2218. A bill to require the Secretary of the Army, acting through the Chief of Engineers, to evaluate, develop, and implement a strategic master plan for States on the Atlantic Ocean to address problems associated with toxic microorganisms in tidal and nontidal wetlands and waters; to the Committee on Environment and Public Works.

By Mr. KERREY:

S. 2219. A bill to direct the Secretary of the Interior to convey certain irrigation project property to certain irrigation districts in the State of Nebraska; to the Committee on Energy and Natural Resources.

By Mr. JOHNSON:

S. 2220. A bill to provide the President with expedited Congressional consideration of line item vetoes of appropriations and targeted tax benefits; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. MCCAIN (for himself and Mr. COATS):

S. 2221. A bill to grant the power to the President to reduce budget authority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. GRASSLEY (for himself, Mr. REID, Mr. HOLLINGS, and Mr. D'AMATO):

S. 2222. A bill to amend title XVIII of the Social Security Act to repeal the financial limitation on rehabilitation services under part B of the Medicare Program; to the Committee on Finance.

By Mr. GRAMS (for himself, Mr. FAIRCLOTH, Mr. BRYAN, Mr. THURMOND, Mr. BREAUX, Mr. ALLARD, Mr. AKAKA, Mr. BROWNBACK, Mr. INOUYE, Mr. DOMENICI, Mr. REID, Mr. GREGG, Mr. ASHCROFT, Mr. BENNETT, Mr. MACK, Mr. MCCAIN, and Mr. ENZI):

S. 2223. A bill to provide a moratorium on certain class actions relating to the Real Estate Settlement Procedures Act of 1974; to the Committee on the Judiciary.

By Mr. DODD (for himself, Mr. HAGEL, Mr. BIDEN, and Mr. ROBERTS):

S. 2224. A bill to authorize the President to delay, suspend , or terminate economic sanctions if it is in the national security or foreign policy interest of the United States to do so; to the Committee on Foreign Relations.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2225. A bill to amend the Outer Continental Shelf Lands Act to prohibit new leasing activities in certain areas off the coast of Florida, and to permit exploration, production, or drilling activities on existing leases only if adequate studies are performed, to require adequate information and analyses for development and production activities, and to allow states full review of development and production activities; to the Committee on Energy and Natural Resources.

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 2226. A bill to amend the Idaho Admission Act regarding the sale or lease of school land; to the Committee on Energy and Natural Resources.

By Mr. WYDEN (for himself and Mr. SMITH of Oregon):

S. 2227. A bill to amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare+Choice organizations; to the Committee on Finance.

By Mr. THOMPSON (for himself, Mr. GLENN, Mr. COCHRAN, Mr. LEVIN, Mr. BROWNBACK, and Mr. LIEBERMAN):

S. 2228. A bill to amend the Federal Advisory Committee Act (5 U.S.C. App.) to modify termination and reauthorization requirements for advisory committees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LEVIN:

S. 2229. A bill to amend the Internal Revenue Code of 1986 to provide an increase in the lifetime learning education credit for expenses of teachers in improving technology training; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. BAUCUS, Mr. D'AMATO, Mr. HATCH, Ms. MIKULSKI, Mr. JEFFORDS, Mr. ROCKEFELLER, and Mr. CONRAD):

S. 2230. A bill to amend the Internal Reveneue Code of 1986 to extend the work opportunity tax credit for 3 additional years; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. BAUCUS, and Mr. MACK):

S. 2231. A bill to amend the Internal Revenue Code of 1986 to simplify certain rules relating to the taxation of United States business operating abroad, and for other purposes; to the Committee on Finance.

By Mr. BUMPERS (for himself and Mr. HUTCHINSON):

S. 2232. A bill to establish the Little Rock Central High School National Historic Site in the State of Arkansas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CONRAD (for himself and Mr. HATCH):

S. 2233. A bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities; to the Committee on Finance.

By Mr. DORGAN:

S. 2234. A bill to require the Secretary of Agriculture to carry out a trade compensation assistance program if the President, any other member of the executive branch, or any other provision of law causes exports from the United States to any country to be suspended for reasons of national security policy, and to require the Secretary of Defense to reimburse the Commodity Credit Corporation for the cost of each such program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CAMPBELL (for himself and Mr. JEFFORDS):

S. 2235. A bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers; to the Committee on the Judiciary.

By Mr. GORTON (for himself, Mr. ROCKEFELLER, and Mr. LIEBERMAN):

S. 2236. A bill to establish legal standards and procedures for product liability litigation, and for other purposes; read the first time.

By Mr. LOTT (for himself, Mr. LIEBERMAN, Mr. HELMS, Mr. KYL, Mr. BROWNBACK, Mr. SHELBY, and Mr. MCCAIN):

S.J. Res. 54. A joint resolution finding the Government of Iraq in unacceptable and material breach of its international obligations; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WARNER (for himself, Mr. FORD, and Mr. MOYNIHAN):

S. Con. Res. 106. A concurrent resolution to commend the Library of Congress for 200 years of outstanding service to Congress and the National, and to encourage activities to commemorate the bicentennial anniversary of the Library of Congress; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE:

S. 2215. A bill to provide transitional community employment for unemployed persons, and other individuals in poverty, who live in certain identified communities, and for other purposes; to the Committee on Finance.

STRATEGIC TRANSITIONAL EMPLOYMENT PROGRAM ACT

Mr. WELLSTONE. Mr. President, today I am introducing a piece of legislation, and Delegate ELEANOR HOLMES

NORTON has introduced this on the House side. This legislation is called the Strategic Transitional Employment Program, STEP. This legislation is an outgrowth of some of my work as a senator in Minnesota and in other communities around the country.

If I had to summarize my travel in our country in Delta, MS, or East Los Angeles, or Watts, or inner-city Baltimore, or inner-city Minneapolis, or rural Minnesota, or Appalachia, Letcher County, KY, or inner-city Chicago, over and over and over again, the one thing I heard from people was: Where are the jobs at decent wages that we can support our families on? More than anything in the world, Senator, we want to be able to earn a decent living and give our children the care they need and deserve.

Congresswoman NORTON and I had the opportunity to be at First Baptist Church here in D.C. Pastor Eldridge Spearman's church, in the Greenway community, working with the Marshall Heights Community Development Organization. There was a wonderful turnout of people from the community. They said this would be the best single thing we could talk about. Over the next 4 years, an effort to create 1.8 million jobs for people, transitional employment, moving toward living-wage jobs, opportunity for education, job training, so that we build up the human capital in our communities so that we then can attract the private capital.

This is a major issue that is off the political debate screen but should be on the political debate screen and should be part of our agenda. There is a jobs gap in our Nation now, close to 5 million jobs, and even with the economy humming along at peak economic performance, there are many communities, as the eminent scholar, William Julius Wilson, points out, where there is no work, work is the most important thing we can focus on. When people work, they contribute to family, they contribute to community, they have dignity. But there are too many communities in our country where there are almost no jobs at all.

This legislation speaks to that. I will be bringing to the floor of the Senate some sense-of-the-Senate amendments that talk about the need to have thorough study and investigation. I will work out amendments that come from this piece of legislation, build up support, and come to the floor over and over and over again to talk about this. This is a structural problem in our economy, and this is the key to economic opportunity.

Children do better when their parents are doing better. There is no more important priority than to focus on jobs and to focus on job opportunities. That is what this legislation does.

I thank Brian Ahlberg, on my staff, and Deanna Caldwell for doing such superior work, and I thank the Center for Community Change, the Center for Budget and Policy Priorities, Peter Edelman and William Julius Wilson for their work, as well.

The bill I introduce today, the Strategic Transitional Employment Program (STEP) Act of 1998 addresses what I consider to be one of the key moral issues facing our country. The issue is jobs. I often say that if you want to prevent crime, if you want to prevent drugs, broken homes, violence in our homes, violence in our schools and on the streets, then focus on providing all Americans with a good education, good health care and a good job. Too many Americans who want to work and are able to work cannot find a good job.

During my recent and continuing travels, I have found that even as official unemployment figures and other leading indicators suggest that we should be celebrating our economic success, many American communities continue to struggle with the demoralization of joblessness. When I traveled last year to Mississippi, Los Angeles, Chicago, Baltimore, Kentucky, urban and rural Minnesota, and when I travel to struggling communities, neighborhoods and barrios today, I heard and still hear the question: Senator, where are all the good jobs? We want to work. We are able to work. Where are the jobs?

Most Americans are aware that the gap between rich and poor in America is widening. Between the late 1970s and the mid 1990s, incomes of the richest fifth of families increased on average by 30 percent, or about $27,000 after adjusting for inflation. In contrast, the real incomes of the poorest families declined on average 21 percent, about $2,500. According to the Center on Budget and Policy Priorities, ''In the United States as a whole, the poorest 20 percent of families with children had an average income of $9,250 in the mid-1990s, while the average income of families with children in the top 20 percent of the income distribution was $117,500, or 13 times as large.''

In the United States today, poverty is becoming more and more concentrated, the poor are more and more isolated, and joblessness is more strongly associated with that poverty than ever before. Concentrated joblessness is increasing in urban neighborhoods and poor rural communities. Meanwhile, the joblessness is becoming more and more prolonged—a chronic condition—for residents of those areas.

Last Friday I took part in an event at First Baptist Church in Southeast Washington, D.C. First Baptist is just across the Anacostia River on Minnesota Avenue. It serves the communities of Greenway, Marshall Heights and many others across our nation's capitol. District of Columbia Delegate HOLMES-NORTON and I announced that we would be introducing this bill, and I would just like to thank the church, including its pastor Eldridge Spearman, as well as Mr. and Mrs. Strayhorn and others of the church's staff for welcoming us there. Representatives of the Marshall Heights Community Development Organization also were present and participated in what I believe was an important event.

The problem of joblessness persists today in Washington, D.C. and in communities across the country, even at a time when our economy is at peak performance. Between 4 and 5 million Americans of working age lack the jobs they need to support themselves and their families. Many have been jobless for prolonged periods. They have lost their jobs, or they have never been able to find a job. They lack the skills and experience to get a job, or there are no jobs nearby where they live. Many are so discouraged they no longer are seeking work. They are not even counted as unemployed.

We are not talking only about those who are already or soon will be losing welfare benefits. Those people, many of them women with children, will be required to find work. We also are talking about more than a million men—African-American men in our cities, men regardless of race or background in urban and rural areas. Many jobless men are fathers. They want to work. They are able to work. But they remain jobless.

Why has concentrated joblessness and poverty increased and intensified for some while the rest of the country is enjoying an abundance of work, when in fact in some areas there are labor shortages? There are a number of reasons, but two are fundamental: changes in the nature of work and in the location of work. Race is a third important factor.

We have experienced profound economic restructuring that has transformed the nature of work and the skills demanded for work. Industrial and manufacturing jobs, once a foundation of our economy, have given way to work that is driven by new technological developments and a global marketplace. The demand for skilled workers, those with education and training, is high. Lower-skilled workers, who have always been the most vulnerable to economic shifts, have seen their work opportunities dwindle or vanish. The gap between average earnings of high school graduates and college graduates has become a gulf. In fact, ''the unemployment rates for low-skilled men and women are five times that among their college-educated counterparts,'' according to the prominent social scientist and Harvard University Professor William Julius Wilson.

I am pleased that to say that I believe we are on the verge of completing conference work on the workforce legislation that will improve the country's job-training system. That is a crucial, bipartisan work-product of the Senate's Labor Subcommittee on Employment and Training, on which I am proud to serve as Ranking Minority Member. I am hopeful we can complete and enact that legislation in the coming weeks. The bill I introduce today is designed to fit closely with and complement that reform of the federal job-training system. It would utilize the streamlined and improved job-training infrastructure that the workforce bill is designed to bring about.

The location of work also has changed. Business has moved to the suburbs. New jobs, even lower-skill jobs, are more likely to be found in suburban environments than central city or rural communities. In the 1980s, 87 percent of new jobs in the lower-paying and lower-skilled service and retail trade sectors were created in the suburbs, according to the Department of Housing and Urban Development (HUD). And all too often, jobs in the suburbs are inaccessible using public transportation.

Race is a further determinant of concentrated poverty and joblessness. We cannot ignore or dismiss the impact of racial discrimination. It has created islands of poverty and joblessness. It is no coincidence that the residents of most central cities, of most poor rural counties, are more likely to be racial minorities. William Julius Wilson describes how many of our central cities have become essentially racially segregated and poor:

In addition to changes in the economy and in the class, racial, and demographic composition of inner-city ghetto neighborhoods, certain government programs and policies contributed, over the last fifty years, to the evolution of jobless ghettos. Prominent among these are the early actions of the FHA in withholding mortgage capital from inner-city neighborhoods, the manipulation of market incentives that trapped blacks in the inner cities and lured middle-class whites to the suburbs, the construction of massive federal housing projects in inner-city neighborhoods, and, since 1980, the New Federalism, which, through its insistence on localized responses to social problems, resulted in drastic cuts in spending on basic urban programs. Just when the problems of social dislocation in jobless neighborhoods have escalated, the city has fewer resources with which to address them.

HUD's State of the Cities report for 1997 observed that, ''In 1995, the poverty rate for whites (not of Hispanic origin) was 6.4 percent; for Asians and Pacific Islanders it was 12.4 percent; African Americans, 26.4 percent; and Hispanics 27.0 percent.''

The Eisenhower Foundation recently published a report that examines what has happened in the 30 years since the historic Kerner Commission report of 1968. Here is one finding from that report: ''Since the Kerner Commission, the U.S. has had the most rapid growth in wage inequality in the Western world, with racial minorities suffering disproportionately. . . [T]here cannot be meaningful progress in closing the racial divide without an economic corollary.''

The problem is not only urban. An American Indian in Minneapolis or a Mexican-American immigrant in Willmar, Minnesota might still not receive fair consideration from too many potential employers. With historic Civil Rights legislation through the years, we have largely transcended the most blatant policies of racial prejudice and segregation in our country. But to some degree we have replaced them with policies of inaction and neglect. Poor minorities have been made poorer, in some cases are more segregated, and many remain stereotyped.

We pay for neglect, for the failure to act, in a myriad of ways. Neglect breeds destructive behavior that harms individuals, that harms those in close proximity, and that eventually harms those far removed. Criminal behavior is a child of neglect. We know that there are strong relationships between poverty, unemployment, and crime. Work deters the kind of crime that is found in communities of concentrated joblessness and poverty. It may not be all that is needed, but legitimate work opportunity is integral. Without it there is no hope.

The STEP proposal would build a bridge to close the ''jobs gap''—the gap between those who are doing well in today's economy and those who are being left behind. The problem in this case is not the cyclical nature of our economy. It is chronic and structural joblessness. We cannot any longer disregard the substantial portion of our population that is being left out of the benefits of general prosperity.

The Center for Community Change estimates a jobs gap of about 4.4 million. In other words, 4.4 million people are out of work or economically in need of additional employment due to a lack of jobs appropriate to their skills and abilities. The estimate includes about 2.1 million of the officially unemployed who have been without work for 15 weeks or longer. It also includes about 330,000 persons who are without work but have given up their employment search and are therefore no longer officially unemployed—also called the discouraged worker. And it includes about 2 million full-time equivalent positions, which represent the nearly 4 million ''economically underemployed,'' people who work part-time because they cannot find a full-time job and who are also not included in the count of the officially unemployed.

The answer to the jobs gap is jobs, and our bill will create jobs—1.8 million of them over three years. The idea for this legislative proposal comes from people who have devoted much of their professional lives to attempting to solve this problem: the Center for Community Change, the Center for Budget and Policy Priorities, Peter Edelman, William Julius Wilson and grassroots organizations around the country which serve low-income communities. Our bill will not create every permanent job that is needed. Massive job-creation programs have been proposed and even tried in the past. They usually were designed as counter-cyclical interventions in the economy to address recessions. We also acknowledge that there are other reasons for joblessness which our bill does not directly address. If there are no jobs nearby, part of the solution may be transportation. If a jobless person is a parent, part of the solution may be affordable, quality child care.

Rather, the bill proposes for the first time a specific and limited policy tool to address a specific, crucial need. It is a realistic effort to provide for out-of-work individuals a transition between chronic joblessness and a non-subsidized job in the private or public sector. It is a serious, even if initial and partial, effort to close the jobs gap. What I propose today is a plan to provide nearly 2 million Americans with a significant step toward a full-time, living wage job.

It will help these jobless individuals living in poverty with meaningful employment experience for one year, as well as with skills-training and education.

It will provide hard-hit communities with needed economic development and services so they can attract more investment.

It will prepare workers who, at the end of a year of skills-developing work, can qualify for many of the positions that private employers are telling us they cannot fill because they can't find able and experienced workers. That also will help attract investment.

Finally, it will create a new demonstration program at the Small Business Administration to help target venture-capital investment to small enterprises that provide jobs in high-unemployment, high-poverty communities.

The core of the bill is a 4-year, $20-billion program to create 1.8 million entry-level, 12-month, transitional jobs. These will be community employment jobs, filling needs in the affected communities. The program would be administered by the Department of Labor, largely through the existing federal employment and training infrastructure, which we are in the midst of reforming and improving in substantial ways. Money and decision-making power would be pushed down to the local level. Participation by key groups—employers, labor, elected officials and community-based organizations—would be assured.

We are not simply providing make-work jobs leading to nowhere. State and local plans would have to specify how the jobs and the accompanying skills development would provide a transition to gainful employment after one year. Nor are we creating an exploited, low-wage workforce to displace current workers or undercut their wages, such as many allege is happening with Welfare-to-Work in some places. Strict anti-displacement language is included in the bill. Workers in the program would be paid slightly above minimum wage, plus benefits, and would receive full federal labor law protections.

The program would be paid for from discretionary funds, so no budgetary offset would be required for its enactment. Nonetheless, offsets are included in the bill. It would be paid for by eliminating unnecessary current spending. The bill would revoke the current subsidy of excessive executive compensation among large American corporations—prohibiting the federal tax deduction for salaries paid to executives which are more than 25 times the compensation of another employee of the same company for the same year. And it would repeal the deferral of income tax owed on assets of U.S.-controlled foreign corporations.

Here is how the bill would work.

The STEP Act would provide transitional employment to place people firmly on the pathway to economic security.

The STEP Act would provide funding over four years to create entry-level jobs, and provide benefits, for people who have been jobless 15 weeks or more, who have a family income at or below poverty, and who are living in a community of concentrated poverty and unemployment. The jobs would be transitional—meaning that eligible participants could stay in the program for a maximum of twelve months, although some exceptions would be allowed.

Under the four-year STEP initiative, States and local communities would spend the first year carefully planning a job creation strategy to create, nationwide, 1.8 million jobs over three years. With an eye towards ensuring quality and the coordination of resources, the STEP Act incrementally builds the number of jobs created each year to reach the total of 1.8 million jobs. Funding is provided in the second (post-planning) year to create 200,000 jobs; in the third year to create 600,000 jobs; and in the fourth year to create 1 million jobs.

The number one priority of STEP is creating jobs for people who need work—people living in communities of concentrated poverty and unemployment. STEP is not just a job that ends in 12 months. It is the propellant for landing sustaining employment—employment that pays a living wage, the kind of job that could provide meaningful responsibilities to help people develop work skills and get sound work experience under their belt. At the same time, STEP participants would have paid time—10 hours per week—to get secondary, vocational, or post-secondary education. Their annual earnings would be consistent with living wage principals. They would be hooked into services such as transportation and child care which will be critical to their ultimate success. Also, they would have job search and job placement assistance to help ensure their successful transition out of the STEP program.

The second priority is to create jobs in communities where jobs are scarce—in communities of concentrated poverty—whenever possible. There is no lack of work to be done in poor neighborhoods. The STEP Act would authorize work, regardless of its location, for environmental conservation or restoration, to develop infrastructure or affordable housing, to provide human services or to support small businesses. Poor communities could use the wage subsidies that STEP would provide to help with the renovation of schools and community centers, to provide child care or community health care services, to provide elder care, to provide aides to school teachers, to provide after-school and summer recreational programs, to develop parks and playgrounds, to provide 911 phone service, to remove lead paint and asbestos, to build or renovate housing, and to provide community safety and crime prevention services. This is just some of the work that could be, and should be, done in communities with entrenched poverty.

The jobs that would be created and the location of those jobs would be determined by the people most familiar with the needs of the community and with the needs of local residents. Local community members, elected officials, labor unions, and representatives from for-profit business would collaborate to develop work proposals and identify worksite employers. When work could be physically located in or would benefit a community of concentrated poverty and unemployment, that work would receive funding before other proposals. We would allow jobs to be located outside a community of poverty for two reasons: (1) because we understand that the best skill-developing work opportunities may lie outside the boundaries of an impoverished community and our first priority is getting people to work; and (2) because we recognize that wages alone don't renovate schools or build houses. Other resources are necessary and may not be available to those communities. Participants, however, would have to be residents of a community of concentrated poverty and unemployment.

Employers could be local public agencies, private nonprofits, or private employers. Work created in public agencies and in nonprofits would be funded first.

The bill contains a number of measures to ensure that current employees would not be harmed or displaced. Labor organizations would play a significant role in selecting job proposals and in monitoring work conditions. It also contains provisions to ensure that workers would be provided health insurance benefits; would be covered by Federal, State, and local labor laws; would be covered by anti-discrimination statutes; and would be eligible for the Earned Income Tax Credit.

The cost of creating 1.8 million jobs over four years as I have outlined is $21 billion. That cost of providing jobs to those who need them is a bargain compares to the inescapable price that we pay, and that our children will pay, for doing nothing. The price of neglect is high—fiscally, emotionally and culturally.

The bill also provides funding for community development venture capital—a critical need in most low-income communities. Equity capital is in short supply in low-income areas. Grassroots community development organizations have accomplished much through self-help economic development efforts, including microlending and technical assistance to businesses. However, few of these organizations have the financial or technical capacity to make equity investments to launch businesses or to help them expand. A field of community development venture capita (CDVC)l funds is emerging to fill the gap. These CDVC funds are targeting businesses that traditional institutional investors shy away from for a variety of reasons. These are businesses that may be located in economically distressed urban or rural areas, or businesses in need of equity investment in smaller amounts than what the traditional investor would consider. Also unlike the traditional investment firm, CDVCs target companies that will create good jobs that pay decent wages and opportunities for advancement. They seek to shape the culture of young companies with respect to sustainable community development and environmental impact. That means providing entrepreneurial solutions to social problems, creating jobs and generating wealth in economically disadvantaged areas, and yielding competitive long-term investment returns.

There are about 30 community development venture capital funds currently operating around the country. Northeast Ventures Corporation in Duluth, Minnesota is an excellent example. Northeast Ventures invests primarily in a seven county area that is a restructured mining region. They invest in a wide range of industries, with ''typical'' initial investments ranging from $150,000 to $350,000.

The STEP Act would provide funding of $20 million over four years for community development venture capital initiatives. The program would help to build the capacity of existing CDVC funds and encourage the development of emerging funds. The funds would be channeled through experienced, qualified, nonprofit intermediary organizations to provide venture capital financing (loans, grants, and equity investments) to venture capital funds that serve low-income people and their communities. The funding would also be used to provide training, education and operating support to develop the technical and administrative capacity of emerging community development venture capital organizations.

Mr. President, the STEP Act would be an important effort towards bridging America's jobs gap. I hope my colleagues will support it.

I ask unanimous consent that a list of groups supporting the bill be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

GROUPS IN SUPPORT OF STEP ACORN

Alameda Corridor Jobs Coalition, California

Amalgamated Transit Union, Local 998, Milwaukee
American Federation of Government Employees, AFL-CIO
Anishinabe Council of Job Developers, Inc., Minneapolis
Arrowhead Economic Opportunity Agency, Minnesota
Californians for Justice
Campaign for a Sustainable Milwaukee
Center for Community Change
Community Resource Center, Colorado
Community Voices Heard, New York
Georgia Citizens Coalition on Hunger
Greater Bethany Economic Development Corporation, California
Hartford Areas Rally Together, Connecticut
HIRED, Minneapolis
Homeless Services Coordination Station, Georgia
J.E.D.I. For Women, Utah
Marshall Heights Community Development Organization, Inc., Washington, D.C.
Metropolitan Alliance of Congregations, Illinois
Minnesota Assistance Council for Veterans
National Low Income Housing Coalition
Northwest Federation of Community Organizations
Operation PEACE, Inc., Georgia
People and Policy Center of Mississippi
Philadelphia Unemployment Project, Pennsylvania
Reform Organization of Welfare, Missouri
Rural Minnesota Concentrated Employment Program (CEP), Inc.
San Luis Valley Welfare Advocates, Colorado
SENSES, New York
South Carolina, Fair Share
South Central Georgia Task Force for the Homeless
Southerners for Economic Justice, North Carolina
Tennessee Justice Center
University of Minnesota, Labor Education Service
University of Minnesota, Institute on Race and Poverty
Up and Out of Poverty Now! Coalition, Georgia
Utica Citizens in Action, New York
Virginia Organizing Project
Women's Opportunity and Resource Development, Inc., Montana
Wister Townhouses Neighborhood Networks Computer Training Center, Pennsylvania

---

By Ms. COLLINS:

S. 2216. A bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program; to the Committee on Finance.

GRADUATE MEDICAL EDUCATION TECHNICAL AMENDMENTS OF 1998

Ms. COLLINS. Mr. President, today I introduce the Graduate Medical Education Technical Amendments Act of 1998, which is intended to address some of the problems that small family practice residency programs in Maine and elsewhere are experiencing as a result of provisions in the Balanced Budget Act (BBA) of 1997 that were intended to control the growth in Medicare graduate medical education spending.

Of specific concern are the provisions in the BBA that cap the total number of residents in a program at the level included in the 1996 Medicare cost reports. Congress' goal in reforming Medicare's graduate medical education program was to slow down our nation's overall production of physicians, while still protecting the training of physicians who are in short supply and needed to meet local and national health care demands. While it is true that the BBA's provisions will curb growth in the overall physician supply, they do so indiscriminately and are thwarting efforts in Maine and elsewhere to increase the supply of primary care physicians in underserved rural areas.

Because Maine has only one medical school—the University of New England, which trains osteopathic physicians—we depend on a number of small family practice residency programs to introduce physicians to the practice opportunities in the state. Most of the graduates of these residency programs go on to establish practices in Maine, many in rural and underserved areas of the state. The new caps on residency slots included in the BBA penalize these programs in a number of ways.

For instance, the current cap is based on the number of interns and residents who were "in the hospital" in FY 1996. Having a cap that is institution-specific rather than program-specific has caused several problems. For instance, the Maine-Dartmouth Family Practice Residency Program had two residents out on leave in 1996—one on sick leave for chemotherapy treatments and one on maternity leave. Therefore, the program's cap was reduced by two, because it was based on the number of actual residents in the hospital in 1996 as opposed to the number of residents in the program.

Moreover, residents in this program have spent one to two months training in obstetrics at Dartmouth's Mary Hitchcock's Medical Center in Lebanon, New Hampshire. Because the cap is based on a hospital's cost report, these residents are counted toward Dartmouth Medical School's cap instead of the Maine-Dartmouth Family Practice Residency Program's. Last year, the Maine program was informed that Dartmouth would be cutting back the amount of time their residents are there. But the Maine-Dartmouth Family Practice Residency Program has no way of recouping the resident count from them in order to have the funds to support obstetrical training for their residents elsewhere.

Moreover, the cap does not include residents who continue to be part of the residency program, but who have been sent outside of the hospital for training. This penalizes all primary care specialties, but especially family medicine, where ambulatory training has historically been the hallmark of the specialty. This is particularly ironic since other specialty programs that now begin training in settings outside the hospital will, under the new rules, have those costs included in their Medicare graduate medical education funding.

All told, the Maine Dartmouth Family Practice Residency Program will see its graduate medical education funding reduced by over half a million dollars a year as a result of the cap established by the BBA.

The example I have just used is from Maine, but the problems created by the BBA's graduate medical education changes are national in scope. It has created disproportionately harmful effects on family practice residencies from Maine to Alaska. A recent survey of all family practice residency program directors has found that:

56 percent of respondents who were in the process of developing new rural training sites have indicated that they will either not implement those plans or are unsure about their sponsoring institutions' continued support.

21 percent of respondents report planning to decrease their family practice residency slots in the immediate future. The majority of those who are planning to decrease their slots are the sole residency program in a teaching hospital. This means that, under current law, they have no alternative way of achieving growth, such as through a reduction of other specialty slots in order to stay within the cap.

And finally, the vast majority of family practice residencies did not have their full residency FTEs captured in the 1996 cost reports upon which the cap is based.

In addition to this survey, we have anecdotal information from residencies across the country detailing how they have lost funding either because of where they trained their residents or because their residents had been extended sick or maternity leave. For example, one family practice residency in Washington State last year had an equivalent of 14 residents training outside of the hospital and four in the hospital. Under the BBA, their cap would be four. By contrast, had all of their residents been trained in the hospital up to this point, their payment base would have been capped at 18, even if they trained residents in non-hospital settings in the future.

The Medicare Graduate Medical Education Technical Amendments Act, which I am introducing today, will address these problems by basing the cap on the number of residents "who were appointed by the approved medical residency training programs for the hospital" in 1996, rather than on the number of residents who were "in the hospital."

I am also concerned that the Balanced Budget Act and its accompanying regulations will severely hamper primary care residency programs that are expanding to meet local needs. Specifically, a new residency program that had not met its full complement of accredited residency positions until after the cutoff date of August 5, 1997, is precluded from increasing its number of residents unless the hospital decreases the number of residents in one of its other specialty programs. However,