

1 **SEC. 6005. STATE PROGRAM FOR PRESUMPTIVE ELIGI-**
2 **BILITY.**

3 (a) **IN GENERAL.**—The Secretary shall promulgate
4 regulations under which each State operating a program
5 for premium assistance under this subtitle shall have in
6 effect a system under which individuals may be deter-
7 mined presumptively eligible for such assistance by health
8 care providers who furnish services to such individuals.

9 (b) **SPECIFICATIONS FOR REGULATIONS.**—The regu-
10 lations promulgated by the Secretary under subsection (a)
11 shall include the following requirements:

12 (1) **APPLICATION FOR ASSISTANCE.**—Each
13 State shall develop and make available to health care
14 providers in the State a simple form for individuals
15 who receive services from such providers to apply for
16 premium assistance. Such form shall provide for a
17 simple declaration of eligibility for premium assist-
18 ance under this subtitle and shall permit an individ-
19 ual to enroll in a community-rated standard health
20 plan offered in the community rating area in which
21 the individual resides.

22 (2) **SUBMISSION OF COMPLETED APPLICA-**
23 **TION.**—If a health care provider receives an applica-
24 tion for presumptive eligibility under this section the
25 provider shall submit the application to the State
26 agency administering the premium assistance pro-

1 gram under this subtitle in a timely manner. If the
2 State agency receives an application for presumptive
3 eligibility and the individual who completed such ap-
4 plication has failed to select a community-rated
5 standard health plan offered in the community rat-
6 ing area in which the individual resides, the State
7 agency shall select such a plan for the individual.

8 (3) EFFECTIVE DATE OF ENROLLMENT.—An
9 individual who enrolls in a community-rated stand-
10 ard health plan in accordance with the presumptive
11 eligibility system established under this section shall
12 be an enrollee of the plan as of the date the individ-
13 ual submits an application to a health care provider.

14 (4) PERIOD OF PRESUMPTIVE ELIGIBILITY.—
15 An individual who submits an application to a health
16 care provider under a presumptive eligibility system
17 under this section shall be presumptively eligible for
18 premium assistance under this subtitle for the period
19 beginning on the date such application is submitted
20 and ending 60 days after such date.

21 (5) NO RECONCILIATION REQUIRED.—The rec-
22 onciliation provisions of section 6004 shall not apply
23 to any premium assistance paid on behalf of an indi-
24 vidual during a period of presumptive eligibility.

1 (6) REQUIREMENT ON STATES.—During a pe-
2 riod of presumptive eligibility, an individual shall be
3 given an opportunity by a State to apply for con-
4 tinuing eligibility for premium assistance under this
5 subtitle.

6 **SEC. 6006. PAYMENTS TO STATES.**

7 (a) IN GENERAL.—A State operating a program for
8 furnishing premium assistance under this subtitle shall be
9 entitled to receive payments in an amount equal to the
10 amount expended by the State to operate the program,
11 including the amount of premium assistance paid on be-
12 half of premium subsidy eligible individuals. Such pay-
13 ments shall be made at such time and in such form as
14 provided in regulations promulgated by the Secretary.

15 (b) STATE ENTITLEMENT.—This section constitutes
16 budget authority in advance of appropriations Acts, and
17 represents the obligation of the Federal Government to
18 provide payments to States operating programs under this
19 subtitle in accordance with this section.

20 (c) AUDITS.—The Secretary shall conduct regular
21 audits of the activities under the State programs con-
22 ducted under this subtitle.

23 **SEC. 6007. DEFINITIONS AND DETERMINATIONS OF IN-**
24 **COME.**

25 For purposes of this subtitle:

1 [(1) STANDARD HEALTH PLAN.—The term
2 “standard health plan” means a health plan (as de-
3 fined in section ____) providing the standard bene-
4 fits package as described in section ____.]

5 (2) CHILD.—The term “child“ means an indi-
6 vidual who is under 19 years of age.

7 (3) DETERMINATIONS OF INCOME.—

8 (A) FAMILY INCOME.—The term “family
9 income” means, with respect to an individual
10 who—

11 “(i) is not a dependent (as defined in
12 subparagraph (B)) of another individual,
13 the sum of the modified adjusted gross in-
14 comes (as defined in subparagraph (D))
15 for the individual, the individual’s spouse,
16 and children who are dependents of the in-
17 dividual; or

18 (ii) is a dependent of another individ-
19 ual, the sum of the modified adjusted gross
20 incomes for the other individual, the other
21 individual’s spouse, and children who are
22 dependents of the other individual.

23 (B) DEPENDENT.—The term “dependent”
24 shall have the meaning given such term under

1 section 152 of the Internal Revenue Code of
2 1986.

3 (C) SPECIAL RULE FOR FOSTER CHIL-
4 DREN.—For purposes of subparagraph (A), a
5 child who is placed in foster care by a State
6 agency under part E of title IV of the Social
7 Security Act shall not be considered a depend-
8 ent of another individual.

9 (D) MODIFIED ADJUSTED GROSS IN-
10 COME.—The term “modified adjusted gross in-
11 come” means adjusted gross income (as defined
12 in section 62(a) of the Internal Revenue Code
13 of 1986)—

14 (i) determined without regard to sec-
15 tions 135, 162(l), 911, 931, and 933 of
16 such Code, and

17 (ii) increased by—

18 (I) the amount of interest re-
19 ceived or accrued by the individual
20 during the taxable year which is ex-
21 empt from tax,

22 (II) the amount of the social se-
23 curity benefits (as defined in section
24 86(d) of such Code) received during
25 the taxable year to the extent not in-

1 cluded in gross income under section
2 86 of such Code, and

3 (III) the amount of aid to fami-
4 lies with dependent children received
5 during the taxable year under part A
6 of title IV of the Social Security Act
7 to the extent not included in gross in-
8 come under such Code.

9 The determination under the preceding sen-
10 tence shall be made without regard to any car-
11 ryover or carryback.

12 **[(E) SPECIAL RULE FOR INDIVIDUALS**
13 **TEMPORARILY UNEMPLOYED.—**

14 (i) **IN GENERAL.—**Notwithstanding
15 subparagraph (A), for purposes of deter-
16 mining eligibility for premium assistance
17 under this subtitle in the case of any indi-
18 vidual whose enrollment in a health plan
19 terminates because the individual becomes
20 unemployed or because a member of the
21 individual's family becomes unemployed,
22 the family income of such individual
23 shall—

24 (I) for each month before and
25 after the period of unemployment, be

1 reduced by an amount equal to 75
2 percent of the poverty line (deter-
3 mined on a monthly basis); and

4 (II) for each month after the
5 date the individual becomes unem-
6 ployed, by an amount equal to any
7 unemployment compensation under an
8 unemployment compensation law of a
9 State or of the United States received
10 by or on behalf of the unemployed in-
11 dividual.

12 (ii) LIMITATION.—Clause (i) shall no
13 longer apply to an individual on the earlier
14 of—

15 (I) the date on which the individ-
16 ual is able to enroll in health plan due
17 to the individual's employment or the
18 employment of a member of the indi-
19 vidual's family; or

20 (II) the end of the 6-month pe-
21 riod beginning on the first day of the
22 first month during which the individ-
23 ual receives premium assistance under
24 this subtitle that would not be avail-

1 able to such individual if the provi-
2 sions of clause (i) did not apply.】

3 (4) ELIGIBLE INDIVIDUAL.—

4 (A) IN GENERAL.—The term “eligible indi-
5 vidual” means an individual who is residing in
6 the United States and who is—

7 (i) a citizen or national of the United
8 States; or

9 (ii) an alien permanently residing in
10 the United States under color of law (as
11 defined in subparagraph (C)).

12 (B) EXCLUSION.—The term “eligible indi-
13 vidual” shall not include an individual who is
14 an inmate of a public institution (except as a
15 patient of a medical institution).

16 (C) ALIEN PERMANENTLY RESIDING IN
17 THE UNITED STATES UNDER COLOR OF LAW.—
18 The term “alien permanently residing in the
19 United States under color of law” means an
20 alien lawfully admitted for permanent residence
21 (within the meaning of section 101(a)(20) of
22 the Immigration and Nationality Act), and in-
23 cludes any of the following:

1 (i) An alien who is admitted as a refu-
2 gee under section 207 of the Immigration
3 and Nationality Act.

4 (ii) An alien who is granted asylum
5 under section 208 of such Act.

6 (iii) An alien whose deportation is
7 withheld under section 243(h) of such Act.

8 (iv) An alien who is admitted for tem-
9 porary residence under section 210, 210A,
10 or 245A of such Act.

11 (v) An alien who has been paroled
12 into the United States under section
13 212(d)(5) of such Act for an indefinite pe-
14 riod or who has been granted extended vol-
15 untary departure as a member of a nation-
16 ality group.

17 (vi) An alien who is the spouse or un-
18 married child under 21 years of age of a
19 citizen of the United States, or the parent
20 of such a citizen if the citizen is over 21
21 years of age, and with respect to whom an
22 application for adjustment to lawful per-
23 manent residence is pending.

24 (5) POVERTY LINE.—The term “poverty line”
25 means, for a family for a year, the official poverty

1 line (as defined by the Office of Management and
2 Budget, and revised annually in accordance with sec-
3 tion 673(2) of the Omnibus Budget Reconciliation
4 Act of 1981) applicable to a family of the size in-
5 volved.

6 (6) PREGNANT WOMAN.—

7 (A) IN GENERAL.—The term “pregnant
8 woman” includes a woman deemed to be a
9 pregnant woman under subparagraph (B).

10 (B) PERIOD AFTER TERMINATION OF
11 PREGNANCY.—For purposes of this subtitle, a
12 woman shall be deemed to be a pregnant
13 woman during the period beginning on the date
14 of the termination of the pregnancy and ending
15 on the first day of the first month that begins
16 more than 90 days after such date.

17 **Subtitle B—Individual Cost-**
18 **Sharing Assistance**

19 **[Need specifications.]**

20 **Subtitle C—Employer Subsidies**

21 **SEC. 6201. PURPOSE.**

22 It is the purpose of this subtitle to provide subsidies
23 to eligible employers to assist such employers in providing,
24 or expanding the provision of, health care coverage for the
25 employees of such employers.

1 **SEC. 6202. ELIGIBLE EMPLOYERS.**

2 (a) IN GENERAL.—To be eligible for a subsidy under
3 this subtitle an employer shall—

4 (1) comply with the requirements of part 1 of
5 subtitle D of title I;

6 (2) contribute to the cost of health care cov-
7 erage for all employees of the same class (limited to
8 full- or part-time) employed by the employer;

9 (3) contribute not less than 50 percent of the
10 cost of health care coverage for each class of family
11 enrollment for each employee so covered;

12 (4) prepare and submit to the Secretary of
13 Labor an application, at such time, in such manner
14 and containing such information as the Secretary
15 may require.

16 **[(b) APPLICATION OF REQUIREMENTS.—**

17 (1) IN GENERAL.—The requirements of para-
18 graphs (2) and (3) of subsection (a) shall only apply
19 with respect to the employees described in paragraph
20 (2).

21 (2) COVERAGE OF EMPLOYEES.—The employees
22 described in this paragraph are those employees—

23 (A) for which the employer is contributing
24 to the costs of health care coverage; and

1 (B) for which the employer did not make
2 such a contribution prior to the date of enact-
3 ment of this Act.]

4 (c) SOLE PROPRIETORSHIPS.—A sole proprietorship
5 with not less than 3 full-time employees (including the sole
6 proprietor) shall be eligible for a subsidy under this sub-
7 title if such proprietorship reports the payment of wages
8 (as defined in the Internal Revenue Code of 1986), in the
9 year prior to the year for which the subsidy is applied for,
10 in an amount required under regulations promulgated by
11 the Secretary of Labor.

12 (d) INELIGIBILITY.—

13 (1) SELF-EMPLOYED.—A self-employed individ-
14 ual (as such term is defined in section 1011(c)) shall
15 not be eligible for a subsidy under this subtitle.

16 (2) EMPLOYEE LEASING FIRMS.—An employer
17 that is an employee leasing firm shall not be eligible
18 for a subsidy under this subtitle. The Secretary of
19 Labor shall promulgate regulations defining the
20 term “employee leasing firm”.

21 (3) STATE OF LOCAL GOVERNMENTS.—An em-
22 ployer that is a State or local government shall not
23 be eligible for a subsidy under this section.

1 **SEC. 6203. EMPLOYER CERTIFICATION.**

2 (a) **REQUIREMENT.**—An employer that submits an
3 application under section 6202(a)(4) shall certify that
4 such employer, prior to the date of enactment of this Act,
5 did not contribute to the costs of health care coverage for
6 the employees for which the employer is applying for the
7 subsidy.

8 (b) **CONTRIBUTION LIMIT.**—For purposes of sub-
9 section (a), an employer shall be treated as having contrib-
10 uted to the health care coverage of an employee if the
11 amount of such contribution is \$500 or more (as
12 annualized).

13 (c) **UNION SICKNESS FUNDS.**—For purposes of this
14 subtitle, employers that contribute to union sickness funds
15 on behalf of their employees shall be deemed to have con-
16 tributed to the costs of health care coverage for the em-
17 ployees of such employer.

18 (d) **REGULATIONS.**—For purposes of this section, the
19 Secretary of Labor shall promulgate regulations to enable
20 an employer to determine whether and to what extent an
21 employer contributed to the costs of an employee's health
22 care coverage prior to the date of enactment of this Act.
23 An employer shall utilize such regulations in submitting
24 a certification under this section.

1 **SEC. 6204. AMOUNT OF SUBSIDY.**

2 (a) IN GENERAL.—An employer for which an applica-
3 tion has been approved by the Secretary of Labor under
4 this subtitle shall receive a subsidy (to be paid over a 5-
5 year period) in an amount that equals—

6 (1) with respect to the first 3 years after the
7 date of enactment of this Act—

8 (A) 50 percent of the lesser of—

9 (i)(I) the reference premium (as de-
10 fined in section 6002(b)(1)(C)) with re-
11 spect to the employees for which the sub-
12 sidy is applied for (for the year involved);

13 or

14 (II) the weighted average premium
15 rate (as defined in section 6002(b)(1)(C))
16 for the purchasing cooperative through
17 which the employer has contributed to the
18 employee's health care coverage (for the
19 year involved); or

20 (ii) in the case of an experience-rated
21 employer, the premium of the experience-
22 rated plan (for the year involved); less

23 (B) 8 percent of the wages of the employ-
24 ees for which the employer is applying for the
25 subsidy (for the year involved);

1 (2) with respect to the fourth year after the
2 date of enactment of this Act—

3 (A) 37.5 percent of the lesser of the
4 amounts referred to in subparagraph (A) of
5 paragraph (1) (for the year involved); less

6 (B) 8 percent of the wages of the employ-
7 ees for which the employer is applying for the
8 subsidy (for the year involved); and

9 (3) with respect to the fifth year after the date
10 of enactment of this Act—

11 (A) 25 percent of the lesser of the amounts
12 referred to in subparagraph (A) of paragraph
13 (1) (for the year involved); less

14 (B) 8 percent of the wages of the employ-
15 ees for which the employer is applying for the
16 subsidy (for the year involved).

17 (b) LIMITATIONS.—

18 (1) AMOUNT OF CONTRIBUTION.—If, in apply-
19 ing the formula under subsection (a), the Secretary
20 of Labor determines that an employer's contribu-
21 tions to the health care coverage costs of its employ-
22 ees exceeds 50 percent of the weighted average pre-
23 mium rate for the purchasing cooperative through
24 which the employer has so contributed (for the year
25 involved), the Secretary shall notify such employer

1 that such employer is not eligible for a subsidy
2 under this subtitle.

3 (2) PART-TIME EMPLOYEES.—With respect to
4 subsidies for health care coverage for part-time em-
5 ployee, the Secretary of Labor shall develop a for-
6 mula for the pro-rata reduction in such subsidies
7 based on the formula described in subsection (a) and
8 the hours of work performed by the employee.

9 (3) SINGLE SUBSIDY.—An employer shall not
10 be eligible to receive more than one subsidy under
11 this section. The Secretary of Labor shall promul-
12 gate regulations to ensure that no employer will re-
13 ceive a second or subsequent subsidy under this sub-
14 title regardless of whether such employer had pre-
15 viously received the previous subsidy as an employer
16 in a capacity different from that of the employer's
17 present capacity.

18 **SEC. 6205. DEFINITION.**

19 For purposes of this Act, an employee who is em-
20 ployed by an employer—

21 (1) for at least 120 hours in a month shall be
22 deemed to be employed on a full-time basis with re-
23 spect to that month, or

1 (2) for at least 40 hours, but less than 120
2 hours, in a month shall be deemed to be employed
3 on a part-time basis.

Plw 2:15 -

- Mitchell - 2:30 from Decatur

- 3:00 Group Briefing

- 4:00 - Technical Briefing

••• potted ~~plants~~
••• plants

Diana Lehurst

(202) 547-4917

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 ***** ACTIVITY REPORT *****

Like my Republican colleague in the Senate, John Chafee, I too believe that we are on the brink of enacting health care reform that will make history. And like John Chafee, I continue to hope that we can resist making health care a political issue, and work instead to put the people's interest first by doing what every other industrialized nation in the world has done: guaranteeing health care to all our citizens.

It was with this goal in mind that I, as a member of the Senate Finance Committee, joined John Chafee in voting out the so-called "Mainstream plan" that came before our committee. I had some reservations, ^{which} ~~but~~ ^{seriously} wanted to keep the process moving, and keep health reform on track.

Make no mistake: the Senate Finance Committee bill contains ^{many} a lot of good ^{provisions} things, and many of its bipartisan ~~provisions will no doubt be adopted~~ ^{in the bill} Senator Mitchell will send to the floor this week. But when it comes to judging the elements important to a final health bill, I'll ask three simple questions: 1) Does it commit us, in law, to covering all Americans? 2) Does it provide extra help to make insurance as affordable as possible for small businesses? 3) Does it guarantee older Americans ^{insurance protection at their highest} prescription drug ^{coverage}? ^{On all three of these questions, the answer from the Senate Finance bill is no.} ^{The Finance Committee bill fails on all three counts.}

Earlier this week [last week] the non-partisan Congressional Budget Office released their analysis of the Senate Finance Committee bill.

The CBO has now analyzed two non-universal bills, the Cooper bill and the Senate Finance bill. These reports prove that without shared responsibility between employers and employees, it ^{is impossible to reach} ~~becomes extremely difficult to come close to~~ universal coverage. And they show that non-universal plan can ~~in some instances~~ make things worse for businesses and middle class families.

The CBO found that despite \$924 billion in new government subsidies¹, financed partly through new taxes, insurance coverage would only reach 92%. That means that nearly one in ten Americans -- most of them working -- will be left with no insurance.² Millions more could continue to lose their insurance every year. I find that unacceptable. If we leave 20 million hardworking Americans without insurance, we simply will not have done our job. That's why I will work with the Senate leadership to craft a bill that provides a guarantee of coverage to all Americans.

The CBO also says among those hard hit ^{hardest by the provisions} ~~by the new taxes and cost control mechanisms~~ in the Senate Finance Committee bill will be ~~firms that have given generous health care plans in lieu of higher wages, and the~~ small firms now providing insurance.

¹ New spending for premium subsidies and cost-sharing subsidies 1997-20005
² CBO Table 3

Cost sharing
and then
who do
pay.

insurance protection at
their highest
coverage
protection
health care
costs

According to the CBO, small businesses that provide insurance will pay 11% more than with universal coverage, and that ~~"small plans with little ability to control their premiums might well be the ones subject to the tax."~~

only Indiana
I represent a state where over ⁹⁰~~95~~% of the businesses are small firms, and a plan that's ~~no good~~ for small businesses will ~~not pass with David Pryor's help~~ ~~won't~~ ~~attract my or~~ ~~many of my colleagues~~ ~~such~~ ~~else~~ ~~in~~ ~~part~~.

And finally, the Senate Finance bill takes \$198 billion from Medicare to extend ~~coverage for guaranteed benefits to low-income Americans--including coverage of prescription drugs.~~ ~~But the bill~~ provides no drug coverage to Medicare recipients, even though the cost of medicines is the single highest out-of-pocket expense for three out of four senior citizens. ~~I think it is patently unfair to leave older Americans as the only Americans without prescription drug coverage, even though Medicare money is buying drug coverage for others.~~ *sch*

I think that under Senator Mitchell's leadership, we can and will work to improve the Mainstream Senate Finance Bill so that the answer to my three questions are yes, yes, and yes. And if we do that, I know we'll have a bill that both John Chafee and I can feel proud supporting.

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full time
working 27-93

88-835

Indian Affairs > To meet money.

ALS Billion

Elise Kohn 11-2000

John Gomperts?

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Lois Quam

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WIC program

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Ed Lott 273-5411

P6/b(6)

- All B...

- Priority
2000-2005

- Language revised
- Risk adjustment
- Revenue #2
- Some thing

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P6/b(6)
P6/b(6)

How CBO attached France. For 2000
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P6/b(6)

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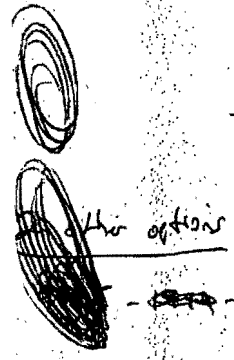
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FAX

DATE:

TO: Chris Jennings
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FROM: ED BARRON
SENATE AGRICULTURE, NUTRITION AND FORESTRY COMMITTEE
SENATOR PATRICK LEAHY

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NOTES:

*Per your request --
Please call if need changes*

To: Chris Jennings
From: Ed Barron
Subject: WIC Mandatory Language
Date: May 25, 1994

The attached language is included in both Congressman Williams' and Senator Kennedy's Committee marks on health care reform. It assures full funding for the WIC program through the year 2000 was developed after detailed consultation with the General Counsel of CBO (Gail Del Balzo).

The language in the Health Security Act was modified by Congress to carry out the President's intent with respect to the WIC program -- to assure full funding for WIC through the year 2000 beginning in 1996.

History of language for WIC full funding:

The approach provides a strong incentive for Congress to appropriate specified "target" amounts of funds for WIC each year: \$3.660 billion in 1996, \$3.759 billion in 1997, \$3.861 billion in 1998, \$3.996 billion in 1999, and \$4.136 billion in the year 2000.

The Administration decided against simply mandating the payment of specified additional amounts for WIC. That would not have guaranteed full funding since it left open the possibility of the appropriations committee just reducing the amount they appropriated for WIC. For example, if the appropriators knew that WIC would receive \$350 million from non-appropriated sources, they could reduce the amount they would have otherwise appropriated for WIC by the same or a lesser amount.

The approach establishes that if at least those discretionary "target" amounts are appropriated, then (and only then) additional mandatory money will be provided for WIC to achieve full funding. These additional amounts (\$254 million in 1996, \$407 million in 1997, \$384 million in 1998, \$398 million in 1999, and \$411 million in the year 2000) make up the difference between the appropriated "discretionary" amounts and full funding levels.

This approach also helps the appropriations committees, which have seen major cuts in the amount they have available to spend while at the same time are under pressure to fully fund WIC. The appropriations committees need only to meet the "target" amounts and will still be able to fulfill the President's promise of full funding for WIC.

There was one problem with the language in the Health Security Act -- it established a contingency. The contingency essentially was that if appropriators did not meet the target levels for WIC appropriations, the mandatory money would not be spent.

CBO rules require that to be scored as a mandatory expenditure the money must be spent regardless of what other actions Congress takes.

For that reason, the language as modified by Congress contains an unusual provision -- it specifies that if appropriations for WIC do not meet the "target" amounts, the additional amounts of mandatory money will be spent on low income children in the school lunch program. (Under this scenario schools that provide school lunches to these low income children would be entitled to a higher reimbursement rate per meal.)

Extensive meetings with CBO determined that this approach was the only way to make the plan work. If the target amount is hit or exceeded, the additional amounts are spent on WIC and WIC is fully funded. If the target amount is not provided school lunch reimbursements per meal are increased.

Thus the spending is not contingent on appropriations actions -- it will be spent no matter what level of regular appropriations is provided for WIC. We fully expect the WIC appropriations targets to be met, however, and do not expect the school lunch funding to ever go into effect.

Possible Additional language changes:

Congress may need to accommodate a request by the Chairman of the Appropriations Committee that the additional money not come directly from the Treasury Department as in the current language.

The Chairman wants to appropriate those funds -- through a mandatory appropriations provision. This approach works just as well and has the same effect as if the funds came from the Treasury. The difference is that it ostensibly leaves control over WIC in the hands of the appropriators and allows them to claim credit for fully funding WIC each year.

What Chairman Bryd wants was reflected in the original Administration proposal. It was changed in the revision by counsel but not for any substantive reasons.

1 **SEC. ____ FULL FUNDING FOR WIC.**

2 Section 17 of the Child Nutrition Act of 1966 (42
3 U.S.C. 1786) is amended—

4 (1) in the second sentence of subsection (a)—

5 (A) by striking “authorized” and inserting
6 “established”; and

7 (B) by striking “, up to the authorization
8 levels set forth in subsection (g) of this sec-
9 tion,” and inserting “, up to the levels made
10 available under this section,”;

11 (2) in subsection (c)—

12 (A) in the first sentence of paragraph (1),
13 by striking “may” and inserting “shall”; and

14 (B) in paragraph (2), by striking “appro-
15 priated” and inserting “made available”;

16 (3) in subsection (g)—

17 (A) by striking paragraph (1) and insert-
18 ing the following new paragraph:

19 “(1)(A) There are authorized to be—

20 “(i) appropriated to carry out this section such
21 amounts as are necessary for each of fiscal years
22 1995 through 2000; and

23 “(ii) made available such amounts as are nec-
24 essary for the Secretary of the Treasury to fulfill the
25 requirements of subparagraph (B).

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1 “(B)(i) Out of any money in the Treasury not other-
2 wise appropriated, the Secretary of the Treasury shall pro-
3 vide to the Secretary of Agriculture, on January 1 of each
4 fiscal year, to carry out this subsection—

5 “(I) \$254,000,000 for fiscal year 1996;

6 “(II) \$407,000,000 for fiscal year 1997;

7 “(III) \$384,000,000 for fiscal year 1998;

8 “(IV) \$398,000,000 for fiscal year 1999; and

9 “(V) \$411,000,000 for fiscal year 2000.

10 “(ii) The Secretary of Agriculture shall be entitled
11 to receive the funds and shall accept the funds.

12 “(C) In lieu of obligating the funds made available
13 under subparagraph (B) to carry out this subsection, if
14 the amount appropriated (in addition to the amount ap-
15 propriated under subparagraph (B)(i)) to carry out this
16 subsection for—

17 “(i) fiscal year 1996 is less than
18 \$3,660,000,000, the amount referred to in subpara-
19 graph (B)(i)(I) shall be obligated by the Secretary,
20 during the period beginning December 31, 1995,
21 and ending June 30, 1996, to increase the special
22 assistance factor prescribed under section 11(a) of
23 the National School Lunch Act (42 U.S.C.
24 1759a(a)) for free lunches served under the school

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1 lunch program (as established under section 4 of
2 such Act (42 U.S.C. 1753));

3 "(ii) fiscal year 1997 is less than
4 \$3,759,000,000, the amount referred to in subpara-
5 graph (B)(i)(II) shall be obligated by the Secretary,
6 during the period beginning December 31, 1996,
7 and ending June 30, 1997, to increase the special
8 assistance factor prescribed under section 11(a) of
9 such Act for free lunches served under the school
10 lunch program (as established under section 4 of
11 such Act);

12 "(iii) fiscal year 1998 is less than
13 \$3,861,000,000, the amount referred to in subpara-
14 graph (B)(i)(III) shall be obligated by the Secretary,
15 during the period beginning December 31, 1997,
16 and ending June 30, 1998, to increase the special
17 assistance factor prescribed under section 11(a) of
18 such Act for free lunches served under the school
19 lunch program (as established under section 4 of
20 such Act);

21 "(iv) fiscal year 1999 is less than
22 \$3,996,000,000, the amount referred to in subpara-
23 graph (B)(i)(IV) shall be obligated by the Secretary,
24 during the period beginning December 31, 1998,
25 and ending June 30, 1999, to increase the special

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1 assistance factor prescribed under section 11(a) of
2 such Act for free lunches served under the school
3 lunch program (as established under section 4 of
4 such Act); and

5 “(v) fiscal year 2000 is less than
6 \$4,136,000,000, the amount referred to in subpara-
7 graph (B)(i)(V) shall be obligated by the Secretary,
8 during the period beginning December 31, 1999,
9 and ending June 30, 2000, to increase the special
10 assistance factor prescribed under section 11(a) of
11 such Act for free lunches served under the school
12 lunch program (as established under section 4 of
13 such Act).

14 “(D) Any increase in the special assistance factor
15 prescribed under section 11(a) of such Act as a result of
16 subparagraph (C) shall not affect any annual adjustment
17 in the factor under section 11(a)(3) of such Act.”

18 (B) in the first sentence of paragraph (4),
19 by striking “appropriated” and inserting “made
20 available”; and

21 (C) in paragraph (5), by striking “appro-
22 priated” and inserting “made available”;

23 (4) in subsection (h)—

24 (A) in paragraph (1)—

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1 (i) in subparagraph (A), by striking
2 "appropriated" both places it appears and
3 inserting "made available"; and

4 (ii) in subparagraph (C), by striking
5 "appropriated" both places it appears and
6 inserting "made available"; and

7 (B) in the first sentence of paragraph
8 (2)(A), by striking "1990, 1991, 1992, 1993
9 and 1994" and inserting "1990 through 2000";
10 and

11 (5) in subsection (l), by striking "funds appro-
12 priated" and inserting "funds made available".