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COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

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April 12, 1996

MEMORANDUM

TO: Democratic Labor LAs

FROM: Broderick Johnson and Peter Rutledge

RE: Democratic Views on Houseparents Committee Report

Attached is a draft of Democratic views for the Committee report on the Houseparent's FLSA Exemption bill (H.R. 2531) reported out of Committee on March 21. Unfortunately, the Republican views were provided to us late yesterday afternoon with a deadline for submission of our views by Monday at 3:00 p.m. We will need your Member's signature by early Monday afternoon.

If you have questions or comments about these draft views, please give either of us a call.

Minority Views

H.R. 2531 amends the Fair Labor Standards Act of 1938 (FLSA) for the purpose of exempting a class of employees, houseparents, from both the minimum wage and the maximum hours requirements of that Act. This legislation legalizes the exploitation of workers who are charged with one of the most vital duties an individual can undertake, that of raising children. By the terms of the legislation, those employed by nonprofit child care institutions to act as surrogate parents for the children who reside in such institutions may be required to work an unlimited number of hours, for an unlimited number of days, for no more compensation than $8,000 a year, plus room and board.

The proponents of this legislation claim that it is intended to protect the children for whom houseparents care. If our concern is truly for the children, we should be seeking to ensure that those who care for those children are adequately and fairly compensated. This legislation does the exact opposite. Under it, as long as houseparents employed by nonprofit child care institutions are provided room and board, are on the premises of the institution for 72 hours, and are paid $8,000 a year or less, those employees are entitled to neither minimum wages nor overtime.

Testimony supporting this legislation described its intent as follows:

> What I want to make clear is that we are not trying to shirk our responsibilities to our employees in terms of a fair compensation package for their efforts. Instead, we are trying to clarify an already existing provision to exempt houseparents from the FLSA overtime

provision and remove them from minimum wage and maximum hours requirements so that overtime provisions cannot apply.[1]

Were that, in fact, the sole effect of this legislation, many of us could support it. Regrettably, it is not.

As part of the 1974 amendments to the FLSA, section 13(b) of the law was amended "to provide an overtime exemption for (married) couples who serve as houseparents of children who are institutionalized in a nonprofit educational institution by reason of being orphaned or having one deceased parent. To be covered by the overtime exemption, such couples must receive cash wages of not less than $10,000 annually, and reside on the premises of institution and receive their board and lodging without cost."[2]

The current law exemption is limited to overtime, and houseparents are protected by the minimum wage requirements of the FLSA. Contrary to the witness's statement, it is not necessary to exempt houseparents from the minimum wage provisions "so that overtime provisions cannot apply."

The current exemption from overtime was deemed to be necessary to facilitate the creation of a family-like atmosphere in child care institutions. Houseparents are to serve as surrogate parents for the children in their charge. As such, houseparents serve as the primary caregiver for those children and are expected to bond with them. It was anticipated that houseparents would be on call and may often be employed for more than 40 hours a week. Since it may otherwise be cheaper to hire another employee than to pay overtime to a houseparent, and since doing so would disrupt the

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[1] Prepared Statement of Father Val Peter, JCD, STD, Executive Director, Father Flanagan's Boys' Home, on behalf of the National Association of Homes and Services for Children at pages 5-6.

[2] Report No. 93-913, Fair Labor Standards Amendments of 1974 [to accompany H.R. 12435], House of Representatives, 93rd Congress, 2d Session, March 15, 1974, at page 48.

bonding process, houseparents were exempted from the overtime requirements of the FLSA to ensure that the law did not serve to discourage the operators of child care institutions from employing couples to act as surrogate parents.

We do not object to clarifying and perhaps even broadening the existing overtime exemption. There are aspects of the 1974 amendment that, in retrospect, merit reconsideration. First, because the 1974 amendment failed to index the minimum annual cash earnings houseparents must receive to be exempt from overtime, the protections afforded workers by the amendment have been seriously eroded.[3] Second, the 1974 amendment is limited in its application only to those who care for children "who are institutionalized ... by reason of being orphaned or having one deceased parent." Arguably, if an exemption from overtime for those who care for orphans is merited, such an exemption is also merited for those who care for children who have been abandoned by parents who are still living.

In fact, we Democrats unanimously supported an amendment offered by Representative Andrews (D-NJ), which proposed to expand the exemption in a reasonable fashion, while retaining essential minimum wage protections, and providing other provisions to help ensure that houseparents are fairly compensated for their work. Unfortunately, as is so often the case in our Committee this Congress, our Republican allies on the Committee uniformly opposed our compromise.

H.R. 2531 provides a blanket exemption from overtime and from the minimum wage for "houseparents" who care for any "abused, neglected, delinquent, orphaned, homeless, or emotionally impaired child,"[4] regardless

[3] This shortcoming is discussed in more detail below.
[4] H.R. 2531, Sec. 3. Minimum Wage and Maximum Hours Exemption for Houseparents.

of how physically or emotionally impaired that child may be. In this regard, we are concerned that the legislation is too broadly drafted. We can agree as a general matter that institutions should seek to provide a family-like atmosphere for children. We also agree that it is generally desirable for one or two employees to assume primary care-giving responsibilities for individual or small groups of children. We further agree that an exemption from the overtime provisions of the FLSA may be merited in such instances.

Elimination of the overtime and minimum wage requirements, however, provides an unquestionable economic incentive for an institution to hire fewer employees and to work them for longer hours. In circumstances where a child is severely emotionally or physically impaired, the burdens inherent in caring for such a child are such that, for the child's sake as well as the employee's, an employee's duties should not extend beyond eight hours a day. Even if one's sole concern is for the welfare of children and one is wholly indifferent to the rights and welfare of workers, eliminating the overtime requirement for workers who care for severely impaired children is bad policy. Regrettably, there is no evidence to date to indicate whether the sponsor or the proponents of H.R. 2531 intend the legislation to apply in such circumstances; nor does the definition of "houseparent " provided in the legislation indicate clearly whether this legislation is intended to apply to those who care for severely impaired children.[5]

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[5] H.R. 2531 defines "houseparent" to mean "any person employed by a private nonprofit institution as a child-care worker ... (1) to serve as a substitute parent for children who do not live with their families." Therefore, in our view, children who are so severely mentally or physically impaired that their parents cannot physically care for them and must therefore be institutionalized, but whose parents do not otherwise surrender or abdicate their parental responsibilities, do not fall within purview of the legislation because it was not the intent of the parents to transfer parental responsibilities to the institution. However, the language of H.R. 2531 is so imprecise as to invite litigation on this issue.

Another provision of the 1974 amendment that may merit reconsideration is the limitation of the overtime exemption to married couples. The justification for the exemption from overtime is that children's homes should strive to provide a family like atmosphere for the children residing there. Encouraging institutions to hire married couples as houseparents, by limiting the application of the overtime exemption for houseparents only to married couples, clearly promotes the creation of a family-like atmosphere. No testimony was offered in the single hearing on this bill to justify eliminating the requirement that the exemption extend only to married couples. Indeed, the only witness to testify on H.R. 2531 spoke of a "specially trained ***married*** couple who have Tina and six other girls live with them in their Boys Town home."[6] Apparently, however, the sponsor of this legislation has concluded that the presence of a married couple is not essential to the creation of a family like atmosphere.

We hope that operators of children's homes would continue to seek to hire married couples as surrogate parents. However, in making their employment decisions, operators should ultimately be guided by the determination of who they believe will be able to provide the best care for the children. By limiting the overtime exemption to married couples, current law provides an economic incentive for operators to make employment decisions not on the basis of who will provide the best care, but on the basis of who is exempt from overtime. The fact of marriage, as important as it is, is not an absolute guarantee that a couple is necessarily best qualified to provide care for children. While it is, at best, extremely discomforting to eliminate the marriage requirement in the absence of any evidence in the record that the requirement is an unreasonable burden, there is at least a theoretical basis for reconsidering the provision.

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[6] Prepared statement of Father Val Peter, at page 9

Current law exempts houseparents from the maximum hours requirements of FLSA on the condition that the houseparents reside in facilities in which the children reside. Considering that the justification for exempting houseparents from overtime is to facilitate the creation of a family-like atmosphere, such a requirement is both practical and reasonable. H.R. 2531 requires houseparents "to reside in a family like setting with such children,"[7] but strangely goes on to specify that the houseparent need only reside "in the residential facilities of such institution for at least 72 hours a week."[8]

If the intent of this legislation is to promote the creation of a family-like atmosphere, why does the legislation require the houseparent to be in residence for only 72 hours? H.R. 2531 does not require that a houseparent be "on duty" for 72 hours a week or even that a houseparent be "on call" for 72 hours a week. The requirement is only that the houseparent be living on the grounds for 72 hours a week, regardless of how little time is spent with a child during that period. Seventy-two hours can literally equal three week days. Even assuming a parent spends eight hours a day, seven days a week outside the home, that parent would still spend more than 110 hours a week in residence with their children. Most parents spend considerably more time than that.

The purpose of the 72-hour requirement would appear to be to expand the existing exemption and apply it to workers who do not act as surrogate parents, but rather serve as relief workers for those who truly provide primary care for the children. Are we really trying to encourage a family-like atmosphere when the exempted employee is permitted to spend more time

[7] H.R. 2531, Sec. 2. Definition of Houseparent.
[8] H.R. 2531, Sec. 3. Minimum Wage and Maximum Hours Exemption for Houseparents.

away from children than with them? Or are we simply trying to give the employers a break at the expense of their workers?

Under H.R. 2531, a houseparent must receive board and lodging from the institution (without cost) and must be compensated on a cash basis at an annual rate of not less than $8,000 a year, per individual, in order to be exempt for the minimum wage and overtime provisions of the FLSA.[9] In 1974, the Congress required that, to be exempt from overtime, houseparents must receive board and lodging (without cost) and must be compensated in cash at an annual rate of not less than $10,000 a year per couple. Proponents of H.R. 2531 have been quick to point out that the legislation raises the pay of houseparents by $3,000 per individual. However, $10,000 in 1974 was the equivalent of $31,400 today. In effect, H.R. 2531 proposes a 50% reduction in the compensation of houseparents as compared to what the Congress deemed appropriate in 1974. This kind of disparity is driving increasing numbers of Americans out of the middle class. Further, by failing to index the minimum annual earnings of houseparents, this legislation invites even further erosion in their living standards.

More importantly, unlike current law, H.R. 2531 seeks to exempt houseparents from the minimum wage provisions of the FLSA as well as its maximum hours provisions. For $8,000 a year and room and board, the houseparent can be required to work as many hours in the day, as many days in the week, and as many weeks in a year as it is humanly possible. An employee who was scheduled to have the weekend off can be required to take children on an outing that weekend for no additional compensation, whatsoever. Even though the burdens on the employee in terms of caring for the welfare of the children may be increased, and even though the employee is required to give up his or her own time, under H.R. 2531 the employee is not entitled to any additional compensation. No matter how many hours or days the employee is required to work, the employer is not required to pay a houseparent a penny more than $8,000 dollars a year (plus room and board).

It is ironic to us, in terms of dollars and cents, just how little value the Republican Majority places on "parenting." At a time when the minimum wage is approaching its lowest value in 40 years, a full time minimum wage earner would still earn almost $1,000 more in a year than a houseparent. The effect of this legislation is to enact a law that requires the employer to pay higher wages to all other workers, to groundskeepers, custodial workers, and housekeepers, than to the houseparent who is principally charged with the welfare of the children of the institution. The paucity of the houseparent's compensation demonstrates a low regard for those entrusted with the care of children.

Finally, we are quite disappointed that the Republican Majority deliberately considers a bill that removes the protection of the minimum wage for an entire category of workers--in this case houseparents--while steadfastly refusing even to schedule a hearing on increasing the minimum wage for millions of hardworking Americans.

In an effort to address that glaring distortion, our Ranking Member, Representative Clay (D-MO), offered an amendment to stay the applicability of the bill's houseparents exemption until such time as the minimum wage for all workers exceeds $5.14 an hour. By denying houseparents the minimum wage protections of the FLSA, the Republicans will leave them only the salary protections afforded by the market. It is unfair to expand

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[9] Id.

exceptions to minimum wage protections—exceptions that will further lower wages for whole classes of workers—while, ignoring the eroding value of today's minimum wage.

CENTER ON BUDGET AND POLICY PRIORITIES

Revised April 4, 1996

ASSESSING A $5.15-AN-HOUR MINIMUM WAGE

The proposal advanced by President Clinton and some members of Congress to increase the minimum wage to $5.15 an hour via two 45 cent increases is a positive step for low-wage workers. In terms of restoring the value of the minimum wage, however, it should be considered a moderate and partial step.

- Raising the minimum wage to $5.15 an hour in 1997 would make up only half of the ground that was lost to inflation during the 1980s.

- A minimum wage of $5.15 an hour in 1997 would be 15 percent below its average purchasing power during the 1970s, after adjusting for inflation.

- If the minimum wage were to have the same purchasing power in 1997 as it averaged during the 1970s it would need to equal $6.07 an hour, nearly $1 an hour higher than the proposed level.

In essence, the $5.15 an hour proposal confronts Congress with a similar minimum wage decision to the one it confronted in 1989, when the last minimum wage increase was enacted. Adjusted for inflation, the value of the minimum wage in 1996 is now very close to its value in 1989 and the primary current proposal to raise the minimum wage is essentially the same as the legislation enacted in 1989 with sweeping bipartisan support.

Economic studies of the 1989 minimum wage legislation, moreover, have found that it had positive results and did not significantly undermine employment opportunities. At the turn of the decade a series of new studies examined increases in the minimum wage at both the federal and state level, with the preponderance of the evidence finding that they did *not* cause job losses. These include studies which examined the two-step 90 cent increase in the federal minimum wage at the turn of the decade as well as state increases to levels of $5.80 an hour in 1997 dollars.

Effect on the Value of the Minimum Wage

The explanation for why the value of the minimum wage would remain well below its traditional level even if it is raised to $5.15 an hour lies in the history of the minimum wage since 1981.

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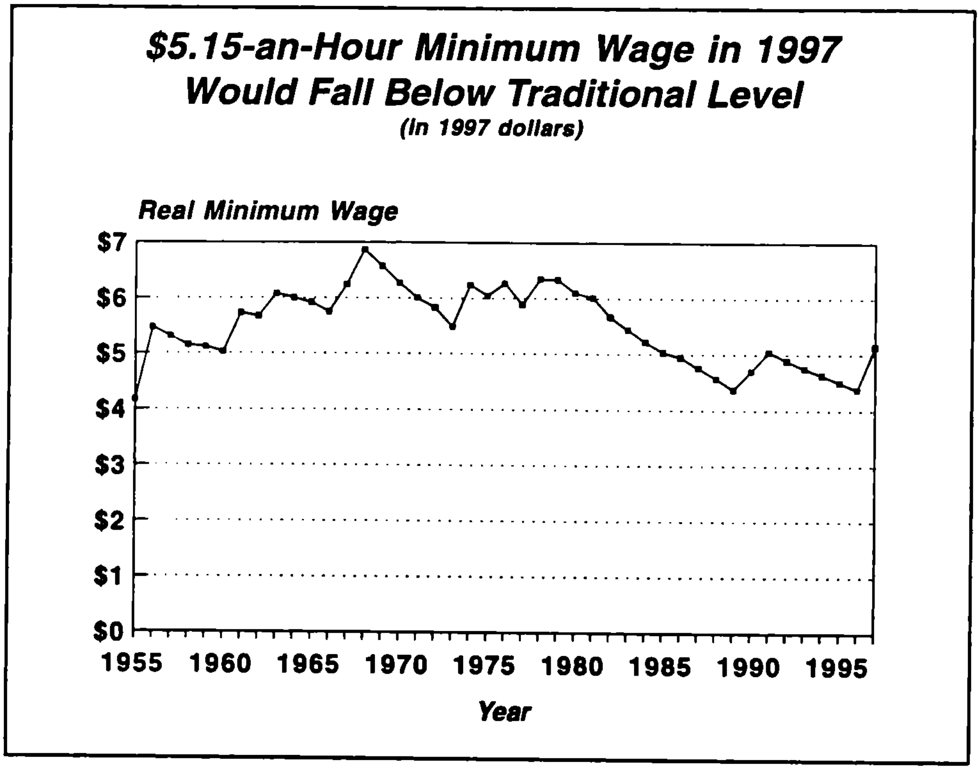
From January 1981 to April 1990, the minimum wage remained frozen at $3.35 an hour, despite a 48 percent jump in the cost of living. The minimum wage was then raised in two steps to $4.25 an hour. But these raises made up only some of the ground lost to inflation. In 1991, *after* the minimum wage was increased to $4.25 an hour, its value was 17 percent below its average level in the 1970s.



Since April 1991 the minimum wage has stood still while the cost of living has continued to rise, increasing by 15 percent during this period. Consequently, the purchasing power of the wage standard has deteriorated further.

- The purchasing power of the minimum wage is now 28 percent below its average value in the 1970s, after adjusting for inflation.

- The real value of the minimum wage is now essentially equivalent to its value in 1989 but is below its value for every other year going back to 1955. (See the text box on the next page.) The wage floor is tied for its lowest level in more than four decades.

- Similarly, changes in the minimum wage have not kept pace with changes in the wages of other workers in the economy. In the 1950s and the 1960s, the minimum wage averaged more than half of the average wage of

Congress Confronts Minimum Wage Decision Similar to 1989 Decision

Congress is now confronted with a minimum wage decision that is very similar to the decision it confronted in 1989, when the last minimum wage increase was enacted.

- In 1989, the minimum wage equaled $3.35 an hour. After adjusting for inflation, it was at its lowest level since 1955. Congress voted for and President Bush signed a bill that would raise the minimum wage by 90 cents via two 45 cent increments. This bill received the support of virtually all Democratic members of Congress and of about 80 percent of Republican members.
- Inflation has now eroded nearly all of the effects of this increase and the annual value of the minimum wage has returned to its 1989 level. Adjusted for inflation, a minimum wage of $3.35 an hour in 1989 is equivalent to a minimum wage of $4.24 an hour in 1996.
- The minimum wage is now $4.25 an hour. The primary proposal to increase the minimum wage would raise the minimum wage by 90 cents via two 45 cent increments, as the 1989 legislation did.

private nonsupervisory workers. In the 1970s, it averaged 46 percent of the average wage. Currently, it equals 36 percent of the average wage.

- Another comparison of interest is that during the 1960s and the 1970s, the earnings of a full-time minimum wage worker employed for the entire year typically were enough to lift a family of three out of poverty even without considering other sources of income. In 1996, full-time minimum wage earnings by itself will fall 29 percent below the estimated poverty line for a family of three.

A minimum wage of $5.15 an hour in 1997 would be a helpful step towards restoring the strength of the minimum wage. The wage standard, however, would fall well short of the benchmarks described above.

- The minimum wage would remain 15 percent below its traditional level of purchasing power. If the minimum wage were to have the same purchasing power in 1997 as it averaged in the 1970s, it would need to be $6.07 an hour. After adjusting for inflation, a minimum wage of $5.15 an hour in 1997 would be below its value throughout the nearly two-and-one-half decade period from 1961 to 1984.

- In 1997, the wage floor would equal 42 percent of the projected average nonsupervisory wage, substantially below the 50 percent benchmark.[1]

- Full-time year-round minimum wage earnings alone in 1997 would equal 83 percent of the estimated poverty line for a family of three.[2]

Moderate Increase Would Have Negligible Employment Effect

Recent experience with federal and state minimum wage reforms suggest that the federal minimum wage could be increased to $5.15 an hour in 1997 without causing adverse employment effects of a significant nature. This conclusion is based on an examination of important recent studies which used several different methodologies to assess the effects of raises in the federal minimum wage both across the nation and in particular states, as well as the effects of raising state minimum wages above the federal level.

Among the recent studies which found that the examined minimum wage increases did not cause job loss are:

- Studies of the federal minimum wage which examined the effects of raising the minimum wage in two 45 cent increases from $3.35 an hour in 1989 to $4.25 an hour in 1991.[3,4]

- A study of the effects of California increasing its minimum wage 90 cents from $3.35 an hour in 1987 to $4.25 an hour in 1988.[5] A minimum wage of $4.25 an hour in 1988 is equivalent to a minimum wage of $5.81 in 1997.

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[1] This projection assumes that the average private nonsupervisory wage increases at the same pace as inflation in 1996 and 1997.

[2] The recent expansion in the federal Earned Income Tax Credit helps fill this gap for certain minimum-wage families. But for most minimum-wage workers, the expanded EITC has not offset the fall in the value of the minimum wage. The minimum wage also has several advantages over the EITC — it does not raise marginal tax rates and is received in a timely manner throughout the year. The EITC and the minimum wage are best viewed as complementary policies and not as substitutes for each other.

[3] David Card, "Using Regional Variation in Wages to Measure the Effects of the Federal Minimum Wage," *Industrial & Labor Relations Review*, October 1992. The Card study examined only the first 45 cent increase.

[4] Lawrence Katz and Alan Krueger, "The Effect of the Minimum Wage on the Fast Food Industry," *Industrial & Labor Relations Review*, October 1992.

[5] David Card, "Do Minimum Wages Reduce Employment? A Case Study of California, 1987-89," *Industrial and Labor Relations Review*, October 1992.

- A study that examined the effects of New Jersey raising its state minimum wage by 80 cents, from $4.25 an hour to $5.05 an hour in 1992 ($5.82 in 1997 dollars).[6]

After reviewing these and other recent studies of federal and state minimum wage changes — including a study which updated what had generally been considered the best study of the employment effects of the minimum wage during the 1960s and the 1970s with information through 1986 and found only a small effect on teenage employment[7] — the noted Harvard labor economist Richard Freeman concluded:

> "That moderate increases in the minimum [wage] transferred income to the lower paid without any apparent adverse effect on employment ... at the turn of the 1990s is no mean achievement for a policy tool in an era when the real earnings of the less skilled fell sharply."[8]

These studies do not suggest or prove that *any* increase in the minimum wage — no matter how large — would have only desirable effects. But the outcomes of the studies suggest that the labor market functions in a more complicated manner than has been assumed by those contending that virtually any rise in the minimum wage results in a significant decrease in employment levels. For example, a higher minimum wage can make it easier for employers to fill vacancies and may decrease employee turnover. Both examples suggest circumstances in which a boost in the minimum wage can boost employment.

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[6] David Card and Alan Krueger, "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania," *American Economic Review*, Volume 84, Number 4, September 1994. For a comprehensive analysis of the economics of the minimum wage, including several additional studies by Card and Krueger on the minimum wage and employment, see their book *Myth and Measurement: The New Economics of the Minimum Wage*, 1995.

[7] Alison J. Wellington, "Effect of the Minimum Wage on the Employment Status of Youths: An Update," *The Journal of Human Resources*, Winter 1991. Wellington found that a 10 percent increase in the minimum wage was associated with a 0.6 percent decrease in teenage employment and that the decrease was not statistically significant. Wellington updated the study conducted by economists for the federal Minimum Wage Study Commission, which found a 10 percent increase in the minimum wage to be associated with a one percent decrease in the employment of teenagers and found no strong evidence of any job loss for adults age 25 and over. Charles Brown, Curtis Gilroy, and Andrew Kohen, "Time-Series Evidence of the Effects of the Minimum Wage on Youth Employment and Unemployment," *The Journal of Human Resources*, Winter 1983. Many of the estimates of large job losses made during the debate over the appropriate size of the minimum wage in the late 1980s were based on the high range of studies from the 1960s and the 1970s, often ignoring the review and update of these studies by Brown, Gilroy, and Kohen.

[8] Richard B. Freeman, "Minimum Wages — Again!" *International Journal of MANPOWER*, Volume 15, Numbers 2/3, 1994.

The studies *do* suggest that when the minimum wage is at especially low levels, as it is today, the employment effects of a moderate increase in the minimum wage — such as the proposed increase to $5.15 an hour — are likely to be negligible.

(For a fuller discussion of the relationship between the minimum wage and employment, see the Center on Budget and Policy Priorities report "Four Years and Still Falling: The Decline in the Value of the Minimum Wage," January 11, 1995.)

Note on Inflation-adjustment Methodology Used in this Analysis

This analysis uses the latest projected inflation estimates from the Congressional Budget Office (released in December 1995): inflation of 3 percent in 1996, and of 3.1 percent in 1997.

In adjusting the value of the minimum wage for inflation, this report used the experimental measure of changes in the cost-of-living, called the "CPI-U-X1". This measure was used instead of the government's official measure, the "CPI-U", because some analysts believe the CPI-U did not accurately adjust for changes in housing costs prior to 1983, thereby overstating inflation. (This analytic issue is separate from recent discussions that inflation is currently being overstated.)

Although some analysts still believe the CPI-U is the preferable inflation measure to use for certain time-series, this report used the CPI-U-X1 so as to err on the conservative side. That is, if the CPI-U had been used instead of the CPI-U-X1, the erosion in the value of the minimum wage would have been shown to have been even larger. For example, using the CPI-U, if the minimum wage were to have the same value in 1997 as it averaged in the 1970s, it would need to equal $6.37, compared to the $6.07 figure mentioned in the full text that was generated by using the CPI-U-X1.

CENTER ON BUDGET
AND POLICY PRIORITIES

May 8, 1996

RAISING FAMILIES WITH A FULL-TIME WORKER OUT OF POVERTY: THE ROLE OF AN INCREASE IN THE MINIMUM WAGE

By Robert Greenstein

Most Americans would probably agree that if a parent works full time throughout the year, the parent and his or her children should not have to live in poverty. Few policymakers of either party or any ideological stripe would defend the idea that children growing up in a family with a full-time working parent should be poor.

As a result, a bipartisan goal emerged in the late 1980s and early 1990s that full-time minimum wage work should lift a family of four to the poverty line. The Heritage Foundation set forth this goal in early 1989 in *Mandate for Leadership III*, its volume of advice to incoming President George Bush. The centrist Progressive Policy Institute espoused a similar goal in 1989. In addition, President Clinton endorsed this goal in the first major address of his presidency in February 1993.

Specifically, the goal has been that a combination of full-time minimum wage earnings net of payroll taxes, the Earned Income Tax Credit, and food stamps should place a family of four at least at the poverty line. The large expansions of the EITC enacted in 1990 and 1993 were designed in substantial part to help achieve this goal.

But the goal has not been attained. A family of four with a parent working full time year round at the minimum wage remains $750 below the poverty line in 1996. Furthermore, because the minimum wage is not indexed for inflation and food stamp benefits would be cut across-the-board under all major pending welfare bills — including both Republican and Democratic bills — the family of four with a parent working full time at the minimum wage is likely to fall more than $1,200 below the poverty line in 1997 if a welfare bill is enacted.

Table 1

The Minimum Wage and the Poverty Line
(for a family of four in 1996)

Poverty Line	$16,001
Income	15,252
Full-time minimum wage earnings (2000 hours of work)	(8,500)
Payroll taxes	(-650)
EITC	(3,400)
Food Stamps	(4,002)
Amount by which income falls below the poverty line	749

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Robert Greenstein, Executive Director

Indeed, working poor families are worse off now than in the 1970s despite the large EITC expansions that have occurred since then. The decline in the purchasing power of the minimum wage, now nearing a 40-year low, has more than outweighed the EITC expansions.

Restoration of part of the lost value of the minimum wage could reduce this erosion in the living standards of working poor families and bring families of four with a full-time minimum wage worker to the poverty line. This analysis finds that an increase in the minimum range to the vicinity of $5.15 an hour would reach this goal. (Specifically, depending on whether welfare legislation cutting food stamp benefits is enacted and on the assumptions used regarding the number of hours that full-time year-round work entails, the minimum wage would need to be raised to between $4.92 and $5.35 an hour to reach the poverty-line goal; $5.15 is squarely in the middle of this range.) This, of course, is not the sole criterion by which to judge what the appropriate level of the minimum wage should be.

Some policymakers have recently suggested another route involving no adjustment in the minimum wage and an increase in the earned income credit instead. The earned income credit is an extremely valuable tool to help low-income working families. But the earned income credit and the minimum wage are best viewed as complements to one another; neither can do the full job alone. Too great an emphasis on the earned income credit can either raise government costs too high or increase marginal tax rates — and work disincentives — in the income range over which the EITC is phased down as income rises. Similarly, a minimum wage set too high can adversely affect employment. With the EITC having been increased substantially in 1986, 1990, and 1993 and with the minimum wage nearing a 40-year low, an adjustment in the minimum wage now seems appropriate.

Moreover, the new Republican budget reportedly has close to $20 billion in EITC cuts. Under the budget, the EITC for many working families with children would be reduced, not increased.

How Far Do Families Fall With Minimum Wage Earnings Below the Poverty Line?

Full-time year-round work at the minimum wage pays $8,500 a year. After payroll taxes are subtracted, this provides disposable income of $7,850. In 1996, a family of four with $8,500 in earnings qualifies for an EITC of $3,400 and, if its assets are low enough, for food stamp benefits of $4,000. (About half of working poor families with children actually receive food stamps.) The family's total income thus is about $15,250.

But the poverty line for a family of four is projected to be $16,000 in 1996.[1] The family falls $750 below the poverty line.[2]

This gap will grow wider with each passing year as the purchasing power of the minimum wage continues to erode with inflation. (The poverty line, by contrast, keeps pace with inflation.) In addition, the welfare conference report, the governors' welfare proposal, and the Administration's welfare proposal all contain food stamp benefit reductions that affect the working poor.

By 1997, assuming enactment of the governors' welfare proposal, a family of four with a full-time minimum wage worker will fall $1,240 below the poverty line in the absence of a minimum wage increase.[3] By the year 2000, such a family will fall more than $2,200 below the poverty line, or more than two-and-a-half times as far below the poverty line as the family is today.

These Families Have Lower Incomes Than in the 1970s Despite EITC Expansions

In 1979, the minimum wage paid $2.90 an hour. A family of four with a full-time minimum wage worker received $5,800 in gross earnings, paid $356 in payroll tax, and qualified for an EITC of $400. This brought the family's income from wages and taxes to $5,844, in 1979 dollars.

Adjusting for inflation, this equals $12,395 in 1996 dollars. By contrast, the income from wages and taxes that a family with full-time minimum wage earnings now receives is $11,250. In other words, despite the very large expansions in the EITC

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[1] The Census Bureau has published poverty line figures through 1994. The Census Bureau computes each year's poverty line simply by taking the poverty line for the previous year and increasing it by the change since the previous year in the Consumer Price Index. Thus, the poverty line for 1995 can now be computed. The poverty line for 1996 and succeeding years can be projected by taking the poverty line for 1995 and increasing it in accordance with the Congressional Budget Office's forecast of the change each year in the CPI.

[2] These calculations are for a family that works 2,000 hours a year, the standard definition of full-time work. If the family worked 2,080 hours (40 hours a week for 52 weeks), its total income, including taxes and benefits, would be $327 higher. It would fall below the poverty line by about $420. Food stamp benefits were calculated assuming that the household's shelter costs were equal to the median shelter cost for a food stamp household of four in fiscal year 1993 with at least $500 per month of gross earned income, adjusted for inflation between 1993 and 1996.

[3] The level of the food stamp benefit reductions affecting a typical family of four with full-time minimum wage earnings are fairly similar in all major welfare proposals. If this computation is done using the food stamp reductions in the vetoed reconciliation bill or in the Administration's budget, the results do not change much.

since 1979, a family of four with a full-time minimum wage earner receives *$1,150 less* from wages and taxes today than such a family received in 1979.[4]

Table 2

The Income of a Minimum Wage Family, 1979 vs. 1996
(for a family of four; measured in 1996 dollars)

	1979	1996
Minimum Wage Earnings	$12,302	$8,500
Payroll Tax	-755	-650
EITC	848	3,400
	12,395	**11,250**
With Food Stamps	3,105	4,002
Total	**$15,500**	**$15,252**

The main reason for this is that the decline in the value of the minimum wage since 1979 is greater than the increase in the EITC over this period. Measured in today's dollars, full-time minimum wage earnings have fallen $3,800 since 1979, while the value of the EITC that a family of four receives if it has full-time minimum wage earnings has increased $2,550.

As noted earlier, many working poor families do not receive food stamps. For those families with full-time minimum wage earnings that do receive food stamps, food stamp benefits are higher now than in 1979 because the family's earnings are lower. Food stamp benefits decline as income rises, and increase as income falls. Largely as a result, the food stamp benefits such a family could receive today if it qualified and applied for food stamps would be $900 higher than the benefits it could have received in 1979, measured in today's dollars. Even so, the family's overall disposable income would still be several hundred dollars lower than what it would have received in 1979.

If one looks back to the early 1970s rather than to the late 1970s, the decline in income is sharper for single-parent families. In fact, the income of single-parent minimum wage families is substantially lower now than it was in the early 1970s *before the EITC was created.* An analysis by the Department of Health and Human Services has found that the disposable income of a mother with two children who works full time throughout the year at the minimum wage is $1,980 — or 12 percent — lower in 1996 than it was in 1972, before the EITC's inception. The income of a mother with two children who works 30 hours a week throughout the year at the minimum wage is now approximately $2,890 — or 18 percent — below what it was in 1972.[5] The especially large drop in the income of these families is due both to the erosion in the minimum

[4] Figures for 1979 are adjusted for inflation using the CPI-U-X1, rather than the regular CPI, which rises more rapidly. If the regular CPI is used instead, the decline in disposable income is several hundred dollars larger.

[5] The inflation adjustments in the HHS analysis also use the CPI-U-X1.

Table 3

AVERAGE DISPOSABLE INCOME FOR A MOTHER AND TWO CHILDREN FROM WAGES, AFDC, FOOD STAMPS, EITC, AND FEDERAL TAXES
(in 1996 dollars)

Number of Hours Worked Per Week At Minimum Wage Throughout the Year

Year	20 Hours	30 Hours	40 Hours
1972	$14,643	$15,860	$17,004
1980	12,467	13,978	14,980
1990	10,677	11,368	12,500
1996 (under current law)	11,357	12,972	15,026

Percentage Change in Average Disposable Income For a Mother and Two Children

1972-1996	**-$3,286**	**-$2,888**	**-$1,978**
	-22.4%	**-18.2%**	**-11.6%**

Source: **Center on Budget and Policy Priorities, based on Department of Health and Human Services data**

wage and also to the fact that in the early 1970s, nearly all states provided AFDC as a wage supplement to a family with a parent with earnings at these levels. Only a small number of states do so today.

How Can This Matter Be Addressed?

Some contend that the way to address this problem is through a large expansion of the EITC for families with children, without any adjustment in the minimum wage. The minimum wage and the EITC are best viewed, however, as complementary to one another. They represent a sharing of the burden between the public and private sectors of helping low-wage working families better their conditions. Also, the minimum wage appears in each paycheck, while most families receive the EITC in a lump sum after the end of the year.

In recent years, the EITC has been raised substantially. It now equals 40 percent of the first $8,890 in wages for a family with at least two children. Raising it to a higher level would further boost the incomes of working poor families but would also create a dilemma for policymakers. To raise the EITC from 40 percent of minimum wage earnings to a substantially higher percentage — and to do so without increasing the EITC income limit for families with two or more children above its current level of $28,500 — would both be costly and would require phasing down the EITC more steeply for families in the $11,600 to $28,500 range. That, in turn, would increase the already high marginal tax rates that some of these families face and increase work disincentives (a problem raising the minimum wage does not pose). To avoid increasing marginal tax rates, the EITC could be raised for very low-wage workers without phasing it down more steeply for those with incomes above $11,600. That, however, would require increasing the EITC income limit — probably to more than $30,000 in 1996 dollars — and increasing EITC costs to a still-greater degree.

A notion advanced by those calling for an EITC increase and a minimum wage freeze — that a significant increase in EITC costs from raising the EITC for working families with children can be avoided by eliminating the small EITC going to very poor adult workers without children — is not correct. The EITC for workers without children accounts for less than three percent of EITC costs. If it were eliminated and the savings spread evenly among all families with children that receive the EITC, each such family would receive an additional EITC benefit of just $50 a year, the equivalent of a 2.5 cents-per-hour raise for a full-time minimum wage worker. Even if the savings from repealing the EITC for workers without children were targeted on a substantial proportion of — rather than all — families with children receiving the EITC, the effect would be small.

Furthermore, abolishing the EITC for adult workers without children as part of such an approach is unwise. Doing so would deny some of the poorest workers in the country a needed pay raise through a minimum wage increase while increasing their taxes at the same time. Their taxes would increase because the small EITC these workers receive simply offsets some or all of the payroll taxes they pay. Without the EITC, their tax burden would rise. This would be particularly ill-advised, since a Congressional Budget Office analysis has shown that poor workers without children are the single group in the country whose tax burden, measured as a percentage of their income, increased most between 1980 and 1993. (See a separate Center analysis, "The Consequences of Eliminating the EITC for Workers Not Raising Children.")

In short, the EITC for families with children has been expanded to an extent that further substantial increases cannot be made without significant government cost or the risk of adverse policy outcomes. Given recent research indicating that the employment effects of a modest increase in the minimum wage would be small, raising the minimum wage moderately is now the most sensible route to follow.

Table 4

Level of Minimum Wage Increase Is Needed To Bring a Family of Four to the Poverty Line?
(for 1998)

	Full-Time Work = 2000 Hours (40 hours X 50 weeks)		Full-Time Work = 2080 Hours (40 hours X 52 weeks)	
	With Current Law Food Stamps	With Governors' Food Stamp Proposal	With Current Law Food Stamps	With Governors' Food Stamp Proposal
Poverty Line	$16,992	$16,992	$16,992	$16,992
Assumed Minimum Wage Level	$5.11	$5.35	$4.92	$5.15
Minimum Wage Earnings	10,220	10,700	10,234	10,712
Payroll Tax	-782	-819	-783	-819
EITC	3,758	3,758	3,758	3,758
Food Stamps	3,798	3,357	3,795	3,345
Total	16,994	16,996	17,004	16,996

Raising the Minimum Wage to Bring Families to the Poverty Line

If the minimum wage is raised in two steps — one in 1996 and one in 1997, as the Clinton Administration has proposed — to what level would it need to be raised to bring a family of four with a full-time minimum wage worker to the poverty line? The best way to answer this question is to examine the figures for 1998, since that is the first full year the minimum wage increase would be fully in effect.

As Table 4 shows, the minimum wage would need to be raised to $5.35 an hour by 1998 if the food stamp cuts in the governors' welfare proposal are enacted. It would need to be raised to $5.11 if no food stamp cuts are made.[6]

[6] If full-time year round minimum wage work is defined as 2,080 hours a year rather than the standard definition of 2,000 hours, the minimum wage would need to be $5.15 in 1998 if the food stamp cuts in the governors' welfare proposal are made and $4.92 without any food stamp cuts.

CENTER ON BUDGET
AND POLICY PRIORITIES

March 21, 1996

Congress Confronts Minimum Wage Decision Similar to 1989 Decision

Congress is now confronted with a minimum wage decision very similar to the decision it confronted in 1989, when the last minimum wage increase was enacted. Adjusted for inflation, the value of the minimum wage in 1996 is roughly equivalent to its value in 1989 and the primary current proposal to raise the minimum wage is essentially the same as the legislation enacted in 1989 with sweeping bipartisan support. Studies of the 1989 minimum wage legislation, moreover, generally found that it had positive results.

- In 1989, the minimum wage equaled $3.35 an hour. After adjusting for inflation, it was at its lowest level since 1955. Congress voted for and President Bush signed a bill that would raise the minimum wage by 90 cents via two 45 cent increments. This bill passed the House by a vote of 382 to 37 and the Senate by 89 to 8. It received the support of virtually all Democratic members and of about 80 percent of Republican members.

- Inflation has now eroded nearly all of the effects of this increase and the minimum wage has returned to its 1989 level. Adjusted for inflation, a minimum wage of $3.35 an hour in 1989 is equivalent to a minimum wage of $4.24 an hour in 1996.[1]

- The minimum wage is now $4.25 an hour. President Clinton has proposed and legislation has been introduced in the Senate and the House that would raise the minimum wage by 90 cents via two 45 cent increments, as the 1989 legislation did.

In addition, the economic evidence for a minimum wage increase is, if anything, stronger today than it was in 1989. First, as has been widely documented, the trends of increasing wage and income inequality — and of wage erosion for low-wage workers — have continued.

Second, a series of studies of the federal minimum wage increase in 1989 as well as of state increases above the federal level in the late 1980s and early 1990s found that these increases did not have a significantly adverse effect on employment opportunities but did boost the incomes of affected workers. Not every recent study has reached this conclusion but the preponderance of recent studies has. As Richard Freeman of

[1] This calculation is for the 1989 value of the minimum wage, adjusted for the annual level of inflation. The latest projected inflation rate for 1996 by the Congressional Budget Office is used.

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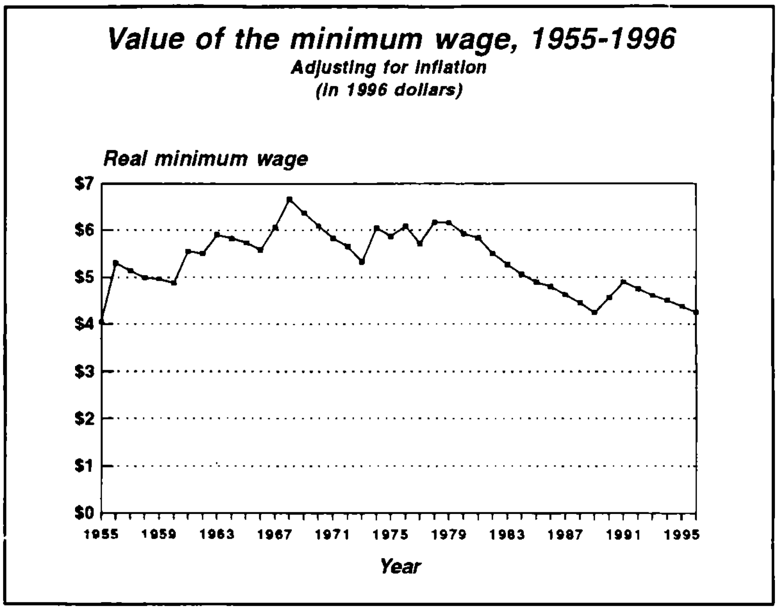
Harvard University — long considered one of the nation's preeminent labor economists — concluded in a review article of these minimum wage studies:



> "...at the level of the minimum wage in the late 1980s, moderate legislated increases did not reduce employment and were, if anything, associated with higher employment in some locales.
>
> Studies based on employment across economic units such as states and counties yield more disparate results. Most studies, however, reject the notion that the late 1980s/early 1990s increases had adverse employment effects, and the studies that find adverse effects prior to those increases obtain small elasticities [meaning small employment effects] which confirm the effectiveness of the minimum in redistributing wage income.
>
> ...That moderate increases in the minimum [wage] transferred income to the lower paid without any apparent adverse effect on employment...at the turn of the 1990s is no mean achievement for a policy tool in an era when the real earnings of the less skilled fell sharply."[2]

These new minimum wage studies, as well as the return of the minimum wage to the low level of 1989, has led an increasing number of economists to support a minimum wage increase. An economists statement of support for a minimum wage increase released in the fall of 1995 drew 101 signatories, including seven ex-presidents of the American Economics Association (three of whom had won the Nobel Prize).[3] This type of support from the economics profession for a moderate minimum wage increase was not evident in 1989.

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[2] Richard B. Freeman, "Minimum Wages — Again!" *International Journal of MANPOWER*, Volume 15, Numbers 2/3, 1994.

[3] The Center on Budget and Policy Priorities and the Economic Policy Institute provided administrative and technical assistance for this statement.

The Heritage Foundation Backgrounder

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The Thomas A. Roe Institute for Economic Policy Studies

May 17, 1995

WHY RAISING THE MINIMUM WAGE IS A BAD IDEA

INTRODUCTION

President Bill Clinton has urged Congress to pass legislation to raise the minimum wage from $4.25 to $5.15 over two years. Although the President and others argue that a higher minimum wage is needed to achieve "a minimum decent living wage" for working Americans, a minimum wage hike in fact will destroy entry-level job opportunities for the very unskilled Americans proponents claim to be helping.[1] Further, it will do nothing to increase the income of nonworking families while raising prices for both the poor and non-poor. Congress should instead focus on tax and regulatory reforms to increase take-home pay and reduce the cost of creating jobs, both to promote economic growth with low inflation and to increase employment opportunities and wages for all Americans.[2]

President Clinton's argument is emotionally appealing. In his announcement, the President notes the need to ensure that there is a strong incentive to choose work over welfare and argues that increasing the minimum wage is an effective way to fight poverty, especially when combined with the Earned Income Tax Credit (EITC). The President claims his proposal will raise the hourly wage for between 11 million and 14 million workers, many of whom are the sole breadwinners in their families. Secretary of Labor Robert B. Reich cites the need to maintain the historic value of work and suggests that recent empirical evidence shows that moderate increases in the minimum wage do not cost jobs.

1 There is a subtle but important distinction between lost "jobs" and "job opportunities." Lost jobs refers to a decline in the actual number of jobs or hours of employment. Lost job opportunities refers to jobs that are not created by employers but that otherwise would have been created without an increase in the minimum wage.

2 See Daniel J. Mitchell, "An Action Plan to Create Jobs," Heritage Foundation *Memo To: President-Elect Clinton* No. 1, December 14, 1992.

While these arguments seem plausible, they are misleading. The President states that an increase in the minimum wage will help the working poor, but it will have the opposite effect for many more Americans. It also is an inefficient way to boost the income of poor households. Among the reasons:

✗ **Raising the minimum wage will harm the nonworking poor by raising prices and destroying entry-level job opportunities.**[3] Job opportunities disappear because the low output of many lower-skilled workers makes it uneconomic to employ them at the higher minimum wage.

✗ **Raising the minimum wage does not generally help low-income households.** Over half (54 percent) of the increased income for minimum wage jobs would go to workers in families earning two or more times the poverty level, rather to than poor minimum wage workers.[4]

✗ **Employers will respond to an increase in the minimum wage in a number of ways that harm workers.** For instance, they will reduce the rate of new hiring and postpone the replacement of employees who quit. They will reduce workers' hours (particularly the hours of unskilled workers). Or they will replace lower-skilled workers with higher-skilled workers as low-skilled workers quit. They also may consider reducing or eliminating the pay raises and bonuses for their other employees.

✗ **Increasing the minimum wage to $5.15 will result in around 400,000 lost entry-level job opportunities.** Depending on the overall economy, total employment may increase, but there will be fewer unskilled job opportunities available for Americans than there otherwise would have been.

Economic growth and increasing productivity in the past few years have produced lower unemployment, but they have not raised average real wages significantly. Economists and policy analysts have advanced a variety of potential explanations for this. They point to the effects of increasing regulatory burdens, international competition, corporate downsizing, the rising costs of fringe benefits, changes in employment between industries and occupations, and demographic changes. But raising prices and destroying entry-level job opportunities is not a sensible response to these influences on wages.

Instead of raising the minimum wage, Congress and the Administration should focus on policies that increase job opportunities and wages for all Americans. Specifically, Congress should:

✔ **Leave decisions on setting minimum wages to the states.** Although minimum wage laws are unwise policy, even proponents should recognize that rates should be set at the state or local level, not at the national level. Given the signifi-

3 Ronald B. Mincy ("Raising the minimum wage: effects on family poverty," *Monthly Labor Review*, July 1990) has estimated that a 90 cent increase in the minimum wage may reduce the number of poor families by only 2.2 to 6.3 percent. Mincy also acknowledges that his model ignores changes in hours and prices and therefore overestimates the poverty-reducing effect of a higher minimum wage.

4 Heritage Foundation estimates and analysis unless otherwise noted.

cant differences in state cost of living and wage levels,[5] governors and state legislators committed to the notion of a minimum wage are in a better position than Congress to determine what is appropriate for their areas. State legislators better understand the living and working conditions of workers in their state and how business conditions and jobs would be affected by a certain minimum wage level.

- ✔ **Enact significant regulatory reform to reduce the cost of labor.** The explosion of new regulations since 1988 has raised the cost of labor and capital, created barriers to the formation of new companies and jobs, and placed a greater burden on Americans trying to compete in the global economy. There are at least three million fewer jobs in the American economy today because of the growth of regulation over the last 20 years.[6] The regulatory bureaucracy needs to be rolled back and job-killing labor regulations eliminated.

- ✔ **Promote school choice legislation and other real education reforms to improve skills.** Despite record spending of taxpayers' dollars, America's public schools continue to turn out far too many high school graduates who lack not only basic skills, but also the communication skills and work attitudes that employers are demanding. One of the best ways to ensure a more productive and better-paid workforce in the long run would be to enact school choice legislation to provide the incentive for schools to improve.

- ✔ **Cut the capital gains tax.** Cutting the capital gains tax would reduce investment disincentives, increase wages by raising productivity, and increase small business formation and associated job opportunities.

- ✔ **Limit benefits to decrease the incentive to remain on welfare.** The combined state and federal efforts to reduce welfare dependency are an important component of the minimum wage debate. Welfare was never supposed to be more attractive than an entry-level job; nor was it to be a permanent alternative to employment.[7]

PROPOSALS FROM THE ADMINISTRATION AND CONGRESS

A number of bills to raise the minimum wage have been introduced in both houses of Congress this year. They range from the "modest" 90 cents per hour increase over two years proposed by the President to a one-time increase of $2.25 (to $6.50) proposed by Representative Martin Sabo (D-MN). The Joint Economic Committee held a hearing on the President's proposal in February. Further hearings on raising the minimum wage are likely, as are hearings on alternatives for promoting job creation and increasing wages.

5 Randall W. Eberts and Mark E. Schweitzer, "Regional Wage Convergence and Divergence: Adjusting Wages for Cost-of-Living Differences," *Economic Review* (FRB-Cleveland), Vol. 30, No. 2 (July 1994), pp. 26-37.

6 William G. Laffer III, "How Regulation Is Destroying American Jobs," Heritage Foundation *Backgrounder* No. 926, February 1993.

7 Robert Rector, "Combatting Family Disintegration, Crime, and Dependence: Welfare Reform and Beyond," Heritage Foundation *Backgrounder* No. 983, updated March 17, 1995.

The President's Bill. The Administration's proposal was introduced in both the House and Senate on February 14, 1995. The White House legislation, the Working Wage Increase Act of 1995, was introduced in the Senate (S. 413) by Senator Thomas Daschle (D-SD) and in the House (H.R. 940) by Representative Richard Gephardt (D-MO). This legislation would raise the minimum wage to $4.70 on July 3, 1995, and to $5.15 on July 3, 1996.

The Kennedy Bill. Another bill to raise the federal minimum wage and amend the Fair Labor Standards Act of 1938 (FLSA) has been introduced in the Senate by Senator Edward Kennedy (D-MA). The American Family Fair Minimum Wage Act of 1995 (S. 203) would increase the minimum wage from $4.25 to $5.75 in 50 cent increments over three years, beginning September 1, 1995. S. 203 also would establish another Commission on the Minimum Wage.[8] The Commission would conduct a study and make recommendations to Congress on how to restore the minimum wage to the level relative to the average hourly wage that existed during the period 1950 to 1980. The legislation also requires the Commission to suggest the means by which to maintain such a level with minimum disruption to the general economy through regular and periodic adjustments (indexing).

In the House, a number of bills have been introduced.

The Sanders Bill. The Livable Wage Act of 1995 (H.R. 363), introduced by Representative Bernard Sanders (I-VT), would increase the minimum wage to $5.50 in one step on December 30, 1995, and index it to the Consumer Price Index.

The Sabo Bills. The Minimum Wage Amendments of 1995 (H.R. 619), introduced by Representative Sabo, would increase the minimum wage to $6.50 in one step, effective 90 days after enactment. The Income Equity Act of 1995 (H.R. 620), also introduced by Representative Sabo, provides for the same increase but also would amend Section 162 of the Internal Revenue Code of 1986 to limit the deduction for payments of "excessive" compensation. Excessive compensation is defined in H.R. 620 as 25 times what the lowest paid employee earns.[9]

The Wynn Bill. The Fair Labor Standards Amendments of 1995 (H.R. 764), introduced by Representative Albert Wynn (D-MD), would increase the minimum wage to $5.25 in 25 cent increments over four years, beginning six months after enactment.

The Gutierrez Bill. The No Maximum Wage for Congress Without a New Minimum Wage for America Act of 1995 (H.R. 876), introduced by Representative Luis Gutierrez (D-IL), would reduce the pay rate for Members of Congress by 2.6 percent per year until the minimum wage is raised to $5.15.

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8 The 1977 amendments to the Fair Labor Standards Act of 1938 established the first Minimum Wage Commission. The Commission completed its three-year study of the minimum wage in 1981, concluding that increases in the minimum wage have a negative effect on employment.

9 The calculation also would include part-year employees (computed on an annualized basis).

WHY PROPONENTS WANT TO INCREASE THE MINIMUM WAGE.

Congress enacted the Fair Labor Standards Act of 1938 (FLSA), which established the minimum wage, in part to prevent a repetition of the deflationary wage spiral that occurred in the 1930s as workers bid down wages in an effort to find gainful employment.[10] The trauma of the Great Depression strengthened the view that government had a responsibility to develop policies and programs to stabilize the economy by maintaining income flows. The minimum wage was to serve as one part of the New Deal safety net. However, since 1940, unemployment insurance, monetary policy, and state minimum wage laws have undercut the justification for a federal minimum wage.

Today's proponents of a higher minimum wage generally center their arguments on the need to set "a decent living wage" and address income inequality.[11] For example, the Administration argues for an increase in the minimum wage to:

- ✔ **Maintain** the historic value of work;
- ✔ **Help** adult workers, most of whom rely on their jobs to support their families;
- ✔ **Ensure** that there is a strong incentive to choose work over welfare; and
- ✔ **Help** fight poverty by combining a higher minimum wage with the Earned Income Tax Credit.

The Administration maintains that increasing the minimum wage by a moderate amount will not cost jobs. It also points out that the last minimum wage increase passed with strong bipartisan support.[12]

Other proponents point out that some 80 percent of Americans agree that a higher minimum wage increase is warranted.[13] They also observe that the real value of the minimum wage is 27 percent lower than it was in 1979, while corporate profits have risen by 155 percent and executive pay by 514 percent.[14] Some proponents further claim that the free market does not work for women and ethnic minorities as it does for men and that government has a role in establishing a floor for wages.[15]

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10 One of Congress's stated intentions in enacting the FLSA and minimum wage was to eliminate the spreading and perpetuation of detrimental labor conditions among the workers of several states.

11 Another reason why Congress enacted the FLSA and minimum wage was to correct, and as rapidly as practical to eliminate, labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and the general well-being of workers.

12 See U.S. Department of Labor, Minimum Wage Press Release Package, February 1995.

13 From statement of Representative Major Owens (D-NY) before the Joint Economic Committee, February 22, 1995.

14 From statement of Senator Edward Kennedy (D-MA) before the Joint Economic Committee, February 22, 1995.

15 From statement of Audrey Haynes, Executive Director, Business and Professional Women/USA, before the Joint Economic Committee, February 22, 1995.

RECENT STUDIES ON THE MINIMUM WAGE

Raising the minimum wage, like mandating universal health insurance coverage, does not come without cost. The question is: Where are the costs incurred, and do they outweigh the benefits?

Recent academic economic research on the employment effects of raising the minimum wage has produced seemingly confusing results. Proponents of a higher minimum wage point to a few recent studies that suggest moderate increases may not have an overall negative employment effect and might very well increase total employment.[16] Meanwhile, opponents cite the preponderance of previous academic studies that conclude there is a negative employment effect and observe that other recent studies continue to find that raising the minimum wage results in lost jobs.[17] The best conclusion that a layman or policymaker can draw is that although further research is needed, the evidence continues to support the conventional view that increasing the minimum wage means employment losses for low-skilled workers. More recently, one of the key studies used by the Clinton Administration to bolster its claim that a higher minimum wage does not cause job losses has been found to contain serious flaws.[18]

Even though a few recent studies disagree on the employment effects of increasing the minimum wage, most economists do agree on several key points.

- ✔ Raising the minimum wage will reduce entry-level job opportunities, particularly for low-skilled Americans. Some of the entry-level jobs that would be created in a growing economy will not be created.
- ✔ There may be a labor supply effect that results in a measured increase in total employment, but labor demand certainly will be altered. Americans may apply for minimum wage jobs in greater numbers, but employers will hire only the most skilled among them.
- ✔ Raising the minimum wage may reduce poverty slightly for workers who keep their jobs,[19] but it will do nothing for the vast majority of poor who do not work.

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16 David Card and Alan Krueger, *Myth and Measurement: The New Economics of the Minimum Wage*, Princeton University Press, forthcoming; Allison Wellington, "Effects of the Minimum Wage on the Employment Status of Youths: An Update," *Journal of Human Resources*, Winter 1991; Richard Freeman, "Minimum Wages—Again!," paper presented at the Conference on Economic Analysis of Base Salaries and Effects of Minimum Wages, September 1993; and others.

17 Card and Krueger, *Myth and Measurement: The New Economics of the Minimum Wage*, Chapter 6, Evaluation of Time-Series Evidence; David Neumark and William Wascher, "Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws," *Industrial and Labor Relations Review*, Vol. XLVI, No. 1 (October 1992); Finis Welch, Donald Deere, and Kevin Murphy, "Employment and the 1990/91 Minimum Wage Hike," Annual Proceeding of the American Economic Review, forthcoming; Janet Currie and Bruce Fallick, "A Note on the New Minimum Wage Research," NBER Working Paper No. 4348, April 1993; and others.

18 The telephone survey data used in the study cited most often by the Administration have been shown to contain catastrophic flaws. Redoing the analysis using accurate payroll records completely reverses the results of the Administration-cited study and finds a negative effect on employment when the minimum wage is raised. See David Neumark and William Wascher, "The Effects of New Jersey's Minimum Wage Increase on Fast Food Employment," unpublished study presented to the Joint Economic Committee, March 1995.

✔ Employers will raise prices for the poor and non-poor alike to offset increased labor costs.

Factors operating interactively on both the demand and supply sides of the labor market will determine the magnitude and incidence of any effects of increasing the minimum wage. The magnitude also will be affected by the growth rate of the economy at the time. In a growing economy with significant gains in productivity, increases in the minimum wage can be absorbed by some firms without necessarily decreasing employment. However, as President George Bush discovered, raising the minimum wage during a recession can place a significant brake on employment growth—which probably contributed to his now infamous "job-less" recovery.

Increases in the minimum wage do affect a firm's employment, prices, and profits, although the pattern of these effects will vary from company to company. Studies indicate that firms facing higher labor costs, and therefore a change in the relative costs of labor and capital, respond in up to three ways, all of which hurt Americans.

❶ Firms may raise prices.

If an increase in the minimum wage is phased in during a period of above-average inflation, employers may find it easier to pass increased labor costs on to consumers. However, in periods of relative price stability, employers may not have this option (at least to the same degree) and will seek instead to cut other production or sales costs. Firms facing stagnate demand for their goods and services and not readily able to adjust their production and sales costs will have little choice but to raise prices or cut profits. Economic models of the U.S. economy indicate that even a 75 cent increase in the minimum wage over three years adds 0.2 percentage points to the Consumer Price Index.[20]

❷ Firms may reduce or eliminate pay raises, bonuses, or benefits for their other employees or reduce other costs.

Besides reducing compensation for non-minimum wage workers, firms may try to negotiate lower prices from their suppliers. They also may take steps to increase productivity by reducing the rate of new hiring and postponing the replacement of employees who quit, by reducing working hours (particularly for unskilled workers), or by replacing lower skilled workers with higher skilled workers as low-skilled workers quit. Employers also will likely try to replace some workers with machines.

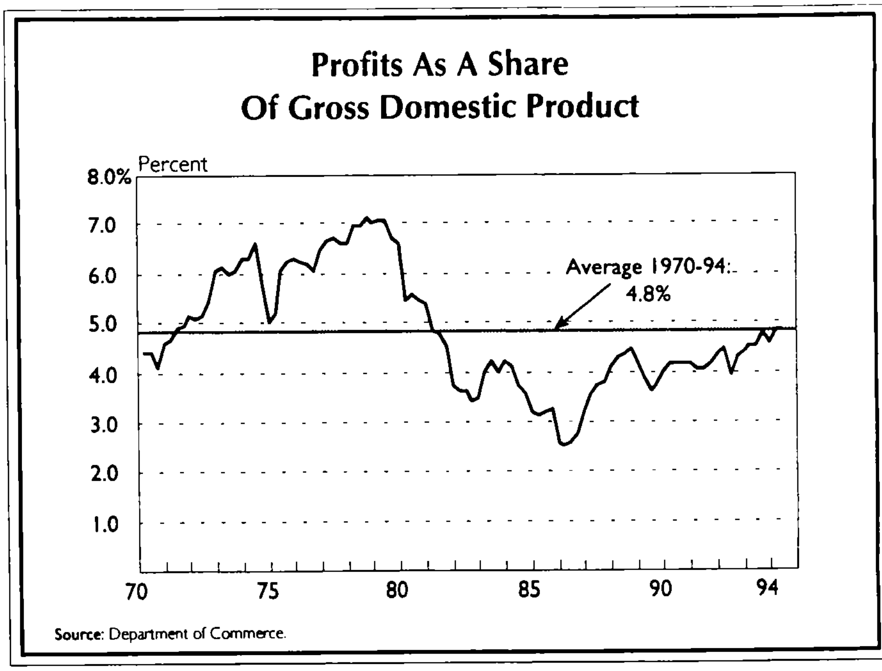
❸ Firms may accept lower profits in the short run.

Some lawmakers contend that an increase in the minimum wage could be accommodated easily without layoffs or price rises because profits are up. But profits, as a share of the Gross Domestic Product (GDP), have only just returned to their long-run average level (see chart on next page) after a ten-year period of below-average

19 Mincy, "Raising the minimum wage: effects on family poverty."

20 Simulations conducted by Laurence H. Meyers and Associates Ltd. using the Washington University Macro Model, January 1995.

profits, and many industries are still reporting mixed profit results.[21] And, of course, industries with generally low profit margins in any case will have a hard time finding the earnings to pay for an increase in the minimum wage.



ESTIMATES OF POTENTIAL JOB LOSSES

Estimates of the disemployment effect of raising the minimum wage can be done in a number of ways. Different job loss numbers are derived, for instance, when considering different employment groups or using different methodologies. Focusing only on teen agers, and using the average disemployment effects found in Card and Krueger, suggests a job loss estimate for teens of 51,000 to 99,000.[22] If one considers both teenagers and young adults (ages 16 to 24), raising the minimum wage to $5.15 would result in about 508,000 to 677,000 jobs lost for this group of workers, according to a study by Neumark and Wascher.[23] A macroeconomic computer model of the U.S. economy indicates that increasing the minimum wage will result in creation of 400,000 fewer jobs by the year 2000.[24]

Another way to estimate the number of lost entry-level job opportunities would be to calculate the total cost of the increase in labor costs from raising the minimum wage and then to divide that total by the average cost of an existing minimum wage worker. A 97 cents per hour rise (mandated increase plus employer-paid FICA and FUTA taxes) in the

21 "Annual Report on American Industry," *Forbes*, January 2, 1995.

22 Card and Krueger reviewed recent time-series studies and provide a range of .-52 to .-99 for the teenage employment effects of a 10 percent increase in the minimum wage.

23 Neumark and Wascher, "Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws." Their analysis estimated an employment loss of 1.5 to 2.0 percent for every 10 percent increase in the minimum wage for 16 to 24 year olds.

24 Simulations conducted by Laurence H. Meyers and Associates Ltd. using the Washington University Macro Model, January 1995. Their simultaneous equation model of the U.S. economy estimated that total employment will grow by 400,000 less than it would have had the minimum wage not been increased. This estimate of lost job opportunities differs from the previous estimates of job losses based on labor supply/demand elasticities.

minimum wage times 25 hours per week, times 38 weeks per year, times 2.738 million minimum wage workers equals a $2.191 billion increase in labor costs for employers.[25] This $2.2 billion increase in labor costs is roughly what employers would need to create 576,000 *new* minimum wage job opportunities for low-skilled workers at $4.25 per hour.[26]

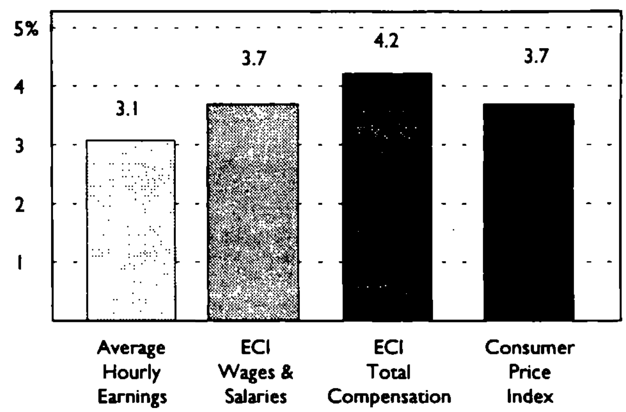
It also is important to note that the effect of increasing in the minimum wage may be influenced by other legislation and regulatory actions that affect the relative cost of labor and capital. Federally mandated benefits and OSHA-proposed regulations, such as ergonomics, interact with a higher minimum wage to increase the cost of labor relative to capital. Combined, these could permanently reduce the demand for low-skilled, low-wage entry-level jobs as employers substitute capital and other efficiencies in sales and production for labor hours.

THE FAULTY RATIONALE FOR RAISING THE MINIMUM WAGE

Aside from the costs associated with raising the minimum wage, proponents present an emotionally appealing case. However, close economic analysis reveals that their premises are faulty. Examples:

✘ **Since 1983, the historic value of work has not declined.** In fact, the real value of total compensation—wages plus fringe benefits—has increased. From 1983 to 1994, the employment cost index[27] for wages and salaries increased an average of 3.7 percent per year, and average hourly earnings increased 3.1 percent.[28] To be sure, during that period, inflation averaged 3.7 percent. But fringe benefits have risen more rapidly than earnings, so the employment cost in-

The Real Value of Work has Not Declined



Average Percent Change from 1983 to 1994

Note: ECI=Bureau of Labor Statistics' Employment Cost Index
Source: Bureau of Labor Statistics

25 Minimum wage workers work an average of 25 hours per week and 38 weeks per year.

26 $2.191 billion divided by 25 hours per week, divided by 38 weeks per year, equals about 576,000 new minimum wage workers that could have been hired.

27 The Employment Cost Index is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries, that is estimated by the Bureau of Labor Statistics. Wages and salaries are defined as the hourly straight-time wage rate (reported or computed) and benefit costs are defined on a cents-per-hour-worked basis. The hourly straight-time wage rate excludes premium pay for overtime, shift differentials, and non-production bonuses.

28 Average hourly earnings are not adjusted for shifts between occupations and industries.

dex for *total* compensation[29] per hour increased faster than inflation over the same period (4.2 percent).

Further, there is now widespread consensus that the CPI significantly overstates the rate of increase in the cost of living. Without the upward bias in the CPI, even real wages would have grown since 1983.

✘ **Raising the minimum wage does not help primarily adult workers who rely on their jobs to support their families.** For the most part, the 2.7 million workers who earn the minimum wage can be broken down into two broad groups.

About half are teenagers or young adults aged 21 or less, and most (68.2 percent) live in families with incomes two or more times the official poverty level for their family size.[30] The average family income of a teenage minimum wage worker is around $47,000. Only 12 percent of these young workers live in poor families.

The other half are workers ages 22 and higher. More of these workers live in poor families (27 percent or 367,000 have family incomes below the poverty level) or near poverty (44 percent have family incomes less than one and a half times the poverty level). However, even among this half of the minimum wage population, 39 percent live in families with incomes two or more times the poverty level, and the average family income of minimum wage workers aged 25 to 61 is around $25,000.

Contrary to Labor Secretary Reich's claim that a 90 cent increase in the minimum wage will not cost any jobs, a recent study indicates that a similar increase in 1990/91 caused a significant employment loss for both groups. According to the study, which was conducted by Finis Welch of Texas A&M University and others,[31] employment declined by 7.3 percent and 11.4 percent for teenage men and women, and 3.1 percent and 5.2 percent for adult high school dropouts.

✘ **Minimum wage workers for the most part are secondary earners in their families, not the primary earners.**

Only 23 percent of minimum wage workers were the sole breadwinners in their families in the previous year. The wage and salary earnings of 56 percent of minimum wage workers account for 25 percent or less of their families' total wage and salary incomes.

Only 16 percent of minimum wage workers are full-year/full-time employees. Thirty-three percent are part-year/part-time employees, and almost half (48.5 percent) are voluntary part time workers.[32]

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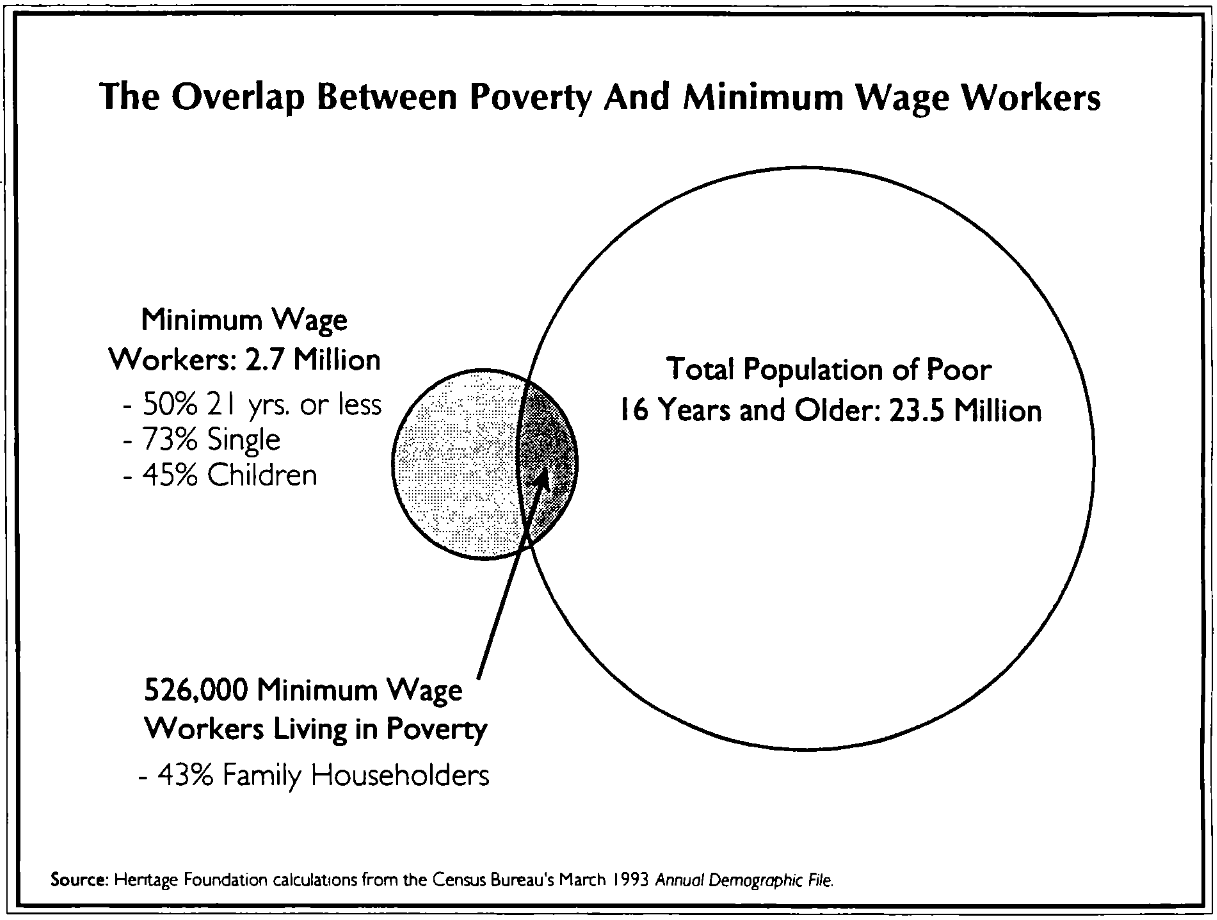
29 Total compensation is wages and salaries plus benefits. Benefits included in the ECI are paid leave; overtime and lump-sum payments; insurance benefits; retirement and savings benefits; legally required benefits (Social Security, Unemployment Insurance, Workers' Compensation, etc.); and other benefits.

30 The poverty rate in 1994 was $7,543 for a single person and $15,148 for a family of four.

31 Finis Welch, Donald Deere, and Kevin Murphy, "Minimum Wages in the Spotlight," Annual Proceedings of the American Economic Review, forthcoming. The estimated employment losses are for teenagers ages 15 to 19 and adult high school dropouts ages 20 to 54.



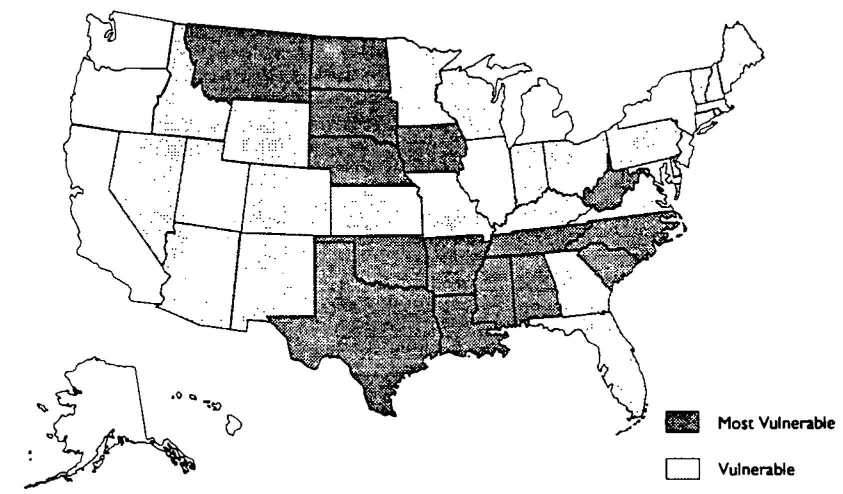
Almost 40 percent of the sole breadwinners earning the minimum wage are voluntary part-time workers, while only 18.8 percent of all minimum wage workers are family heads or spouses working full-time.[33]

ALTERNATIVES TO RAISING THE MINIMUM WAGE

Contrary to assertions by practitioners of class warfare, employers do not—indeed cannot—unfairly keep down the wages of their lower-skilled and entry-level employees. Employers, as well as employees, operate within a competitive labor market in which wage rates broadly reflect the productivity of workers—*less* the costs of government-imposed mandates and taxes associated with employing a worker. Raising prices and destroying entry-level job opportunities is not the sensible way to increase real wages. Instead of raising the minimum wage, Congress and the Administration should focus on policies that will increase wages and job opportunities for Americans by improving labor productivity and reducing the cost of employing workers. Specifically:

32 Heritage Foundation tabulations from the March 1994 Current Population Survey.
33 Heritage Foundation tabulations.

States Vulnerable to Employment Losses by Increasing the Minimum Wage



Note: Vulnerability is measured as the ratio of the state's average hourly wage and $4.25 per hour.
Source: Bureau of Labor Statistics

✔ **To the extent that government continues to set minimum wages, responsibility for setting minimum wage levels and enforcing the other provisions of the Fair Labor Standards Act (FLSA) should be turned over to the states.**

Minimum wage laws presume that politicians are morally justified in destroying some people's jobs in order to inflate other people's wages. The current minimum wage effectively prohibits people from working unless their labor is worth at least $4.25 an hour. On this basis alone, the minimum wage should be abolished. However, if there is a minimum wage, it should at least reflect the real labor cost and market differences in different regions of the country.

There are significant differences in the cost of living and general wage levels between states and even within states. To date, nine states and the District of Columbia have recognized this fact and have enacted minimum wages that are higher than the federal minimum, while ten states have a lower minimum wage for small employers and employees not covered by the FLSA. Significantly, the federal government officially recognizes regional differences in costs and general wage rates when paying its own employees.[34]

Recent studies have found significant variations in regional wage distributions and cost of living levels and trends.[35] Raising the federal minimum wage thus would have different negative impacts on individual state employment opportunities and price levels. In areas where the labor market is tight and implicit regional "wage floors"[36] effectively have raised the minimum wage already, there would be little or

34 Federal locality pay differentials have been in place since 1993.
35 Eberts and Schweitzer, "Regional Wage Convergence and Divergence: Adjusting Wages for Cost-of-Living Differences."
36 Wage levels below which employers find it very difficult to attract qualified entry-level workers.

no effect. However, in other areas of the country, there would be significant negative effects.

Almost 44 percent of minimum wage workers live in the South, while only 10.4 percent live in the Northeast. Over 40 percent of the workers who would be affected directly by the Administration's proposal live in the South.

Abolishing the federal minimum wage would allow governors and state legislators to determine the minimums for their own states if they believe such action to be helpful.[37] This would allow proponents to set minimum wages according to local labor market conditions and living costs while taking into account how business and employment conditions would be affected. Having a national minimum wage makes as much sense as requiring the federal government to pay the same wage for entry-level jobs New York City and Fargo, North Dakota.

✔ Enact significant regulatory reform.

The explosion of new regulations since 1988 has raised the cost of labor and capital, created barriers to the formation of new companies and jobs, and raised the cost of employing Americans. This higher cost of employment in turn means that, in a competitive economy, the return to labor in the form of wages is reduced. Some government regulation is desirable and necessary, but the plethora of new regulations has placed a significant burden on businesses' ability to create jobs for unskilled workers. This burden needs to be rolled back,. not only to allow wages to rise, but also to decrease the cost of hiring workers.

Although fixing the precise cost of federal regulations is difficult, estimates indicate the cost of complying was at least $500 billion in 1993.[38]

There are at least three million fewer jobs in the American economy today because of the growth of regulation over the last 20 years.[39]

A 1990 study estimated that environmental regulations alone had caused a national employment level that was 1.2 percent less in 1990 than it otherwise would have been.[40]

✔ Promote education reforms that will raise the skills and productivity of entry-level workers.

Employers cannot pay wages that exceed the revenue generated by a worker—at least not if they intend to stay in business. Thus, one way to raise wages without job losses and other costs is to raise the skills and productivity of workers, especially entry-level workers, through radical reform of the nation's schools.

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37 Sixteen states and the District of Columbia have minimum wages that are linked to the level in the federal Fair Labor Standards Act. If the federal minimum wage was abolished, they would have to set their own minimum wage levels.

38 See *Issues '94, The Candidate's Briefing Book* (Washington, D.C.: The Heritage Foundation, 1994), Chapter 4, Regulation.

39 Laffer, "How Regulation Is Destroying American Jobs."

40 Michael Hazilla and Raymond J. Kopp, "Social Cost of Environmental Quality Regulations: A General Equilibrium Analysis," *Journal of Political Economy*, Vol. 98, No. 4 (1990), p. 867.

Despite record spending of taxpayers' dollars, America's public schools continue to turn out far too many high school graduates who lack not only basic skills, but also the communication skills and work attitudes that employers need. This depresses the wages these workers can earn. It is not unreasonable for employers to expect that after 12 years of schooling individuals should have a reasonable competence in basic core skills (verbal communication, reading, writing, arithmetic, and basic sciences). Public schools routinely fail to prepare people for work, and then government minimum wage laws prohibit them from working.

A strong core curriculum should be taught in all high schools, and real testing should be instituted to indicate to parents whether or not their children's schools are achieving acceptable standards. School choice legislation is needed to give schools the financial incentive to respond to demands by parents that they meet these standards.

✔ Reduce the Capital Gains Tax.

The United States taxes corporate income twice: first at the corporate level, then at the personal level. Recognizing this, many other industrial nations have eliminated or reduced the taxation of these gains. The capital gains tax affects wages because it reduces capital spending, technological innovation, and new ventures. This hurts labor productivity and wages in the long run.

Although reducing capital gains taxes is portrayed by the practitioners of class warfare as benefiting only the rich, the benefits flow to all workers. Well over half of all taxpayers with capital gains in 1992 had adjusted gross incomes of less than $50,000. Over 73 percent had incomes of less than $75,000.[41]

Often overlooked benefits include:

- ☞ On average, wage earners receive $12 after taxes for every $1 of after-tax income received by investors. More than 90 percent of the benefits of new investment would flow to wage earners, not to owners of capital.
- ☞ Past reductions in the capital gains tax rate (1978 and 1981) stimulated the start-up of new businesses and the expansion of job opportunities.
- ☞ A lower capital gains tax would raise the expected rate of return on investment in the U.S. and provide an incentive for both American and foreign firms to put their capital to work here with American workers.

✔ Enact Significant Welfare Reform.

An important component of the minimum wage debate is the issue of reducing welfare dependency. Proponents of a higher minimum wage often argue that a higher minimum wage is needed to make work more attractive by improving the monetary incentive to choose work over welfare. They go on to argue that, to permit people to

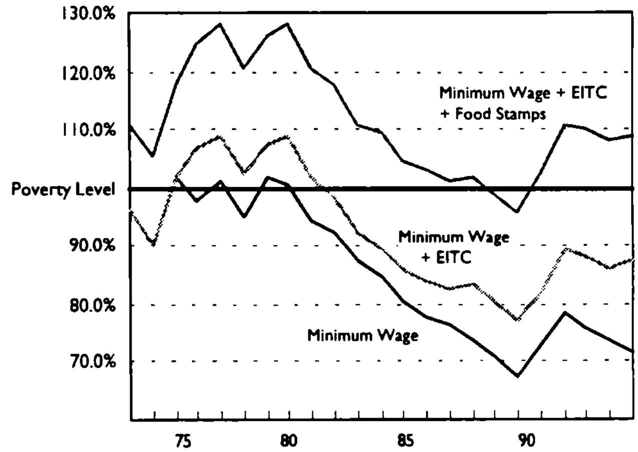
41 John C. Goodman, National Center for Policy Analysis, "Capital Gains Tax Reform and Investment in Small Business," testimony before the Committee on Small Business, U.S. House of Representatives, January 26,1995.

choose work over welfare, employers should be required to pay a "living wage" for even their lowest-skilled entry-level job opportunities.

The problem with this line of reasoning is that it ignores basic economics—wages for entry-level jobs reflect the skills and productivity of entry-level workers. Although raising the minimum wage may narrow the incentive gap for the welfare beneficiary in choosing work over welfare, it also reduces the willingness of employers to offer low-skill positions.

Rather than the phony "solution" of raising the minimum wage, a better approach would be to decrease the incentive to remain on welfare by limiting the level and duration of benefits. Welfare benefits are much higher than Americans generally assume. In 1992, welfare benefits and services amounted to $11,470 for every "poor" household.[42] While not every poor household received that level of non-cash aid, welfare bribes many individuals to stay out of the labor force.

The Minimum Wage When Combined With The EITC Nearly Lifts a Family of 3 Out of Poverty



Source: Heritage Foundation estimates.

Compared with these generous benefits, the income from full-time work at the minimum wage looks unattractive. Nevertheless, the current minimum wage when combined with the 1992 expansion of the EITC nearly lifts a family of three out of poverty. If the value of food stamps is included, the income of a family of three rises above the poverty level. Moreover, it is incorrect to portray entry-level minimum wage jobs as lifetime "dead-end jobs." They should be recognized as opportunities for most people to establish a track record of work and a springboard to better paying jobs. More than 60 percent of all workers can point to a minimum wage job as their first job experience.[43] Some 40 percent of workers starting a minimum wage job will receive their first raise within 4 months, and 63 percent will be earning 20 percent more than the minimum wage within 12 months.[44]

42 Robert Rector, "How The Poor Really Live: Lessons For Welfare Reform," Heritage Foundation *Backgrounder* No. 875, January 31, 1992.

43 Card and Krueger, *Myth and Measurement: The New Economics of the Minimum Wage.*

44 Ralph E. Smith and Bruce Vavrichek, "The Wage Mobility of Minimum Wage Workers," *Industrial Relations and Labor Review*, Vol. XLVI, No. 1 (October 1992), pp. 82-88.

The wise reform is to encourage welfare recipients to accept these minimum wage jobs by limiting the availability of more generous welfare payments. Raising the minimum wage, on the other hand, would be counterproductive (although, as noted earlier, reducing other costs of living could allow entry-level wages to rise without detrimental effects). A recent study has found that when other characteristics of welfare mothers are held constant, the level of the minimum wage and increases in the minimum wage may reduce the rate of exit from the AFDC program.[45]

CONCLUSION

Raising the minimum wage appeals to the American sense of decency and compassion. But it would be a mistake. Raising the minimum wage would impose significant costs, primarily on those unskilled Americans a minimum wage hike is suppose to help. It also would raise prices for both the poor and non-poor. It would destroy entry-level job opportunities that otherwise would have been created; and although it could raise some workers' family incomes above poverty, it would do so at the cost of denying jobs to many more.

To raise the standard of living of minimum wage workers without imposing these costs, Congress should focus on policies that raise worker productivity while reducing government-imposed labor costs on employers.

Mark Wilson
Rebecca Lukens Fellow in Labor Policy

45 Peter D. Brandon, *Jobs Taken by Mothers Moving from Welfare to Work and the Effects of Minimum Wages on This Transition*, Employment Policies Institute, January 1995. The study also suggests that the birth of additional children during AFDC participation also influences AFDC exit rates.

CENTER ON BUDGET AND POLICY PRIORITIES

MEMORANDUM

To: Legislative Directors
From: Karen Lightfoot, Senior Legislative Associate
Subject: Minimum Wage Statement
Date: April 18, 1996

As you know, the debate is intensifying over whether to raise the minimum wage. In this regard, I thought you might find of interest a statement supporting an increase in the wage that over 100 economists issued last October.

Among those signing the enclosed ***Statement of Support for a Minimum Wage Increase*** were three recipients of the Nobel Prize in Economics and seven past presidents of the American Economics Association.

If you have any questions, please contact me at 202-408-1080. Thank you.

777 North Capitol Street, NE, Suite 705, Washington, DC 20002 Tel: 202-408-1080 Fax: 202-408-1056

FOR IMMEDIATE RELEASE:
Monday, October 2, 1995, 9:30 a.m.

CONTACT: Michelle Bazie, (202) 408-1080
Nan Gibson (202) 775-8810

LEADING ECONOMISTS CALL FOR HIGHER MINIMUM WAGE

Three Nobel Winners Among 101 Signers of Statement Backing 90-Cent Hike Over Two Years

An eminent group of economists — including three recipients of the Nobel Prize in Economics — have endorsed an increase in the federal minimum wage in a statement released today.

Among the 101 signatories of the statement are seven past presidents of the American Economics Association and experts in disciplines ranging from labor markets and industrial relations to income distribution and poverty. Their statement was released by two Washington-based research organizations, the Center on Budget and Policy Priorities and the Economic Policy Institute.

The statement notes that "After adjusting for inflation, the value of the minimum wage is at its second-lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s..." The purchasing power of the minimum wage reached its lowest level right before the last increase in 1990.

"We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities . . . Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers and the economy would be positive," the economists' statement continues. (Such an increase has been proposed this year in both the Senate and the House of Representatives.)

The statement's release comes as Congress is actively considering reductions in the Earned Income Tax Credit. Workers who are affected by a stagnant minimum wage are in large part the same people who would be hurt by proposed EITC cuts.

Opponents of a higher minimum wage sometimes claim that economic opinion is settled against any increase. The statement shows that this claim is inaccurate; there is substantial support within the Economics profession for a moderate increase.

The three Nobel winners backing the minimum wage increase are Kenneth J. Arrow of Stanford, Lawrence R. Klein of the University of Pennsylvania, and James Tobin of Yale. Each has served as president of the American Economics Association. The other AEA past presidents signing the statement are Moses Abramovitz of Stanford, Robert Eisner of Northwestern, John Kenneth Galbraith of Harvard, and William Vickrey of Columbia.

####

Statement of Support for a Minimum Wage Increase

As economists who are concerned about the erosion in the living standards of households dependent on the earnings of low-wage workers, we believe that the federal minimum wage should be increased. The reasons underlying this conclusion include:

- After adjusting for inflation, the value of the minimum wage is at its second lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s.

- Since the early 1970s, the benefits of economic growth have been unevenly distributed among workers. Raising the minimum wage would help ameliorate this trend. The positive effects of the minimum wage are not felt solely by low-income households, but minimum wage workers are overrepresented in poor and moderate-income households.

- In setting the value of the minimum wage, it is of course appropriate to assess potential adverse effects. On balance, however, the evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s -- as well as updates of the traditional time-series studies--suggests that the employment effects were negligible or small. Economic studies of the effects of the minimum wage on inflation suggest that a higher minimum wage would affect prices negligibly.

- Most policies to boost the incomes of low-wage workers have both positive and negative features. And excessive reliance on any one policy is likely to create distortions. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives and is administratively simple. For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.

We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

Signatories to Economists Statement of Support for a Minimum Wage Increase

Aaron, Henry — Brookings Institution
Abramovitz, Moses — Stanford University
Allen, Steven G. — North Carolina State University
Altonji, Joseph G. — Northwestern University
Appelbaum, Eileen — Economic Policy Institute
Arrow, Kenneth J. — Stanford University
Bartik, Timothy J. — Upjohn Institute
Bator, Francis M. — Harvard University
Bergmann, Barbara — American University
Blanchard, Olivier — Massachusetts Institute of Technology
Blanchflower, David — Dartmouth College
Blank, Rebecca — Northwestern University
Bluestone, Barry — University of Massachusetts Boston
Bosworth, Barry — Brookings Institution
Briggs, Vernon M. — Cornell University
Brown, Clair — University of California at Berkeley
Browne, Robert S. — Howard University
Burtless, Gary — Brookings Institution
Burton, John — Rutgers University
Chimerine, Lawrence — Economic Strategy Institute
Danziger, Sheldon — University of Michigan
Darity, William Jr. — University of North Carolina
DeFreitas, Gregory — Hofstra University
Diamond, Peter A. — Massachusetts Institute of Technology
Duncan, Greg J. — Northwestern University
Ehrenberg, Ronald A. — Cornell University
Eisner, Robert — Northwestern University
Ferguson, Ronald F. — Harvard University
Faux, Jeff — Economic Policy Institute
Galbraith, James K. — University of Texas at Austin
Galbraith, John Kenneth — Harvard University
Garfinkel, Irv — Columbia University
Gibbons, Robert — Stanford University
Glickman, Norman — Rutgers University
Gordon, David M. — New School for Social Research
Gordon, Robert J. — Northwestern University
Gramlich, Edward — University of Michigan
Gray, Wayne — Clark University
Harrison, Bennett — Harvard University
Hartmann, Heidi — Institute for Women's Policy Research
Haveman, Robert H. — University of Wisconsin
Heilbroner, Robert — New School for Social Research
Hirsch, Barry T. — Florida State University
Hirschman, Albert O. — Princeton University
Hollister, Robinson G. — Swarthmore College
Holzer, Harry J. — Michigan State University
Howell, David R. — New School for Social Research
Hurley, John — Jackson State University
Jacoby, Sanford M. — University of California at Los Angeles
Kahn, Alfred E. — Cornell University
Kamerman, Sheila B. — Columbia University
Katz, Harry C. — Cornell University
Katz, Lawrence — Harvard University

Klein, Lawrence R. — University of Pennsylvania
Kleiner, Morris M. — University of Minnesota
Kochan, Thomas A. — Massachusetts Institute of Technology
Lang, Kevin — Boston University
Lester, Richard A. — Princeton University
Levy, Frank — Massachusetts Institute of Technology
Lindbloom, Charles E. — Yale University
Madden, Janice F. — University of Pennsylvania
Mangum, Garth — University of Utah
Margo, Robert — Vanderbilt University
Markusen, Ann — Rutgers University
Marshall, Ray — University of Texas at Austin
Medoff, James L. — Harvard University
Meyer, Bruce — Northwestern University
Minsky, Hyman P. — Bard College
Mishel, Lawrence — Economic Policy Institute
Montgomery, Edward B. — University of Maryland
Murnane, Richard J. — Harvard University
Musgrave, Peggy B. — University of California at Santa Cruz
Musgrave, Richard A. — University of California at Santa Cruz
Nichols, Donald — University of Wisconsin
Ooms, Van Doorn — Committee for Economic Development
Osterman, Paul — Massachusetts Institute of Technology
Packer, Arnold — Johns Hopkins University
Papadimitriou, Dimitri B. — Jerome Levy Economics Institute
Perry, George L. — Brookings Institution
Peterson, Wallace C. — University of Nebraska at Lincoln
Pfeifer, Karen — Smith College
Piore, Michael — Massachusetts Institute of Technology
Polenske, Karen — Massachusetts Institute of Technology
Quinn, Joseph — Boston College
Reich, Michael — University of California at Berkeley
Reynolds, Lloyd G. — Yale University
Scherer, F.M. — Harvard University
Schor, Juliet B. — Harvard University
Shaikh, Anwar — Jerome Levy Economics Institute
Smeeding, Tim — Center for Advanced Study in the Behavioral Sciences
Smolensky, Eugene — University of California at Berkeley
Stromsdorfer, Ernst W. — Washington State University
Summers, Anita A. — University of Pennsylvania
Summers, Robert — University of Pennsylvania
Tobin, James — Yale University
Vickrey, William — Columbia University
Voos, Paula B. — University of Wisconsin
Vroman, Wayne — Urban Institute
Watts, Harold — Columbia University
Whalen, Charles J. — Jerome Levy Economics Institute
Wolff, Edward — New York University

National Center for Policy Analysis

BRIEF ANALYSIS
No. 201
For immediate release:
Tuesday, April 23, 1996

The Minimum Wage Trap

President Clinton is asking Congress to raise the minimum wage by 90 cents over two years to $5.15 per hour, a 21 percent increase. The president made the request even though most studies confirm a 1981 estimate by the congressionally mandated Minimum Wage Study Commission that a 10 percent increase in the minimum wage reduces teenage employment by 1 percent to 3 percent. This suggests that between 130,000 and 400,000 jobs will be lost if the Clinton plan is approved by Congress.

The Clinton administration has promoted studies of how increases in the state minimum wage in New Jersey and California affected employment in fast food restaurants. Economists David Card and Alan Krueger, both of Princeton, found no evidence the increases caused job losses. However, other researchers found errors in the data that cast serious doubt on the validity of the Card-Krueger conclusions. Nobel Prize-winning economist Gary Becker of the University of Chicago concluded that "the Card-Krueger studies are flawed and cannot justify going against the accumulated evidence from many past and present studies that find sizable negative effects of higher minimums on employment."

With the exception of the Card-Krueger findings, virtually every major study that has ever been done has found significant job losses from an increase in the minimum wage. But even if one accepts the Card-Krueger findings, evidence of other unfavorable effects makes an overwhelming case that the minimum wage should not be raised and that, in fact, abolishing it would do more for those it is intended to help.

Among wage and salary workers, 98.2 percent already earn more than the minimum or are not covered by the law. However, for workers in low-wage industries, those without skills, members of minority groups and those living in areas where wages tend to be lower, the impact can be severe.

Reducing Opportunities for Youths. The unemployment rate for black teenage males has tended to rise and fall with changes in the real minimum wage [see Figure I].

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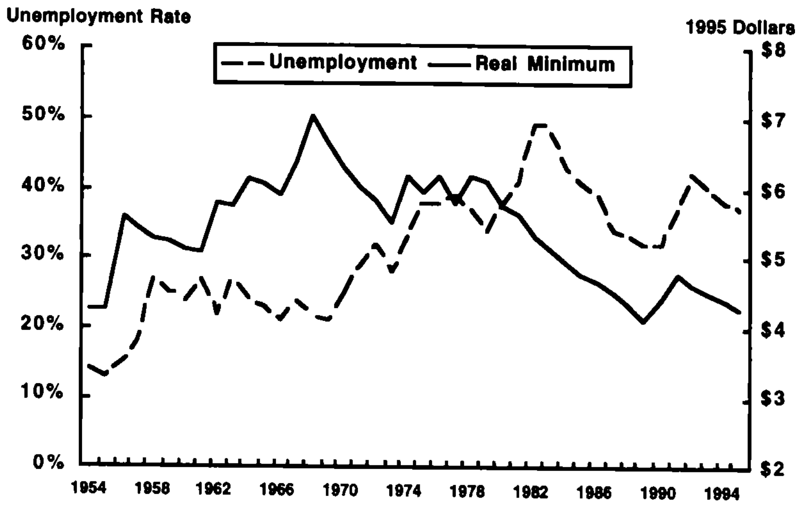
Unemployment Rate for Black Males
Age 16-19 and Real Minimum Wage Rate



Source: Bureau of Labor Statistics.

- In 1948, when the minimum wage covered a much smaller portion of the labor force, the unemployment rate for black males age 16 and 17 was just 9.4 percent, while the comparable unemployment rate for whites was 10.2 percent.
- In 1995, unemployment among black teenage males was 37.1 percent, while the unemployment rate for white teenage males was 15.6 percent.

Current unemployment is just a part of the long-term price that teenagers of all races pay for the minimum wage. A number of studies have shown that increases in the minimum wage lead employers to cut back on work hours and training. Combined with the loss of job opportunities, this means that many youths, especially minorities, are prevented from reaching the first rung on the ladder of success, with consequences that can last a lifetime. Even some liberals recognize that this may be the worst effect of the minimum wage law. For example, in 1992 former Senator and Democratic presidential candidate George McGovern wrote in the *Los Angeles Times*:

> Unfortunately, many entry-level jobs are being phased out as employment costs grow faster than productivity. In that situation, employers are pressured to replace marginal employees with self-service or automation or to eliminate the service altogether. When these jobs disappear, where will young people and

those with minimal skills get a start in learning the "invisible curriculum" we all learn on the job? The inexperienced applicant cannot learn about work without a job.

Other Bad Effects. When people cannot get legitimate jobs, it is not surprising that they turn to crime and the underground economy.

- Studies by Professors Masanori Hashimoto of Ohio State and Llad Phillips of the University of California at Santa Barbara both show that increases in the minimum wage increase teenage crime.

- A study by Professor William Beranek of the University of Georgia found that the minimum wage increases employment of illegal aliens, who are unlikely to report any violations of the Fair Labor Standards Act to the Department of Labor.

Research also shows that the minimum wage increases welfare dependency. For example, a recent study by Peter Brandon of the University of Wisconsin found that the average time on welfare among states that raised the minimum wage was 44 percent higher than in states that did not. Much of the reason is reduced employment opportunities for welfare mothers.

Intuitively, one would expect a higher minimum wage to make work more rewarding for those on welfare. However, the interaction of the welfare and tax systems means that some working people are actually worse off after an increase in the minimum wage. Economist Carlos Bonilla of the Employment Policies Institute found a dramatic example of this in California after the minimum wage rose from $3.35 to $4.25. After accounting for the phase-out of AFDC (Aid to Families with Dependent Children), Medicaid and food stamps, and for federal, state and local taxes, a single parent earning the minimum wage was $1,800 per year worse off after the increase than before.

Finally, the latest research has shown that increases in the minimum wage encourage high school students to drop out — enticed by the lure of higher pay for unskilled work. This reduces their lifetime earnings and displaces lower-skilled workers at the same time.

Given these kinds of effects, it is not surprising that the minimum wage has almost no impact on poverty or on increasing the incomes of the poor. Although some poor people are better off because they get higher wages, others are worse off because they lose their jobs. One study found that the 22 percent increase in the minimum wage in 1976 added just $200 million to the aggregate income of those in the lowest 10 percent of the income distribution. Indeed, much of the benefit of the minimum wage actually accrues to the well-off whose children work part-time.

Little Impact on Families. Talk about the difficulty of supporting a family on the minimum wage ignores the fact that only a very small number of workers earning the minimum wage actually support a family. According to the Bureau of Labor Statistics:

- Only 22,000 men and 191,000 women nationwide maintained families on a minimum wage job in 1993.
- Thirty-seven percent of minimum wage workers in 1995 were teenagers, probably living at home, and 59 percent were age 24 or younger.
- About 17 percent of minimum wage workers are wives, and thus are likely to be secondary earners.
- Sixty-six percent of minimum wage workers work only part-time; these include students, the elderly with pension or Social Security income and people simply looking for a little extra cash.

These data actually overstate the number of minimum wage workers, because 49 percent work in retail trade, such as restaurants, where tips and commissions may add to their income but are not counted as wages. Further, the data include only money wages and exclude fringe benefits, which push the total income of most minimum wage workers well above the minimum. As a consequence, many employers respond to increases in the minimum wage by cutting back on benefits.

Employers also respond by cutting back on hours, installing labor-saving equipment and by changing the mix of part-time and full-time workers. This is one reason why it is difficult to find a bank teller or someone to wait on you at the local department store. Between 1963 and 1995, average weekly hours worked in retail trade, the industry most affected by the minimum wage, fell from 37.3 to 28.9, while hours worked in higher-paid industries that are basically unaffected by the minimum wage, such as mining and construction, increased.

Even the *New York Times,* a bastion of liberalism, has called for the abolition of the minimum wage. The headline on its January 14, 1987 lead editorial said, "The Right Minimum Wage: $0.00." Indeed, according to Professors Robert Meyer of the University of Chicago and David Wise of Harvard, abolition would actually increase the aggregate income of youth in this country.

This Brief Analysis was prepared by NCPA Senior Fellow Bruce Bartlett.

JOINT STATEMENT OF THE SPEAKER AND THE HOUSE MAJORITY LEADER

April 24, 1996

Big government, high taxes and excessive red tape are what stand between working Americans and better jobs and a higher standard of living. We must address these obstacles, to enable Americans to earn more and keep more of what they earn, so they can do more for their families and communities. Republicans relish the opportunity to debate the best way to increase family take-home pay.

In the near future, the House will vote on a legislative package to increase job opportunities, increase take-home pay, stimulate economic growth and raise the standard of living of hard-working American families.

This package, which will most likely be considered as part of reconciliation, may include:

- significant family tax relief, including the $500 per child tax credit for working families with children;
- reforms of the Earned Income Tax Credit to increase assistance to the families that need it most;
- tax incentives to encourage businesses to create more and better-paying jobs;
- reforms to protect employee pensions and increase the availability and affordability of health insurance;
- improvements in our labor laws to allow workers to choose flex-time when it suits their families' needs;
- reforms to end abusive lawsuits that increase prices to consumers; and
- provisions giving union workers the right to spend their hard-earned dollars on their families, rather than on political campaigns with which they disagree.

The Leadership will work closely during the next few weeks with the relevant committee chairmen and members of the Republican conference to fashion the details of the package.

It is clear that the Democrats stand *with* the trial lawyers, the Washington union bosses, and the Washington bureaucracy and *against* the interests of working American families. Republicans believe that the best way to increase the take-home pay of working Americans is to lower their taxes, lower the cost of government red tape and increase the incentives for investment to create more and better-paying jobs.

Republicans know that low-wage workers and their families suffer most from the destructive policies of big government. The essence of the American Dream is that today's low-wage workers want desperately to be tomorrow's high-wage earners. That is why we will bring to the floor legislation that will enable *all* Americans to earn more and keep more of what they earn, so they can do more for their families and communities.

TIM HUTCHINSON
3D DISTRICT, ARKANSAS

COMMITTEES:
MIC AND EDUCATIONAL OPPORTUNITIES
SUBCOMMITTEE:
WORKFORCE PROTECTIONS
TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEES:
AVIATION
SURFACE TRANSPORTATION
VETERANS' AFFAIRS
SUBCOMMITTEE:
HOSPITALS AND HEALTH CARE
CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515-0403

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HARRISON, AR 72601
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April 25, 1996

The Honorable Bill Clinton
The President
The White House
Washington, DC 20500

Dear Mr. President:

Please find enclosed the information your office has requested regarding "The Minimum Wage for Families".

Mr. President, knowing of your commitment to assisting America's low income working families, I would appreciate your support for this legislative proposal.

Thank you for your interest.

With highest regards,

Sincerely,

TIM HUTCHINSON
Member of Congress

TH:cks
Enclosure

STATEMENT BY THE HONORABLE TIM HUTCHINSON
MARCH 24, 1996

THANK YOU FOR COMING. THIS MORNING WE ARE ANNOUNCING THAT WE WILL INTRODUCE THE "MINIMUM WAGE FOR FAMILIES ACT". THIS BILL WILL RAISE THE TAKE HOME PAY OF HARDWORKING LOW-INCOME AMERICAN FAMILIES BY REFORMING AND REFOCUSING THE EARNED INCOME TAX CREDIT OR EITC PROGRAM WHICH WOULD BE RENAMED THE "WORKING FAMILIES SUPPORT CREDIT".

FOR MONTHS NOW THERE HAVE BEEN INCREASING ELECTION YEAR DEMANDS TO INCREASE THE MINIMUM WAGE. WE'RE HERE TODAY TO LET MINIMUM WAGE SUPPORTERS KNOW THERE'S A BETTER WAY TO HELP THOSE FOLKS AT THE LOWEST END OF THE INCOME SCALE...INSTEAD OF INCREASING THE MINIMUM WAGE WHICH WILL DESTROY JOBS -- PRIMARILY THE JOBS OF THE POOR, THE UNSKILLED AND THE YOUNG -- THE VERY PEOPLE MINIMUM WAGE PROPONENTS SAY THEY WANT TO HELP. WE PROPOSE TO INCREASE THE TAKE-HOME PAY FOR LOW-INCOME PARENTS AND CHILDREN WITH OUR SUPPORT CREDIT.

RAISING THE MINIMUM WAGE WILL MAKE POOR FAMILIES PAY MORE FOR GOODS AND SERVICES. THESE HIGHER PRICES WILL MAKE MOST POOR PEOPLE A LITTLE WORSE OFF. INCREASING THE MINIMUM WAGE IS A PRIME EXAMPLE OF MISGUIDED COMPASSION.

THE PRESIDENT KNOWS THIS. AS HE STATED IN THE FEBRUARY 6, 1995 EDITION OF TIME MAGAZINE, "IT (RAISING THE MINIMUM WAGE) IS THE WRONG WAY TO RAISE THE INCOMES OF LOW-WAGE EARNERS."

THE DEMOCRATIC LEADERSHIP COUNCIL KNOWS THIS. AS THE DLC STATED IN A PAPER DATED MARCH 1996, "A HIGHER MINIMUM WAGE CAN REDUCE JOB CREATION FOR LOW SKILLED PEOPLE".

FOR MILLIONS OF AMERICANS - MYSELF INCLUDED - A MINIMUM WAGE JOB - FOR ME SACKING GROCERIES AT HARPS IGA IN SPRINGDALE, ARKANSAS - WAS A STEP ONTO THE FIRST RUNG OF THE ECONOMIC LADDER. RAISING THE MINIMUM WAGE SAWS OFF THAT FIRST RUNG AND ROBS TENS OF THOUSANDS OF THE OPPORTUNITY TO ENJOY THE FRUITS OF OUR FREE ENTERPRISE SYSTEM.

FOR ME, THAT FIRST JOB AT MINIMUM WAGE MEANT A RAISE AFTER A FEW MONTHS, IT MEANT A JOB ALL THROUGH HIGH SCHOOL, IT MEANT SETTING ASIDE SOME SAVINGS, AND IT ALSO MEANT COLLEGE AND A CHANCE FOR A BETTER FUTURE. LET'S NOT SAW OFF THAT FIRST RUNG.

THERE IS A BETTER WAY OF HELPING THE WORKING POOR. THE EARNED INCOME TAX CREDIT PROGRAM, ENHANCED BY REPUBLICANS AND DEMOCRATS FROM RONALD REAGAN TO BILL CLINTON, FROM GINGRICH TO GEPHARDT, SHOULD BE REFOCUSED TOWARD THOSE MINIMUM WAGE EARNERS MOST IN NEED -- FAMILIES WITH CHILDREN.

THAT SINGLE MOM WITH 2 CHILDREN WHO DECIDES WELFARE IS A BETTER CHOICE THAN A MINIMUM WAGE JOB, THAT'S WHERE WE NEED TO INCREASE THE EITC. WE NEED TO CONVERT THE LARGE ANNUAL "LUMP SUM" PAYMENT INTO EQUAL MONTHLY PAYMENTS IN ORDER TO MORE PRACTICALLY SUPPLEMENT FAMILY INCOME. THAT'S WHAT OUR "MINIMUM WAGE FOR FAMILIES ACT" WOULD DO.

THE WORKING FAMILY SUPPORT CREDIT WOULD INCREASE THE TAKE HOME PAY OF 12.7 MILLION LOW-INCOME WORKING FAMILIES WITH CHILDREN WITHOUT INCREASING THE DEFICIT AND WITHOUT THE NEGATIVE ECONOMIC EFFECTS OF RAISING THE MINIMUM WAGE.

"THE MINIMUM WAGE FOR FAMILIES ACT"

LEGISLATIVE DESCRIPTION AND SUMMARY

This proposal will fundamentally redesign the EITC, and rename it the "Working Families Support Credit".

RATIONALE

It has become difficult in recent years to support a family on a minimum-wage salary. There is agreement among both Republicans and Democrats that we need to provide assistance to the "working poor", but there is significant disagreement on the best way to accomplish this goal.

The administration has proposed an increase in the minimum wage as the solution to this problem. While such an increase would provide some relief to the working poor, it would also have much more far reaching effects, including placing large economic constraints on the private sector, a loss of entry-level positions, and an inflationary ripple effect on wages. A minimum wage increase would also affect those persons who arguably are not in need of this assistance, such as teenagers working during their summer vacation.

Our proposal would accomplish the goal of providing assistance to those who are truly in need -- working families -- while at the same time avoiding the additional problems associated with a minimum wage increase.

BACKGROUND

The Earned Income Tax Credit (EITC), which was created in 1974, provides a refundable tax credit to lower-income working families with children and currently to some adult childless workers. The EITC has expanded greatly since its creation as a result of both Congressional and Presidential initiatives, including efforts by the Reagan, Bush and Clinton administrations.

CONGRESSMAN JACK QUINN

30TH DISTRICT, NEW YORK

NEWS RELEASE

FOR IMMEDIATE RELEASE
Wednesday, April 18, 1996

Contact: Peter Borromeo
(202) 225 - 3306

QUINN SPONSORS LEGISLATION TO RAISE MINIMUM WAGE

(Washington, DC) Representative Jack Quinn (NY-30) today announced his sponsorship of a measure to increase the minimum wage to $5.25 per hour. Congressmen Phil English (PA-21) and Chris Shays (CT-4) joined with Quinn in sponsoring this landmark legislation which also is gaining numerous co-sponsors.

"People who work a forty hour week ought to make a wage they can live on. The minimum wage hasn't been increased in seven years. The Wall Street Journal has noted that in terms of its relationship to unregulated wages, it has fallen to its lowest level 40 years," Quinn said. "One-fifth of the states in the country already have state minimum wages higher than the federal level, with increases being considered in seven more this year. We have to increase the minimum wage now so that people can earn a living wage to support themselves and their families."

The legislation calls for an increase in the minimum wage, now at $4.25 per hour, by 50 cents 90 days after enactment and an additional 50 cents one year later. "That way, businesses will have some lead time to adjust to the higher minimums," Quinn noted.

"There is very little evidence to prove job loss by raising the minimum wage," Quinn observed. "When New Jersey increased its state minimum wage to $5.05 a few years ago, employment in fast food restaurants which traditionally pay the minimum wage actually increased markedly."

"Over four million workers in America are paid the minimum wage, 40 percent of whom are their family's only wage earner. More than one million workers work full time for minimum wages. A full-time worker would make $8,840 for a year's work at these wages. After social security and other taxes are withheld, the person would take home less than $8,000, markedly below our nation's poverty level. Even welfare pays much more. We must correct this so people are not forced to choose between work and supporting their families. This bill is an important step in the process to close the gap between the poor and the rich," Quinn concluded.

-30-

403 Main Street, Buffalo, NY 14203, (716) 845-5257 Fax (716) 847-0323 • 331 Cannon Building, Washington, D.C. 20515, (202) 225-3306 Fax (202) 226-0347

CONGRESSMAN CHRISTOPHER SHAYS

Fourth District
Connecticut

NEWS RELEASE

FOR IMMEDIATE RELEASE
April 17, 1996

Contact: Wendy Harahan
202-225-5541 (w)
703-924-0428 (h)

SHAYS' STATEMENT ON INTRODUCTION OF MINIMUM WAGE INCREASE LEGISLATION

I am happy to be here with my Republican colleagues today to introduce this important legislation to provide a modest increase in the minimum wage.

Congress should seize this opportunity to help our most disadvantaged working Americans by adopting this increase. Raising the minimum wage by one dollar over a fifteen month period is a reasonable approach. Specifically, our bill would increase the minimum wage by 50 cents (to $4.75/hr) 90 days after enactment and another 50 cents (to $5.25/hr) one year later.

The last increase, of 90 cents over one year, was enacted in 1989 and if adjusted for inflation would amount to $1.10 today. If the minimum wage had kept up with inflation since its peak rate in 1968, it would be $7.08/hr today. In fact, if we do not enact an increase this year the minimum wage, it would be the lowest it's been in 40 years.

This proposal makes sense. It is right for low-income workers and, because the first increase would take effect 90 days after enactment, it provides ample time for business to prepare for the changes.

I look forward to working with my colleagues on both sides of the aisle to enact a minimum wage increase for those who need it the most.

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News Release
Congressman Bill Martini
8th District, New Jersey

1513 Longworth Building
Washington, D.C. 20515
(202) 225-5751

200 Federal Plaza
Paterson, NJ 07050
(201) 523-5152

FOR IMMEDIATE RELEASE
April 17, 1996

CONTACT: Dana Johnson
(202) 225-5751

MARTINI JOINS REPUBLICAN EFFORT TO INCREASE MINIMUM WAGE

Washington, D.C. -- U.S. Rep. Bill Martini (R-NJ-8) today joined with fellow Republican members of Congress in introducing legislation that would raise the national minimum wage from $4.25 per hour to $5.25 per hour. The last minimum wage increase was enacted in 1989. Martini's home state of New Jersey currently has the highest minimum wage in the nation, $5.05 per hour.

"It is time to give hard working men and women a raise," Rep. Martini said. "They deserve a fair return on a hard day's labor. That is why I have called upon the House leadership to bring this important bill up for a vote."

"Earlier this week, I spoke out about the importance of middle-income tax relief. Today, I am cosponsoring the Minimum Wage Increase Act of 1996. Both initiatives are consistent because I believe in helping people earn more and keep more of what they earn," Martini said.

Another minimum wage increase proposal has been offered by House Minority Leader Dick Gephardt that would increase the minimum wage to $5.15 as opposed to the $5.25 increase in the Republican plan.

"Raising the minimum wage is not a partisan issue, and that is why I am joining with several of my colleagues to show that there is support for this important legislation on our side of the aisle." Martini added, "It is no coincidence the Democrats have raised this issue in an election year. It's funny they did not raise this issue in the last Congress and had a Democrat President. Even so, raising the minimum wage is the right thing to do."

"It will be good for New Jersey workers and good for New Jersey businesses. New Jersey corporations are at a competitive disadvantage with businesses of neighboring states because of the higher minimum wage. A one dollar hike will give all Americans earning minimum wage a pay increase and level the playing field for businesses from state to state," Martini concluded.

Raising the minimum wage will moderately reduce the overall earnings inequality and provide some improvement in the quality of life for many Americans. A hike in the minimum wage will reward those able-bodied individuals who chose to work rather than receiving welfare benefits. According to the Department of Labor, 40 percent of American workers earning minimum wage are their families only wage earner.

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News from
★ ★ ★ Congressman Ben Gilman
20th District, New York ★ ★ ★
ORANGE • ROCKLAND • SULLIVAN • WESTCHESTER
2449 Rayburn House Office Building, Washington, D.C. 20515-3220

FOR RELEASE: April 17, 1996
CONTACT: Andy Zarutskie (202)225-3776

496-13

GILMAN SUPPORTS RAISE IN MINIMUM WAGE

WASHINGTON, DC --- Rep. Benjamin A. Gilman (20th District--New York) has announced his support for raising the Federal minimum wage from $4.25 to $5.25 over the next two years.

Rep. Gilman made his announcement at a Capitol Hill press conference, at which he announced that he would be an original co-sponsor of the Minimum Wage Increase Act of 1996. He stated that the increase "is a proper step in closing the wage gap in this country and enabling our working families to make ends meet in this economy."

In recounting the recent history of the efforts to raise the minimum wage, Gilman noted that in March he supported an amendment to the Debt Ceiling Bill which would have achieved this goal, but that this initiative was defeated. He also recalled that when the last Congressional vote was taken on raising the minimum wage in 1989, it was supported by 80% of all Republican legislators.

"A minimum wage adjusted for inflation of $3.35 an hour in 1989 is equivalent to a minimum wage of $4.25 an hour in 1996," Congressman Gilman declared.

Citing Labor Department statistics that 4.1 million Americans are currently paid minimum wage, with 40% of that number being the sole wage owner for their families, Rep. Gilman contended that "it is inherently wrong for Congress to freeze the minimum wage for working families while we have increased our own pay over that same time period. Also, CEOs who have said that this modest proposal will eliminate jobs have seen their incomes increase by leaps and bounds."

"It is now time," Rep. Gilman concluded, "for us to take the same prudent action this body took in 1989 and assist those who work hard for an hourly wage which has remained stagnant since 1989."

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Congressman Rick Lazio

2nd District, New York

FOR IMMEDIATE RELEASE: 4/17/96 CONTACT: Mark Woolley, 516-893-9010

LAZIO INTRODUCES LEGISLATION TO RAISE MINIMUM WAGE

WASHINGTON, D.C. -- U.S. Rep. Rick Lazio (R-NY), chairman of the House Banking Subcommittee on Housing and Community Opportunity and a House Budget Committee member, issued the following statement at a press conference today on legislation he is jointly introducing to raise the minimum wage:

"A rising tide is supposed to lift all boats, but those subsisting on the economic life raft of our country are barely keeping their heads above water. While the stock market soars to new heights, those who must survive on jobs paying the minimum wage are falling behind.

"The federal minimum wage is $4.25 per hour. Adjusted for inflation, the value of the minimum wage has fallen by almost 50 cents since it was last increased in 1989, and now is 29% lower than it was in 1979. If unchanged, the real value of the minimum wage will be at a 40-year low by next January.

"That is why I am proud to be an original cosponsor of legislation being introduced today to raise the minimum wage by 50 cents within three months of passage this year and another fifty cents next year, bringing it to $5.25 per hour.

"Welfare reform is one of our highest congressional priorities this year. But how do we expect people to trade welfare checks for paychecks when the benefits they receive from a wide range of public assistance programs exceeds jobs paying the minimum wage. The minimum wage must be a liveable wage.

"Two-thirds of the 3.66 million minimum wage workers in our country are adults and four in ten are the sole bread winners for their families. More than half --59 percent -- of minimum wage earners are women and 72 percent of those women are adults. Only one in 14 workers is a teenage student from a family with above average earnings.

"The minimum wage increase we propose this morning is long overdue. Recent studies by the Economic Policy Institute and the Department of Health and Human Services suggest more than 300,000 people -- including 100,000 children -- would be lifted out of poverty by the minimum wage increase we support. Our hope is that a bipartisan minimum wage increase will be enacted in the coming months."

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Committee on Economic and Educational Opportunities

2181 Rayburn House Office Building
Washington, D.C. 20515

Phone: (202) 225-4527

EMPLOYMENT • LEARNING • OPPORTUNITY •

TO:	Members of the Committee on Economic and Educational Opportunities
FROM:	Bill Goodling, Chairman
RELEASED:	Thursday, May 9, 1996
RE:	**REVISED Committee Schedule**

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Please be advised that the Full Committee will markup H.R. 2391, a bill to amend the Fair Labor Standards Act of 1938 to provide compensatory time for all employees (the Working Families Flexibility Act) on *Friday, May 10, 1996, at 10:00 a.m. in room 2175 RHOB.*

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Committee on Economic and Educational Opportunities

2181 Rayburn House Office Building
Washington, D.C. 20515

Phone: (202) 225-4527

TO:	Members of the Committee on Economic and Educational Opportunities
FROM:	Bill Goodling, Chairman
RELEASED:	Thursday, May 9, 1996 (4:00 p.m.)
RE:	Full Committee and Subcommittee Schedule for the Week of May 13 - May 17, 1996

The Committee's Schedule is available by telephone: 202/226-2026.
Internet Address: http://www.house.gov/eeo/

* * *

FLOOR SCHEDULE: On Tuesday, May 15, 1996 H.R. 2066, amending the National School Lunch Act to Provide Greater Flexibility to Schools to Meet the Dietary Guidelines for Americans under the School Lunch and School Breakfast Programs, will be considered under Suspension of the Rules.

MONDAY, MAY 13, 1996

Subcommittee on Early Childhood, Youth and Families

Field Hearing on the Juvenile Justice and Delinquency Prevention. — 9:30 a.m., San Marcos, CA.

TUESDAY, MAY 14, 1996

Nothing is scheduled.

WEDNESDAY, MAY 15, 1996

Nothing is scheduled.

THURSDAY, MAY 16, 1996

Full Committee

Tentative Markup of H.R.3268, the Individuals with Disabilities Education Act (IDEA) Improvement Act of 1996. — 10:00 a.m., 2175 RHOB

FRIDAY, MAY 17, 1996

Nothing is scheduled.

(OVER)

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

PRESS RELEASE

Rep. William L. Clay
First District Missouri

Ranking Democratic Member

2101 Rayburn House Office Building
Washington, D.C. 20515

Contact: Kevin Bruns
202 225-3725

May 9, 1996

GOODLING CALLS EMERGENCY MARKUP OF CONTROVERSIAL BILL THAT WOULD AMEND 40 HOUR WORK WEEK

Washington, D.C. -- House Economic and Educational Opportunities Committee Chairman Bill Goodling informed Committee Democrats late this afternoon that he was scheduling an **emergency** meeting of the Committee for Friday morning.

According to Committee sources, Goodling was ordered by House Republican Leadership to report out a bill that jeopardizes the right of workers to be paid for overtime. The bill to be marked up, which has not yet been drafted, will amend the Fair Labor Standards Act to provide that employers do not have to pay workers for overtime, but may give them time-off instead.

Ranking Democratic Member William L. Clay stated:

"This is a desperate act by a party that is immobilized by its irrational, age-old hostility to the minimum wage. In the 18 months that Republicans have controlled the House, the committee of jurisdiction has not held a single hearing on the minimum wage. The Republicans are in such disarray that they won't even let this Committee vote on a minimum wage bill.

"Why an emergency meeting? Because of the wholesale desertion of Republican Members to the idiotic stance taken by the Republican leadership to oppose raising the minimum wage. They are four votes shy of being humiliated by their own Members on minimum wage. Armey and Gingrich probably figure they will lose the next Democratic attempt to force a floor vote on minimum wage. Now, the Republican leaders are desperate to change the subject to avoid the real subject - minimum wage.

"During the last month, I asked Committee Republicans on two occasions to release the minimum wage bill from the legislative purgatory in which they have imprisoned it for more than 400 days. Instead of scheduling that meeting, they are sneaking in a bill to end the 40 hour work week as we know it. Despite the negative reaction they are getting from the American public, the Republican Congress continues their extreme tactics and radical policies.

"They oppose raising the minimum wage yet propose abolishing the forty hour work week. **How ludicrous has this Republican Congress become?**"

The markup has been scheduled for 10:00 A.M. in 2175 Rayburn. Regular Committee meetings require 24 hours notice. Members received notice at 5:00 P.M. the night before the markup.

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AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

JOHN J. SWEENEY
PRESIDENT

RICHARD L. TRUMKA
SECRETARY-TREASURER

LINDA CHAVEZ-THOMPSON
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5090

May 22, 1996

Dear Representative:

Finally today the House Republican leadership is going to allow a vote on a minimum increase -- a $0.50 increase effective July 1, 1996, and a $0.40 increase effective July 1, 1997. Working Americans have succeeded in getting this legislation to a vote. The AFL-CIO is proud to have been a part of the effort to persuade a reluctant congress to give workers' wages some attention.

However, the Republican leadership continues to try to extract a price for the consideration of a minimum wage increase. The bill is being brought before the House in a process that potentially entangles a long-awaited and much-needed increase in workers' incomes in a web of exemptions, special interest payoffs and unrelated matters that unnecessarily complicate passage of the wage increase.

For that reason, the working families of the AFL-CIO urge you to defeat the proposed rule for consideration of the minimum wage legislation and pass instead a rule that would allow for consideration of a clean minimum wage increase without the political games and payoffs.

If the bill goes forward under the proposed rule, we deeply regret the use of H.R. 1227, the Portal to Portal Amendments which we oppose, as the underlying bill for consideration of the minimum wage. If this bill passes the House, we will work in the Senate to delete this portal to portal legislation from the Senate minimum wage bill and from legislation ultimately sent to the President. We also urge the defeat of the two Goodling amendments which seek to undermine for millions of families the benefits of passing a minimum wage increase.

The first Goodling amendment has three parts which undercut minimum wage benefits for three different groups of employees. The "tip credit" provision would take the entire cost of the minimum wage increase from the employee's tips and likely eliminate any real increase for this group of predominantly low-wage workers. The overtime exemption for computer workers exacerbates a harmful provision already in existing law by, again, shifting the impact of a minimum wage increase back onto the employee. The youth training wage -- the so-called "opportunity wage" -- will encourage age discrimination in hiring practices and could lead to churning of low-paid youth through sub-minimum wage jobs. These are all reprehensible attempts to protect profitable industries from having to pay a living wage.

The second Goodling amendment is stunning in its scope and impact. Far from being a return to an element previously in law, as suggested by some of its supporters, this would be the most far-reaching small business exemption from wage standards ever enacted into law. For a limited time before 1989, workers in the retail and service establishments -- under an annual business volume threshold which was then $362,000 -- were exempted from minimum wage and overtime coverage. This was wrong and was wisely not renewed in the 1989 minimum wage bill. The Goodling amendment would take that bad idea and explode it into an exemption of all workers in all businesses under the current $500,000 threshold from the minimum wage and overtime provisions of the Fair Labor Standards Act. This would mean that over 10 million workers would lose overtime and minimum wage coverage. The proposed amendment would radically alter the rules that have governed FLSA coverage for 56 years.

Under current law, FLSA protection for a particular employee can arise due to either the employee's own work activities or the nature of his or her employer. The "individual employee coverage" rule provides that any employee who is engaged in interstate commerce, produces goods for commerce, or whose work is closely related and directly essential to the production of goods for commerce is protected by the FLSA. Examples of employees whom the FLSA covers under the "individual coverage" rule include clerical, custodial and maintenance workers, and employees in the communications and transportation industries. The individual employee coverage rule historically has guaranteed FLSA protection to millions of workers.

The proposed amendment would eliminate the concept of individual employee coverage, and restrict the Act's reach to employees only of employers that themselves both engage in interstate commerce and experience annual business volume of at least $500,000. This "enterprise coverage" rule has long supplemented the individual coverage with which the FLSA was essentially concerned. Under the amendment, however, enterprise coverage would constitute the sole basis for FLSA protection. The real-life consequence of this change would be the removal of wage and other protections from millions of workers.

Worse still, the employees who would lose their FLSA rights are those who can least afford to do so. Most of these employees work for employers that do not satisfy the business volume threshold under the Act. But for over half a century the FLSA has protected them. The proposed amendment would leave them unprotected and subject to exploitation. This exemption would go far beyond the pre-1989 exemption for small retail and service establishments from minimum wage and overtime requirements. It would reach all industries and remove child labor protections across the board as well.

This amendment also would render the FLSA almost uniquely narrow in its reach. Most employee protection laws apply to all employers regardless of size or business volume, so long as they engage in interstate commerce. Such laws include the Employee Retirement Income Security Act, the Occupational Safety and Health Act, the Rehabilitation Act, the Mine Safety and Health Act, the Longshore and Harbor Workers' Compensation Act, the Veterans' Employment and Reemployment Rights Act, the Employee Polygraph Protection Act and the Labor-Management Reporting and Disclosure Act. The only other law to rely on business volume, the National Labor Relations Act, pegs the threshold at $50,000 - one-tenth the proposed FLSA benchmark.

Finally, the amendment is dangerously drafted. It can be read to repeal the minimum wage itself for all employees except those engaged in industrial homework. This extreme result appears to follow when one compare the bill's subsection 6(2) with subsections 6(a) (dealing with American Samoa) and 6(4) (dealing with FLSA Section 7's overtime provisions) which, by contrast, clearly specify that enterprise - but not individual employee - coverage would remain.

The House should be passing a clean minimum wage bill. The Republican leadership has made that impossible unless the rule is defeated. We urge you to vote against the rule. If the rule passes, we urge you to vote against both Goodling amendments, as they are harmful to a very large number of workers. The small business exemption is so extraordinarily harmful that, if it should pass, the AFL-CIO would then urge you to vote against final passage of the bill.

We hope you will stand with American working families by defeating the deleterious Goodling amendments and passing a $0.90 increase in the minimum wage.

Sincerely,

Peggy Taylor

Peggy Taylor, Director
DEPARTMENT OF LEGISLATION

General
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CQ

House To Debate Adoption Plank of 'Contract'

Lawmakers may also take up FY '97 defense authorization legislation; Senate panel will mark up measure to authorize gambling study

DAY BOOK TODAY

The House will debate legislation (HR 3286) today that is designed to make adoptions easier.

The widely supported bill, an element in the House GOP's "Contract with America," would provide a $5,000 tax credit for families who adopt a child. It also would make it easier for families to adopt children of different racial or ethnic backgrounds.

A floor battle is expected over the final section of the bill, which would limit the ability of Indian tribal courts to decide the fate of children with Indian blood.

Under current law, the adoption of any child connected to an Indian tribe, no matter how remotely, must be adjudicated by an Indian tribal court. The bill would give state courts control over the adoption proceedings unless one of the child's biological parents maintains "significant social, cultural or political affiliation" with a tribe.

Both Republican and Democratic members of the Resources Committee objected to this provision, arguing it had never been the subject of hearings. The provision remained in the bill to be considered today, but Resources members will have the chance to offer an amendment to strip out the provision.

Members also may turn to consideration of the fiscal 1997 defense authorization (HR 3230). The House would consider only the rule and general debate to the bill, but the fight over the rule could be interesting if some disaffected Republicans decide to vote against it.

SOCIAL POLICY

BILL WOULD ESTABLISH NATIONAL COMMISSION TO STUDY GAMBLING

The Senate Governmental Affairs Committee today will mark up legislation that would establish a national commission to study the impact of gambling on state and local governments and Indian tribes.

The bill (S 704) would require the nine-member commission, appointed by the president and House and Senate leaders, to look at the impact of gambling on localities and to examine possible alternative sources of revenue for them.

Groups such as the American Gaming Association say the legislation could infringe on states' authority over the gaming industry. they have lobbied vigorously against giving the panel subpoena power.

The Senate bill would give the commission the authority to secure information from federal agencies. A similar measure (HR 497), passed by the House in March, would give the commission the power to subpoena witnesses. ■

Panels Mark Up 1997 Budget Resolutions

House passes bill to convert public housing programs to block grants; Senate still deadlocked over wage increase and gasoline tax repeal

Summary. Budget committees in both chambers spent yesterday marking up their 1997 budget resolutions.

The Senate panel finished work on its measure after rejecting, mostly along party lines, a dozen Democratic amendments that would have added funding for education and the environment. President Clinton, while citing disagreements, said the plan was a "movement in the right direction."

HILL NEWS YESTERDAY

The House Budget Committee worked late last night in an effort to complete action.

The House passed a measure that would restructure the nation's public housing programs, picking up an emotional debate begun on Wednesday. The bill would convert a number of federal programs into locally administered block grants.

The House failed in an attempt to override President Clinton's veto of a bill that would have limited punitive damages in product liability suits.

The Senate remained locked in a parliamentary dispute between Republicans and Democrats. Democrats continued to block attempts by Majority Leader Bob Dole to offer an amendment to an unrelated bill that would repeal the 1993 increase in the gas tax. They would like to offer an amendment to raise the minimum wage.

HOUSE FLOOR

LAWMAKERS APPROVE OVERHAUL OF PUBLIC HOUSING PROGRAMS

After a long and frequently emotional debate, the House yesterday passed legislation (HR 2406) to overhaul the nation's public housing system. The vote was 315-107.

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Senate Panel Approves GOP Budget Blueprint

The Senate Budget Committee yesterday approved its version of the 1997 budget resolution on a straight party-line vote of 13-11, after swatting down a dozen amendments that would have changed the measure.

At press time last night, the House Budget panel was heading toward a late-night completion of its budget blueprint markup.

BUDGET
FISCAL 1997

Both measures would make smaller cuts in social programs and a smaller tax cut than the budget reconciliation bill (HR 2491) that Clinton vetoed last year.

Senate Budget panel Chairman Pete V. Domenici, R-N.M., rallied members to reject Democratic attempts to raise funding for education and the environment, cut back defense spending and bar any tax cuts for wealthier taxpayers.

Although Democrats fought to add funds for their priority programs, the GOP-drafted budget, which proposes net deficit reduction of $576 billion over six years, won an unexpectedly mild review from President Clinton.

"There are a lot things in there I don't agree with, but it is a movement in the right direction," the president declared at an Oval Office photo session earlier in the day.

But on Capitol Hill, there were few signs of an end to stalemate. "It's the same old dance by this president," said Senate Budget Chairman Pete V. Domenici, R-N.M. "It's obvious to me he wants an issue instead of a balanced budget."

GOP leadership plans call for the budget to come to the Senate floor for its statutory 50 hours of debate sometime next week. The House has tentative plans to take up its budget resolution next Thursday.

Budget strategists hope that their weeks of work to iron out most House-Senate differences before the markups (rather than after floor passage) will make for a quick conference that will allow both chambers to pass a compromise House-Senate budget before Congress leaves for the Memorial Day recess May 24.

But despite GOP attempts to project House-Senate unity on the budget, there were signs yesterday that internal Republican splits persist over contentious issues such as tax cuts. Some Senate Republicans reacted angrily when House Budget Committee Chairman John R. Kasich, R-Ohio, released a document stating that the budget resolution provides for $175 billion in tax cuts. Senate Republicans said they thought they had an agreement with their House counterparts to emphasize only the net $122 billion in tax cuts both sides agreed to put in the budget resolution — even though tax-writing committees are free to provide much larger cuts, as long as they offset them with tax increases.

Stung last year by Democratic attacks that they were cutting programs like Medicare to pay for tax cuts for the rich, Senate Republicans argued for sharply paring back the explicit tax cuts in their budget resolution. After weeks of internal wrangling, they decided to include just the $500-per-child tax credit, which would go almost exclusively to middle-class families.

House Republicans in particular want a much broader range of tax cuts, including capital gains cuts that some strategists fear open them to charges they are cutting taxes for the rich. The budget resolution opens the door for such cuts, but does not explicitly call for them. House Budget Chairman Kasich insisted this was just quibbling over appearances. "What you have here is a matter of presentation," he said.

• **House markup.** In early evening action, the House Budget panel rejected, largely on party-line votes, an amendment by Lynn Woolsey, D-Calif., to add funding for a number of programs, including Head Start and the Women, Infants and Children nutrition program, and an amendment by Martin Olav Sabo, D-Minn., to require the Economic Opportunities panel to send to the floor a bill to increase the minimum wage.

Deficit Reduction: Clinton vs. Domenici

The Senate Budget Committee's GOP staff analyzed the six-year deficit-reduction proposals contained in President Clinton's March budget proposal and those proposed yesterday by Budget panel Chairman Pete V. Domenici, R-N.M. The staff assumed that Clinton's budget would be "triggered" in fiscal 2000 to require deeper spending cuts than he now proposes and to reinstate some taxes that he now proposes to cut. The deficit-reduction figures in the chart below are in billions of dollars, for fiscal 1997-2002

	Clinton Budget	Senate Budget
Discretionary spending	-218	-296
Mandatory		
Medicare	-118	-158
Medicaid	-54	-72
Welfare programs	-38	-53
Earned income credit	-3	-17
Spectrum auction	-37	-19
Other	-89	-65
Mandatory cuts total	-276	-351
Net tax cuts	6	122
Debt service	-41	-52
Net deficit reduction	**-528**	**-576**

Source: Senate Budget Committee

Dueling Deficit Projections — Who to Believe?

As the House and Senate Budget committees began their markup of fiscal 1997 budget resolutions, their GOP leaders argued that their plans would achieve a balanced budget by fiscal 2002, but that the plan unveiled by President Clinton on March 19 would not come close. As the chart below shows, the president maintains that his budget would result in a surplus one year before the GOP Congress has demanded.

Who to believe depends on which accounting methods and which economic prognostications one chooses to believe. The House Budget Committee maintains that Clinton's proposal would actually result in a deficit of $81 billion by fiscal 2002, and could reach balance only if a "trigger" mechanism, based on the actual budget deficit come fiscal 2000, kicks in. That would terminate Clinton's proposed tax cuts in fiscal 2001 and 2002 and require deep cuts in discretionary spending.

The Clinton administration says that it is optimistic that the budget will reach balance no matter which scorekeeping system is used and that the trigger mechanism was included only to ensure that the budget would balance by fiscal 2002.

The chart below shows deficits in billions of dollars, as projected by each group.

Fiscal	1997	1998	1999	2000	2001	2002
House GOP budget	-148	-143	-114	-88	-40	+3
Senate GOP budget	-155	-146	-117	-89	-43	0
Clinton budget	-140	-98	-64	-28	+8	+44

SOURCE: House Budget Committee, Senate Budget Committee, Office of Management and Budget

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The bill now goes to conference with the Senate, which passed similar legislation (S 1260) in January.

The bill would end many federal housing programs, instead creating block grants to local authorities that will run public housing. Those authorities, which would have to be accredited by the Department of Housing and Urban Development, would face fewer restrictions on how to spend the money than existing authorities.

One of the most heated debates centered on how much rent residents of public housing ought to pay. Currently, the rent is capped at 30 percent of income for all residents. The bill would retain the 30 percent cap for several categories of residents, such as the very poor or elderly, but would set no rent limits for other residents.

Bill sponsor Rick Lazio, R-N.Y., said it was important to give housing authorities the flexibility to set rents creatively.

Barney Frank, D-Mass., offered an amendment that would have allowed housing authorities to set rent according to any formula they wished, but only if the result would not exceed the current 30 percent cap. Lazio argued that Frank was trying to restore the bill to the status quo, so that the United States would "continue to warehouse the poor, continue the disincentives for work."

The House rejected the amendment, 196-222.

In other action on the bill, the House gave voice-vote approval to an amendment by Joseph P. Kennedy II, D-Mass., that would increase the amount of public housing slots the bill would reserve for the very poor.

Members rejected, 106-318, an amendment to make discharge of a firearm in a public housing building a federal crime, punishable by up to 5 years in prison.

HOUSE FLOOR

VETO OVERRIDE TRY FALLS 23 VOTES SHORT ON PRODUCT LIABILITY

The House last night sustained President Clinton's veto of legislation (HR 956) to overhaul product liability laws.

The vote was 258-163, 23 votes short of the two-thirds majority necessary to override a veto.

The bill, part of the House GOP's "Contract with America" would have created uniform national standards for both state and federal product liability laws. It would have sharply limited awards to plaintiffs for punitive damages, and placed time limitations on the filing of product liability suits.

Clinton argued that the bill would have preempted too many state laws and that the cap on punitive damages would discriminate against the poor because they would be limited to awards based largely on their income.

House Judiciary Committee Chairman Henry J. Hyde, R-Ill., urged members to override the veto to end the court system overload. "We need to replace the liability lottery that dominates our courts with reasonable procedure," he said.

But Democratic speakers called on their colleagues to support the president, arguing that the bill would largely serve the needs of the business lobby.

SENATE FLOOR

MORE SKIRMISHING OVER MINIMUM WAGE INCREASE, GAS TAX REPEAL

The Senate last night wrapped up its work for the week, still snarled in a parliamentary tangle that prevented the Senate from taking any major legislative action.

The stumbling block continued to be partisan deadlock over proposals to increase the minimum wage and repeal a 1993 gas tax and a labor measure sought by the business community. Those issues have stalled action on a bill (HR 2937) that would reimburse seven fired workers at the White House Travel Office for their legal expenses arising from that firing.

In its only vote of the day, the Senate rejected, 52-44, a GOP effort to cut off debate on a Republican leadership amendment that sought to combine the three issues. One Republican, Ben Nighthorse Campbell, Colo., voted with Democrats to oppose cloture. It was the third unsuccessful cloture vote of the week on the issue.

Democrats, who oppose the labor measure as well as proposed GOP offsets for the gas tax repeal, insisted on separate consideration of each measure — something that Republicans would not agree to.

Democrats argued that the Republican-backed gas tax repeal language violated budget rules because it was $1.7 billion short in its offsets.

At day's end, Majority Leader Bob Dole withdrew his triple amendment plan and replaced it with a single amendment to HR 2937 that would repeal only the 4.3-cent gas tax.

The cost of the repeal would be offset by $4.1 billion in savings found from implementing a rescue plan for the Savings Association Insurance Fund and merging it with the Bank Insurance Fund. The so-called BIF-SAIF plan is strongly opposed by the banking industry.

But the latest Dole amendment was immediately criticized by Minority Leader Tom Daschle, S.D, who called it "more of the same" since it does not allow for a vote on the minimum wage.

Dole said the Democratic-backed minimum wage and Republican-backed TEAM legislation (S 295), which aims to ease a variety of management and labor consultations, could be considered later in June. As for the gas tax, Dole said Democrats "will be filibustering" the popular gas tax repeal if they do not agree to his plan.

But Daschle and others, including Edward M. Kennedy, D-Mass., said they would oppose acting on the gas tax repeal without a firm commitment to voting on a stand-alone minimum wage measure.

The Senate will resume work on the bill on Monday, and a cloture vote on the latest Dole gas tax repeal amendment is scheduled for Tuesday. Daschle said Democrats would again vote to block cloture.

SENATE FLOOR

SENATORS CLEAR 'MEGAN'S LAW' BILL ON SEX OFFENDERS' RELEASE

Temporarily setting aside legislation that was enmeshed in procedural difficulties, the Senate last night cleared without debate and on a voice vote, legislation known as "Megan's Law" to require state governments to disclose information and notify communities about convicted sex offender who are released from prison.

The House had passed the bill on Tuesday. The measure now goes to the president, who plans to sign it into law.

The bill is named for a 7-year-old New Jersey girl who was raped and murdered allegedly by a neighbor twice convicted of sexual offenses. The measure (HR 2137) would require state and local law enforcement agencies to disclose "relevant information" about sexual offenders required to register under the 1994 Violent Crime Control and Law Enforcement Act. Current law allows, but does not require, release of the information.

DEFENSE

PROPOSED RULE ALLOWS FEW AMENDMENTS ON DEFENSE BILL

For the second year in a row, House Republicans want to block a House floor vote on funding levels for the defense budget. A rule issued last night by the Rules Committee to govern debate on the fiscal 1997 defense authorization (HR 3230) would allow no amendments to cut overall defense spending. No vote was permitted in the House last year on the overall total.

The proposed rule, which the House is expected to consider today, also would preclude amendments on a number of contentious social provisions in the bill, including a ban on homosexuals in the military and a ban on the sale of "lascivious" magazines or videos on military bases.

The National Security Committee

Critics Complain of Hardball Tactics by Shuster's Office

Transportation chairman denies use of threats to line up support for ocean shipping legislation

House Transportation and Infrastructure Chairman Bud Shuster, R-Pa., has run up some impressive victories lately, most recently beating back organized labor's assault on an ocean shipping bill (HR 2149) that passed last week.

THE PULSE OF CONGRESS

But some critics complain that Shuster's office used hardball tactics to pick up votes.

Rep. Robert Menendez, D-N.J., said that lawmakers and lobbyists who opposed the ocean shipping bill were threatened with reprisals. The message from Shuster's committee, Menendez said, was: "If you continue to mount opposition to this bill, there will be consequences to it."

The Democratic lawmaker, who first made the assertion on the House floor during the May 1 debate over the ocean shipping bill, said that the "committee leadership" threatened to use its power over such issues as the dredging of ports to force opponents to knuckle under.

"The breadth and scope and intensity with which it was done, I think, was unusual," added Menendez, who voted against the ocean shipping bill.

Shuster denies making any such threats. "No, absolutely not. Threats are a bad way to do it [advance legislation]," he said.

The bill, which would partially deregulate the shipping industry, is backed by many large carriers and shippers who want more leeway in setting their rates. However, many port authorities and labor leaders oppose it, fearing that it could cost jobs and lead to a consolidation of the shipping industry.

An official with the American Association of Port Authorities declined to comment. Rather than lobby House members against the bill, the association chose instead to try to stop the bill in the Senate, which has not yet taken it up.

A labor lobbyist, who declined to be named, said Shuster's staff tried to threaten him with a reminder that labor had many issues before the committee. But organized labor lobbied against the bill anyway.

Dukakis Offers His Own Flat Tax Proposal for Social Security

Former Massachusetts Gov. Michael Dukakis, the 1988 Democratic presidential nominee, has his own flat tax plan, with a twist: It only hits the rich.

Dukakis, who'll be in town today for a "purely friendly meeting" with President Clinton, is pushing a plan that would end the "high-earner exemption" from the Social Security payroll tax.

Wage-earners of all stripes pay a flat 6.2 percent Social Security tax on every dollar made up to $62,700. But wages above that level are not subject to the tax.

"That's not right," Dukakis said in a phone interview. "It's the most regressive tax you can have."

His plan would cut the 6.2 percent rate to 5.45 percent and apply it on a flat basis to all earned income. "It's just what the flat-taxers say they want to do to the income tax," Dukakis said.

"A lot of people don't realize that more than half the citizens in this country pay more in Social Security taxes than they do in income taxes," he said. "My plan would be a fiscally responsible tax cut for the middle class," Dukakis said. "And it won't increase the deficit one dime." Dukakis said anyone earning less than $82,000 a year, which is about 97 percent of all taxpayers, would get a tax break from the lower Social Security rate.

Dukakis said his meeting with Clinton is not going to focus on his flat tax plan, unless Clinton brings it up.

So does Dukakis have any election advice for Clinton? "He's doing an excellent job, just excellent. And since I lost [to George Bush] and he won, I won't be in the business of giving him advice on that subject."

Energy Panel Chairman Sets Sights on Power Deregulation

Soon, perhaps within weeks, Rep. Dan Schaefer, R-Colo., will introduce complex legislation to deregulate one of the last bastions of regulated monopoly in the United States: electricity.

Schaefer, the chairman of the House Commerce Subcommittee on Energy and Power, promises the bill will be big, akin to the sweeping measures deregulating natural gas and telecommunications. "Electricity is the last great monopoly service in this country," he says.

Judging from the reaction of industry groups, the congressman is being taken seriously. Before the bill is even completed, lobbyists for utilities, potential electric generators and consumers are lining up to have their say.

Consumer groups fear that deregulation will work to the advantage of big business, leaving smaller customers to pay more. Competing power generators, they warn, will slash costs to big users and make up those costs by raising the rates of small businesses and homeowners. For their part, utilities fear that the billions of dollars they have invested in power plants and electric lines will be difficult to recoup as customers move to new competitors.

The bill is expected to address some of those concerns. Parts of the electric industry would remain a monopoly, regulated by the existing Federal Energy Regulatory Commission. Rather than building new power lines, for instance, new entrants into the field would pay a toll to the big utilities to use the existing lines.

But power generation would be opened to competition, giving consumers broader choices about where to buy their power and how they would like it generated.

"This is going to be big," said a House staffer familiar with the legislation.

Quick Insights

• Translated for City Folks

Rep. Wayne T. Gilchrest, R-Md., who represents the rural Eastern Shore, yesterday resorted to a down-home simile to describe the cost-cutting efforts of colleague Jim Traficant, D-Ohio, during a Transportation Committee session on courthouse construction. "Mr. Traficant has been on this like a fly on a manure pile," Gilchrest declared. When other committee members began laughing, Gilchrest hastily explained that he meant to compliment Traficant's diligence.

• Next Target: Apple Pie

With Mother's Day approaching, Rep. Pat Schroeder, D-Colo., yesterday offered a suggestion to her GOP colleagues: "Maybe they cannot stop Republicans from fighting with Republicans on their side, but could they at least get them to stop attacking each other's mother?" On Sunday's "Meet the Press" show, Majority Leader Dick Armey, Texas, criticized Sen. Alfonse D'Amato, R-N.Y., for his attacks against Speaker Newt Gingrich, Ga., and the "Contract With America." "His mom apparently didn't teach him not to bite the hand that feeds him," Armey said.

— by Karen Foerstel and Chuck McCutcheon, with David Hosansky, Richard Sammon and Jonathan Weisman.

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approved bill would authorize about $267 billion for fiscal 1997 defense programs, $13 billion more than President Clinton requested.

At least three lawmakers wanted to offer amendments to cut total defense spending. One, proposed by Republicans Scott Klug, Wis., and Mark Foley, Fla., would have cut $2.3 billion, keeping defense spending frozen at last year's level.

Two others, offered by Democrats Patricia Schroeder, Colo., and Sheila Jackson-Lee, Texas, would have cut $13 billion and $6 billion respectively.

Rules Committee Chairman Gerald B.H. Solomon, R-N.Y., said that because the congressional budget resolution is expected on the floor immediately following consideration of the defense bill next week, he wanted members to direct their amendments to that.

But when questioned, Solomon said that an up-or-down vote on the level of defense spending would not occur on either the defense bill or the budget measure.

Foley said he was disappointed that he had been shut out of the debate. But both he and Klug were reluctant to say they would vote against the rule — and against their leadership.

ECONOMIC AFFAIRS

WAYS AND MEANS VOTES TO REPEAL 4.3-CENT GASOLINE TAX

The House Ways and Means Committee yesterday approved, 23-12, Republican-backed legislation to repeal, until the end of the year, the 4.3-cents-per-gallon federal gasoline tax hike enacted in 1993. The repeal also affects diesel and aviation fuel.

The vote was on party lines with just two exceptions — Democrats Gerald D. Kleczka, Wis., and Michael R. McNulty, N.Y., joined the Republicans in voting for it.

The draft bill now travels to the Appropriations and Commerce committees, which have jurisdiction over two offsets expected to generate $2.5 billion to make up for the federal monies lost by repealing the tax.

They include auctioning off part of the airwaves spectrum and cutting millions from Energy Department salaries and expenses from fiscal 1997 through fiscal 2002.

The Ways and Means markup took a highly partisan tone from the start. Chairman Bill Archer, R-Texas, said that President Clinton erred when proposing the tax and others.

"He did raise taxes too much, and we can help him by beginning to roll back those tax increases, starting with the gas tax," Archer said.

But the panel's ranking Democrat, Sam M. Gibbons, Fla., pronounced t[he] bill "political pandering as bad as I ha[ve] ever seen it." Gibbons said that tax[es] were not too high in America, compar[ed] with those of the other top 25 industri[al]ized nations.

Democrats offered a half-doz[en] amendments, but all were rejected.

The panel defeated, 15-21, a bid [by] Charles B. Rangel, D-N.Y., to specify th[at] oil companies would have to pass t[he] tax cut along to consumers. It rejecte[d], 8-24, an amendment by Robert T. Ma[t]sui, D-Calif., to make the repeal perm[a]nent, rather than only through t[he] remainder of this year.

And it defeated, 14-21, an amen[d]ment by Kleczka that would ha[ve] required the release of a report o[n] how the repeal affected gas pric[es] Nov. 1, right before the presidenti[al] election.

Democrats withdrew several oth[er] amendments, including one to entire[ly] repeal the gas tax and one to retain t[he] tax but dedicate its revenues to t[he] Highway Trust Fund instead.

LABOR

HOUSE GOP REJECTS RESOLUTION OPPOSING A WAGE INCREASE

House Majority Leader Dick Arme[y], Texas, said yesterday the idea of attachin[g] a minimum wage increase to a bill ove[r]hauling welfare is dead. Instead, he sai[d] leaders are drafting a small-business pac[k]age to serve as the vehicle for a wage hik[e].

"It didn't sell," Armey said of the we[l]fare strategy.

In a meeting of the House Republ[i]can Conference, members discussed [a] variety of tax breaks that could b[e] offered to offset the added labor cos[ts] incurred by small businesses if the mi[n]imum wage is increased.

Christopher Shays, R-Conn., la[st] night said Republican leaders had tol[d] him the package would be voted o[n] within two weeks.

Among the proposals are cuts i[n] capital gains and inheritance taxe[s], reworking rules for compensatory tim[e] and adjusting the level at which tip[s] would have to be reported as income.

"The idea is to attach a comparabl[e] tax relief package," said W.J. "Billy" Tauzin, La. "The concept is gainin[g] momentum."

At the meeting, Republicans als[o] rejected a request by Sam Johnso[n], Texas, to take up a resolution declarin[g] conference opposition to a highe[r] wage.

The resolution, which will now b[e] referred to the Republican Policy Com[]mittee, also stated that if an increase i[s] brought to the floor, it should be offere[d] as a clean bill, not attached to any othe[r]

Incumbents Have Easier Time in '96

Voters are treating House incumbents more kindly than they did two years ago. At least that's the case in the nine states that have already held primary elections.

In those nine states, which elect 177 members of the House, fewer incumbents have faced primaries, and fewer of them have faced dangerous primary challenges than in 1994.

This year, in the first nine primaries — in Maryland, Mississippi, Texas, Illinois, Ohio, California, Pennsylvania, Indiana and North Carolina — only one incumbent has been defeated (Greg Laughlin, R-Texas), and only four other incumbents have been held to less than 60 percent of the vote.

In those same nine states two years ago, two incumbents were defeated and 11 squeaked past intraparty opponents with vote margins of less than 60 percent.

This year, only 52 of the 158 incumbents (33 percent) seeking re-election in the nine states have had intraparty challenges, usually facing just one opponent. In 1994, 70 out of 161 incumbents (43 percent) seeking re-election in the nine states had primary challenges.

This year, the 22 Democratic incumbents have won renomination with an average percentage of almost 80 percent. The 30 GOP incumbents have captured an average of 75 percent of the vote.

In addition to Laughlin, the incumbents who had the closest primary battles were three Republicans and one Democrat — Jay C. Kim, R-Calif. (58 percent in a two-way race); Bob Filner, D-Calif. (54.3 percent in a two-way race); Joseph M. McDade, R-Pa. (53.3 percent in a two-way race); and Bill Goodling, R-Pa. (54.9 percent in a two-way race).

In 1994, Craig Washington, D-Texas, and Lucien E. Blackwell, D-Pa., lost primary elections. Other incumbents who narrowly survived primary challenges included Illinois Democrats Mel Reynolds and Dan Rostenkowski and California Republicans Kim and Ken Calvert.

package.

"That's good news," Jack Quinn, N.Y., a supporter of a wage increase, said of the rejection of Johnson's resolution. "It means we've got support in the conference." Quinn said he is continuing to speak with leaders in hopes of getting a clean vote on an increase.

DEFENSE

PANEL APPROVES REORGANIZATION OF INTELLIGENCE APPARATUS

The House Select Intelligence Committee yesterday approved by voice vote a bill to restructure the nation's intelligence apparatus but in a far less substantial way than proposed earlier.

The legislation (HR 3237) is expected on the House floor next week, in combination with a fiscal 1997 intelligence authorization measure (HR 3259) that the panel approved Tuesday.

The reorganization bill aims to promote greater cooperation within the U.S. intelligence community, which is now housed in several different departments, including Defense, Justice, Energy, the FBI and the CIA.

It would put the director of Central Intelligence, currently John M. Deutch, officially in charge of U.S. intelligence activities and give him greater leeway to transfer money from all intelligence accounts, including those outside the CIA.

But the bill was substantially toned down by a substitute amendment the committee approved 6-3 yesterday. Sponsored by Chairman Larry Combest, R-Texas, the amendment removed most of the major structural changes from the bill, opting instead for studies on consolidating agencies and offices.

Plans for a separate Clandestine Service, Technical Collection Agency and Technological Development Office were dropped, largely because of opposition from the intelligence and defense communities.

Still, panel Democrats objected that the committee was not considering the Clinton administration's concerns. "We're changing here very fundamental relationships between the Department of Defense and the director of Central Intelligence, which is going to cause problems," said ranking Democrat Norm Dicks, Wash.

Combest agreed to hold hearings on the bill before it goes to conference committee. But he argued it was important to bring the bill to the floor in conjunction with the authorization measure so the House would "have a bite of this apple" when the legislation goes to conference.

Two weeks ago, the Senate Intelligence Committee approved a measure (S 1718) that reportedly authorized $30 billion for intelligence activities in fiscal 1997 and gave the director of Central Intelligence far greater latitude than the House bill did to reorganize the intelligence-gathering activities of several executive branch departments.

LAW/JUDICIARY

CLINTON JUDICIAL NOMINEE UNDER REPUBLICAN FIRE WITHDRAWS

His credentials under fire and his nomination becoming a political albatross for President Clinton, Florida lawyer Charles "Bud" Stack yesterday withdrew from consideration for a seat on the 11th U.S. Circuit Court of Appeals.

Chairman Orrin G. Hatch, R-Utah, announced Stack's decision as the Senate Judiciary Committee assembled to vote on his nomination and that of William Fletcher, nominated to fill a vacancy on the 9th U.S. Circuit Court of Appeals.

The panel then put off a vote on Fletcher amid a disagreement over whether he could serve on the same court as his mother, Betty B. Fletcher, who is currently a member of the 9th Circuit.

Republicans had questioned Stack's qualifications and asserted he was being rewarded for his Democratic fundraising activities, not his legal abilities. The White House had stood by the nomination, noting that Stack won a "qualified" rating from the American Bar Association. But, as the meeting began, Hatch announced that Stack had asked President Clinton to withdraw the nomination.

The dispute over Fletcher involves a once-obscure federal anti-nepotism law; some senators believe that law prohibits two close relatives from serving on the same bench. The administration disagrees, saying the law is only meant to block judges from hiring relatives for court jobs. Some Democrats see an attempt by conservatives to force the elder Fletcher, who has a reputation as a liberal, off the bench.

Hatch said he had agreed to move on the nomination after Betty Fletcher contacted him and agreed to become a semi-retired "senior status" judge when her son is confirmed. But that was not good enough for Strom Thurmond, R-S.C., who noted that judges with senior status still hear cases. Jon Kyl, R-Ariz, had similar doubts and asked senators to delay the vote one week to examine the law more closely.

GOVERNMENT OPERATIONS

CLINTON CITES PRIVILEGE, PANEL CITES THREE AIDES FOR CONTEMPT

President Clinton invoked executive privilege yesterday and refused to give Congress additional documents related to the White House Travel Office imbroglio.

The House Government Reform and Oversight Committee then voted, 27-19, along party lines, to seek contempt of Congress charges against the presidential counsel and two former White House aides.

The draft resolution directs Speaker Newt Gingrich, Ga., to ask federal prosecutors to seek criminal contempt citations against presidential counsel Jack Quinn and former White House aides David Watkins and Matthew Moore.

The action is part of the panel's

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investigation of the 1993 firing of seven White House Travel Office employees. Chairman William F. Clinger, R-Pa., had subpoenaed the administration in January for tens of thousands of documents he believes will shed light on who fired the employees and why.

In proceedings rife with partisan rancor, Democrats accused Republicans of acting to bolster the presidential prospects of Senate Majority Leader Bob Dole, Kan. Democrats said the White House has readily complied with the subpoenas by supplying about 40,000 documents and by making many executive branch officials available for testimony and depositions.

"We shouldn't accuse people of crimes without hearing what they have to say," said Henry A. Waxman, D-Calif. He lost, 16-26 on party lines, on his proposal to require the committee hold a public hearing before voting on a contempt resolution.

Clinger has promised to wait a while before bringing the contempt resolution to the House floor to give the White House a last chance to comply.

Contempt of Congress carries a $1,000 fine and up to a year in prison. More to the point, it can create a constitutional showdown between the executive and legislative branches that the Supreme Court must referee.

TRANSPORTATION

PANEL VOTES TO REAUTHORIZE TRANSPORTATION SAFETY BOARD

The House Transportation and Infrastructure Committee yesterday approved, by voice vote, a bill (HR 3129) to reauthorize the National Transportation Safety Board (NTSB) through fiscal 1999.

NTSB, an independent agency, investigates and determines the cause of fatal accidents involving all modes of transportation.

Approval came after the panel rejected, 26-27, a Democratic amendment that would have increased funding levels. The bill, as amended by an amendment proposed by Chairman Bud Shuster, R-Pa., would authorize $40.3 million in fiscal 1997, $42.4 million in 1998 and $44.5 million in 1999.

The Democratic amendment, by James L. Oberstar, D-Minn., would have increased authorized funding by $5.2 billion over three years to hire additional employees.

The measure also would extend the board chairman's term from two years to four and exempt some of the board's investigations from public records laws.

TRADE

HOUSE SUBCOMMITTEE APPROVES MFN STATUS FOR ROMANIA

The House Ways and Means Trade Subcommittee yesterday approved, by voice vote, a bill that would permanently extend Most Favored Nation (MFN) trading status to Romania.

The measure (HR 3161) would give Romanian goods the same favorable tariff treatment most nations enjoy. Generally only renegade nations, such as North Korea, are denied MFN status.

Romania, whose Communist government fell in 1989, has had MFN status through a bilateral trade agreement since 1993, but that status has to be renewed periodically. The bill would allow the president to make that status permanent.

POLITICS

FROST PREDICTS DEMOCRATS WILL TAKEOVER HOUSE AGAIN IN 1996

Rep. Martin Frost of Texas, the chairman of the House Democratic Congressional Campaign Committee (DCCC), predicted Democrats would easily regain control of the House in November.

If Democrats could hold even in the South, Frost told a reporters' group at the National Press Club, "We'll pick up enough in the Northeast, Midwest and West to more than make up the 20-seat deficit."

In the South, Frost said Democrats are eyeing "several" seats in Georgia, Kentucky and Tennessee as well as two GOP seats in North Carolina — those of David Funderburk and Fred Heineman. He said Democrats should be able regain the seat held by party-switcher Jimmy Hayes, R-La., and two seats in Texas lost in 1994 — those of Steve Stockman, R, and Greg Laughlin, R, who switched after being elected as a Democrat.

"The South is older and poorer," Frost said. And after "experimenting" with Republicans in 1994, "they are moving back in our direction," he said.

Frost said Democrats will do best in the Northeast, "where several seats are in play, including some that were not three months ago." He also expressed confidence for pickups in California and in Washington state, where Democrats lost seats in 1994.

Frost said the DCCC will "max out" financing on 120 close races, 60 of them for Republican-held seats and 60 for Democratic seats. Over $5 million was raised in the first quarter of the year, a DCCC record, Frost said.

The presidential election will "dominate and nationalize" the House races to an extent, Frost said. But, he added, Democratic leaders are drafting a broad, "center-based" agenda due out in a few weeks intended to unite Democratic candidates. He said it includes "realistic" goals, such as moderate changes in health policy and campaign finance overhaul. "It's nc a 'contract,' it's just an agenda," he said.

CONGRESS

HOUSE ETHICS PANEL DISMISSES CHARGES AGAINST TWO MEMBERS

The House Ethics Committee yester day announced that it has dismissed : pair of ethics complaints.

One was filed against Minority Whi David E. Bonior, Mich., by the Landmar Legal Foundation. It charged that Bonio violated nepotism rules by transferrin Judy Briggs to his personal staff and givin her a raise soon before they were married.

The other complaint had been file against Rules Chairman Gerald B.H Solomon, R-N.Y., by New York Stat Assemblyman Richard Brodsky, D, wh alleged that Solomon had threatened retali ation if Brodsky did not cease his investiga tion of a controversial environmenta cleanup deal. Solomon's letter said, in part "As chairman of the Rules Committee, could easily retaliate by involving myself ir the activities of your Assembly District."

While the ethics panel said that i believed Solomon's statement that he dic not intend to retaliate, the panel warne Solomon in a letter that "a reader of you letter to Mr. Brodsky could form the impression that you did intend to retaliate against him in some way." The panel wrote to urge Solomon to "avoid even the appearance of impropriety ... in the language used on official letterhead." ■

Not As Scheduled

A House Banking subcommittee yesterday postponed its session to consider President Clinton's fiscal 1997 request for U.S. contributions to four international financial institutions. The subcommittee had planned to consider the Clinton request and then mark up its own legislation. The markup has not been rescheduled.

Negotiations between Michael N. Castle, R-Del., chairman of the Domestic and International Monetary Policy Subcommittee, and ranking Democrat Floyd H. Flake, N.Y., apparently broke down at the last minute, according to a Republican staffer.

The president's proposal asks Congress to provide $550 million for the International Development Association, an arm of the World Bank that provides funding for the world's least developed nations. The United States is $935 million behind in payments to the association. Some Republicans are concerned about whether the United States should participate in development banks if it cannot afford to pay its full assessments.

Committee Leadership, 104th Congress

Senate

Committee	Chairman*	Ranking Democrats
Aging	William S. Cohen, Maine	David Pryor, Ark.
Agriculture, Nutrition and Forestry	Richard G. Lugar, Ind.	Patrick J. Leahy, Vt.
Appropriations	Mark O. Hatfield, Ore.	Robert C. Byrd, W.Va.
Armed Services	Strom Thurmond, S.C.	Sam Nunn, Ga.
Banking, Housing and Urban Affairs	Alfonse M. D'Amato, N.Y.	Paul S. Sarbanes, Md.
Budget	Pete V. Domenici, N.M.	Jim Exon, Neb.
Commerce, Science, and Transportation	Larry Pressler, S.D.	Ernest F. Hollings, S.C.
Energy and Natural Resources	Frank H. Murkowski, Alaska	J. Bennett Johnston, La.
Environment and Public Works	John H. Chafee, R.I.	Max Baucus, Mont.
Ethics	Mitch McConnell, Ky.	Byron L. Dorgan, N.D.
Finance	William V. Roth Jr., Del.	Daniel Patrick Moynihan, N.Y.
Foreign Relations	Jesse Helms, N.C.	Claiborne Pell, R.I.
Governmental Affairs	Ted Stevens, Alaska	John Glenn, Ohio
Indian Affairs	John McCain, Ariz.	Daniel K. Inouye, Hawaii
Intelligence	Arlen Specter, Pa.	Bob Kerrey, Neb.
Judiciary	Orrin G. Hatch, Utah	Joseph R. Biden Jr., Del.
Labor and Human Resources	Nancy Landon Kassebaum, Kan.	Edward M. Kennedy, Mass.
Rules and Administration	John W. Warner, Va.	Wendell H. Ford, Ky.
Small Business	Christopher S. Bond, Mo.	Dale Bumpers, Ark.
Veterans' Affairs	Alan K. Simpson, Wyo.	John D. Rockefeller IV, W.Va.

House

Committee	Chairman*	Ranking Democrats
Agriculture	Pat Roberts, Kan.	E. "Kika" de la Garza, Texas
Appropriations	Robert L. Livingston, La. (acting)	David R. Obey, Wis.
Banking and Financial Services	Jim Leach, Iowa	Henry B. Gonzalez, Texas
Budget	John R. Kasich, Ohio	Martin Olav Sabo, Minn.
Commerce	Thomas J. Bliley Jr., Va.	John D. Dingell, Mich.
Economic and Educational Opportunities	Bill Goodling, Pa.	William L. Clay, Mo.
Government Reform and Oversight	William F. Clinger, Pa.	Cardiss Collins, Ill.
House Oversight	Bill Thomas, Calif.	Vic Fazio, Calif.
Intelligence	Larry Combest, Texas	Norm Dicks, Wash.
International Relations	Benjamin A. Gilman, N.Y.	Lee H. Hamilton, Ind.
Judiciary	Henry J. Hyde, Ill.	John Conyers Jr., Mich.
National Security	Floyd D. Spence, S.C.	Ronald V. Dellums, Calif.
Resources	Don Young, Alaska	George Miller, Calif.
Rules	Gerald B.H. Solomon, N.Y.	Joe Moakley, Mass.
Science	Robert S. Walker, Pa.	George E. Brown Jr., Calif.
Small Business	Jan Meyers, Kan.	John J. LaFalce, N.Y.
Standards of Official Conduct	Nancy L. Johnson, Conn.	Jim McDermott, Wash.
Transportation and Infrastructure	Bud Shuster, Pa.	James L. Oberstar, Minn.
Veterans' Affairs	Bob Stump, Ariz.	G.V. "Sonny" Montgomery, Miss.
Ways and Means	Bill Archer, Texas	Sam M. Gibbons, Fla.

*All committee chairmen are Republicans

SENATE Committee Meetings
SCHEDULED TODAY

Governmental Affairs 224-4751

FULL COMMITTEE MARKUP
GAMBLING COMMISSION

Senate Governmental Affairs Committee (Chairman Stevens, R-Alaska) will mark up legislation that would create a Gambling Impact Study Commission.

10am SD-342 Dirksen Bldg. **May 10**
Agenda:
S 704 - A bill to establish the Gambling Impact Study Commission.

Select Intelligence 224-1700

PENDING INTELLIGENCE MATTERS ★

Senate Select Intelligence Committee (Chairman Specter, R-Pa.) will hold a meeting to consider pending intelligence matters.

10am SH-219 Hart Bldg. **May 10 CLOSED**

Small Business 224-5175

SBIC REVISIONS ■

Senate Small Business Committee (Chairman Bond, R-Mo.) will hold a hearing on revising and overhauling the legislation that regulates the operations of small business investment companies (SBICs).

9:30am SR-428A Russell Bldg. **May 10**
Witnesses scheduled: Patricia R. Forbes - acting associate deputy administrator for economic development, Small Business Administration; Harvey L. Granat - president, Sterling Commercial Capital; Terry L. Jones - president, SYNCOM Capital Corp.; C. "Walter" Dick - vice president, Pioneer Capital Corp., and general partner, Pioneer Ventures

HOUSE Committee Meetings
SCHEDULED TODAY

Appropriations 225-2771

FY97 VA/HUD/INDEPENDENT AGENCIES APPROPRIATIONS ■

Veterans Affairs, Housing and Urban Development and Independent Agencies Subcommittee (Chairman Lewis, R-Calif.) of House Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.

9am H-143 Capitol Bldg. **May 10**
Agenda & witnesses scheduled:
Public witnesses
Henry Fernandez - president and CEO, Association of University Programs in Health Administration; Nancy Garland - director of government affairs, American Physical Therapy Association; Harold Pincus - deputy medical director, American Psychiatric Association; Joe Barnes - National Executive Secretary, Fleet Reserve Association; Vernon Schramm - member, Federation of American Societies for Experimental Biology; Carroll Williams - The American Legion; Kristin Siglin - director, Policy, Development and Research, The Enterprise Foundation; Paul Grogan - president, Local Initiatives Support Corp.; Ray Woolsey - volunteer, American Heart Association; William Polf - deputy vice president, Columbia University; Glenn Grant - administrator, City of Newark; Stacy Palmer - Gainesville; Aimee Berenson - Legislative Council, AIDS Action Council; Nan Roman - vice president, National Alliance to End Homelessness; Barbara Thompson - director of policy and government affairs - National Council of State Housing Agencies; Tom Slemmer - National Church Residences, American Association of Homes and Services for the Aging; Walter Farr - executive director, National Center for Lead-Safe Housing; Walter Weddale - housing director, Fairfax, Va., The U.S. Conference of Mayors; David Applegate - director of government affairs, American Geological Institute; Stephen Gordon - director of water and sewage, City of Detroit, American Water Works Association; Raymond Campion - president, National Urban Air Toxics Research Center; Robert Martin - executive director, American Water Works Association Research Foundation; Bill Frank - chairman, Northwest Indian Fisheries Commission; Vanessa Leiby - executive director, Association of State Drinking Water Administrators; John Hall - president, National Utility Contractors Association; Fred Weingarten - executive director, Computing Research Association; Kenneth Beam - executive director, American Society of Plant Physiologists; Richard Herman - chair, Joint Policy Board for Mathematics; Michael Reischman - chairman, NSF Task Force, American Society of Mechanical Engineers; Patricia Kobor - director of science policy, American Psychological Association; Dianna Weigmann - Coalition of Epscor States; Carl Poppe - associate provost, University of California; Brian Rushton - past president, American Chemical Society; William Destler - dean of engineering, University of Maryland, College Park, National Society of Professional Engineers; Howard Silver - executive director, Consortium of Social Science Associations; Susan Paris - Americans for Medical Progress; Robert Hoffman - neurologist, People for the Ethical Treatment of Animals; Timothy McElwee - director, Church of the Brethren Washington Office; Philip Borkholder - executive director, National Interreligious Service Board for Conscientious Objectors; Michael Hovey - program director, Pax Christi USA; Raymond Boland - secretary, Wisconsin VA, Wisconsin Department of Veterans Affairs; Gordon Cavanaugh - Council of Large Public Housing Authorities; Liza Bowles - president, NAHB Research Center; Brad Iarossi - legislative chairman, Association of Dam Safety Officials, Inc.; James Swenberg - director of curriculum and toxicology, UNC, Chapel Hill, Society of Toxicology; Albert Gray - manager of legislative affairs, Water Environment Federation; Tom Horn - California Rural Water Association; Fran DuMelle - deputy managing director, American Lung Association; David Isbell - chair of advisory committee, Veterans Consortium Pro Bono Program; Lucretia Paschall - member, Legislative Council, American Association of Retired Persons; Julius Ciaccia - commissioner of water, Cleveland, Association of Metropolitan Water Agencies; William Thilly - director, Center for Environmental Health Sciences, MIT; David Johnson - executive director, Federation of Behavioral, Psychological and Cognitive Sciences; Richard Gentry - president, National Association of Housing and Redevelopment Officials; Brian Folkerts, National Food Processors Association; Nancy Rawding - executive director, National Association of County and City Health Officials; Felice Levine - executive officer, American Sociological Association; Michael Gaugh - director of risk assessment studies, CATO Institute; Alan Kraut - executive director, American Psychological Society; Russell Mank - VFW; Rich Shulz - PVA; Jim Magill - DMV; Bob Carboneau - Amvets; John Annaloro - senior vice president, California Credit Union League; Cornelius Pings - president, Association of American Universities; Douglas MacDonald - executive director, Massachusetts Water Resources Authority; Fernando Trevino - executive director, American Public Health Association; Bernie Kahn - executive director, Hebrew Academy for Special Children; Vanessa Leiby - executive director, Association of State Drinking Water Administrators; Richard Begay - executive staff assistant to the president, Navajo Nation

Government Reform & Oversight 225-5074

GSA OVERSIGHT

Government Management, Information and Technology Subcommittee (Chairman Horn, R-Calif.) of House Government Reform and Oversight Committee will hold an oversight hearing on the General Services Administration (GSA).

9:30am 311 Cannon Bldg. **May 10**
Witnesses scheduled: David Barram - administrator, General Services Administration (GSA); Robert Peck - commissioner, Public Buildings Service, GSA; Frank Pugliese - commissioner, Federal Supply Service, GSA; Marty Waggoner - associate administrator, Office of Policy, Planning and Evaluation, GSA

FDA CENTER FOR VETERINARY MEDICINE

Human Resources and Intergovernmental Relations Subcommittee (Chairman Shays, R-Conn.) of House Government Reform and Oversight Committee will hold a hearing on the Center for Veterinary Medicine as part of a series of hearings to examine the Food and Drug Administration.

10am 2247 Rayburn Bldg. **May 10**
Witnesses scheduled:
PANEL:
Michael Friedman - deputy commissioner, Food and Drug Administration; Stephen Sundlof - director, Center for Veterinary Medicine; Fred Shank - director, Center for Food Safety and Applied Nutrition
PANEL:
Lester Crawford - Association of American Veterinary Medical Colleges; Frederick Murphy - School of Veterinary Medicine, University of California; Robert Hahn - Public Voice for Food and Health Policy; Gary Weber - National Cattleman's Beef Association
PANEL:
Sherbyn Ostrich - American Veterinary Medical Association; John Weiser - Pharmacia and Upjohn

★ *New Listing* ■ *Revised Listing*

NewsEvents

SCHEDULED TODAY

STATE LEGISLATURES CONFERENCE
The National Conference of State Legislatures holds its spring meeting. Second of three days.
7:30am Hyatt Regency Washington, 400 New Jersey Ave. NW **May 10**
Contact: 202-624-5400, or the hotel, 202-737-1234
Highlight
8:30am approx.: Rep. Michael Castle, R-Del., delivers breakfast remarks on welfare reform
9am approx.: Sen. Ted Stevens, R-Alaska, delivers breakfast remarks on the Tenth Amendment Enforcement Act

MISSILE DEFENSE
Coalition to Reduce Nuclear Dangers will sponsor a briefing on proposals to deploy a new missile defense system.
8:30am National Press Club, 529 14th St. N.W. **May 10**
Contact: Melinda Lamont Havers at 202-223-5956

BANKS/THRIFT/LAW CONFERENCE
The American Bar Association and the Center for Continuing Legal Education hold a conference, "Critical Emerging Legal Issues for Banks and Thrifts: A Midyear Review." Second and final day.
8:45am Madison Hotel, 15th and M streets NW **May 10**
Contact: Maureen Collins, 202-662-1091, or the hotel, 202-862-1600
Highlights
8:45am: Rep. Bill McCollum, R-Fla., delivers remarks

ECONOMIC/GLOBAL CONFERENCE
The International Forum on Globalization and Public Citizen hold a conference to discuss the social, ecological, cultural and political costs of economic globalization. First of three days.
9am George Washington University, 21st and H Street NW, Lisner Auditorium (unless otherwise indicated) **May 10**
Contact: Chris McGinn, 202-546-4996 or Karen Sibert, 202-994-9023
Highlight
9am: House Minority Whip David Bonior, D-Mich., delivers opening remarks. Dirksen Building, Room G-50
11:15am: Sen. Paul Wellstone, D-Minn., delivers remarks. Dirksen Building, Room G-50

WHITE HOUSE ACCOUNTABILITY NEWS CONFERENCE
Rep. John Mica, R-Fla., holds a news conference to discuss the Presidential and Executive Office Accountability Act, which he will introduce on Friday. The Act is similar to the Congressional Accountability Act. **May 10**
9:35am 2154 Rayburn Bldg.
Contact: Garry Ewing, 202-225-6427

WELFARE NEWS CONFERENCE
Rep. E.Clay Shaw, R-Fla., holds a news conference to discuss welfare reform.
10am Capitol, House Radio/TV Gallery **May 10**
Contact: Dave Manns, 202-225-3026

MEDICAL RECORDS PRIVACY
A group of organizations including the American Civil Liberties Union, Consumer Project on Technology, Coalition for Patient Rights and others will sponsor a workshop on medical records privacy. The Senate is currently considering legislation (S 1360) that would pre-empt most state laws on health care privacy and create a new federal system to regulate access to medical records.
10am Carnegie Institution, 1530 P. St. N.W. **May 10**
Contact: 202-544-1681

SEN. DASCHLE NEWS CONFERENCE
Senate Minority Leader Thomas Daschle, D-S.D., holds his regular news conference.
11am S-224 Capitol Bldg. **May 10**
Contact: 202-224-2939

WOMEN PRISONERS' BILL
A consortium of local organizations holds a rally in support of legislation designed to promote alternatives to incarceration for women convicted of non-violent offenses with minor children.
11am John Wilson Building, 1350 Pennsylvania Ave. NW, front steps **May 10**
Contact: Ron Yarborough, 301-270-6141

PATIENT CARE CONCERNS
Nurses March on Washington will sponsor an event to urge Congress to set legal limits for the number of patients each nurse can care for and make sure that hospitals do not fire nurses for telling patients that care is inadequate.
Noon Capitol Bldg. West Front **May 10**
Contact: Nancy Bennett at 301-320-2276
Highlights
Noon: Reps. Major Owens, D-N.Y., Greg Ganske, R- Iowa, and John Fox,R-Pa., deliver remarks at a rally for safety, security and quality in health care. Outside the Capitol, West Front

U.S.-CUBA REATIONS
American Enterprise Institute will sponsor a Friday Forum to hear Mark Falcoff discuss "What's Next for U.S. Cuban Relations."
12:30am Wohlstetter Conference Center, 12th Floor, 1150 17th St. N.W. **May 10**
Contact: 202-862-5800

SENATE FutureListings

Agriculture, Nutrition & Forestry 224-2035

FUTURES TRADING LAWS
Senate Agriculture, Nutrition and Forestry Committee (Chairman Lugar, R-Ind.) will hold hearings on futures trading laws.
9:30am SR-328A Russell Bldg. **May 15, June 5**
May 15 How the Commodities Futures Tranding Commission oversees markets in times of volatile prices and tight supplies
June 5 Proposals to revise the Commodity Exchange Act

FOOD SAFETY
Senate Agriculture, Nutrition and Forestry Committee (Chairman Lugar, R-Ind.) will hold a hearing on the Food Quality Protection Act.
9:30am SR-328A Russell Bldg. **May 22**

AGRIBUSINESS REPORT
Research, Nutrition and General Legislation Subcommittee (Chairman McConnell, R-Ky.) of Senate Agriculture, Nutrition and Forestry Committee will hold a hearing on a report by the USDA advisory committee on whether agribusiness ownership concentration exists and on other matters relevant to the livestock industry.
9:30am SR-332 Russell Bldg. **June 18**

Appropriations 224-347

FY97 DEFENSE APPROPRIATIONS
Defense Subcommittee (Chairman Stevens, R-Alaska) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.
9:30am SD-192 Dirksen Bldg. **May 15, 22, June 5, 12**
2pm SD-192 Dirksen Bldg. **June 13**
9:30am SD-192 Dirksen Bldg. **June 19**
9:30 SD-192 Dirksen Bldg. **June 19**
Time and room TBA **date TBA**
Agenda & witnesses scheduled:
May 15 JAST/COMANCHE Acquisition plans
May 22 Pacific Command
June 5 Defense Department medical programs
June 12 Defense Department Financial Management Issues
June 13 Outside witnesses
June 19 Defense Department Wrapup: William J. Perry - secretary of Defense
date TBA Intelligence Programs

FY97 INTERIOR APPROPRIATIONS
Interior Subcommittee (Chairman Gorton, R-Wash.) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.
9:30am SD-138 Dirksen Bldg. **May 15**
Agenda & witnesses scheduled:
Bruce Babbit - secretary of the Interior

SenateFutureMeetings

7 TREASURY, POSTAL VICE APPROPRIATIONS ■

...asury, Postal Service and General Government Subcommittee (Chairman Shelby, R-Ala.) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.

2pm SD-138 Dirksen Bldg. **May 15**

FY97 VA/HUD/INDEPENDENT AGENCIES APPROPRIATIONS

VA, HUD and Independent Agencies Subcommittee(Chairman Bond, R-Mo.) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.

2pm SD-192 Dirksen Bldg. **May 15**
9:30am SD-192 Dirksen Bldg. **May 17, 24**
Time TBA SD-192 Dirksen Bldg. **date TBA**

Agenda & witnesses scheduled:
May 15 National Aeronautics Space Administration(NASA)
May 17 Corporation for National & Community Service
May 24 Environmental Protection Agency (EPA)
date TBA National Science Foundation
date TBA Department of Housing & Urban Development

FY97 FOREIGN OPERATIONS APPROPRIATIONS

Foreign Operations Subcommittee (Chairman McConnell, R-Ky.) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.

...0am SD-106 Dirksen Bldg. **May 16**

Agenda & witnesses scheduled:
Aid for the Newly Independent States (NIS) of the former Soviet Union
Richard Morningstar - coordinator for U.S. assistance to the NIS, State Department; Tom Dine - assistant administrator, Europe the the NIS, Agency for International Development (AID)

FY97 TRANSPORTATION APPROPRIATIONS

Transportation Subcommittee (Chairman Hatfield, R-Ore.) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.

10am SD-192 Dirksen Bldg. **May 16**

Agenda & witnesses scheduled:
U.S. Coast Guard

FY97 COMMERCE/JUSTICE/STATE APPROPRIATIONS

Commerce, Justice, State and Judiciary Subcommittee (Chairman Gregg, R-N.H.) of Senate Appropriations Committee will hold hearings on FY97 appropriations for programs under its jurisdiction.

10am S-146 Capitol Bldg. **May 23**

Witnesses scheduled:
Warren Christopher - secretary of State

Armed Services 224-3871

...DING MILITARY NOMINATIONS

...ate Armed Services Committee (Chairman Thurmond, R-S.C.) will hold a closed hearing to consider pending military nominations.

2pm SR-222 Russell Bldg. **May 14**
CLOSED

Banking, Housing & Urban Affairs 224-7391

PUBLIC UTILITY HOLDING ACT REPEAL ★

Senate Banking, Housing and Urban Affairs Committee (Chairman D'Amato, R-N.Y.) will hold a hearing on pending legislation.

Time TBA SR-428A Russell Bldg. **date TBA**

Agenda:
S 1317 - A bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

Note:
This hearing was originally tentatively scheduled for May 10.

Commerce, Science & Transportation 224-5115

FAA & AIP REAUTHORIZATION

Senate Commerce, Science and Transportation Committee (Chairman Pressler, R-S.D.) will hold a hearing on reauthorization of the Federal Aviation Administration (FAA) and the Airport Improvement Program (AIP).

9:30am SR-253 Russell Bldg. **May 14**

COMMERCE SECRETARY NOMINATION

Senate Commerce, Science and Transportation Committee (Chairman Pressler, R-S.D.) will hold a hearing on the nomination of U.S. Trade Representative Mickey Kantor to be secretary of Commerce.

Time TBA SR-253 Russell Bldg. **date TBA**

Nominations: U.S. Trade Representative Mickey Kantor to be secretary of Commerce.

Note:
This hearing was originally scheduled for April 30.

Energy & Natural Resources 224-4971

CLASS ACTION LAWSUITS AT DOE FACILITIES

Oversight and Investigations Subcommittee(Chairman Thomas, R-Wyo.) of Senate Energy and Natural Resources Committee will hold a hearing on the management and costs of class action lawsuits at Department of Energy(DOE) facilities.

9:30am SD-366 Dirksen Bldg. **May 14**

FULL COMMITTEE MARKUP

Senate Energy and Natural Resources Committee(Chairman Murkowski, R-Alaska) will mark up pending legislation.

9:30am SD-366 Dirksen Bldg. **May 15**

Agenda:
S 391 - A bill to authorize and direct the secretaries of the Interior and Agriculture to undertake activities to halt and reverse the decline in forest health on federal lands, and for other purposes.

NATIONAL PARK TRAILS ★

Parks, Historic Preservation and Recreation Subcommittee (Chairman Campbell, R-Colo.) of Senate Energy and Natural Resources Committee will hold a hearing on pending legislation dealing with park trails.

9:30am SD-366 Dirksen Bldg. **May 16**

Agenda:
S 621 - A bill to amend the National Trails System Act to designate the Great Western Trail for potential addition to the National Trails System, and for other purposes.
HR 531 - A bill to designate the Great Western Scenic Trail as a study trail under the National Trails System Act, and for other purposes.
S 1049 - A bill to amend the National Trails Systems Act to designate the route from Selma to Montgomery as a National Historic Trail, and for other purposes.
S 1706 - A bill to increase the amount authorized to be appropriated for assistance for highway relocation with respect to the Chickamauga and Chattanooga National Military Park in Georgia, and for other purposes.
S 1725 - A bill to amend the National Trails System Act to create a third category of long-distance trails to be known as national discovery trails and to authorize the American Discovery Trail as the first national discovery trail, and for other purposes.

Environment & Public Works 224-6176

COMPARATIVE RISK ASSESSMENT

Senate Environment and Public Works Committee(Chairman Chafee, R-R.I.) will hold a hearing on comparative risk assessment.

Time and room TBA **date TBA**

Note:
This hearing was originally scheduled for March 19.

Foreign Relations 224-4651

SITUATION IN NIGERIA & U.S. POLICY

African Affairs Subcommittee (Chairman Kassebaum, R-Kan.) of Senate Foreign Relations Committee will hold a hearing on the economic and political situation in Nigeria and U.S. policy.

2pm SD-419 Dirksen Bldg. **May 15**

Witnesses scheduled:
PANEL:
Rep. Donald M. Payne, D-N.J.
PANEL:
George Moose - assistant secretary of State for african affairs
PANEL:
Gay McDougall - executive director, International Human Rights Law Group; Pauline Baker - president, Fund for Peace; Jean Herskovits - professor, State University of New York; David Miller - president, Corporate Council on Africa

Governmental Affairs 224-4751

RUSSIAN ORGANIZED CRIME

Permanent Investigations Subcommittee (Chairman Roth, R-Del.) of Senate Governmental Affairs Committee will hold a hearing on Russian organized crime in the United States.

9:30am SD-342 Dirksen Bldg. **May 15**

★ *New Listing* ■ *Revised Listing*

Senate Future Meetings

FULL COMMITTEE MARKUP
Senate Governmental Affairs Committee (Chairman Stevens, R-Alaska) will mark up pending legislation.
Time TBA SD-342 Dirksen Bldg. **date TBA**
Agenda:
S 88 - A bill to increase the overall economy and efficiency of government operations and enable more efficient use of federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain federal assistance programs in accordance with approved local flexibility plans.
HR 2739 - A bill to provide for a representational allowance for members of the House of Representatives, to make technical and conforming changes to sundry provisions of law in consequence of administrative reforms in the House of Representatives, and for other purposes.
S 1018 - A bill for the relief of Clarence P. Stewart.
S 94 - A bill to amend the Congressional Budget Act of 1974 to prohibit the consideration of retroactive tax increases.
S 1376 - A bill to terminate unnecessary and inequitable federal corporate subsidies.

Judiciary 224-5225

FALSE STATEMENTS STATUTE ■
Senate Judiciary Committee (Chairman Hatch, R-Utah) will hold a hearing on the recent ruling by the Supreme Court in Hubbard v. United States. In that case the court found that a statute that has been used to prosecute individuals accused of lying to Congress applies only to false statements made to executuive branch officials. The panel will assess the need for revision of the law.
10am SD-226 Dirksen Bldg. **May 14**

VIOLENCE AGAINST WOMEN
Senate Judiciary Committee (Chairman Hatch, R-Utah) will hold a hold a hearing on combating violence against women.
10am SD-226 Dirksen Bldg. **May 15**

FULL COMMITTEE MARKUP
Senate Judiciary Committee (Chairman Hatch, R-Utah) will mark up pending legislation.
10am SD-226 Dirksen Bldg. **May 23**

CHILD PORNOGRAPHY PREVENTION
Senate Judiciary Committee (Chairman Hatch, R-Utah) will hold a hearing on legislation aimed at preventing child pornography.
10am SD-226 Dirksen Bldg. **June 5**
Agenda:
S 1237 - A bill to amend certain provisions of law relating to child pornography

Labor & Human Resources 224-6770

AGING SOCIETY
Senate Labor and Human Resources Committee(Chairman Kassebaum, R-Kan.) will hold a hearing to examine challenges facing an aging society.
9am SD-430 Dirksen Bldg. **May 14**

Rules & Administration 224-6352

CAMPAIGN FINANCE REVISION ■
Senate Rules and Administration Committee(Chairman Warner, R-Virginia) will resume hearings on legislation that would overhaul campaign finance laws.
10am SR-301 Russell Bldg. **May 15**
Agenda:
S 1219 - A bill to reform the financing of federal elections, and for other purposes.
S 46 - A bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate primary and general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.
S 1528 - A bill to reform the financing of Senate campaigns, and for other purposes.
S 1389 - A bill to reform the financing of federal elections, and for other purposes.
Witnesses scheduled:
Paul Taylor - director, Free TV for Straight Talk Coalition; Benjamin Barber - professor, Political Science, Rutgers University; Greg Schmidt - vice president, LIN Television Corp.; Al Bramsstedt - general manager, KTUU-TV, Anchorage, Alaska; Jan Crawford - Jan Crawford Communications; Cameron DeVore - Davis, Wright & Tremaine, Seattle, Wash.; Henry Geller - attorney, Washington, D.C.

GOVERNMENT PRINTING OFFICE
Senate Rules and Administration Committee(Chairman Warner, R-Virginia) w hold a hearing on issues with regard to the (ernment Printing Office.
9:30am SR-301 Russell Bldg. **May 22**
Note: This hearing was originally scheduled f May 1.

Special Whitewater 224-7

WHITEWATER
Senate Special Whitewater Committee (Cha man D'Amato, R-N.Y.) will continue hearing an investment made in the late 1970s by Pre dent and Mrs. Clinton in the Whitewater lan development company. The investment is c rently the subject of an investigation.
10am SH-216 Hart Bldg. **date TBA**

Veterans' Affairs 224-9

VETERAN'S GROUPS LEGISLATIVE AGENDA
Joint Hearings
Senate Veterans' Affairs Committee (Chairn Simpson, R-Wyo.) and House Veterans' Affa Committee(Chairman Stump, R-Ariz.) will h joint hearings to receive legislative presenta tions from veterans service organizations.
9:30am 345 Cannon Bldg. **Sept. 17**
Agenda: American Legion

HOUSE Future Listings

Agriculture 225-2171

REVIEW OF FEDERALLY FUNDED AGRICULTURAL RESEARCH
Resource Conservation, Research and Forestry Subcommittee (Chairman Allard, R-Colo.) of House Agriculture Committee will hold hearing on federally funded agricultural research, education and extension programs.
9am 1300 Longworth Bldg. **May 14**
Time TBA 1300 Longworth Bldg. **date TBA**
Agenda:
May 14 Review of Intramural and Extramural Research Programs
date TBA How Information Obtained Through Federally Funded Research is Managed and Disseminated

NATIONAL CHEESE EXCHANGE TRADING PRACTICES & PROCEDURES
Livestock, Dairy and Poultry Subcommittee(Chairman Gunderson, R-Wis.) of House Agriculture Committee will hold oversight hearings on a recent report that raised questions about the trading practices and procedures of the National Cheese Exchange.
9:30am 1300 Longworth Bldg. **May 15, 16**

IMPACT OF CANADIAN AGRICULTURAL IMPORTS
Field Hearing
General Farm Commodities Subcommittee (Chairman Barrett, R-Neb.) of House Agricu ture Committee will hold field hearings to review the impact of agricultural imports fr Canada.
9am Coeur D'Alene, Idaho **May 18**
8:30am Bend, Oregon **May 20**

FOOD INSPECTION POLICY REVIEW
Livestock, Dairy and Poultry Subcommittee(Chairman Gunderson, R-Wis of House Agriculture Committee will hold h ings on various aspects of inspection of foo
9am 1300 Longworth Bldg. **May 22, Jun**
Time TBA 1300 Longworth Bldg. **date T**
Agenda & witnesses scheduled:
May 22
Review of Seafood Inspection
NOTE: This session was originally scheduled May 9.
June 6
State meat and poultry inspection
date TBA
Oversight of HACCP/Pathogen Reduction reg tory initiatives

HouseFutureMeetings

TRADE OPPORTUNITIES: PACIFIC RIM ★
House Agriculture Committee (Chairman Roberts, R-Kan.) will hold a hearing on trade opportunities in the Pacific Rim.
9:30am 1300 Longworth Bldg. **June 5**

Appropriations 225-2771

FY97 LABOR/HHS/EDUCATION APPROPRIATIONS
Labor, Health and Human Services, and Education Subcommittee (Chairman Porter, R-Ill.) of House Appropriations Committee will hold hearings on FY97 appropriations for programs and agencies under its jurisdiction.
10am & 2pm 2358 Rayburn Bldg. **May 14, 15, 16**
Agenda & witnesses scheduled:
May 14
Government-wide testimony from Departments and General Accounting Office
May 15
Members of Congress
May 16
Members of Congress

Budget 226-7270

FULL COMMITTEE MARKUP: FY97 BUDGET RESOLUTION
House Budget Committee (Chairman Kasich, R-Ohio) will mark up the fiscal 1997 House Budget resolution.
Time TBA 210 Cannon Bldg. **date TBA**
ADDL DATES IF NEEDED

Commerce 225-2927

SAFE DRINKING WATER ACT REAUTHORIZATION
Health and Environment Subcommittee (Chairman Bilirakis, R-Fla.) of House Commerce Committee will hold a hearing on reauthorization of the Safe Drinking Water Act.
Time TBA 2322 Rayburn Bldg. **date TBA**
Agenda:
HR-- Reauthorization of the Safe Drinking Water Act
Note:
This hearing was originally scheduled for April 24.

Economic & Educational Opportunities 225-4527

JUVENILE JUSTICE AND DELINQUENCY
Field Hearing
Early Childhood, Youth and Families Subcommittee(Chairman Cunningham, R-Calif.) of House Economic and Educational Opportunities Committee will hold a field hearing on juvenile justice and delinquency prevention.
Time TBA San Marcos, Calif. **May 13**

Government Reform & Oversight 225-5074

GULF WAR SYNDROME ■
Human Resources and Intergovernmental Relations Subcommittee (Chairman Shays, R-Conn.) of House Government Reform and Oversight

POSTPONED

Committee will hold hearings on unexplained illnesses among Persian Gulf War veterans and what the Department of Veterans Affairs is doing to deal with the problem.
10am 2247 Rayburn Bldg. **May 14**
Note:
This hearing was originally scheduled for May 2.

LOBBYING BY FEDERAL AGENCIES ★
House Government Reform and Oversight Committee(Chairman Clinger, R-Pa.) will hold a hearing on legislation that would bar federal agencies from using federal funds to lobby the Congress.
9:30am 2154 Rayburn Bldg. **May 15**
Agenda:
HR 3078 - A bill to amend title 31, U.S. Code, to prohibit the use of appropriated funds by federal agencies for lobbying activities.

EXECUTIVE BRANCH TRAVEL ■
Government Management, Information and Technology Subcommittee (Chairman Horn, R-Calif.) of House Government Reform and Oversight Committee will hold a hearing on the compliance of executive branch officials with travel regulations.
10am 311 Cannon Bldg. **May 16**

LORTON CORRECTIONAL COMPLEX
District of Columbia Subcommittee (Chairman Davis, R-Va.) of House Government Reform and Oversight Committee will hold a hearing on the Lorton Correctional Complex.
Time and room TBA **May 22**

ELECTRONIC REPORTING AND STREAMLINING ACT
Government Management, Information and Technology Subcommittee (Chairman Horn, R-Calif.) of House Government Reform and Oversight Committee will hold a hearing on the Electronic Reporting and Streamlining Act.
1:30 2247 Rayburn Bldg. **May 22**
Agenda:
HR — - The Electronic Reporting and Streamlining Act

FOOD POISONING/CDC MONITORING
Human Resources and Intergovernmental Relations Subcommittee (Chairman Shays, R-Conn.) of House Government Reform and Oversight Committee will hold a hearing on monitoring of food borne pathogens by the Centers for Disease Control and Prevention.
10am 2247 Rayburn Bldg. **May 23**

Judiciary 225-3951

LEGAL IMMIGRATION
Immigration and Claims Subcommittee (Chairman Smith, R-Texas) of House Judiciary Committee will hold an oversight hearing regarding projected increases in legal immigration.
1pm 2226 Rayburn Bldg. **May 16**
Note:
This hearing was originally scheduled for May 9.

Resources 225-2761

MIGRATORY BIRDS
House Resources Committee (Chairman Young, R-Alaska) will hold a hearing on U.S. Fish and Wildlife Service activities and the Migratory Bird Treaty Act.
11am 1324 Longworth Bldg. **May 15**

NATIONAL FISH AND WILDLIFE FOUNDATION
Fisheries, Wildlife and Oceans Subcommittee(Chairman Saxton, R-N.J.) of House Resources Committee will hold a hearing on the National Fish and Wildlife Foundation.
9am 1334 Longworth Bldg. **May 16**

FEDERAL LAND TRANSFER/OREGON
Field Hearing
National Parks, Forests and Lands Subcommittee(Chairman Hansen, R-Utah) of House Resources Committee will hold a field hearing on the transfer of the O&C land administered by the Bureau of Land Management to the state of Oregon.
9am Douglas Hall, Douglas County Fairgrounds, Frear Street, Roseburg, Ore. **May 17**

WATER AND POWER ISSUES PACIFIC NORTHWEST
Water and Power Resources Subcommittee (Chairman Doolittle, R-Calif.) of House Resources Committee will hold a hearing on water and power issues in the Pacific Northwest.
10am 1334 Longworth Bldg. **May 21**

FULL COMMITTEE MARKUP
House Resources Committee (Chairman Young, R-Alaska) will mark up pending legislation.
11am 1324 Longworth Bldg. **May 22, 29**
TENTATIVE
Agenda: TBA

SUBCOMMITTEE MARKUP: SURFACE MINING ACT
Energy and Mineral Resources Subcommittee(Chairman Calvert, R-Calif.) of House Resources Committee will mark up legislation that would amend the Surface Mining Control and Reclamation Act of 1977.
2pm 1334 Longworth Bldg. **May 23**
Agenda:
HR 2372 - Amend the Surface Mining Control and Reclamation Act of 1977 to minimize duplication in regulatory programs and to give states exclusive responsibility under approved state programs for permitting and enforcement of the provisions of that act with respect to surface coal mining and reclamation operations

NATIONAL PARKS & LANDS ISSUES ■
National Parks, Forests and Lands Subcommittee(Chairman Hansen, R-Utah) of House Resources Committee will conduct business to be announced.
10am 1324 Longworth Bldg. **May 23, 30**
TENTATIVE
Note: The meeting scheduled for May 14 has been canceled.

★ *New Listing* ■ *Revised Listing*

HouseFutureMeetings

NATIVE AMERICAN ISSUES
Native American and Insular Affairs Subcommittee(Chairman Gallegly, R-Calif.) of House Resources Committee will conduct business to be announced.
2pm 1334 Longworth Bldg. **May 29**

MINERAL RESOURCE PROGRAMS OF GEOLOGICAL SURVEY
Energy and Mineral Resources Subcommittee(Chairman Calvert, R-Calif.) of House Resources Committee will hold an oversight hearing on the mineral resources programs of the U.S. Geological Survey.
2pm 1324 Longworth Bldg. **May 30**
Note:
This hearing was originally scheduled for April 30.

SUBCOMMITTEE MARKUP
Fisheries, Wildlife and Oceans Subcommittee(Chairman Saxton, R-N.J.) of House Resources Committee will mark up pending legislation.
10am 1324 Longworth Bldg. **May 30**
Agenda:
TBA

FEDERAL LAND EXCHANGES
National Parks, Forests and Lands Subcommittee(Chairman Hansen, R-Utah) of House Resources Committee will hold a hearing on legislation dealing with federal land exchanges.
10am 1324 Longworth Bldg. **date TBA**
Agenda:
HR 3088 - A bill to provide for the exchange of certain federally owned lands and mineral interests therein, and for other purposes.
Note:
This hearing was originally scheduled for May 2

Science 225-6371

SOLVING THE YEAR 2000 SOFTWARE PROBLEM
Technology Subcommittee (Chairman Morella, R-Md.) of House Science Committee will hold a hearing examining the year 2000 software problem. Many software progams will not be albe to accomodate the change in date from 1999 to 2000.
1pm 2325 Rayburn Bldg. **May 14**

SUBCOMMITTEE MARKUP: CIVILIAN ENERGY RESEARCH
Energy and Environment Subcommittee (Chairman Rohrabacher, R-Calif.) of House Science Committee will mark up pending legislation.
1:30pm 2318 Rayburn Bldg. **May 15**
Agenda:
HR- - Department of Energy's Civilian Research and Development Act of 1996

METRIC SYSTEM CONVERSION ACT
Technology Subcommittee (Chairman Morella, R-Md.) of House Science Committee will hold a hearing on proposed amendments to the 1975 Metric System Conversion Act.
10am 2318 Rayburn Bldg. **May 16**

U.S. SPACE LAUNCH STRATEGY
House Science Committee (Chairman Walker, R-Pa.) will hold a hearing on U.S. space launch strategy.
Time TBA 2318 Rayburn Bldg. **date TBA**
Note: This hearing was originally scheduled for March 13.

REVIEW OF NIST RESEARCH PROGRAMS
Technology Subcommittee (Chairman Morella, R-Md.) of House Science Committee will hold hearings to review research laboratory programs at the National Institute of Standards and Technology (NIST).
10am 2325 Rayburn Bldg. **date TBA**

Transportation & Infrastructure 225-9446

SURFACE TRANSPORTATION REAUTHORIZATION
Surface Transportation Subcommittee (Chairman Petri, R-Wis.) of House Transportation and Infrastructure Committee will continue hearings on the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991(ISTEA).
9:30am 2167 Rayburn Bldg. **May 16, 30**
Agenda & witnesses scheduled:
May 16 Transportation Financing in an Era of Scarce Resources - The Highway Trust Fund
May 30 Transportation Financing in an Era of Scarce Resources — Innovative Financing

Veterans' Affairs 225-3527

VETERANS HEALTH CARE ISSUES ■
Hospitals and Health Care Subcommittee (Chairman Hutchinson, R-Ark.) of House Veter

CANCELED

ans Affairs Committee will hold a meeting on business to be announced.
10am 334 Cannon Bldg. **May 15**

SUBCOMMITTEE MARKUP
Compensation, Pension, Insurance and Memorial Affairs Subcommittee (Chairman Everett, R-Ala.) of House Veterans Affairs Committee will mark up pending legislation.
11am 334 Cannon Bldg. **May 22**
Agenda: TBA
Note:
The markup was originally scheduled for May 15.

SUBCOMMITTEE MARKUP
Education, Training, Employment and Housing Subcommittee (Chairman Buyer, R-Ind.) of House Veterans Affairs Committee will mark up pending legislation.
10am 334 Cannon Bldg. **May 22**
Agenda: TBA
Note: The markup was originally scheduled for May 15.

VETERAN'S GROUPS LEGISLATIVE AGENDA
Joint Hearing
House Veterans' Affairs Committee (Chairm: Stump, R-Ariz.) and Senate Veterans' Affairs Committee(Chairman Simpson, R-Wyo.) will hold joint hearings to receive legislative pres tations from veterans service organizations.
9:30am 345 Cannon Bldg. **Sept. 17**
Agenda: American Legion

Ways & Means 225-36

WORLD TRADE ORGANIZATION
Trade Subcommittee (Chairman Crane, R-Ill. House Ways and Means Committee will hold hearings on the World Trade Organization (WTO), the international trade regulatory bo that was established by recent revisions to th General Agreement on Tariffs and Trade (GATT) to mediate trade disputes.
Time and room TBA **ADDL date TBA**

CONFERENCE COMMITTEES FutureListings

REGULATORY MORATORIUM
Conferees will meet on legislation (S 219) establishing a moratorium on regulatory rule-making actions.
Time and room TBA **date TBA**
Senate Conferees:
Nickles, Stevens, Thompson, Grassley, Glenn, Levin, Reid

COAST GUARD REAUTHORIZATION
Conferees will meet on legislation (S 1004) th would reauthorize the Coast Guard.
Time and room TBA **date TBA**
House Conferees:
From the Transportation Committee:
Shuster, Young of Alaska, Coble, Baker, Obersta Clement, Poshard
From the Judiciary Committee:
Hyde, McCollum, Conyers

WORKFORCE DEVELOPMENT
Conferees will meet on legislation (HR 1617) that would consolidate Federal employment training, vocational education and adult educ tion programs and create integrated statewid workforce development systems.
Time and room TBA **date TBA**
Senate Conferees:
Kassebaum, Jeffords, Coats, Gregg, Frist, DeWi Ashcroft, Abraham, Gorton, Kennedy, Pell, Dodd, Simon, Harkin, Mikulski, Wellstone
House Conferees:
Goodling, Gunderson, Cunningham, McKeon, Riggs, Graham, Souder, Clay, Williams, Kild Sawyer, Green

OTHER EVENTS Future Listings

WAS WAR ON POVERTY LOST?
American Enterprise Institute will sponsor a lecture on "Did We Really Lose the War on Poverty?' by Christopher Jencks, professor of sociology at Northwestern University.
5:30pm Wohlstetter Conference Center, 12th floor, 1150 17th St.N.W. **May 13**
Contact: Ethel Dailey at 202-862-5834

PRIVATIZING SOCIAL SECURITY
National Committee to Preserve Social Security and Medicare will hold a briefing to discuss proposals to privatize the Social Security Trust fund. Participants will include Sen. Byron Dorgan, D-N.D.
9:30am SD-628 Dirksen Bldg. **May 13**
Contact: 703-836-9811

CONGRESS AND FEDERAL STATISTICS
National Economists Club will hold a luncheon meeting to hear former commissioner of the reau of Labor Statistics, Janet Norwood, diss "The Congress and Federal Statistics: pportunity for Improvement or Business as Usual?"
Noon Montpelier Dining Room, Madison Bldg., Library of Congress, 101 Independence Ave. S.E. **May 14**
Contact: 703-532-9048
Note:
There is a charge for this event of $12 for members and $17 for non-members.

DEMOCRATIC AND REPUBLICAN HOUSE RACES OUTLOOK
PACs/Political and Grassroots Task Force of Women in Government Relations will sponsor a breakfast meeting with Democratic Congressional Campaign Committee Chairman Rep. Martin Frost, D-Texas and National Republican Congressional Committee Vice Chairman Rep. Jim Nussle, R-Iowa. The discussion will focus on key Democratic and Republican House races following the outcomes of several major primaries.
8:30am Washington Court Hotel, 525 New Jersey Ave. N.W. **May 14**
Contact: Carolyn Carlson at 202-637-6705 (for information only, for reservations call number listed below.)
Note:
There is a charge for this event of $25 for members and $40 for non-members. For reservations call 202-347-5432

NTORUM BREAKFAST
merican League of Lobbyists will sponsor a breakfast meeting with Sen. Rick Santorum, R-Pa.
8am Washington Court Hotel, 525 New Jersey Ave. N.W. **May 14**
Contact: Patti Jo Baber at 703-960-3011
Note:
There is a charge for this event of $33 for members and guests (for reservations received by May 10) and $40 for non-members and late registrations.

WEATHER SERVICE PRIVATIZATION ★
Commercial Weather Services Association will sponsor a conference to discuss plans and proposals to privatize selected weather services and products currently provided by the National Oceanic and Atmospheric Administration.
8:45am 2318 Rayburn Bldg. **May 14**
Contact: 202-546-6993

YOUTH VIOLENCE
Youth Violence Braintrust of the Congressional Black Caucus will sponsor a discussion on the effectiveness of crime prevention strategies aimed at "at-risk" youth compared to the "after-the-fact" approaches that include longer sentences and imprisonment.
9am 2237 Rayburn Bldg. **May 14**
Contact: Larry Dillard, Denise Forte or Joseph Lee at 202-225-8351

POLIO ERADICATION ★
Rotary International will sponsor an event to highlight efforts to increase Agency for International Development funding for international polio eradication efforts.
5:30pm SC-5 Capitol Bldg. **May 15**
Contact: 847-866-3180

STATE OF DEMOCRATIC PARTY
Woman's National Democratic Club will sponsor a luncheon meeting to hear National Democratic Committee chairman Donald Fowler discuss assessments of Campaign '96, the Democratic party the convention and the candidates.
11:30am Woman's National Democratic Club, 1526 New Hampshire Ave. N.W. **May 16**
Contact: Gary Lazor at 202-232-7363

WHITFIELD BREAKFAST
American League of Lobbyists will sponsor a breakfast meeting with Rep. Ed Whitfield, R-Ky.
8am Washington Court Hotel, 525 New Jersey Ave. N.W. **May 16**
Contact: Patti Jo Baber at 703-960-3011
Note:
There is a charge for this event of $33 for members and guests (for reservations received by May 14) and $40 for non-members and late registrations. For reservations send a check, made payable to American League of Lobbyists, to:
American League of Lobbyists
P.O. Box 30005
Alexandria, Va. 22310
TELEPHONE RESERVATIONS WILL NOT BE ACCEPTED

ELECTION YEAR LOBBYING
Congressional Quarterly will sponsor a one-day seminar on "Mastering the Challenges of Lobbying in an Election Year." The session will focus on how to keep a lobbying campaign alive in the current political scene, new innovations in issues media marketing and opportunities for lobbyists.
9am Congressional Quarterly, 1414 22nd St. N.W. **May 16**
Contact: Vincent Bryant at 202-887-8620
Note:
There is a $495 charge for this event.

PRIVATIZING SOCIAL SECURITY
American Enterprise Institute will sponsor a discussion of proposals to privatize the Social Security system.
9:15am Wohlstetter Conference Center, 12th floor, 1150 Seventeenth St. N.W. **May 17**
Contact: 202-862-5800

FUTURE OF FDA REGULATION ★
Institute for Alternative Futures will sponsor a luncheon seminar to hear a discussion of the Food and Drug Administration regulatory process and current propsals to revise it.
Noon B-340 Rayburn Bldg. **May 17**
Contact: 703-684-5880

TELECOMMUNICATIONS AND INFRASTRUCTURE ISSUES
Information Technology Association of America will sponsor a conference focusing on major issues confronting the information technology industry, including tax revision, the global information infrastructure, telecommunication revisions and workforce education. The conference will feature several members of Congress as speakers.
Time TBA ANA Hotel **May 20, 21**
Contact: Bob Cohen at 703-284-5333

CLINTON'S ECONOMIC STRATEGY
National Economists Club will hold a luncheon meeting to hear Alicia Munnell, a member of the Council of Economic Advisers, discuss the president's economic strategy.
Noon George Washington University Club, Marvin Center, 3rd Floor, 800 21st St. N.W. **May 21**
Contact: 703-532-9048
Note:
There is a charge for this event of $15 for members and $20 for non-members.

★ *New Listing* ■ *Revised Listing*

GAY AND LESBIAN VOTER REGISTRATION
Human Rights Campaing will hold a news conference to discuss plans for first National Gay and Lesbian Political Convention and comment on the importance of the 1996 election for Gay and Lesbian voters.
1pm National Press Club **May 21**
Contact: David Smith at 202-628-4160

FEDERAL EMPLOYEE ISSUES
Professional Managers Association will sponsor a luncheon meeting to hear Rep. James Moran, D-Va., discuss the latest issues affecting federal employees.
11:30am B-369 Rayburn Bldg. **May 21**
Contact: Mat Chase at 202-927-3990
Note:
There is a charge for this event of $16 for members and $20 for non-members. For reservations send payment to:
Professional Managers Association
P.O. Box 895
Ben Franklin Station
Washington, D.C. 20044
or call 202-927-3990

OSHA REVISION
Employment Policy Foundation will sponsor a policy forum where panelists will assess the role of the Occupational Safety and Health Administration (OSHA) in workplace health and safety over the past 25 years.
8:30am National Press Club, 529 14th St. N.W. **May 22**
Contact: Jennifer Smith at 202-789-8685

WELDON BREAKFAST
American League of Lobbyists will sponsor a breakfast meeting with Rep. Curt Weldon, R-Pa.
8am Washington Court Hotel, 525 New Jersey Ave. N.W. **May 22**
Contact: Patti Jo Baber at 703-960-3011
Note:
There is a charge for this event of $33 for members and guests (for reservations received by May 20) and $40 for non-members and late registrations. For reservations send a check, made payable to American League of Lobbyists, to:
American League of Lobbyists
P.O. Box 30005
Alexandria, Va. 22310
TELEPHONE RESERVATIONS WILL NOT BE ACCEPTED

COMMERCIAL ASPECTS OF U.S.-CHINA RELATIONS
International Forum Series of the U.S. Chamber of Commerce will sponsor a breakfast meeting with Rep. Douglas Bereuter, R-Neb., chairman of the Asia and the Pacific Subcommittee of the House International Relations Committee..
8am U.S. Chamber of Commerce, 1615 H St. N.W. **May 23**
Contact: Gail Roach at 202-463-5443
Note: There is a $35 charge for this event

THE FEDERAL BUDGET: POLITICS & POLICY PROCESS
National Economists Club will hold a luncheon meeting to hear llen Schick discuss the federal budget, with a focus on politics and the policy processs.
Noon Montpelier Dining Room, Madison Bldg., Library of Congress, 101 Independence Ave. S.E. **May 28**
Contact: 703-531-9048
Note: There is a charge for this event of $12 for members and $17 for non-members.

CHANGES IN REGULATION OF FOOD ★
Food and Agriculture Task Force of Women in Government Relations will sponsor a luncheon meeting to hear a discussion of proposals to revise the way the federal government regulates food.
Noon American Grill Restaurant, Lowe's L'Enfant Plaza Hotel, 480 L'Enfant Plaza **May 30**
Contact: 202-347-5432
Note:
There is a charge for this event of $28 for members and $43 for non-members. For reservations send a check or Vias information to:
Women in Government Relations
1029 Vermont Ave. N.W.
Suite 510
Washington, D.C. 20005

UNDERSTANDING CONGRESS
Congressional Quarterly will sponsor a basic level seminar on how Congress works and how a bill becomes law, with a focus on key members and how they function and influence the path of legislation.
9am Congressional Quarterly, 1414 22nd St. N.W. **June 3, July 8**
Contact: Vincent Bryant at 202-887-8620
Note: There is a $295 charge for this event

RESEARCH WORKSHOP ON CONGRESSIONAL DOCUMENTS
Congressional Quarterly will sponsor a half-day workshop on how to use congressional documents to track legislation.
9am Congressional Quarterly, 1414 22nd St. N.W. **June 4, Aug. 6**
Contact: Vincent Bryant at 202-887-8620
Note: There is a $295 charge for this event.

U.S.-EUROPEAN TAX ISSUES
European-American Chamber of Commerce in Washington, D.C. will sponsor a briefing on "The Transatlantic Tax Outlook: European and U.S. Tax Relations."
8:30am ANA Hotel **June 4**
Contact: Agnes Mannarelli at 202-347-9292
Note: There is a $200 charge for this event.

FINDING FEDERAL INFORMATION ON THE INTERNET
Congressional Quarterly will sponsor a half-day seminar on how to use the Internet to find free and low-cost information available form the federal government and on how to access and use the most popular bulletin boards.
9am Congressional Quarterly, 1414 22nd St. N.W. **June 5, July 10**
Contact: Vincent Bryant at 202-887-8620
Note: There is a $295 charge for this event

WORKING WITH CONGRESSIONAL STAFF
Congressional Quarterly will hold a seminar on how to increase your effectiveness in working with congressional staff
9am Congressional Quarterly, 1414 22nd St. N.W. **June 6**
Contact: Vincent Bryant at 202-887-8620
Note: There is a $295 charge for this event.

GRASSROOTS LOBBYING
Congressional Quarterly will sponsor a seminar on how to develop and refine a grassroots issues campaign within the context of the 1996 elections. The program also includes effective coalition building and a communications/media session using interactive video technique:
9am Congressional Quarterly, 1414 22 N.W. **June 10**
Contact: Vincent Bryant at 202-887-8620
Note:
There is a $495 charge for this event.

UNDERSTANDING CONGRESSIONAL BUDGET PROCESS
Congressional Quarterly will sponsor a se on the congressional budget process, incl an explanation of how rules, procedures a politics influence the way federal funds a authorized and appropriated.
9am Congressional Quarterly, 1414 22r N.W. **June 11**
Contact: Vincent Bryant at 202-887-8620
Note:
There is a $295 charge for this event.

CONGRESS AND THE LEGISLATIVE PROCESS
Congressional Quarterly will hold a one-d seminar on the legislative process, focusin differences between House and Senate flo procedures and how to understand the rul used by members.
9am Congressional Quarterly, 1414 22n N.W. **June 12, Aug. 7**
Contact: Vincent Bryant at 202-887-8620
Note:
There is a $425 charge for this event.

AFFORDABLE HOUSING
National Housing Conference will sponsor Spring Conference on "America's Commitn to Affordable Housing: Today and Tomorro
Time TBA Sphinx Club **June 13, 14**
Contact: 202-393-5772

HOW TO TESTIFY BEFORE CONGRESSIONAL COMMITTEES
Congressional Quarterly will sponsor a sen on how to prepare and present testimony before a congressional committee. The ses will focus on effective presentation and del ery.
8:30am Congressional Quarterly, 1414 2 St. N.W. **June 21**
Contact: Vincent Bryant at 202-887-8620
Note:
There is a $395 charge for this event.

ADVANCED CONGRESSIONAL BUDGET PROCEDURES
Congressional Quarterly will sponsor a two seminar on the congressional budget proce authorizations, appropriations, and an upda on the line item veto.
8:30am Congressional Quarterly, 1414 22 St. N.W. **July 15, 16**
Contact: Vincent Bryant at 202-887-8620
Note:
There is a $725 charge for this event.

CONGRESSIONAL RULES AND FLOOR PROCEDURES
Congressional Quarterly will sponsor a thre day advanced legislative conference on the most important stages of the legislative process: House floor action, Senate floor action, and conference committee action.
9am Congressional Quarterly, 1414 22nd N.W. **Aug. 19, 20, 21**
Contact: Vincent Bryant at 202-887-8620
Note:
There is an $975 charge for this event.

★ *New Listing*

■ *Revised Lis*

STATUS of APPROPRIATIONS

FULL COMMITTEE
House: 225-2771; Senate: 224-4594

AGRICULTURE
House: 225-2638; Senate: 224-5270

COMMERCE, JUSTICE, STATE, & THE JUDICIARY
House: 225-3351; Senate: 224-7277

DISTRICT OF COLUMBIA
House: 225-5338; Senate: 224-2731

ENERGY & WATER DEVELOPMENT
House: 225-3421; Senate: 224-7260

FOREIGN OPERATIONS
House: 225-2041; Senate: 224-7251

INTERIOR
House 225-3081; Senate 224-7233

LABOR/HHS/EDUCATION
House 225-3508; Senate 224-7230

LEGISLATIVE BRANCH
House 225-5338; Senate 224-9420

MILITARY CONSTRUCTION
House 225-3047; Senate 224-7204

NATIONAL SECURITY/DEFENSE
House: 225-2847; Senate: 224-7255

TRANSPORTATION
House 225-2141; Senate 224-7281

TREASURY/POSTAL SERVICE
House 225-5834; Senate 224-7337

VA, HUD & INDEPENDENT AGENCIES
House 225-3241; Senate 224-7211
House subcommittee hearings scheduled: **May 10**

SENATE Floor Action

MONDAY

MAY 6, 1996

HR 2937 **A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993**

DOLE, R-Kan., substitute amendment no. 3952, pending at recess

DOLE, R-Kan., amendment no. 3953, to the DOLE substitute amendment no. 3952, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., amendment no. 3954, to the DOLE amendment no. 3953, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., motion to refer the bill to the Committee on the Judiciary with instructions to report back forthwith, pending at recess

DOLE, R-Kan., amendment no. 3955, to the instructions to the DOLE motion to refer, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., amendment no. 3956, to the DOLE amendment no. 3955, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., motion to close debate (cloture motion) on consideration of HR 2937 (3/5's vote required) (vote to occur Wednesday, May 8)

[Continued May 7]

TUESDAY

MAY 7, 1996

HR 2937 **A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993**

DOLE, R-Kan., substitute amendment no. 3952, pending at recess

DOLE, R-Kan., amendment no. 3953, to the DOLE substitute amendment no. 3952, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., amendment no. 3954, to the DOLE amendment no. 3953, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., motion to refer the bill to the Committee on the Judiciary with instructions to report back forthwith, pending at recess

DOLE, R-Kan., amendment no. 3955, to the instructions to the DOLE motion to refer, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., amendment no. 3956, to the DOLE amendment no. 3955, to provide for an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., motion to close debate (cloture motion) on consideration of HR 2937 rejected by yea-nay vote: 52-44 (3/5's vote required)

S 1467 **Fort Peck Rural County Water Supply System Act of 1995**

S 1467, passed in Senate by unanimous consent

WEDNESDAY

MAY 8, 1996

HR 2937 **A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993**

DOLE, R-Kan., substitute amendment no. 3952, pending at recess

DOLE, R-Kan., amendment no. 3953, to the DOLE substitute amendment no. 3952, to provide an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., amendment no. 3954, to the DOLE amendment no. 3953, to provide an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., motion to refer the bill to the Committee on the Judiciary with instructions to report back forthwith, pending at recess

DOLE, R-Kan., amendment no. 3955, to the instructions to the DOLE motion to refer, to provide an effective date for the settlement of certain claims against the United States, pending at recess

DOLE, R-Kan., amendment no. 3956, to the DOLE amendment no. 3955, to provide an effective date for the settlement of certain claims against the United States, withdrawn

DOLE, R-Kan., amendment no. 3960, to the DOLE amendment no. 3955, to provide for the repeal of the 4.3 cent increase in fuel tax rates enacted by the Omnibus Budget Reconciliation Act of 1993, to clarify that an employer may establish and participate in worker management cooperative organizations to address matters of mutual interest to employers and employees, and to provide for an increase in the minimum wage rate, pending at recess

DOLE, R-Kan., motion to close debate (cloture motion) on consideration of HR 2937 rejected by yea-nay vote: 53-45 (3/5's vote required)

DOLE, R-Kan., motion to close debate (cloture motion) on consideration of HR 2937 (3/5's vote required) (vote to occur Friday, May 10)

Objection was heard to a DOLE, R-Kan., unanimous consent request that there be three votes; division I being the gas tax issue; division II being the TEAM Act issue; and division III being the Democratic proposal for the minimum wage; that each division be limited to two hours each, to be equally divided in the usual form, and following the conclusion or yielding back of time, the Senate proceed to division I, division II, and division III; then a vote on final passage of the bill

Objection was heard to a DASCHLE, D-S.D., unanimous consent request that the Senate proceed to the consideration of three separate bills on the gas tax, the TEAM Act and the minimum wage, and have votes and amendments to those three separate bills

COVERDELL, R-Ga., unanimous consent request that the Senate continue consideration of the bill on Thursday, May 9

THURSDAY

MAY 9, 1996

HR 2937 **A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993**

Motion to invoke cloture rejected by yea-nay vote: 52-44

HR 2137 **Megan's Law**

Passed in Senate by unanimous consent

Cleared for the president

FRIDAY

MAY 10, 1996

Not in Session

Week of May 13

MONDAY

MAY 13, 1996

HR 2937 **A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993**

Continue consideration

HOUSE FloorAction

MONDAY

MAY 6, 1996

Pro Forma session

TUESDAY

MAY 7, 1996

HCRes150 **Concurrent resolution authorizing the use of the (Grounds for an event sponsored by the Specialty ment Market Association**

H Con Res 150 as amended, passed in House by voice vot(suspension of the rules (two-thirds vote required)

HR 3269 **A bill to amend the Impact Aid Program to provid(hold-harmless with respect to amounts for payment ing to the federal acquisition of real property, a other purposes**

HR 3269, passed in House by voice vote, under suspensior rules (two-thirds vote required)

HR 2137 **Megan's Law**

HR 2137, as amended, passed in House by yea-nay vote: under suspension of the rules (two-thirds vote required)

HR 2980 **Interstate Stalking Punishment and Prevention Act o**

HR 2980, as amended, passed in House by voice vote, und pension of the rules (two-thirds vote required)

HR 2974 **Crimes Against Children and Elderly Persons Inc Punishment Act**

Rule, H Res 421, agreed to by voice vote

JUDICIARY COMMITTEE substitute amendment, as am agreed to by voice vote

FROST, D-Texas, amendment, to the JUDICIARY COMM substitute amendment, as amended, to broaden federal juris over sex crimes against children and require life sentences v parole upon the conviction of a second sex crime against a (federal court, agreed to by voice vote

SLAUGHTER, D-N.Y., amendment no. 1, to the JUDICIARY MITTEE substitute amendment, as amended, to broaden jurisdiction over repeat offenders of rape or serious sexual and requires life sentences without the possibility of parol the second conviction of rape or sexual assault, agreed to l nay vote: 411-4

DEUTSCH, D-Fla., amendment, to the JUDICIARY COMM substitute amendment, as amended, to provide a sentenci hancement of not less than six levels for sexual crimes of vi against children, agreed to by voice vote

MCCOLLUM, R-Fla., point of order against the CONYERS, D amendment, to the JUDICIARY COMMITTEE substitute a ment, as amended, to include a crime involving fraud or dec on the grounds it is not germane to the bill, sustained

MCCOLLUM, R-Fla., point of order against the CONYERS, D amendment, to the JUDICIARY COMMITTEE substitute a ment, as amended, to include an environmental crime ag child, elderly person, or any other vulnerable person, (grounds it is not germane, sustained

CONYERS, D-Mich., amendment, to the JUDICIARY COMM substitute amendment, as amended, to include crimes of vi involving the environment, agreed to by voice vote

Earlier, a MCCOLLUM, R-Fla., point of order again amendment on the grounds it was not germane overruled

STUPAK, D-Mich., amendment, to the JUDICIARY COMMITTEE substitute amendment, as amended, to amend the federal sentencing guidelines to provide an appropriate sentencing enhancement for violent crimes committed against vulnerable persons, including law enforcement officers, in which the defendant used body armor, agreed to by voice vote

DELAURO, D-Conn., amendment, to the JUDICIARY COMMITTEE substitute amendment, as amended, to provide enhanced penalties for offenders who commit a violent crime while in possession of a firearm with a laser sighting device, agreed to by voice vote

WATT, D-N.C., amendment, to the JUDICIARY COMMITTEE substitute amendment, as amended, to broaden the definition of a vulnerable person to include residents in any neighborhood in which the incidence of violent crime is above the national average, rejected by voice vote

WATT, D-N.C., amendment, to the JUDICIARY COMMITTEE substitute amendment, as amended, to have the U.S. Sentencing Commission review federal sentencing guidelines to determine an appropriate sentencing enhancement for crimes of violence committed against vulnerable persons, rejected by yea-nay vote: 41-370

HR 2974, as amended, passed in House by yea-nay vote: 414-4

HR 3120 **A bill to amend title 18, U.S. Code, with respect to witness retaliation, witness tampering and jury tampering**

Rule, H Res 422, agreed to by voice vote

MCCOLLUM, R-Fla., unanimous consent request that during further consideration of the bill, the chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and that the chairman may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes, agreed to by unanimous consent

JUDICIARY COMMITTEE substitute amendment, agreed to by voice vote

HR 3120, as amended, passed in House by voice vote

WEDNESDAY

MAY 8, 1996

HRes416 **Resolution establishing a select committee of the Committee on International Relations to investigate the U.S. role in Iranian arms transfer to Croatia and Bosnia**

House agreed to order the previous question on the resolution by yea-nay vote: 227-187

H Res 416, agreed to in House by yea-nay vote: 224-187

HRes417 **Resolution providing amounts for the expenses of the select subcommittee on the U.S. role in Iranian arms transfers to Croatia and Bosnia of the Committee on International Relations in the 2nd session of the 104th Congress**

HOUSE OVERSIGHT COMMITTEE substitute amendment, agreed to by voice vote

H Res 417, as amended, agreed to in House by yea-nay vote: 225-203

HR 2406 **United States Housing Act of 1995**

The House agreed to order the previous question on the rule, H Res 426, by yea-nay vote: 218-208

Rule, H Res 426, agreed to by voice vote

BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, as amended, pending at recess

LAZIO, R-N.Y., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to include technical and clarifying changes; replace the single block grant for federally assisted housing with two block grants, one for capital needs and the other for operating expenses; increase to 30 percent the portion of public housing units reserved for families with incomes at or below 30 percent of the area median income; require that 50 percent of assistance provided under the new tenant-based rental assistance voucher program be reserved for families making 60 percent or less of area median income; cap at 30 percent of income the maximum rent that may be charged to current residents earning 30 percent or less of area median income; establish a 30 percent rent cap for all current elderly or disabled tenants; provide for the deregulation of 300 housing authorities; allow public housing authorities to convert their housing assistance to tenant-based vouchers under certain circumstances; establish a commission to analyze the costs of public housing to facilitate cost comparisons; require housing authority board members who are residents of public housing to be elected by their neighbors; allow a housing authority to enter into contracts with tenants to facilitate a movement from housing assistance into self-sufficiency; and establish a demonstration program to allow 100 housing authorities to design programs that move tenants from public housing into the private home ownership markets, agreed to by voice vote

WATT, D-N.C., amendment no. 43, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to modify the declaration of policy by eliminating the section stating that the federal government cannot provide for the housing of every American, withdrawn by unanimous consent

WATT, D-N.C., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to include the statement that it is the goal of the nation that all citizens have decent and affordable housing, agreed to by voice vote

VENTO, D-Minn., amendment no. 35, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to replace the authority's finding with the secretary's finding, withdrawn by unanimous consent

FIELDS, D-La., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to require that board membership of housing authorities include at least 25 percent of residents as members, withdrawn by unanimous consent

FIELDS, D-La., amendment no. 4, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to require housing authorities to include at least 25 percent of residents as members of the board of directors, rejected by yea-nay vote: 158-254

WATT, D-N.C., amendment no. 44, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to provide a provision that housing management plans comply with federal law, agreed to by voice vote

GILCHREST, R-Md., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to stipulate the use of trespass laws by housing authorities to keep evicting tenants or criminals out of public housing, agreed to by voice vote

MALONEY, D-N.Y., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to allow elderly and disabled residents living in federally-assisted housing be allowed to keep a common household pet, agreed to by voice vote

LAZIO, R-N.Y., unanimous consent request that when the FRANK, D-Mass., amendment no. 7, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, is considered, debate on the amendment and all amendments thereto shall be limited to 60 minutes, equally divided between FRANK, D-Mass., and a member opposed, agreed to by unanimous consent

FRANK, D-Mass., unanimous consent request to provide for a consideration of a modified version of amendment no. 7 on May 9, 1996, agreed to by unanimous consent

SOLOMON, R-N.Y., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to prohibit admission and occupancy to public housing units by any person who has been convicted of illegal possession with intent to sell any controlled substance, agreed to by voice vote

FIELDS, D-La., amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to strike reference to eligibility of residents to public housing boards who have been convicted of a misdemeanor, agreed to by voice vote

FIELDS, D-La., amendment no. 5, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to establish housing advisory boards to include at least 60 percent of tenants as members, rejected by voice vote

JACKSON-LEE, D-Texas, amendment, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to establish a regional appeals board that includes tenant representation, rejected by voice vote

EHRLICH, R-Md., amendment no. 2, to the BANKING & FINANCIAL SERVICES COMMITTEE substitute amendment, to prohibit the relocation of public housing from Baltimore, Md., to other jurisdictions in the state of Maryland, if the relocation is connected to a legal action brought by the residents of Baltimore housing units, withdrawn by unanimous consent

LAZIO, R-N.Y., unanimous consent request providing for the further consideration of the bill, agreed to by unanimous consent

THURSDAY

MAY 8, 1996

HR 2406 **United States Housing Act of 1995**

Continue consideration

HR 956 **Product Liability**

Veto override vote

HR 3286 **A bill to help families defray adoption costs, and to promote the adoption of minority children**

Begin consideration

FRIDAY

MAY 10, 1996

HR 3286 **A bill to help families defray adoption costs, and to promote the adoption of minority children**

Continue consideration

HR 3230 **FY97 Defense Authorization**

Begin consideration