to amend title 49, United States Code, to eliminate provisions of Federal law that provide special support for, or burdens on, the operation of Amtrak as a passenger rail carrier, and for other purposes.

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

There was no objection.

STATES ARE BEING SHORTCHANGED ON MEDICAID

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

Mrs. THURMAN. Mr. Speaker, all of us in this Congress should be dedicated to making sure that our scarce resources go to those Americans most in need of assistance.

However, this is not what is happening with Medicaid.

That is right, Mr. Speaker. When it comes to the Medicaid Program, many of our States, including my own home State of Florida, are being shortchanged. We are being shortchanged because the Medicaid funding formula, which is 30 years old, is neither fair nor accurate. Under the formula in use since the Medicaid Program was created, a State's need is based solely on per capita income.

In 30 years, we have developed much more accurate ways to measure true need and we should use them.

The General Accounting Office has recognized the shortcomings of the current formula. In a report the GAO recommended a new formula that takes into account the rate of poverty as well as per capita and corporate income. The GAO has said this will be a much more accurate reflection of a State's ability to finance Medicaid benefits. It would also ensure that assistance went where it is most needed.

The Fairness in Medicaid Funding Act of 1995, which I am introducing today puts in place the GAO's recommendation.

I would urge my colleagues to join me in correcting the Medicaid funding formula.

Mr. Speaker, as is often the case in Washington, the Federal Government does not always target its resources to those individuals who need them the most. Unfortunately, when it comes to how the Federal Government calculates the Medicaid matching fund formula, the existing Federal formula creates an unfair distribution of Medicaid funding to the States.

I am committed to continue the debate over the inequity until we arrive at a fair remedy. Therefore, I rise today to reintroduce the Fairness in Medicaid Funding Act of 1995.

My bill would update the Federal Medicaid funding formula and result in a fair and accurate disbursement to the States. The General Accounting Office [GAO] has evaluated the existing Medicaid formula and has concluded that it does not meet the objectives established by Congress in 1965. The GAO examined the objectives Congress was attempting to achieve and developed an alternative formula to meet these stated goals. My bill, the Fairness in Medicaid Funding Act of 1995, would use the GAO formula not to change policy but only the process by which Medicaid dollars are allocated.

The essence of the existing Medicaid formula has been unchanged for 30 years. Congress had two intentions when they created the formula. First, that Federal matching funds should reflect a State's ability to pay benefits to those in need. And, second, Congress wanted to determine how many residents of each State needed Medicaid benefits.

At the time, the best information available to measure these objectives was an estimate of each State's per capita income. Thirty years ago this information was the best available to Congress. But during the last two decades, the Federal Government has collected more and better economic data.

Mr. Speaker, today there are much better measurements available, and we should use them.

A significant weakness of the current formula is that it does not adequately reflect a State's ability to pay its share. The money a State can pay in Medicaid benefits should also reflect the income its residents and businesses produce. However, a measurement of per capita income reflects only part of the total income produced by a State's residents and businesses.

Per capita income does not include corporate retained earnings, which is a significant share of a State's business income. Therefore, two States with the same per capita income may actually have significantly different capacities to fund Medicaid benefits.

Furthermore, the per capita income formula does not adequately measure the total number of people in need of Medicaid benefits. That need is determined by the number of residents with incomes low enough to qualify for Medicaid. Again, two States with roughly equal per capita incomes can have dramatically different percentages of residents qualifying for Medicaid. Yet, both States would receive the same matching rate from the Federal Government. This just does not make sense any more and it needs to be changed.

My proposal, based on the GAO's recommendations, would base the Federal share for Medicaid on: First, per capita income plus corporate income produced within a State. This is a much more accurate measure of a State's ability to finance Medicaid benefits. Second, the State's poverty rate, which generally indicates the number of persons who are potentially in need of Medicaid benefits.

All these statistics are already complied for other purposes by the Federal Government. Moreover, this proposal does not cost the Federal Government one dollar—it is budget neutral.

Mr. Speaker, the passage of the Fairness in Medicaid Act of 1995 will ensure that States receive, not only what they need, but what they deserve from Washington. This plan is based upon a fair, objective, and contemporary evaluation of each State's needs and capacity.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MARTINI] is recognized for 5 minutes.

[Mr. MARTINI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. EHLERS] is recognized for 5 minutes.

[Mr. EHLERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

REMARKS ON WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MARTINEZ] is recognized for 5 minutes.

Mr. MARTINEZ. Mr. Speaker, as a member of the Committee on Economic and Educational Opportunities, formerly the Education and Labor Committee, and one who has chaired a subcommittee with jurisdiction over the Job Opportunities and Basic Skills Program, I have spent much of my congressional career dealing with the issue of welfare and the various means this body and that committee has considered for reforming that system.

The welfare system in this country is clearly not achieving the purposes for which it was designed.

When it was originally designed, it was a program designed to protect children from the ravages of poverty that are likely outcomes of the death of the family breadwinner—which in 1935 meant the father.

Since the mid 1960's, when it was reformed under President Lyndon Baines Johnson, it has been extended to cover the children of those whose personal circumstances—whether as a result of a death of the breadwinner, a family breakup or desertion of the family by the breadwinner, the lack of jobs for any adult in the family, or because of an out-of-wedlock birth—prevented them from being economically self-sufficient.

The object was, and continues to be, the children, who are our future.

Welfare in the form of Aid to Families With Dependent Children is based on the belief that our children are our future, and caring for those children so that they can reach adulthood with the necessary education, nurturing, and social skills that will enable them to become productive members of society.