

take up the idea in 1986. It was only when Treasury proposed section 7704 in mid-1987 as part of a list of acceptable revenue raisers that the proposal received any official endorsement. By that time, most of the affected PTP's were already in existence.

This raises what I believe is the most important issue in this debate: fairness to the PTP's and, more important, their owners. The process of converting from a corporation to a PTP is a costly and time-consuming one, easily taking over 1 year. The conversion process involved consultation with investment bankers, appraisals, planning by corporate finance, securities and tax lawyers, multiple filings with the SEC and State securities agencies, proxy statements and shareholder votes, etc. This process would not have been started or completed had there been any reasonable prospect that a change in the tax law would have applied retroactively or after a limited period of time.

To make matters worse, many of these same costs will be incurred once again if the 10-year grandfather is not made permanent. Grandfathered PTP's will be forced to convert to corporate form on January 1998. To do so, however, will require lengthy planning, and the same investment banking advice, appraisals, and attorney fees. The need for extensive, advance planning makes it essential that the matter be resolved this year.

More important, is the effect that loss of the grandfather will have on PTP investors. It is a virtual certainty that the value of PTP units will be affected adversely if the grandfather expires. Thus, the investor will suffer the most. Who are these investors? Most are average, middle-class taxpayers who have invested in PTP units because of their high yield, many before the 1987 act was passed.

We do not achieve any tax policy goal by honoring the 10-year grandfather. That goal was fully achieved by making section 7704 apply prospectively. Instead, all we would accomplish by retaining the 10-year grandfather would be harm to these PTP's and their investors. There is no doubt what our decision should be.

In conclusion, I want to note the diversity of the PTP's that would benefit from permanent extension of the grandfather. The PTP's affected are involved in a wide variety of industries, from motels and restaurants to chemicals, financial advising and macadamia nuts. Undoubtedly, these businesses operate in many of our districts. Of course, our districts are the homes to the individual investors in these PTP's. The most recent court indicates that there are well over 300,000 individual investors.

The 10-year grandfather hangs like a sword of Damocles over each one of these PTP's. We in Congress have the ability to remove that sword and there is no reason why we should not do so. We urge our colleagues to join with us to support this bill.

THE KINSHIP CARE ACT OF 1997

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mrs. MORELLA. Mr. Speaker, I rise to introduce a bill to encourage kinship care families,

families in which adult relatives are the preferred placement options for children separated from their parents.

Last year I introduced similar legislation, and I am pleased to report that a portion of it was incorporated as part of welfare reform—States must now consider relatives who are willing and able to care for minor children before placing them in other foster care situations.

The legislation I am introducing today would go one step further by giving States the flexibility to create a new type of foster care—kinship care—as a demonstration project. It would authorize States to examine and test how their child protection system could incorporate safe, cost-effective kinship care placements. States would have increased flexibility to waive portions of the IV-E foster care program in order to provide services and payments to kinship-care placements. It would help families to rely on their own family members as resources when a child is legally separated from his or her parents.

We clearly need this legislation. From 1985 to 1990, the number of children in foster care increased by 47 percent, while the number of foster families decreased by 27 percent. Furthermore, when a child must be removed from his or her parents, placing the child with a caring relative helps keep the family together and limits disruption to the child's life. Ironically, relatives who want to care for the child often find themselves burdened with legal and bureaucratic paperwork and regulation, and they lack the support services available to regular foster care families.

By giving States the flexibility to create a new type of foster care—kinship care—support services and payments could be made to kinship care placements. States would transfer custody of the child to the adult relative and then would have the flexibility to make some payments and provide services to these children under the IV-E program. Kinship care could be considered a long-term placement option for the States.

In order to be considered an eligible family for kinship care placements under this bill, certain criteria must be met. The child must be removed from the home as a result of a judicial determination that continuation in the home would be contrary to the welfare of the child, the child would otherwise be placed in foster care, and that there are adult relatives willing to provide safe and appropriate care for the child.

This legislation is revenue neutral because States would incorporate kinship care into their child welfare system. States would evaluate their kinship care system for outcomes for children and families, safety of the children, and cost savings. At the end of 4 years, the Secretary of Health and Human Services would evaluate the State kinship care demonstrations and recommend legislative changes based on their evaluations.

This legislation would also require States to provide relative caregivers with notice of, and an opportunity to be heard in, any dispositional hearing or administrative review held when considering the health and safety of a related child.

Mr. Speaker, I have heard from grandparents who desperately want to provide their grandchildren a loving, supportive, and safe home. Because of burdensome regulations, these children end up in the expensive foster

care system. Grandparent groups around the country support this legislation, I met with many of them today. I strongly urge my colleagues to cosponsor this bill and urge its swift passage.

HONORING PASTOR RODERICK MITCHELL

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mr. THOMPSON. Mr. Speaker, I rise today to honor Pastor Roderick Mitchell, one of my constituents who has had an invaluable role in the lives of many families in the Mississippi Delta.

Pastor Mitchell grew up in a troubled household and was forced to spend much of his childhood protecting his mother and younger siblings from his abusive father. He never forgot those mornings he passed crouching, hiding miserably in the cotton fields surrounding his home.

Pastor Mitchell now divides his time between his ministry in Cleveland, MS and his many initiatives to speak out against spousal violence, sexual assault, and child abuse. In 1995 he established a desperately needed rape crises program in his church that has evolved into a community-based organization, the Exodus Center for Life, which provides services to all victims of crime. Pastor Mitchell is perhaps best known for his educational programs that use puppets to teach children in Headstart programs about child abuse and also give information about date rape and domestic violence to youths in school. He has implemented a violence prevention program for teenagers called Preparing our Sons for Manhood, and he also serves as a counselor in Men Against Spousal Harm [MASH], a treatment program for batterers in the Mississippi Delta.

One of Pastor Mitchell's colleagues summed up his efforts recently, saying, "his experience as a victim of domestic violence and his deep belief in the power of education transcend cultural and denominational barriers, reaching all crime victims, young and old, as well as at-risk youth with inspirational messages that help to heal and prevent crime."

Mr. Speaker, Mississippi and this Nation owe a debt of gratitude to Pastor Mitchell. If we are ever to transcend the cycle of violence, hatred, and anger that plagues America, we will need to follow this shining example of selfless determination. I honor Pastor Mitchell, and I thank him for his work.

TRIBUTE TO THE CENTENNIAL OF ALLENHURST, NJ

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mr. PALLONE. Mr. Speaker, on April 26, 1997, the Borough of Allenhurst, NJ, will celebrate the 100th anniversary of the founding of their community. A reenactment of the first meeting of the board of commissioners will take place at the Allenhurst Beach Club on