

EFFECTS OF PRESIDENT'S PROPOSED TRANSFERS FROM THE GENERAL FUND TO THE SOCIAL SECURITY TRUST FUNDS ON THE CUMULATIVE INTEREST PAID TO THE SOCIAL SECURITY TRUST FUNDS

[In trillions of dollars]

	2010	2015	2020	2025	2030	2035	2040	2045	2050
Cumulative Transfers	0	0.9	2.1	3.4	4.7	6.0	7.3	8.6	9.9
Cumulative Interest on Transfers	0	0.1	0.7	1.9	4.1	7.4	12.4	19.7	30.0
Total	0	1.0	2.8	5.3	8.8	13.4	19.7	28.3	39.9

Source: Completed using data from the actuaries of the Social Security Administration.
 Note: Numbers may not add up to totals because of rounding.

Mr. DOMENICI. Mr. President, I will tell the Senate what it says. It is attached to CBO's letter, and it goes 2010, 2015, 2020, right up to 2050, and it has the cumulative IOU transfers that were put in and then the cumulative interest on the transfers.

I was shocked—maybe I should not have been; it is almost automatic, it is almost arithmetic—but the total of the cumulative interest on the IOUs and the cumulative transfers amount to \$40 trillion by the year 2050. That is the IOU that we give to the American people. They will have to pay it in order to keep Social Security solvent, but nobody is being told that. They are being told we have fixed the plan for *x* number of years from now.

LET'S GET IT RIGHT

Mr. DOMENICI. Mr. President, I want to take a few moments on two other subjects. First, the Vice President of the United States continues to tell the American people that he has been a master at reorganizing our Government and making it efficient, and that a very large number of employees have been cut from the payroll of the U.S. Government due to this effort.

I want to print in the RECORD a chart from the Office of Management and Budget—their own—the total executive branch civilian full-time equivalent employees during this period of time that they claim they reduced the workforce.

All I want to say is one thing: It did not take much to do this because 96 percent, a larger number than I thought, 96 percent of the employee reduction—that is the civilian full-time equivalent reduction—are military civilians who were taken off the payroll as we reduced the Defense Department of the United States; 96 percent. Four percent is the reduction in the non-military civilian payroll of the United States.

Let's get it right, Mr. Vice President. Let's tell it right. There were no real reductions other than civilians who were laid off because we reduced the Defense Department. I want to be correct. I said there were none; 4 percent of reductions were from the rest of the civilian Government of the United States.

On the last item, let's get this one right. Mr. Vice President, you referred twice in debates to a program to give health insurance to kids. There is a program called CHIP which the U.S. Government gave money to each State

so they could try to insure or bring into Medicaid or at least in some way cover more children.

The Vice President said to the Republican nominee: Texas has not done very well with that. Your program for covering children obviously indicates—I am paraphrasing—that you did not care about children's health.

What should have been said is that 40 States of the Union were unable to use their CHIP money. Would that not have been a fairer thing to say rather than say Texas? The State that has the largest amount of money under that program for children's health and cannot spend it, has not spent it to this date is the State of California. As a matter of fact, they had \$591 million that they could not spend on children's health coverage because the program will not work. You cannot fit it into States. You cannot get it approved by the legislature. You cannot find the match, or whatever the reason.

Those 40 States, in addition to Texas, are California, Georgia, Washington, Minnesota—Minnesota had the highest percentage of that money left over because they could not spend it, 99 percent. New Mexico, my State, had 92. Arizona had 67 percent of their money.

Let's be fair. When you talk about children's health coverage and this Federal program, do not say Texas was unable to spend theirs. Let's say 40 States have been unable, so there must be some deficiency in the program, not in the States. All of those States are led in dollar numbers by the State of California which could not spend \$591 million because the program is difficult to do and very difficult to effectuate the coverage of children.

It is widely recognized that this S-CHIP program began slowly because State legislatures and HCFA had to approve plans. Right now, we are busy trying to extend the plan for 2 more years for all States. That is because 40 of them have been unable to spend all of the money available.

I ask the Vice President: In all those States, including California because they have this huge balance they could not use, is the Governor there adverse to covering children and having more children involved in something like children's insurance or Medicaid or the like? I do not think so, nor do I think the Governor of Texas is because I believe when 40 States cannot do it, we ought to tell it like it is.

The next time you are talking about this, Mr. Vice President, you ought to say not Texas alone but California and 39 other States have been unable to use

this CHIP money, this children's insurance money, for one reason or another. Texas is among the 40. They do not stand alone.

I ask unanimous consent that information that summarizes what I have said be printed in the RECORD.

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

STATE CHILDREN'S HEALTH INSURANCE PROGRAM

1. FEDERAL FUNDING AND REQUIREMENTS

As part of the 1997 Balanced Budget Act, Congress created the State Children's Health Insurance Program (S-CHIP).

The program provides allotments to States to expand health insurance coverage for children based on a formula that takes into consideration the number of low income children in the state with no health insurance coverage.

States must match the federal funding, but at a rate that is more favorable to the states than Medicaid.

States may use S-CHIP funds to: expand Medicaid, provide coverage outside of Medicaid as long as the program meets certain requirements, or some combination of the two.

The aggregate federal allotments for S-CHIP are as follows:

[Dollars in billions]	
Year	Dollars
1998	4.3
1999	4.3
2000	4.3
2001	4.3
2002	3.2
98-02	20.3
98-07	39.7

2. LARGE ELIGIBLE BUT UNENROLLED POPULATION

Estimates indicate that there are 2 to 4 million children eligible but not enrolled in Medicaid and another 2 million or more who are eligible but not enrolled in S-CHIP.

Some families lack information; others wait to sign up for the program when they need to get health care.

As more working class families have become eligible, it is likely that many of them get health insurance sporadically through work, but most S-CHIP programs do not provide subsidies for employer-based coverage.

3. STATES WITH UNEXPENDED FY 1998 FUNDS

There are approximately 40 states that did not use their full FY 1998 allotment by the end of FY 2000.

32 states had no spending in FY 1998

6 states had no spending at all in FY 1998 and FY 1999.

[Dollars in millions]			
Selected states	FY 98 Allotment	Unused FY 1998 Funds*	Percent unused
California	\$855	\$591	69
Texas	581	449	77
Arizona	117	78	67
Georgia	125	77	61
Washington	47	46	98

(Dollars in millions)

Selected states	FY 98 Al- lotment	Unused FY 1998 Funds*	Percent unused
Minnesota	28	28	99
Louisiana	102	74	73
New Mexico	63	58	92

*Source: Health Care Financing Administration (6-27-00).

4. EXTENSION OF USE OF FUNDS

It is widely recognized that the S-CHIP program began slowly because state legislatures and HCFA had to approve state plans.

Congress is expected to allow states with unused funds from FY 1998 and FY 1999 to keep those funds for an additional period of time as enrollment accelerates.

Mr. DOMENICI. Mr. President, with reference to how many civilian full-time equivalent employees have been reduced during the 8 years showing that 96 percent of it is military and 4 percent civilian comes from OMB, I ask unanimous consent that chart be printed in the RECORD.

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

TOTAL EXECUTIVE BRANCH CIVILIAN FULL-TIME EQUIVALENT EMPLOYEES: 1993-2000
(In thousands)

Fiscal year	Depart- ment of Defense	All other agencies	Total exec- utive branch
1993	932	1207	2139
1994	868	1184	2053
1995	822	1148	1970
1996	779	1113	1892
1997	746	1089	1835
1998	707	1083	1790
1999	681	1097	1778
2000	661	1195	1857
Decrease from 1993-2000	-271	-12	-282
Portion of Total Decrease from 1993 to 2000	271/ 282=96%	12/ 282=4%	

Source: Office of Management and Budget, The Budget of the United States Government for Fiscal Year 2001, Historical Tables, Table 17.3, p. 282.

Mr. DOMENICI. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FITZGERALD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, we concluded a short time ago with the argument by the Senator from New Hampshire, Mr. GREGG, on his concerns about some aspects of the Older Americans Act. I thought we were going to resume a robust debate. That does not quite seem like it is going to happen, but I am going to have things to say. Right now I suggest the absence of a quorum and ask unanimous consent that it be charged equally, and then I will take the floor and begin my rebuttal.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that the Senator from North Dakota, Mr. DORGAN, be recognized for 15 minutes to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator has 15 minutes.

OUR COUNTRY'S ECONOMY

Mr. DORGAN. Mr. President, I want to speak for a few minutes today about the issue of this country's economy. I was reminded the other day, in one of the discussions with respect to the contest for the Presidency this year, that some say: Really, nothing has happened with respect to the last 8 years and this administration. It got me to thinking of where we have been and what we are experiencing in this country today.

As I have indicated previously, I believe we are blessed in this country. We have the strongest economy in the world and the longest economic expansion in this country's history. And this is not all accidental. Some say that had nothing to do with Government, it had to do with the American people. The American people were working very hard in the 1950s and the 1980s, and during other periods. However, you also need a set of sensible Government policies that reduce the Federal indebtedness, stimulate investment and do the other things that are necessary to allow this economic engine to run and to work right. So this is not an accident.

Let me describe where we are. At the moment, we are 115 months into the longest economic expansion on record. That is something all of us should feel very good about.

Let me describe what happened to us back in the 1980s. In the early 1980s especially, we began a significant amount of red ink, deficit after deficit after deficit, and it kept getting worse and worse.

As you can see from this chart, the deficits went up to \$290 billion in the Federal budget in 1992. Then, in 1993, Congress made some hard decisions. This President, a new President, proposed a controversial new economic plan. Some did not like it. Some still do not like it. It passed the Senate by one vote and passed the House by one vote. This new economic plan provided a different direction. The deficits got smaller and smaller, and then we began to see surpluses, and more surpluses, and more.

Is this a turnaround? Yes, I think so. Is it accidental? No. It happened, as you can see indicated on this chart, when a new President proposed a bold economic plan and, by one vote in the House and the Senate, we embraced a new direction and a new approach. You can see by this chart what the result has been. We went from the largest deficits in history to the largest surpluses in this country's history.

Jobs created. The Government does not create jobs. But jobs are created in a timeframe in which the Government, with a set of policies, provides for economic opportunity in the expansion of the economy. Under the Reagan administration, in 8 years, 16 million jobs were created; the Bush administration, 4 years, 2.5 million jobs; under this administration, in 8 years, 22 million new jobs. It is a wonderful record, with an economy that is working better than anyone ever could have anticipated.

The unemployment rate. This economy is full of good news for our country. You can see what has happened to the unemployment rate, beginning in 1992 and 1993, when this Congress set this country on a different course to an economy of reduced deficits, with more robust growth. Unemployment has gone down, down, way down. That is good economic news for America's families.

The inflation rate is down. As we can see, we have had a low inflation rate that has been stable throughout the 1990s.

The lowest poverty rate in two decades. You can see from this chart what happened when this economy began to kick into fifth gear and we began to see lower deficits and more economic growth. We saw lower unemployment, and now we see lower poverty rates.

Some say: That is just an accident; isn't it? No, it is not just an accident. This Congress, by one vote, embraced a new plan offered by a new President in 1993. It was very controversial, and it worked. The evidence is all around us.

We had people on the floor of the Senate who said: Pass this plan, and it will bankrupt our country. Pass this plan, and our country will experience a recession. Pass this plan, and there will be people unemployed in the streets.

They were wrong. Where we were headed was a very difficult circumstance for our country: Bigger and bigger deficits; slow, anemic economic growth. We changed the plan. The Clinton-Gore proposal in 1993 was passed by one vote in both the House and the Senate. We changed direction. And we see unemployment down, inflation down, poverty rates down, and more.

And now, as a result of economic growth and better opportunity, the federal income tax burden on middle-income taxpayers has decreased, as well as the percent of income paid in Federal income taxes.

With respect to the burden of Federal income taxes on middle-income workers, those with average income of \$39,000 in 1999, the Federal income tax