

of its highest priorities, in the case of the CBC Minority AIDS Initiative, the Department has decided that Faith Based Organizations can no longer be targeted for funding.

I support the Democratic Substitute and urge my colleagues to do the same. This better bill would prohibit employment discrimination and the setting aside of state and local civil right laws and delete the sweeping new language in the bill which would permit federal agencies to convert more than \$47 billion in current government programs into private vouchers.

Mr. GILMAN. Mr. Speaker, faith-based organizations play a vital role in our communities and work tirelessly towards effectively meeting the needs of our communities. These organizations cover all religions and range from family counseling, to community development, to homeless and battered woman's shelters, to drug-treatment and rehabilitation programs and to saving our "at-risk" children. In many cases, they are the only organizations that have taken the initiative to provide a much needed community service.

In principle, I support what H.R. 7, the Community Solutions Act seeks to accomplish. However, during exhaustive conversations with my constituents, and a variety of organizations, we must address the following issues before the bill is viable and fair:

H.R. 7 gives the executive branch broad discretion to fundamentally change the structure of a plethora of federal social service programs totaling some 47 billion dollars through the use of vouchers. This voucher program allows any Cabinet Secretary to convert any of the covered programs currently funded through grants or direct funding to a voucher program, without Congressional approval. The risk of these voucher programs is that once a program becomes a voucher program, the funds become indirect funds, which could require participants in voucher funded programs to engage in worship or to conform to the religious beliefs of the religious organizations providing the service.

H.R. 7, would permit a variety of organizations, including for-profit entities, to receive program vouchers. Our concern is that this could jeopardize the financial stability of non-profit agencies by replacing the more reliable grant and contracts funding they currently receive with unpredictable voucher funding.

Mr. speaker, Charitable Choice fails to protect the beneficiaries of funded programs from proselytization, in that H.R. 7 fails to include meaningful safeguards for the beneficiaries while they are participants in publicly funded programs. H.R. 7, places the burden of objecting to the religious nature of the program up to the client, after he or she has sought assistance. Only after the injury suffered through unwanted proselytizing, that the government is required to provide an alternative program. We should fund secular alternatives in advance, not when a lawsuit is brought challenging the religious nature of the program.

Mr. Speaker, H.R. 7, mandates that those faith based entities utilizing federal funds are to be held to the federal civil rights standard that allows religious organizations to discriminate against those on the basis of religion. In many cases state law provides additional civil rights protections regarding sexual orientation, physical and mental disabilities, genetics, and a host of other protections. To allow federal law to supersede state law on this important

issue, not only creates the potential for constitutional states rights challenges, but does nothing to advance civil rights protections in our nation.

While no one can dispute the great work and the important services that faith-based organizations provide to our communities, the issues that I set forth and those raised by my colleagues must be addressed before this bill is fair, balanced and provides the necessary safeguards for all.

Accordingly, I look forward to working with our Conferees in the conference on this bill in order to more clearly address these issues.

Mr. PAUL. Mr. Speaker, no one familiar with the history of the past century can doubt that private charities, particularly those maintained by persons motivated by their faith to perform charitable acts, are more effective in addressing social needs than federal programs. Therefore, the sponsors of HR 7, the Community Solutions Act, are correct to believe that expanding the role of voluntary, religious-based organizations will benefit society. However, this noble goal will not be accomplished by providing federal taxpayer funds to these organizations. Instead, federal funding will transform these organizations into adjuncts of the federal government and reduce voluntary giving on the part of the people. In so doing, HR 7 will transform the majority of private charities into carbon copies of failed federal welfare programs.

Providing federal funds to religious organizations gives the organizations an incentive to make obedience to federal bureaucrats their number-one priority. Religious entities may even change the religious character of their programs in order to please their new federal paymaster. Faith-based organizations may find federal funding diminishes their private support as people who currently voluntarily support religious organizations assume they "gave at the (tax) office" and will thus reduce their levels of private giving. Thus, religious organizations will become increasingly dependent on federal funds for support. Since "he who pays the piper calls the tune" federal bureaucrats and Congress will then control the content of "faith-based" programs.

Those who dismiss these concerns should consider that HR 7 explicitly forbids proselytizing in "faith-based" programs receiving funds directly from the federal government. Religious organizations will not have to remove religious income from their premises in order to receive federal funds. However, I fail to see the point in allowing a Catholic soup kitchen to hang a crucifix on its wall or a Jewish day care center to hang a Star of David on its door if federal law forbids believers from explaining the meaning of those symbols to persons receiving assistance. Furthermore, proselytizing is what is at the very heart of the effectiveness of many of these programs!

H.R. 7 also imposes new paperwork and audit requirements on religious organizations, thus diverting resources away from fulfilling the charitable mission. Supporters of HR 7 point out that any organization that finds the conditions imposed by the federal government too onerous does not have to accept federal grants. It is true no charity has to accept federal grants. It is true no charity has to accept federal funds, but a significant number will accept federal funds in exchange for federal restrictions on their programs, especially since the restrictions will appear "reasonable" during

the program's first few years. Of course, history shows that Congress and the federal bureaucracy cannot resist imposing new mandates on recipients of federal money. For example, since the passage of the Higher Education Act the federal government has gradually assumed control over almost every aspect of campus life.

Just as bad money drives out good, government-funded charities will overshadow government charities that remain independent of federal funding. After all, a federally-funded charity has the government's stamp of approval and also does not have to devote resources to appealing to the consciences of parishioners for donations. Instead, government-funded charities can rely on forced contributions from the taxpayers. Those who dismiss this as unlikely to occur should remember that there are only three institutions of higher education today that do not accept federal funds and thus do not have to obey federal regulations.

We have seen how federal funding corrupts charity in our time. Since the Great Society, many organizations which once were devoted to helping the poor have instead become lobbyists for ever-expanding government, since a bigger welfare state means more power for their organizations. Furthermore, many charitable organizations have devoted resources to partisan politics as part of coalitions dedicated to expanding federal control over the American people.

Federally-funded social welfare organizations are inevitably less effective than their counterparts because federal funding changes the incentives of participants in these organizations. Voluntary charities promote self-reliance, while government welfare programs foster dependency. In fact, it is in the self-interests of the bureaucrats and politicians who control the welfare state to encourage dependency. After all, when a private organization moves a person off welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

Accepting federal funds will corrupt religious institutions in a fundamental manner. Religious institutions provide charity services because they are commanded to by their faith. However, when religious organizations accept federal funding promoting the faith may take a back seat to fulfilling the secular goals of politicians and bureaucrats.

Some supporters of this measure have attempted to invoke the legacy of the founding fathers in support of this legislation. Of course, the founders recognized the importance of religion in a free society, but not as an adjunct of the state. Instead, the founders hoped a religious people would resist any attempts by the state to encroach on the proper social authority of the church. The Founding Fathers would have been horrified by any proposal to put churches on the federal dole, as this threatens liberty by subordinating churches to the state.

Obviously, making religious institutions dependent on federal funds (and subject to federal regulations) violates the spirit, if not the letter, of the first amendment. Critics of this legislation are also correct to point out that this bill violates the first amendment by forcing taxpayers to subsidize religious organizations whose principles they do not believe. However, many of these critics are inconsistent in

that they support using the taxing power to force religious citizens to subsidize secular organizations.

The primary issue both sides of this debate are avoiding is the constitutionality of the welfare state. Nowhere in the Constitution is the federal government given the power to level excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people's money stolen through confiscatory taxation. After all, the words of the famous essay by former Congressman Davy Crockett, that money is "Not Yours to Give."

Instead of expanding the unconstitutional welfare state, Congress should focus on returning control over welfare to the American people. As Marvin Olaksy, the "godfather of compassionate conservatism," and others have amply documented, before they were crowded out by federal programs, private charities did an exemplary job at providing necessary assistance to those in need. These charities not only met the material needs of those in poverty but helped break many of the bad habits, such as alcoholism, taught them "marketable" skills or otherwise engaged them in productive activity, and helped them move up the economic ladder.

Therefore, it is clear that instead of expanding the unconstitutional welfare state, Congress should return control over charitable giving to the American people by reducing the tax burden. This is why I strongly support the tax cut provisions of H.R. 7, and would enthusiastically support them if they were brought before the House as a stand alone bill. I also proposed a substitute amendment which would have given every taxpayer in America a \$5,000 tax credit for contributions to social services organizations which serve lower-income people. Allowing people to use more of their own money promotes effective charity by ensuring that charities remain true to their core mission. After all, individual donors will likely limit their support to those groups with a proven track record of helping the poor, whereas government agencies may support organizations more effective at complying with federal regulations or acquiring political influence than actually serving the needy.

Many prominent defenders of the free society and advocates of increasing the role of faith-based institutions in providing services to the needy have also expressed skepticism regarding giving federal money to religious organizations, including the Reverend Pat Robinson, the Reverend Jerry Falwell, Star Parker, Founder and President of the Coalition for Urban Renewal (CURE), Father Robert Sirico, President of the Action Institute for Religious Liberty, Michael Tanner, Director of Health and Welfare studies at the CATO Institute, and Lew Rockwell, founder and president of the Ludwig Von Mises Institute. Even Marvin Olaksy, the above-referenced "godfather of compassionate conservatism," has expressed skepticism regarding this proposal.

In conclusion, Mr. Speaker, because H.R. 7 extends the reach of the immoral, unconstitutional welfare state and thus threatens the autonomy and the effectiveness of the very faith-based charities it claims to help, I urge my colleagues to reject it. Instead, I hope my colleagues will join me in supporting a constitutional and compassionate agenda of returning

control over charity to the American people through large tax cuts and tax credits.

Ms. KILPATRICK. Mr. Speaker, today I rise in opposition to the underlying bill and in support of the Conyers Substitute. First, and foremost I must make known my profound belief in the healing ability of faith. The Church has always played an important role in my life and in many ways was a catalyst to my choice to pursue a political career. However, this is not a debate about government versus religion. Religious organizations play an important role in our society and no matter what we do on the floor today they will continue to do so. I assure you I will continue to support them.

ALREADY HAVE THE ABILITY TO COMPETE

There are many who have taken the floor and allege that Faith Based organizations are discriminated against when competing for federal funds. I question this statement. I have come to believe that under current law, Faith Based organizations can in fact compete if they take certain steps under the law. They must create a separate 501(C)(3) organization to prevent the mixing of church and secular activities. In my mind this insulates Faith Based organizations from the sometimes intrusive hand of the government.

DISCRIMINATION

Again I state my support for the healing role of faith based organizations. However, as an avid student of this country's history and, for that matter, the world's history, I cannot ignore some of the heinous things that have been done in the name of religion. In fact, current history is full of the horrors attendant to state sponsored religion. For decades, this country has struggled to bring peace to the hot box that is the Middle East, where religion is the sub-text used for the oppression of women, the oppression of other faiths and state sponsored terrorism. While I realize that this country has many protections against many of these horrors, and I do not mean to suggest that the enactment of this bill will rise to the level of these horrors, I do mean to suggest that more subtle forms of these problems such as discrimination will result from this measure.

This bill would allow Faith Based organizations to discriminate as to who they will hire. This is wrong. The faith of a helping hand is of no consequence to the person in need. All of humanity has the potential to accomplish charitable deeds and should not be told that there is no role for their charity because of the faith they hold dear. I will not stand idly by as the Civil Rights laws in place to prevent workplace discrimination are flouted in the name of religion.

NO ADDITIONAL FUNDING FOR THE PROGRAM

Finally, this measure is indicative of the Republican efforts to dismantle social programs. I say this because they have not provided a red cent for the implementation of this initiative or the programs that it involves. This bill will expand the pool of competitors already competing for diminished funds due to a bloated tax-cut. For example the Bush budget cuts local crime prevention funds by \$1 billion. The Bush budget also cuts the needs of public housing by \$1 billion by cutting \$309 million from Public Housing Drug Elimination Grants, and cutting the Public Housing Capital Fund by \$700 million. Even Job Training is cut by \$500 million under the Administration's budget.

Mr. CRANE. Mr. Speaker, I have long advocated making changes to the tax code de-

signed to encourage charitable giving. Indeed, I have promoted some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for non-itemizers, for many years. Because the legislation we are considering, the Community Solutions Act, contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

However, while I believe this legislation is a step in the right direction, H.R. 7 is but a first step. Frankly, we need to do more, and in my remarks today I would like to highlight a number of items that I believe need to receive further consideration by the Ways and Means Committee and the Congress in the near future.

My first comments relate to the largest provision in this legislation in terms of revenue impact—the charitable deduction for non-itemizers. I do not believe there is a member in Congress who has fought longer or harder for restoring the charitable deduction for non-itemizers than I. The non-itemizer charitable deduction actually existed in the tax code from 1981–1986. It was created in the 1981 Reagan tax bill, but the language in the 1981 bill sunset the provision after 1986. In January 1985, at the start of the 99th Congress, I introduced legislation, H.R. 94, to make the non-itemizer deduction permanent. The year after the provision expired in 1986, I introduced legislation, H.R. 113, to restore the deduction. In every Congress since that time up to the present, I have introduced legislation to restore this deduction. For the record, I would like to insert the following table identifying the Congress, date and bill number of the legislation that I have introduced on this subject: 99th Congress—1/3/85—H.R. 94; 100th Congress—1/6/87—H.R. 113; 101st Congress—1/4/89—H.R. 459; 102nd Congress—1/3/91—H.R. 310; 103rd Congress—1/5/93—H.R. 152; 104th Congress—4/7/95—H.R. 1493; 105th Congress—9/18/97—H.R. 2499; 106th Congress—3/25/99—H.R. 1310; and 107th Congress—2/28/01—H.R. 777.

While I am gratified that Congressman WATTS included that the non-itemizer deduction in H.R. 7, I am disappointed that the limitations on the amount of the deduction were set so low. Indeed, I am concerned that the deduction limits have been set so low as to have a very minimal impact toward the goal of increasing charitable giving. Frankly, the deduction allowance ought to be set substantially higher. I applaud President Bush for his proposal to allow the deduction up to the amount of the standard deduction. However, despite my concerns with the limitations contained in H.R. 7, I still believe that this provision represents a positive first step—a step on which the Ways and Means Committee can build a more substantial deduction. Moreover, I hope that the other body takes up similar legislation this year and that it considered the concerns I am raising today.

With regard to those individuals who do itemize their deductions, I want to mention two proposals that were not contained in H.R. 7 but hopefully will be considered at a later date. The first of these proposals relates to Section 170 of the tax code. Under current law, individuals who contribute appreciated property (such as stocks and real estate) to charity are