health and the global competitiveness of the state of Wyoming and the entire nation; and

''Whereas, the highway network is the backbone of a transportation system for the movement of people, goods, and intermodal connections; and

''Whereas, it is critical to effectively address highway transportation needs through appropriate transportation plans and program investments; and

''Whereas, the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA) established the concept of a 155,000 mile national highway system which includes the interstate system; and

''Whereas, on December 9, 1994, the United States department of transportation transmitted to Congress a 159,000 mile proposed national highway system which identified 104 port facilities, 143 airports, 191 rail-truck terminals, 321 Amtrak stations and 319 transit terminals; and

''Whereas, ISTEA requires that the national highway system and interstate maintenance funds not be released to the states if the system is not approved by September 30, 1995; and

''Whereas, the uncertainty associated with the future of the national highway system precludes the possibility of the state to effectively undertake the necessary, properly developed planning and programming activities; Now, therefore, be it

''Resolved by the members of the fifty-third Wyoming Legislature;

''Section 1. That the process for developing and approving the national highway system should be accelerated and that the Congress of the United States of America should pass legislation which approves and designates the national highway system no later than September 30, 1995.

''Section 2. That the Secretary of State of Wyoming transmit copies of this resolution to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to the Governor of the state of Wyoming and to the Wyoming Congressional Delegation.''

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCAIN (for himself, Mr. LEVIN, Mr. ROTH, Mr. GLENN, and Mr. COHEN):

S. 790. A bill to provide for the modification or elimination of Federal reporting requirements; read the first time.

By Mr. COCHRAN (for himself and Mr. LOTT):

S. 791. A bill to provide that certain civil defense employees and employees of the Federal Emergency Management Agency may be eligible for certain public safety officers death benefits, and for other purposes; to the Committee on Governmental Affairs.

By Ms. MOSELEY-BRAUN (for herself, Mr. BURNS, and Mr. ROBB):

S. 792. A bill to recognize the National Education Technology Funding Corporation as a nonprofit corporation operating under the laws of the District of Columbia, to provide authority for Federal departments and agencies to provide assistance to such corporation, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SIMPSON (for himself, Mr. MOYNIHAN, and Mr. KYL):

S. 793. A bill to amend the Internal Revenue Code of 1986 to provide an exemption from income tax for certain common investment funds; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. INOUYE, Mr. SANTORUM, Mr. CRAIG, Mr. COHEN, Mr. MACK, Mr. PRESSLER, Mr. BURNS, Mr. KERREY, Mr. GRAHAM, Mr. COATS, Mr. GORTON, Mr. PACKWOOD, Mr. CAMPBELL, Mr. DORGAN, Mr. McCONNELL, Mr. THURMOND, Mr. DOLE, Mr. JEFFORDS, Mr. HELMS, Mr. BOND, Mr. GRASSLEY, Mrs. KASSEBAUM, Mr. HOLLINGS, Mr. JOHNSTON, Mr. INHOFE, Mr. ABRAHAM, Mrs. MURRAY, Ms. SNOWE, Mrs. FEINSTEIN, Mr. HATCH, Mr. NICKLES, Mr. HATFIELD, Mr. KEMPTHORNE, Mr. SPECTER, Mr. COCHRAN, Mr. PRYOR, Mr. DASCHLE, Mr. HEFLIN, Mr. COVERDELL, Mr. LOTT, and Mr. CONRAD):

S. 794. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. COHEN:

S. 795. A bill for the relief of Pandelis Perdikis; to the Committee on the Judiciary.

By Mr. BOND (for himself and Mr. ASHCROFT):

S. 796. A bill to provide for the protection of wild horses within the Ozark National Scenic Riverways, Missouri, and prohibit the removal of such horses, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY:

S. 797. A bill to provide assistance to States and local communities to improve adult education and family literacy, to help achieve the National Education Goals for all citizens, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CONRAD (for himself, Mr. CHAFEE, Mr. JEFFORDS, Mr. BRADLEY, and Mr. ROCKEFELLER):

S. 798. A bill to amend title XVI of the Social Security Act to improve the provision of supplemental security income benefits, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCAIN (for himself, Mr. LEVIN, Mr. ROTH, Mr. GLENN, and Mr. COHEN):

S. 790. A bill to provide for the modification or elimination of Federal reporting requirements; read the first time.

FEDERAL REPORTS ELIMINATION AND SUNSET ACT

Mr. McCAIN. Mr. President, on behalf of Senator LEVIN and myself, I'm pleased to introduce the Federal Reports Elimination and Sunset Act of 1995. This legislation would terminate or modify the statutory requirement for over 200 mandatory reports to Congress, and sunset most other mandatory reports after 4 years. This legislation would also require the President to identify which reports he feels are unnecessary or wasteful in his next budget submission of Congress, which will hopefully spur Congress to swiftly dispose of those specific reports.

This legislation is a combination of two separate bills that Senator LEVIN and I have previously introduced, both of which were passed by the Senate as amendments to S. 244, The Paperwork Reduction Act. The intent of the Federal Reports Elimination and Sunset Act is to end the needless expense of hundreds of millions of taxpayer dollars each year on many Federal reports that are of minor value to the Congress and our constituents.

Mr. President, by passing this legislation the Senate can help bring to an end one of Congress' most unessential and burdensome practices. Each year members of Congress add layer upon layer of onerous paperwork requirements upon Executive Branch agencies by mandating various reports. This problem has a very real and substantive cost to taxpayers in terms of wasting hundreds of millions of dollars, in addition to taking up untold numbers of work-hours by federal employees, and untold amounts of other agency resources that could be far better utilized in more worthy endeavors.

It is astounding that in 1993 the Congress required the Office of the President and Executive branch agencies to prepare over 5,300 reports! This is a problem that is reaching truly epic proportions of unnecessary and wasteful paper shuffling! This practice has been criticized by both Vice President Gore in his ''National Performance Review,'' and the Senate's members of the Joint Committee on the Organization of Congress. The Joint Committee stated that:

> These reports should not continue in perpetuity without some clear evidence that the report serves a useful policy purpose. The proliferation of mandatory agency reports has been a matter of wide concern in the Congress and in the Executive Branch.

Furthermore, in 1992 the GAO found that:

In the 101st Congress, a single House committee received over 800 reports from Federal agencies in response to mandates from the Congress;

Another 600 reports were sent to the same committee in the 102d Congress;

The Office of Management and Budget had to submit 38 reports to a single House committee just to comply with the 1990 Budget Reconciliation Act;

Are these reports necessary? Does Congress really need to force every Federal agency to keep a small army of bureaucrats on the payroll solely to satisfy its insatiable appetite for reports? I think the answer is clearly no, and I'm confident most people sincerely interested in reducing the size and cost of Government will agree.

While I firmly believe we should sunset most annual or semi-annual mandatory reporting requirements, I in no way wish to contend that there are not many reports required by Congress that are vitally important. The recurring flow of timely and accurate information from the executive branch to the Congress is essential to our oversight responsibilities as Members, and as a legislative body. However, I will strongly contend that the cumulative weight and cost of the reporting mandates we've enacted year after year has gotten totally out of hand.

The problem of foisting massive reporting requirements on Federal agencies is not only very real, it's extremely expensive. The Department of Agriculture alone spent over $40 million in taxpayers money in 1993 to produce the 280 reports it was required to submit to the Congress. That is astounding, Mr. President—$40 million in taxpayer dollars spent by a single department last year on reports mandated by the Congress. The Department of Agriculture isn't even the leader in this respect, however, because the Department of Defense has estimated that it must prepare 600 reports each year for Congress! At a time when our country is struggling to alleviate the burdens of the middle class and also address the urgent needs of our citizenry, this is an especially egregious waste of money.

Let's consider this startling cost of reports at the USDA in another context: the money the Congress forced the Department of Agriculture to fritter away on reporting mandates last year could have provided services to an additional 100,000 low-income women and children under the USDA's WIC program. Think about that, Mr. President; an additional 100,000 women and children could have been provided vital nutritional and health services with the funds the USDA had to spend researching and preparing hundreds of reports! That same $40 million could have enrolled another 10,000 disadvantaged children in Head Start, as well! Imagine what the cost to taxpayers was to produce the more than 5,300 reports that the Congress required of Federal agencies in 1993!

Furthermore, this problem is getting worse and worse with each passing year. The GAO stated that in 1970, the Congress mandated only 750 recurring reports from Federal agencies. Now we have spiralled well past 5,300, and the GAO determined that ''Congress imposes about 300 new requirements on Federal agencies each year!'' Clearly, Mr. President, the wasteful blizzard of paperwork that Vice President Gore criticized is becoming an avalanche, and it's time for the Senate to take decisive action to remedy it.

This legislation would terminate the statutory requirement for all annual or recurring congressionally-mandated reports four years after it is signed into law, with two specific exceptions. The reports to be exempted are those required under the Inspector Generals Act of 1978 and the Chief Financial Officers Act of 1990. The Inspector Generals Act requires the Congress to be advised of activities regarding investigations into waste, fraud, and abuse in Federal agencies; and the CFO Act requires agencies to provide financial information about their short and long-term management of agency resources.

I believe the reports required by these two laws are very important and merit continuation, and I also recognize that there are many other reports that my colleagues feel have great value because of the information they provide to Congress. Such reports can simply be reauthorized at any time in the 4 years before this legislation would sunset them.

I want to commend my colleague, Senator LEVIN, for his considerable contribution to this legislation. Senator LEVIN and his staff worked for months in developing a list of over 200 mandatory reports that should either be promptly eliminated or modified in order to lessen the burdens and costs that the Congress has placed on Federal agencies. The provisions of this bill that he developed will terminate the production of some of the most dubious examples of unnecessary paperwork shuffling by Federal agencies, and I thank him for his valuable work in this area. The combined impact of the legislation we are introducing today will certainly help remove the millstone of unnecessary and costly paperwork that Congress has hung around the neck of the Federal Government for too long.

Mr. President, I am very pleased that the chairman and ranking member of the Governmental Affairs Committee, Senator ROTH and Senator GLENN, respectively, are cosponsors of this legislation. I further want to thank both Senator ROTH and Senator GLENN for clearing this bill to be placed directly on the Senate Calendar upon introduction, so that no further action by the committee is necessary. I hope it will be passed by the full Senate in the near future.

Mr. LEVIN. Mr. President, I am pleased to introduce along with Senators MCCAIN, ROTH, GLENN, and COHEN the Federal Reports Elimination and Sunset Act of 1995, which eliminates and modifies over 200 outdated or unnecessary congressionally mandated reporting requirements and also places a sunset on those reports with an annual, semi-annual, or other regular periodic reporting requirement 4 years after the bill's enactment. The legislation is designed to improve the efficiency of agency operations by eliminating paperwork generated and staff time spent in producing unnecessary reports to Congress.

The legislation that we are introducing today is similar to the bill Senator COHEN and I introduced last year, and is the product of a thorough effort to identify those congressionally-mandated agency reporting requirements that have outlived their usefulness and now serve only as an unnecessary drain on agency resources—resources that could be devoted to more important program use. The Congressional Budget Office estimates that enactment of this legislation could result in savings of up to $5 to $10 million without even factoring in the savings from the sunset provision.

In 1985, when a previous Reports Elimination Act was passed, there were approximately 3,300 reporting requirements. The 1985 act affected only 23 of these reports. Today, there are over 5,300 reporting requirements. Some estimates of the annual cost of meeting these reporting requirements are as high as $240 million a year, and the GAO reports that Congress imposes close to 300 new requirements every year.

This bill is the product of an extensive process that started with recommendations from executive and independent agencies. Senator COHEN and I wrote to all 89 executive and independent agencies and asked that they identify reports required by law that they believe are no longer necessary or useful and, therefore, that could be eliminated or modified. We stressed the importance of a clear and substantiated justification for each recommendation made. We received responses from about 80 percent of the agencies. For the most part, the agencies made a serious effort to review and recommend a respectable number of reporting requirements for elimination.

We then went to the chairman and ranking member of each of the relevant Senate committees—for their review and comment—the recommendations made by the agencies under their respective jurisdictions. We also asked that the committees provide us with any additional recommendations for eliminations or modifications that they might have.

Many of the committees responded to the request. Those responses were generally supportive of the subcommittee's efforts and most contained only a few changes to the agency recommendations. Those changes were primarily requests by committees to retain reports under their jurisdiction because the information contained in the report is of use to the committee or, in some cases, of use to outside organizations.

After this extensive review and comment period, Senator COHEN and I introduced S. 2156, the Federal Reports Elimination and Modification Act, on May 25, 1994. As introduced, the bill contained nearly 300 recommendations for eliminations or modifications. Senators GLENN, ROTH, STEVENS, and MCCAIN cosponsored that bill. Shortly after the introduction of S. 2156, Senator COHEN and I again wrote to all the committees and asked for comments on the bill as introduced.

S. 2156 was unanimously approved by the Governmental Affairs Committee on August 2, 1994. Unfortunately, the Senate was unable to act on S. 2156 before the end of the 103d Congress. But I am more hopeful that both Houses of Congress will pass this very timely piece of legislation this year. In fact, in March 1995, the Senate agreed to include the language of this bill in the form of two separate amendments to the 1995 Paperwork Reduction Act, S. 244.

The amendments, however, were struck in conference. The chairman of the House Committee on Government Reform and Oversight agreed, however,

to support similar legislation in a free-standing bill.

Under this bill, 157 reports will be eliminated and 61 will be modified. The legislation also includes a modified version of Senator MCCAIN's sunset provision which will facilitate Congress's review of these reports. Rather than undergoing the same lengthy process of assessing the usefulness of each and every reporting requirement on a periodic basis, the sunset provision will eliminate those reports with a annual, semi-annual, or regular periodic reporting requirement 4 years after the bill's enactment, while allowing Members of Congress to re-authorize those reports it deems necessary in carrying out effective congressional oversight. The sunset provision does not apply to any reports required under the Inspector General Act of 1978 or the Chief Financial Officers Act of 1990.

Because the Senate had already passed similar legislation earlier this year, we will be seeking to place the bill directly on the calendar for the Senate's immediate consideration.

The enactment of this legislation is long overdue. Congressional staffers are being inundated with reports that are never read and are simply dropped into file cabinets or wastebaskets, never to be seen again. We are introducing this bipartisan legislation in the hopes that Congress will act quickly to plug this drain on needed resources caused by unnecessary and extraneous reporting requirements.

Mr. COHEN. Mr. President, I am pleased to be an original cosponsor of S. 790, the Federal Reports Elimination and Sunset Act of 1995, legislation to eliminate or modify over 200 statutory reporting requirements that have outlived their usefulness and sunset many others.

Senators LEVIN, MCCAIN, and I offered the text of this bill as two separate amendments, which were accepted by the Senate, during the debate on the Paperwork Reduction Act earlier this year. Because of the concerns of House conferees that the House Committees had not had adequate time to review the various reports targeted for elimination or sunset, the amendments were dropped in conference. The House conferees assured us, however, that the House would act quickly to take up separate legislation combining the two amendments.

The issue of eliminating unnecessary government reporting requirements is an area that Senator LEVIN and I have worked on for a number of years in our capacity as chairman and ranking minority member of the Governmental Affairs Subcommittee on Oversight of Government Management. The text of the amendment that Senator LEVIN and I offered to the Paperwork Reduction Act was based on legislation we introduced last Congress which CBO estimated would reduce agencies' reporting costs by $5 million to $10 million annually. The legislation was the product of more than a year's worth of discussions with Government agencies and congressional committees.

An example of the type of report this legislation will eliminate is an annual Department of Energy report on naval petroleum and oil shale reserves production. The same data in this report is included in the Naval Petroleum Reserves Annual Report. Other provisions of the bill will consolidate information to reduce the number of reports required. For example, the Department of Labor's annual report will be modified to include the Department's audited financial statements and, thereby, eliminate the need for a separate annual report for all money received and disbursed by the Department. Finally, the bill will also eliminate reports that are simply no longer necessary—reports that were useful at the time they were required but stopped serving a useful purpose and were kept on the books because no one was looking closely enough at them.

The bill also sunsets in 4 years reports made on a regular basis. Under the bill, the sunset will not apply to reports triggered by specific events such as a report to Congress required under the War Powers Act as a result of certain actions. The sunset will also not apply to reporting requirements required by the Inspector General Act or the Chief Financial Officers Act. The sunset provision will force Congress to periodically review mandated reporting requirements and reauthorize those that are still serving a valid purpose. The sunset is based on legislation introduced by Senator MCCAIN and will save additional taxpayers' dollars.

In closing, I believe this legislation is a reasonable approach to eliminating unnecessary reporting requirements and it is consistent with efforts by the Congress to reinvent Government and make it more efficient. The legislation is intended to reduce the paperwork burdens placed on Federal agencies, streamline the information that flows from these agencies to the Congress, and save millions of taxpayers' dollars. I hope the congress will act expeditiously to pass this legislation.

By Mr. COCHRAN (for himself and Mr. LOTT):

s. 791. A bill to provide that certain civil defense employees and employees of the Federal Emergency Management Agency may be eligible for certain public safety officers death benefits, and for other purposes; to the Committee on Governmental Affairs.

PUBLIC SAFETY OFFICERS BENEFITS ACT EXTENSION

• Mr. COCHRAN. Mr. President, today I am introducing legislation to extend coverage under the Public Safety Officers Benefits Act to employees of the Federal Emergency Management Agency [FEMA] and employees of State and local emergency management and civil defense agencies who are killed or disabled in the line of duty.

The Public Safety Officers Benefits Act provides benefits to eligible survivors of a public safety officer whose death is the direct result of a traumatic injury sustained in the line of duty. The act also provides benefits to those officers who are permanently and totally disabled as the direct result of a catastrophic personal injury sustained in the line of duty.

The act now covers State and local law enforcement officers and fire fighters, Federal law enforcement officers and fire fighters, and Federal, State, and local rescue squads and ambulance crews. However, an employee of a State or local emergency management, or civil defense agency, or an employee of FEMA, who is killed or permanently disabled performing his or her duty in responding to a disaster is not covered under the act.

The legislation I am introducing today will remedy this situation by extending the act to those employees. This will ensure that the survivors and family members of an employee killed in the line of duty will receive benefits and that an employee permanently and totally disabled as a result of injury sustained in the line of duty will also receive the benefits of the act.

During his confirmation hearing in the last Congress, FEMA Director James Lee Witt said that emergency management and civil defense employees put their lives on the line almost every time they respond to an event. Enactment of this legislation will provide them with some assurance that, should death or disabling injury result from the performance of their duty, their families will receive survivor benefits or they will receive disability benefits.

I hope my colleagues will carefully consider this legislation and join me in support of its enactment.•

By Ms. MOSELEY-BRAUN (for herself, Mr. BURNS, and Mr. ROBB):

S. 792. A bill to recognize the National Education Technology Funding Corporation as a nonprofit corporation operating under the laws of the District of Columbia, to provide authority for Federal departments and agencies to provide assistance to such corporation, and for other purposes; to the Committee on Labor and Human Resources.

THE NATIONAL EDUCATION TECHNOLOGY FUNDING CORPORATION ACT

Ms. MOSELEY-BRAUN. Mr. President, I introduce the National Education Technology Funding Corporation Act, legislation designed to connect public schools and public libraries to the information superhighway.

PUBLIC EDUCATION

Mr. President, if there is any objective that should command complete American consensus, it is to ensure that every American has a chance to succeed. That is the core concept of the American dream—the chance to achieve as much and to go as far as

your ability and talent will take you. Public education has always been a part of that core concept. In this country, the chance to be educated has always gone hand in hand with the chance to succeed.

Yet, as I have stated time and time again, education is more than a private benefit, it is also a public good. My experiences as a legislator have shown me that the quality of public education affects the entire community. Education prepares our work force to compete in the emerging global economy. It increases our productivity and competitive advantages in world markets. It also promotes our economy and the standard and quality of living for our people.

TECHNOLOGY

Nonetheless, I am convinced that it will be difficult if not impossible for us to prepare our children to compete in the emerging global economy unless we change the current educational system. If American students are to compete successfully with their foreign counterparts, systemic school reform must occur. And that means taking into account and addressing all aspects of the educational system.

Mr. President, the increased competition created by the emerging global economy requires teachers and students to transform their traditional roles in many ways. It requires teachers to act as facilitators in the classroom, guiding student learning rather than prescribing it. It also requires students to construct their own knowledge, based on information and data they manipulate themselves.

Technology can help teachers and students play the new roles that are being required of them. Technology can help teachers report and chart student progress on a more individualized basis. It can also allow them to use resources from across the globe or across the street to create different learning environment for their students without ever leaving the classroom. On the other hand, technology can allow students to access the vast array of material available electronically and to engage in the analysis of real world problems and questions.

FIRST GAO REPORT

A recent report released by the General Accounting Office concluded that our Nation's education technology infrastructure is not designed or sufficiently equipped to allow our children to take advantage of the benefits technology offers.

Last year, I asked the General Accounting Office [GAO] to conduct a comprehensive, nationwide study of the condition of our Nation's public schools. In responding to my request, the General Accounting Office surveyed a random sample of our Nation's 15,000 school districts and 80,000 public schools from April to December 1994. Based on responses from 78 percent of the schools sampled, GAO began preparing five separate reports on the condition of our Nation's public schools.

The first GAO report, which was released on February 1, 1995, examined the education infrastructure needs for our Nation's public elementary and secondary schools. As expected, this report made clear what most of us already knew; that our schools are deteriorating and we need to fix them. More specifically, the GAO report concluded that our Nation's public schools need $112 billion to restore their facilities to good overall condition.

SECOND GAO REPORT

The most recent GAO report, which was released on April 4, 1995, concluded that more than half of our Nation's public schools lack six or more of the technology elements necessary to reform the way teachers teach and students learn including: computers, printers, modems, cable TV, laser disc players, VCR's, and TV's.

In fact, the GAO report found that more of our Nation's schools do not have the education technology infrastructure necessary to support these important audio, video, and data systems. For example, their report states that: 86.8 percent of all public schools lack fiber-optic cable; 46.1 percent lack sufficient electrical wiring; 34.6 percent lack sufficient electrical power for computers; 51.8 percent lack sufficient computer networks; 60.6 percent lack sufficient conduits and raceways; 61.2 percent lack sufficient phonelines for instructional use; and 55.5 percent lack sufficient phonelines for modems.

LOCAL PROPERTY TAXES

Mr. President, these results are simply unacceptable. There is absolutely no reason why, in 1995, all of our Nation's children should not have access to the best education technology resources in the world.

The most recent GAO report did find that students in some schools are taking advantage of the benefits associated with education technology. For example, advanced chemistry students at Centennial High School in Champaign, IL, are developing experiments that allow them to move parts of molecules on their computer screens in response to their own computer commands. In one simulation, students watch the orbitals of electrons in reaction to imposed actions. Another simulation demonstrates the ionization of atoms—how the size of atoms changes when ions are added or subtracted.

The bottom line, however, is that we are still failing to provide all of our Nation's children with education technology resources like those being provided at Centennial High School because the American system of public education has forced local school districts to maintain our Nation's education infrastructure primarily with local property taxes.

For a long time, local school districts were able to meet that responsibility. Local property taxes, however, are now all too often an inadequate source of funding for public education. What is even worse is that this financing mechanism makes the quality of public education all too dependent on local property value.

As a result, the second GAO report found that, on average, only 8 percent of local school bond proceeds were spent on computers and telecommunications equipment. That is, for the average $6.5 million bond issue, only $155,600, or 2 percent was provided for the purchase of computers and only $381,100, or 6 percent for the purchase of telecommunications equipment.

Yet, most States continue to force local school districts to rely increasingly on local property taxes for public education, in general, and for education technology, in particular. In Illinois, for example, the local share of public education funding increased from 48 percent during the 1980–81 school year to 58 percent during the 1992–93 school year, while the State share fell from 43 to 34 percent during this same period.

The Federal Government must also accept a share of the blame for failing to provide our Nation's children with environments conducive to learning. The Federal Government's share of public education funding has fallen from 9.1 percent during the 1980–81 school year to 5.6 percent during the 1993–94 school year.

GOALS 2000

Mr. President, Congress passed the goals 2000: Educate America Act which President Clinton signed into law on March 31, 1994. I support this legislation because it promises to create a coherent, national framework for education reform founded on the national education goals. Nonetheless, I firmly believe that it is inherently unfair to expect our children to meet national performance standards if they do not have an equal opportunity to learn.

EDUCATION INFRASTRUCTURE ACT

That is why I introduced the Education Infrastructure Act last year. This legislation addresses the needs highlighted in the first GAO report by helping local school districts ensure the health and safety of students through the repair, renovation, alteration, and construction of school facilities. More specifically, this legislation authorizes the Secretary of Education to make grants to local school districts with at least a 15 percent child poverty rate and urgent repair, renovation, alteration, or construction needs.

INFORMATION SUPERHIGHWAY

Mr. President, President Clinton and Vice President Gore have taken leadership roles in addressing the needs highlighted in the most recent GAO report. On September 15, 1993, the information infrastructure task force created by the Vice President released its report—''National Information Infrastructure: Agenda for Action.'' This report urges the Federal Government to support the development of the information superhighway—the metaphor used to describe the evolving technology infrastructure that will link homes, businesses, schools, hospitals, and libraries

to each other and to a vast array of electronic information resources.

On this same day, President Clinton issued Executive Order 12864 which created the National Information Infrastructure Advisory Council to facilitate private sector input in this area.

Mr. President, a substantial portion of the information superhighway already exists. Approximately 94 percent of American households have telephone service, 60 percent have cable, 30 percent have computers, and almost 100 percent have radio and television. Local and long-distance telephone companies are currently investing heavily in fiber-optic cables that will carry greater amounts of information; cable companies are increasing their capacity to provide new services; and new wireless personal communications systems are under development. One prototype, the Internet, connects approximately 15–20 million people worldwide.

FEDERAL SUPPORT

Nonetheless, the results of the second GAO report suggest to me that the Federal Government must do more to help build the education portion of the national information infrastructure. Federal support for the acquisition and use of technology in elementary and secondary schools is currently fragmented, coming from a diverse group of programs and departments. Although the full extent to which the Federal Government currently supports investments in education technology at the precollegiate level is not known, the Office of Technology Assessment estimated in its report—''Power On!''—that the programs administered by the Department of Education provided $208 million for education technology in 1988.

COST OF TECHNOLOGY

There is little doubt that substantial costs will accompany efforts to bring education technologies into public schools in any comprehensive fashion. In his written testimony before the House Telecommunications and Finance Subcommittee on September 30, 1994, Secretary of Education, Richard Riley, estimated that it will cost anywhere from $3 to $8 billion annually to build the education portion of the national information infrastructure. The Office of Technology Assessment has also estimated that the cost of bringing the students to computer ratio down to 3-to-1 would cost $4.2 billion a year for 6 years.

NATIONAL EDUCATION TECHNOLOGY FUNDING CORPORATION

Mr. President, three leaders in the areas of education and finance came together recently to help public schools and public libraries meet these costs. On April 4, John Danforth, former U.S. Senator from Missouri, Jim Murray, past President of Fannie Mae, and Dr. Mary Hatwood Futrell, past President of the National Education Association, created the National Education Technology Funding Corporation.

As outlined in its articles of incorporation, the National Education Technology Funding Corporation will stimulate public and private investment in our Nation's education technology infrastructure by providing loans, loan guarantees, grants, and other forms of assistance to States and local school districts.

LEGISLATION

I am introducing the National Education Technology Funding Corporation Act today to help provide the seed money necessary to get this exciting, new private sector initiative off the ground. Rather than promoting our Nation's education technology infrastructure by creating another Federal program, this legislation would simply authorize Federal departments and agencies to make grants to the NETFC.

The National Education Technology Funding Corporation Act would not create the NETFC or recognize it as an agency or establishment of the U.S. Government; it would only recognize its incorporation as a private, nonprofit organization by private citizens. However, since NETFC would be using public funds to connect public schools and public libraries to the information Superhighway, my legislation would require NETFC to submit itself and its grantees to appropriate congressional oversight procedures and annual audits.

This legislation will not infringe upon local control over public education in any way. Rather, it will supplement, augment, and assist local efforts to support education technology in the least intrusive way possible by helping local school districts build their own on-ramps to the Information Superhighway.

Senator BURNS and Senator ROBB has endorsed this bill, and it has been endorsed by the National Education Association, the National School Boards Association, the American Library Association, the Council for Education Development and Research, and Organizations Concerned About Rural Education [OCRE].

CONCLUSION

Mr. President, I would like to conclude my remarks by urging my colleagues to help connect public schools and public libraries to the Information Superhighway by quickly enacting the National Education Technology Funding Corporation Act into law.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the Record.

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

S. 792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Education Technology Funding Corporation Act of 1995''.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—The Congress finds as follows:

(1) CORPORATION.—There has been established in the District of Columbia a private, nonprofit corporation known as the National Education Technology Funding Corporation which is not an agency or independent establishment of the Federal Government.

(2) BOARD OF DIRECTORS.—The Corporation is governed by a Board of Directors, as prescribed in the Corporation's articles of incorporation, consisting of 15 members, of which—

(A) five members are representative of public agencies representative of schools and public libraries;

(B) five members are representative of State government, including persons knowledgeable about State finance, technology and education; and

(C) five members are representative of the private sector, with expertise in network technology, finance and management.

(3) CORPORATE PURPOSES.—The purposes of the Corporation, as set forth in its articles of incorporation, are—

(A) to leverage resources and stimulate private investment in education technology infrastructure;

(B) to designate State education technology agencies to receive loans, grants or other forms of assistance from the Corporation;

(C) to establish criteria for encouraging States to—

(i) create, maintain, utilize and upgrade interactive high capacity networks capable of providing audio, visual and data communications for elementary schools, secondary schools and public libraries;

(ii) distribute resources to assure equitable aid to all elementary schools and secondary schools in the State and achieve universal access to network technology; and

(iii) upgrade the delivery and development of learning through innovative technology-based instructional tools and applications.

(D) to provide loans, grants and other forms of assistance to State education technology agencies, with due regard for providing a fair balance among types of school districts and public libraries assisted and the disparate needs of such districts and libraries;

(E) to leverage resources to provide maximum aid to elementary schools, secondary schools and public libraries; and

(F) to encourage the development of education telecommunications and information technologies through public-private ventures, by serving as a clearinghouse for information on new education technologies, and by providing technical assistance, including assistance to States, if needed, to establish State education technology agencies.

(b) PURPOSE.—The purpose of this Act is to recognize the Corporation as a nonprofit corporation operating under the laws of the District of Columbia, and to provide authority for Federal departments and agencies to provide assistance to the Corporation.

SEC. 3. DEFINITIONS.

For the purpose of this Act—

(1) The term ''Corporation'' means the National Education Technology Funding Corporation described in section 2(a)(1);

(2) the terms ''elementary school'' and ''secondary school'' have the same meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965; and

(3) the term ''public library'' has the same meaning given such term in section 3 of the Library Services and Construction Act.

SEC. 4. ASSISTANCE FOR EDUCATION TECHNOLOGY PURPOSES.

(a) AUTHORIZATION OF ASSISTANCE.—Each Federal department or agency is authorized to award grants or contracts, or provide gifts, contributions, or technical assistance, to the Corporation to enable the Corporation to carry out the corporate purposes described in section 2(a)(3).

(b) AGREEMENT.—In order to receive any assistance described in subsection (a) the Corporation shall enter into an agreement with the Federal department or agency providing such assistance, under which the Corporation agrees—

(1) to use such assistance to provide funding and technical assistance only for activities which the Board of Directors of the Corporation determines are consistent with the corporate purposes described in section 2(a)(3);

(2) to review the activities of State education technology agencies and other entities receiving assistance from the Corporation to assure that the corporate purposes described in section 2(a)(3) are carried out;

(3) that no part of the assets of the Corporation shall accrue to the benefit of any member of the Board of Directors of the Corporation, any officer or employee of the Corporation, or any other individual, except as salary or reasonable compensation for services;

(4) that the Board of Directors of the Corporation will adopt policies and procedures to prevent conflicts of interest;

(5) to maintain a Board of Directors of the Corporation consistent with section 2(a)(2);

(6) that the Corporation, and any entity receiving the assistance from the Corporation, are subject to the appropriate oversight procedures of the Congress; and

(7) to comply with—

(A) the audit requirements described in section 5; and

(B) the reporting and testimony requirements described in section 6.

(c) CONSTRUCTION.—Nothing in this Act shall be construed to establish the Corporation as an agency or independent establishment of the Federal Government, or to establish the members of the Board of Directors of the Corporation, or the officers and employees of the Corporation, as officers or employees of the Federal Government.

SEC. 5. AUDITS.

(a) AUDITS BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS.—

(1) IN GENERAL.—The Corporation's financial statements shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants who are members of a nationally recognized accounting firm and who are certified by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) REPORTING REQUIREMENTS.—The report of each annual audit described in paragraph (1) shall be included in the annual report required by section 6(a).

(b) AUDITS BY THE COMPTROLLER GENERAL OF THE UNITED STATES.—

(1) AUDITS.—The programs, activities and financial transactions of the Corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the Comptroller General shall have access to such books, accounts, financial records, reports, files and such other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit, and the representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. The representatives of the Comptroller General shall have access, upon request to the Corporation or any auditor for an audit of the Corporation under this section, to any books, financial records, reports, files or other papers, things, or property belonging to or in use by the Corporation and used in any such audit and to papers, records, files, and reports of the auditor used in such an audit.

(2) REPORT.—A report on each audit described in paragraph (1) shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Corporation, together with such recommendations as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed or reviewed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this Act. A copy of each such report shall be furnished to the President and to the Corporation at the time such report is submitted to the Congress.

(c) AUDIT BY INSPECTOR GENERAL OF THE DEPARTMENT OF COMMERCE.—The financial transactions of the Corporation may also be audited by the Inspector General of the Department of Commerce under the same conditions set forth in subsection (b) for audits by the Comptroller General of the United States.

(d) RECORDKEEPING REQUIREMENTS; AUDIT AND EXAMINATION OF BOOKS.—

(1) RECORDKEEPING REQUIREMENTS.—The Corporation shall ensure that each recipient of assistance from the Corporation keeps—

(A) separate accounts with respect to such assistance;

(B) such records as may be reasonably necessary to fully disclose—

(i) the amount and the disposition by such recipient of the proceeds of such assistance;

(ii) the total cost of the project or undertaking in connection with which such assistance is given or used; and

(iii) the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

(C) such other records as will facilitate an effective audit.

(2) AUDIT AND EXAMINATION OF BOOKS.—The Corporation shall ensure that the Corporation, or any of the Corporation's duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any recipient of assistance from the Corporation that are pertinent to such assistance. Representatives of the Comptroller General shall also have such access for such purpose.

SEC. 6. ANNUAL REPORT; TESTIMONY TO THE CONGRESS.

(a) ANNUAL REPORT.—Not later than April 30 of each year, the Corporation shall publish an annual report for the preceding fiscal year and submit that report to the President and the Congress. The report shall include a comprehensive and detailed evaluation of the Corporation's operations, activities, financial condition, and accomplishments under this Act and may include such recommendations as the Corporation deems appropriate.

(b) TESTIMONY BEFORE CONGRESS.—The members of the Board of Directors, and officers, of the Corporation shall be available to testify before appropriate committees of the Congress with respect to the report described in subsection (a), the report of any audit made by the Comptroller General pursuant to this Act, or any other matter which any such committee may determine appropriate.

Mr. ROTH. Mr. President, I rise today in support of the legislation introduced by my colleague from Illinois. I applaud her for her vision and persistence in looking out for our Nation's most precious resource—our children, and I am pleased to join Senator MOSELY-BRAUN as an original cosponsor of the National Education Technology Funding Corporation Act.

During committee consideration of the telecommunications bill last year, I offered related legislation to ensure that every school and classroom in the United States has access to telecommunications and information technologies. I proposed an educational telecommunications and technology fund to support elementary and secondary school access to the information superhighway. Regrettably, last year's telecommunications bill was not taken up by the full Senate before adjournment.

The new telecommunications bill that recently passed the Commerce Committee has a provision, introduced by Senators SNOWE, ROCKEFELLER, and BOB KERREY, to make advanced telecommunications more affordable for schools. Specifically, the provision allows elementary and secondary schools, as well as libraries, to receive telecommunications services at affordable monthly rates. Currently, schools all over the country, including those in my own State of Virginia, are forced to pay business rates for access to the information superhighway. That means that schools are subsidizing residential customers.

Even with affordable monthly rates, many schools have limited or no technological infrastructure. They lack modern electrical wiring, a sufficient number of plugs, and access to wired or wireless technology that would allow them internal networking capabilities or connections to the Internet. The absence of this infrastructure leaves these schools without a technological on-ramp to the information superhighway. As a result, American children are left by the wayside.

This is where the National Education Technology Funding Corporation can play a critical role. We need a single efficient, expert entity that State and local authorities can approach for funding so they can join the Internet, participate in distance learning, investigate interactive computer learning, or explore other innovative technologies.

A private non-profit is a logical link between the public and commercial

sectors. It is often difficult for schools to identify where to go to request Federal funding for new technologies, or where to go simply to learn more about technology applications for schools. Also, there is much more than can be done to promote the use of technologies in schools and to encourage private investments and standards. I can think of no better way to meet all of these needs than a private corporation run by a board that includes representatives from States, from public schools and libraries, and from the private sector.

Many opponents of Federal efforts to improve educational technologies claim that the private stock will have adequate incentives to assist schools with educational technologies. Just leave it to the private sector, they argue. This is a very shortsighted viewpoint.

There is no question that the private sector is doing great things for America's schools—and libraries—in the area of educational technologies. Computers and software are frequently donated by private firms. Internet access is provided in some areas. Several weeks ago I visited Arlington County Central Library, just a few miles from here, which MCI had made a generous grant to the library to install public Internet workstations. As a result, this library will be one of the first public locations in northern Virginia to offer Internet access. More recently, my staff visited Chantilly High School in Fairfax County to witness a state-of-the-art Internet lab made possible by assistance from the cable company, Media General. These are important private sector initiatives that will hopefully be duplicated time and time again across the nation.

But there are problems with a let the free market reign approach. First, wealthier schools will receive a disproportionate benefit. Wealthier schools can afford advanced educational technologies. Corporations are more likely to provide equipment and internet access to schools that have already invested in related technologies. Corporations are more likely to offer services in urban or suburban areas that have good telecommunications infrastructures. Yet the rural schools gain the most from internet access, distance-learning, and a host of other educational technologies. It is rural schools that are in danger of rapidly losing ground to those schools with access to the new technologies. We have to put an end to the ever-growing bifurcation of our educational system. As set forth in this bill, the corporation would encourage equitable technology funding to all elementary and secondary schools.

The second problem is commonality. Although we don't want to constrain educational technology development by mandating Government standards, we don't want to create a smorgasbord of technologies that can't communicate with each other and can't be shared across school systems. The proposed corporation could play an invaluable role in making sure school technology efforts nationwide are not wasteful, incompatible, or duplicative.

The third problem is time. The technologies are here today. It is a relatively straightforward process to make an internet connection or to establish a video link or to learn the highly effective software now available for education. We shouldn't rely solely on the timetables of the private sector to field the technologies that exist today for preparing our children for the next century. The Educational Technology Corporation would play a key role in promoting the use of technologies in education, and could significantly accelerate their introduction into America's schools.

For those of our colleagues that have any doubts about the value of new educational technologies, I challenge them to sit down on a computer with internet access, and surf. They'll be visiting the largest, most up-to-date, and fastest-growing library in the world. You can chat with experts from across the globe. You can set up a video link with teachers at distant schools, using a small camera costing as little as $100. You can share data or results in a joint research effort spanning continents. You can take an electronic tour of the White House, or visit the so-called webb-site of a Member of Congress. You can even see images or molecules or galaxies. The possibilities are endless.

In discussions with school administrators, it becomes clear that students are fascinated by the internet and other educational technologies. Students that might otherwise be indifferent are eagerly pursuing new subjects and sharing their new-found knowledge with the global community of students. Simply put, the child with access will be at a distinct advantage and better prepared for future employment. We simply cannot afford to let our school systems slip behind those of our leading competitors when the technology is at our fingertips—a technology pioneered here in the United States. Mr. President, I urge my colleagues to support the most cost-effective education we can offer our Nation's children. I urge my colleagues to cosponsor the National Education Technology Funding Corporation Act.

By Mr. SIMPSON (for himself, Mr. MOYNIHAN, and Mr. KYL):

S. 793. A bill to amend the Internal Revenue Code of 1986 to provide an exemption from income tax for certain common investment funds; to the Committee on Finance.

COMMON FUND LEGISLATION

Mr. SIMPSON. Mr. President, I rise today to join my good friends, Senator DANIEL PATRICK MOYNIHAN and Senator JON KYL, in introducing a bill to permit private and community foundations to pool investment assets into a "common fund" or cooperative organization. This legislation was twice passed by the Senate in 1992 as part of the comprehensive tax legislation ultimately vetoed by the President.

This bill would extend to foundations the same "common fund" model which has proven so successful for colleges and universities. The university common fund now manages over $10 billion—with more than 900 educational institutions participating.

Once established, a common fund for foundations would allow smaller foundations to increase their total return on investment and significantly reduce investment management fees by taking advantage of economies of scale. Both results have the same bottom line: Increased assets and income will then be available for private and community foundation grants to charitable groups.

Studies disclose that total investment returns earned by smaller foundations lag substantially behind those of many larger foundations. One major reason for this difference is that many of the best professional investment manages demand that new accounts to meet certain minimum size requirements. Smaller foundations often do not meet the minimum size.

Second, since management investment fees are based on percentages that decline as the size of the account increases, smaller foundations are less able to take advantage of economies of scale and cannot benefit from lower fee levels.

This bill would permit foundations to "band together" for investment purposes by providing tax-exempt status to common funds handling foundation investments. This would thus give foundation common funds the same tax treatment as educational institution common funds.

I feel this is a most appropriate response to a vexing problem. I urge your support.

By Mr. LUGAR (for himself, Mr. INOUYE, Mr. SANTORUM, Mr. CRAIG, Mr. COHEN, Mr. MACK, Mr. PRESSLER, Mr. BURNS, Mr. KERREY, Mr. GRAHAM, Mr. COATS, Mr. GORTON, Mr. PACKWOOD, Mr. CAMPBELL, Mr. DORGAN, Mr. MCCONNELL, Mr. THURMOND, Mr. DOLE, Mr. JEFFORDS, Mr. HELMS, Mr. BOND, Mr. GRASSLEY, Mrs. KASSEBAUM, Mr. HOLLINGS, Mr. JOHNSTON, Mr. INHOFE, Mr. ABRAHAM, Mrs. MURRAY, Ms. SNOWE, Mrs. FEINSTEIN, Mr. HATCH, Mr. NICKLES, Mr. HATFIELD, Mr. KEMPTHORNE, Mr. SPECTER, Mr. COCHRAN, Mr. PRYOR, Mr. DASCHLE, Mr. HEFLIN, Mr. COVERDELL, Mr. LOTT, and Mr. CONRAD):

S. 794. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE MINOR USE CROP PROTECTION ACT OF 1995

• Mr. LUGAR. Mr. President, I am pleased to introduce today the Minor Use Crop Protection Act of 1995 to help ensure the availability of minor use pesticides for farmers and an abundant and varied food supply for our Nation.

This legislation has gained broad bipartisan support as evidenced by the 41 Senators who have joined as original cosponsors. This strong show of support will help us move swiftly toward enactment of this bill.

Minor use pesticides are generally used on relatively small acreage or for regional pest or disease problems. Manufacturers incur a significant cost to develop scientific data to register or reregister these products and yet face a limited market potential once the pesticide is approved for use. Therefore, Minor use pesticides are not being supported or are being voluntarily canceled for economic, not safety reasons.

This situation has been exacerbated by the Environmental Protection Agency's pesticide reregistration requirements. A law enacted in 1988 required that all pesticides, and their uses, registered before November 1984, be reregistered.

Loss of minor use pesticides could cause substantial production problems for many fruit, vegetable, and ornamental crops. Farmers also fear that loss of minor use pesticides will put them at a competitive disadvantage with foreign producers who would still have access to the pesticides.

While this is an important industry, fruits and vegetables have also taken on a more important role in the diet of Americans. Health experts recommend increased consumption of fruits and vegetables. A reduction in the availability of these foods or an increased cost due to less production would have a disproportionate impact on the health of low income Americans, who spend a greater amount of their disposable income on food.

The bill offers several incentives for manufacturers to maintain and develop new safe and effective pesticides for minor uses without compromising food safety or adversely affecting the environment.

Here are some examples where this bill would have a positive impact. Last year fire blight posed a serious threat to apple and pear production in Washington State. This bill would help to encourage registration of new products to control fire blight. Exports are also impacted by this pest. Japan restricts the entry of apples from areas near those where fire blight occurs. Last year half of the acreage in the State initially eligible for exports was later denied due to fire blight.

In my home State of Indiana, alternatives are needed for Dimethenamid used for weed control for strawberries. The manufacturer has not reregistered this product for this use due to economic reasons. Obviously, Indiana is not a large strawberry producing State. However, strawberry growers there still do need products to control Lambsquarters and Johnsongrass which can lower yields and in some cases reduce quality.

In California, sodium orthophenolphenate [OPP] has been used for decay control in citrus packinghouses. OPP is used in very small amounts and the manufacturers will not be supporting this use since the costs of reregistration outweigh the annual sales volume. This bill could help provide funding for additional studies required for reregistration if growers wanted to band together to continue this use and would also help encourage the development of additional alternative minor use products.

This is an important issue for our Nation's farmers and consumers. I pledge timely consideration of this bill within the Senate Agriculture Committee. I urge my colleagues to join me in cosponsorship and support of this needed legislation.

I ask unanimous consent that the bill and a summary be printed in the RECORD.

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

S. 794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''Minor Use Crop Protection Act of 1995''.

(b) REFERENCES TO FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

SEC. 2. DEFINITION OF MINOR USE.

Section 2 (7 U.S.C. 136) is amended by adding at the end the following:

''(hh) MINOR USE.—The term 'minor use' means the use of a pesticide on an animal, on a commercial agricultural crop or site, or for the protection of public health if—

''(1)(A) in the case of the use of the pesticide on a commercial agricultural crop or site, the total quantity of acreage devoted to the crop in the United States is less than 300,000 acres; or

''(B) the Administrator, in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant—

''(i) the use does not provide a sufficient economic incentive to support the initial registration or continuing registration of a pesticide for the use; and

''(ii)(I) there are not a sufficient number of efficacious alternative registered pesticides available for the use; or

''(II) any 1 of the alternatives to the pesticide pose a greater risk to the environment or human health than the pesticide; or

''(III) the pesticide plays, or will play, a significant part in managing pest resistance; or

''(IV) the pesticide plays, or will play, a significant part in an integrated pest management program; and

''(2) the Administrator does not determine that, based on data existing on the date of the determination, the use may cause unreasonable adverse effects on the environment.''.

SEC. 3. EXCLUSIVE USE OF MINOR USE PESTICIDES.

Section 3(c)(1)(F)(i) (7 U.S.C. 136a(c)(1)(F)(i)) is amended—

(1) by striking ''(i) With respect'' and inserting ''(i)(I) With respect'';

(2) by striking ''a period of ten years following the date the Administrator first registers the pesticide'' and inserting ''the exclusive data use period determined under subclause (II)''; and

(3) by adding at the end the following:

''(II) Except as provided in subclauses (III) and (IV), the exclusive data use period under subclause (I) shall be 10 years beginning on the date the Administrator first registers the pesticide.

''(III) Subject to subclauses (IV), (V), and (VI), the exclusive data use period under subclause (II) shall be extended 1 year for each 3 minor uses registered after the date of enactment of this subclause and before the date that is 10 years after the date the Administrator first registers the pesticide, if the Administrator in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant—

''(aa) there are not a sufficient number of efficacious alternative registered pesticides available for the use; or

''(bb) any 1 of the alternatives to the pesticide pose a greater risk to the environment or human health than the pesticide; or

''(cc) the pesticide plays, or will play, a significant part in managing pest resistance; or

''(dd) the pesticide plays, or will play, a significant part in an integrated pest management program.

''(IV) Notwithstanding subclause (III), the exclusive data use period established under this clause may not exceed 13 years.

''(V) For purposes of subclause (III), the registration of a pesticide for a minor use on a crop grouping established by the Administrator shall be considered 1 minor use for each representative crop for which data are provided in the crop grouping.

''(VI) An extension under subclause (III) shall be reduced or terminated if the applicant for registration or the registrant voluntarily cancels the pesticide or deletes from the registration a minor use that formed the basis for the extension, or if the Administrator determines that the applicant or registrant is not actually marketing the pesticide for a minor use that formed the basis for the extension.''.

SEC. 4. TIME EXTENSIONS FOR DEVELOPMENT OF MINOR USE DATA.

(a) IN GENERAL.—Section 3 (7 U.S.C. 136a) is amended by adding at the end the following:

''(g) TIME EXTENSION FOR DEVELOPMENT OF MINOR USE DATA.—

''(1) SUPPORTED USE.—In the case of a minor use, the Administrator shall, on the request of a registrant and subject to paragraph (3), extend the time for the production of residue chemistry data under subsection (c)(2)(B) and subsections (d)(4), (e)(2), and (f)(2) of section 4 for data required solely to support the minor use until the final date under section 4 for submitting data on any other use established not later than the date of enactment of this subsection.

''(2) NONSUPPORTED USE.—

''(A) If a registrant does not commit to support a minor use of a pesticide, the Administrator shall, on the request of the registrant and subject to paragraph (3), extend the time for taking any action under subsection (c)(2)(B) or subsection (d)(6), (e)(3)(A), or (f)(3) of section 4 regarding the minor use until the final date under section 4 for submitting data on any other use established

not later than the date of enactment of this subsection.

''(B) On receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date on which the uses not being supported will be deleted from the registration under section 6(f)(1).

''(3) CONDITIONS.—Paragraphs (1) and (2) shall apply only if—

''(A) the registrant commits to support and provide data for—

''(i) any use of the pesticide on a food; or

''(ii) any other use, if all uses of the pesticide are for uses other than food;

''(B)(i) the registrant provides a schedule for producing the data referred to in subparagraph (A) with the request for an extension;

''(ii) the schedule includes interim dates for measuring progress; and

''(iii) the Administrator determines that the registrant is able to produce the data referred to in subparagraph (A) before a final date established by the Administrator;

''(C) the Administrator determines that the extension would not significantly delay issuance of a determination of eligibility for reregistration under section 4; and

''(D) the Administrator determines that, based on data existing on the date of the determination, the extension would not significantly increase the risk of unreasonable adverse effects on the environment.

''(4) MONITORING.—If the Administrator grants an extension under paragraph (1) or (2), the Administrator shall—

''(A) monitor the development of any data the registrant committed to under paragraph (3)(A); and

''(B) ensure that the registrant is meeting the schedule provided under paragraph (3)(B) for producing the data.

''(5) NONCOMPLIANCE.—If the Administrator determines that a registrant is not meeting a schedule provided by the registrant under paragraph (3)(B), the Administrator may—

''(A) revoke any extension to which the schedule applies; and

''(B) proceed in accordance with subsection (c)(2)(B)(iv).

''(6) MODIFICATION OR REVOCATION.—The Administrator may modify or revoke an extension under this subsection if the Administrator determines that the extension could cause unreasonable adverse effects on the environment. If the Administrator modifies or revokes an extension under this paragraph, the Administrator shall provide written notice to the registrant of the modification or revocation.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)) is amended by adding at the end the following:

''(vi) Subsection (g) shall apply to this subparagraph.''.

(2) Subsections (d)(4), (e)(2), and (f)(2) of section 4 (7 U.S.C. 136a–1) are each amended by adding at the end the following:

''(C) Section 3(g) shall apply to this paragraph.''.

(3) Subsections (d)(6) and (f)(3) of section 4 (7 U.S.C. 136a–1) are each amended by striking ''The Administrator shall'' and inserting ''Subject to section 3(g), the Administrator shall''.

(4) Section 4(e)(3)(A) (7 U.S.C. 136a–1(e)(3)(A)) is amended by striking ''If the registrant'' and inserting ''Subject to section 3(g), if the registrant''.

SEC. 5. MINOR USE WAIVER.

Section 3(c)(2) (7 U.S.C. 136a(c)(2)) is amended by adding at the end the following:

''(E) In the case of the registration of a pesticide for a minor use, the Administrator may waive otherwise applicable data requirements if the Administrator determines that the absence of the data will not prevent the Administrator from determining—

''(i) the incremental risk presented by the minor use of the pesticide; and

''(ii) whether the minor use of the pesticide would have unreasonable adverse effects on the environment.''.

SEC. 6. EXPEDITING MINOR USE REGISTRATIONS.

Section 3(c)(3) (7 U.S.C. 136a(c)(3)) is amended by adding at the end the following:

''(C)(i) As expeditiously as practicable after receipt, the Administrator shall review and act on a complete application that—

''(I) proposes the initial registration of a new pesticide active ingredient, if the active ingredient is proposed to be registered solely for a minor use, or proposes a registration amendment to an existing registration solely for a minor use; or

''(II) for a registration or a registration amendment, proposes a significant minor use.

''(ii) As used in clause (i):

''(I) The term 'as expeditiously as practicable' means the Administrator shall, to the greatest extent practicable, complete a review and evaluation of all data submitted with the application not later than 1 year after submission of the application.

''(II) The term 'significant minor use' means—

''(aa) 3 or more proposed minor uses for each proposed use that is not minor;

''(bb) a minor use that the Administrator determines could replace a use that was canceled not earlier than 5 years preceding the receipt of the application; or

''(cc) a minor use that the Administrator determines would avoid the reissuance of an emergency exemption under section 18 for the minor use.

''(iii) Review and action on an application under clause (i) shall not be subject to judicial review.

''(D) On receipt by the registrant of a denial of a request to waive a data requirement under paragraph (2)(E), the registrant shall have the full time period originally established by the Administrator for submission of the data, beginning on the date of receipt by the registrant of the denial.''.

SEC. 7. UTILIZATION OF DATA FOR VOLUNTARILY CANCELED CHEMICALS.

Section 6(f) (7 U.S.C. 136d) is amended by adding the following:

''(4) UTILIZATION OF DATA FOR VOLUNTARILY CANCELED CHEMICALS.—The Administrator shall process, review, and evaluate the application for a voluntarily canceled pesticide as if the registrant had not canceled the registration, if—

''(A) another application is pending on the effective date of the voluntary cancellation for the registration of a pesticide that is—

''(i) for a minor use;

''(ii) identical or substantially similar to the canceled pesticide; and

''(iii) for an identical or substantially similar use as the canceled pesticide;

''(B) the Administrator determines that the minor use will not cause unreasonable adverse effects on the environment; and

''(C) the applicant certifies that the applicant will satisfy any outstanding data requirement necessary to support the reregistration of the pesticide, in accordance with any data submission schedule established by the Administrator.''.

SEC. 8. MINOR USE PROGRAMS.

The Act is amended—

(1) by redesignating sections 30 and 31 (7 U.S.C. 136x and 136y) as sections 33 and 34, respectively; and

(2) by inserting after section 29 (7 U.S.C. 136w–4) the following:

''SEC. 30. ENVIRONMENTAL PROTECTION AGENCY MINOR USE PROGRAM.

''(a) ESTABLISHMENT.—The Administrator shall establish a minor use program in the Office of Pesticide Programs.

''(b) RESPONSIBILITIES.—In carrying out the program established under subsection (a), the Administrator shall—

''(1) coordinate the development of minor use programs and policies; and

''(2) consult with growers regarding a minor use issue, registration, or amendment that is submitted to the Environmental Protection Agency.

''SEC. 31. DEPARTMENT OF AGRICULTURE MINOR USE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a minor use program.

''(b) RESPONSIBILITIES.—In carrying out the program established under subsection (a), the Secretary shall coordinate the responsibilities of the Department of Agriculture related to the minor use of a pesticide, including—

''(1) carrying out the Inter-Regional Research Project Number 4 established under section 2(e) of Public Law 89–106 (7 U.S.C. 450i(e));

''(2) carrying out the national pesticide resistance monitoring program established under section 1651(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5882(d));

''(3) supporting integrated pest management research;

''(4) consulting with growers to develop data for minor uses; and

''(5) providing assistance for minor use registrations, tolerances, and reregistrations with the Environmental Protection Agency.

''SEC. 32. MINOR USE MATCHING FUND PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Administrator, shall establish and administer a minor use matching fund program.

''(b) RESPONSIBILITIES.—In carrying out the program, the Secretary shall—

''(1) ensure the continued availability of minor use pesticides; and

''(2) develop data to support minor use pesticide registrations and reregistrations.

''(c) ELIGIBILITY.—Any person that desires to develop data to support a minor use registration shall be eligible to participate in the program.

''(d) PRIORITY.—In carrying out the program, the Secretary shall provide a priority for funding to a person that does not directly receive funds from the sale of a product registered for a minor use.

''(e) MATCHING FUNDS.—To be eligible for funds under the program, a person shall match the amount of funds provided under the program with an equal amount of non-Federal funds.

''(f) OWNERSHIP OF DATA.—Any data developed through the program shall be jointly owned by the Department of Agriculture and the person that receives funds under this section.

''(g) STATEMENT.—Any data developed under this subsection shall be submitted in a statement that complies with section 3(c)(1)(F).

''(h) COMPENSATION.—Any compensation received by the Department of Agriculture for the use of data developed under this section shall be placed in a revolving fund. The fund shall be used, subject to appropriations, to carry out the program.

''(i) AUTHORIZATION FOR APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each fiscal year.''.

SEC. 9. CONFORMING AMENDMENTS TO FIFRA TABLE OF CONTENTS.

The table of contents in section 1(b) (7 U.S.C. prec. 121) is amended—

(1) by adding at the end of the items relating to section 2 the following new item:

''(hh) Minor use.'';

(2) by adding at the end of the items relating to section 3 the following new items:

''(g) Time extension for development of minor use data.
''(1) Supported data.
''(2) Nonsupported data.
''(3) Conditions.
''(4) Monitoring.
''(5) Noncompliance.
''(6) Modification or revocation.'';

(3) by adding at the end of the items relating to section 6(f) the following new item:

''(4) Utilization of data for voluntarily canceled chemicals.'';

and

(4) by striking the items relating to sections 30 and 31 and inserting the following new items:

''Sec. 30. Environmental Protection Agency minor use program.
''(a) Establishment.
''(b) Responsibilities.
''Sec. 31. Department of Agriculture minor use program.
''(a) Establishment.
''(b) Responsibilities.
''Sec. 32. Minor use matching fund program.
''(a) Establishment.
''(b) Responsibilities.
''(c) Eligibility.
''(d) Priority.
''(e) Matching funds.
''(f) Ownership of data.
''(g) Statement.
''(h) Compensation.
''(i) Authorization for appropriations.
''Sec. 33. Severability.
''Sec. 34. Authorization for appropriations.''.●

SUMMARY—MINOR USE CROP PROTECTION ACT OF 1995

Establishes a minor use definition. The use of a pesticide on an animal, or on a commercial agricultural crop or site, or for the protection of public health could qualify as a minor use if the total acreage of the crop is less than 300,000 acres or if the use does not provide sufficient economic incentive to the manufacturer to support its registration and it meets one of four ''public interest'' criteria. The four public interest criteria are that there are insufficient efficacious alternatives available for the use, or the alternatives pose a greater risk to the environment or human health, or the pesticide can help manage pest resistance problems or the pesticide would be part of an integrated pest management program.

The current 10 year exclusive use protection for registrants of new chemicals could be extended one year for each three minor uses which a manufacturer registers, up to a maximum of three additional years for nine or more minor uses registered by EPA. In order to receive the extension, new minor uses must be approved before the end of the original exclusive use period. One of the above four ''public interest'' criteria must also be met. Exclusive use is subject to review by EPA to ensure that new minor uses are being marketed.

The time necessary for the development of residue chemistry data for a minor use could be extended until the final study due date for data necessary to support the other registered uses being maintained by the registrant.

EPA may waive minor use data requirements in certain circumstances where EPA can otherwise determine the risk presented by the minor use and such risk is not unreasonable.

EPA is to review and act on minor use registration applications within 1 year if the active ingredient is to be registered solely for a minor use, or if there are three or more minor uses proposed for every non-minor use, or if the minor use would serve as a replacement for any use that has been canceled within 5 years of the application or if the approval of the minor use would avoid the reissuance of an emergency exemption.

If a minor use waiver of data requirements is submitted to EPA and subsequently denied, the registrant would be given the full time period for supplying the data to EPA.

As a transition measure, the effective date of the voluntary cancellation of minor uses by a registrant could coincide with the due date of the final study required in the reregistration process for those uses being supported by the registrant.

EPA can consider data from a pesticide which has been voluntarily canceled in support of another minor use registration that is identical or similar and for a similar use. The new registration must be submitted before the voluntary cancellation occurs. Any additional data needed would have to be supplied by the new applicant.

A minor use program within EPA's Office of Pesticide Programs would be established.

A minor use program within USDA would be established. This would include a minor use matching fund for the development of scientific data to support minor uses.

By Mr. BOND (for himself and Mr. ASHCROFT):

S. 796. A bill to provide for the protection of wild horses within the Ozark National Scenic Riverways, Missouri, and prohibit the removal of such horses, and for other purposes; to the Committee on Energy and Natural Resources.

OZARK WILD HORSE PROTECTION ACT

Mr. BOND. Mr. President, today I am joined by Senator ASHCROFT in introducing the Ozark Wild Horse Protection Act. Since 1990, the citizens in southeast Missouri have been engaged in a struggle with the Department of the Interior's National Park Service [NPS] to prevent a group of about 30 feral horses from being rounded up by the Government and relocated or slaughtered. On behalf of these Missouri citizens who have fought to protect these horses, Congressman BILL EMERSON has tirelessly led the fight to stop this action.

This legislation I introduce today is companion legislation to H.R. 238, introduced in the House by Congressman EMERSON on January 4, 1995. It prohibits the removal or assistance in the removal of, any free-roaming horses from the Ozark National Scenic Riverways [ONSR], except in the case of medical emergency or natural disaster.

Mr. President, unfortunately, this is yet another case where the bureaucrats think they know best and have blatantly disregarded the perspective, suggestions, and views of the local citizens. St. Louis, MO, conservationist and landowner Leo Drey noted that these horses were in the park long before the NPS and ''The horses probably spend more time loafing on our land than they do on the riverways. There's only a few of them and they don't congregate to the extent they do any serious trampling or damage.''

A Missouri citizen's group called the Missouri Wild Horse League, which is based in Eminence, MO, was created several years ago to protect the horses from the National Park Service. This group has roughly 3,000 members. Mr. President, that membership is more than six times the number of citizens who live in the league's headquarters city of Eminence, MO.

It has been the contention of the NPS that the 30 horses that roam the 71,000-acre site should be removed because their presence is in conflict with the management policies of the NPS and their activities threaten plant communities. We are talking about a site almost two times the size of the District of Columbia where the 30 horses roam. I suggest that the NPS would be hard pressed to even find the horses on roundup day.

In 1990, to prevent removal of a part of this area's heritage that the National Park Service is charged to preserve, 1,000 local citizens signed a petition to keep the wild horses in the ONSR. That same year, the Missouri Senate unanimously passed a resolution objecting to the removal of the horses. Still, the NPS ignored the importance of this local treasure to the people in this area.

Subsequently, citizens in Missouri filed suit and, in June of 1990, U.S. District Judge Stephen Limbaugh issued an injunction. The NPS would still not yield, appealing the ruling. They would not concede in their fight to impose the Federal Government's will on the public, notwithstanding the views of the local citizens, notwithstanding the views of the Missouri Senate, notwithstanding the views of Missouri representatives in Congress, and notwithstanding the decision of a U.S. district court judge. The NPS prevailed in the higher courts. That is why it is urgently needed for the Congress to intervene and prevent this Government-managed horse rustling.

At the request of Congressman EMERSON, former ONSR Superintendent Sullivan agreed to delay any roundup until there is opportunity to address this issue in the 104th Congress. While I appreciate this one concession on the part of the former superintendent, I find it inconceivable that the intransigence of former Superintendent Sullivan has brought this issue before the Secretary of the Interior, the U.S. Supreme Court, and now before the U.S. Congress. It is rare to find Federal field personnel as out of touch and acting with total disregard for local sentiment—that is typically reserved for their bosses in Washington.

Unfortunately, it is this form of raw arrogance that has the Federal Government in such low standing with the

American citizens—the notion that it is the olympians on the hill who know what's best for the peasants in the valley. At this juncture, I believe Congress has no other alternative but to pursue this matter as expeditiously as possible. The National Parks Subcommittee of the House Committee on Resources is scheduled to hold a hearing on May 18 to consider H.R. 238.

I congratulate Congressman EMERSON for keeping up the heat on this issue. Had he not, I expect the horses would already be gone. And, I fear that if we cannot expedite action on this bill, they will be gone.

By Mr. KENNEDY:

S. 797. A bill to provide assistance to States and local communities to improve adult education and family literacy, to help achieve the national education goals for all citizens, and for other purposes; to the Committee on Labor and Human Resources.

ADULT EDUCATION AND FAMILY LITERACY REFORM ACT

Mr. KENNEDY. Mr. President, today I am introducing, on behalf of the Clinton administration, the Adult Education and Family Literacy Reform Act of 1995. This measure will reform and improve literacy services for adults and families.

As the 1993 National Adult Literacy Survey showed, 20 percent of adults perform at or below the fifth-grade level in reading and math—far below the level needed for effective participation in the work force. And because parents' educational level is a strong predictor of children's academic success, the problem seriously affects children as well as adults.

Despite the clear need for better literacy services for adults, the current Federal program serves only a small percentage of those who need assistance. While many adults benefit from participation in the program, many others leave before they achieve any significant improvement in literacy.

Current adult education and family literacy programs are too diffuse. They divert human and financial resources from what should be the focus of all Federal literacy efforts—the provision of high-quality, results-oriented services.

The problem of illiteracy presents the country with a number of serious challenges ranging from the way men and women function in the workplace to whether parents are able to participate effectively in their children's education. The Adult Education and Family Literacy Reform Act uses a single stream of funding to States and localities to create a partnership designed around five broad principles—streamlining, flexibility, quality, targeting, and consumer choice.

The single funding stream recognizes the need to eliminate duplication and overlap in current programs. The bill is a 10-year authorization to encourage States to engage in long-range planning. It consolidates 12 existing programs which now have separate line items in the Federal budget

First, the Library Literacy Program, which provides small competitive grants supporting literacy programs in public libraries,

Second, Workplace Literacy Partnerships, which support partnerships of education agencies and employers that help employees develop basic skills,

Third, the Literacy Training for Homeless Adults, which funds projects for homeless adults in all States,

Fourth, the Literacy Program for Prisoners, a nationally competitive grant awarded to correctional education agencies,

Fifth, Even Start, which provides literacy training to parents of public schoolchildren,

Sixth, adult education State grants, which provide funds to State education agencies to support programs that assist educationally disadvantaged adults in developing basic skills,

Seventh, gateway grants, which fund at least one adult education project in a public housing authority in each State,

Eighth, State literacy resource centers, which support Statewide coordination and training,

Ninth, Literacy for Institutionalized Adults, which supports literacy projects for adults in State hospitals and correctional institutions,

Tenth, the set-aside for education coordination in title II of the Job Training Partnership Act, which serves eligible adults who have basic education needs,

Eleventh, the National Institute for Literacy, as interagency institute which provides Federal leadership in coordinating and improving literacy services, and

Twelfth, evaluation and technical assistance, which provides Federal aid for research and technical assistance.

The fiscal year 1995 appropriation for these programs is $488 million. The bill recommends a $490 million authorization for the consolidated programs for fiscal year 1996, and such sums as may be necessary in future years.

While consolidating many categorical programs, the proposal requires States to ensure that the needs of at-risk populations are met. Under the bill, States can continue to use libraries and the workplace as sites for literacy services. It requires States to assess the adult education and family literacy needs of hard-to-serve and most-in-need individuals, and to describe how the program will meet those needs. Targeting provisions of the bill also will ensure that local areas with high concentrations of individuals in poverty or low levels of literacy, or both, receive priority for Federal funds.

This legislation responds to the well-documented literacy problem in this country. I look forward to working closely with other Senators to achieve the bipartisan support we need in order to assist the large number of adults in this country who are ready, willing, and able to become more productive citizens and better parents. What they need now is a helping hand, and this message will give it to them.

I ask unanimous consent that the letter of transmittal, the text of the bill, and a section-by-section analysis of the bill may be included in the RECORD.

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

S. 797

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the ''Adult Education and Family Literacy Reform Act of 1995.''

TITLE I—AMENDMENT TO THE ADULT EDUCATION ACT AMENDMENT

SECTION 1. The Adult Education Act (20 U.S.C. 1201 *et seq.*; hereinafter referred to as ''the Act'') is amended in its entirety to read as follows:

''SHORT TITLE; TABLE OF CONTENTS

''SEC. 101. (a) SHORT TITLE.—This Act may be cited as the 'Adult Education and Family Literacy Act'.

''(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

''TABLE OF CONTENTS

''Sec. 1. Short title; table of contents.
''Sec. 2. Findings; purpose.
''Sec. 3. Authorization of appropriations.

''TITLE I—ADULT EDUCATION AND FAMILY LITERACY

''Sec. 101. Program Authority; Priorities.
''Sec. 102. State Grants for Adult Education and Family Literacy.
''Sec. 103. State Leadership Activities.
''Sec. 104. Even Start Family Literacy Program.
''Sec. 105. State Administration.
''Sec. 106. State Plan.
''Sec. 107. Subgrants to Eligible Applicants.
''Sec. 108. Applications From Eligible Applicants.
''Sec. 109. State Performance Goals and Indicators.
''Sec. 110. Evaluation, Improvement, and Accountability.
''Sec. 111. Allotments; Reallotment.

''TITLE II—NATIONAL LEADERSHIP

''Sec. 201. National Leadership Activities.
''Sec. 202. Awards for National Excellence.
''Sec. 203. National Institute for Literacy.

''TITLE III—GENERAL PROVISIONS

''Sec. 301. Waivers.
''Sec. 302. Definitions.

''FINDINGS; PURPOSE

''SEC. 2. (a) FINDINGS.—The Congress finds that:

''(1) Our Nation's well-being is dependent on the knowledge, skills, and abilities of all of its citizens.

''(2) Advances in technology and changes in the workplace are rapidly increasing the knowledge and skill requirements for workers.

''(3) Our social cohesion and success in combatting poverty, crime, and disease also depend on the Nation's having an educated citizenry.

''(4) The success of State and local educational reforms supported by the Goals 2000: Educate America Act and other programs that State and local communities are implementing requires that parents be well educated and possess the ability to be a child's first and most continuous teacher.

''(5) There is a strong relationship between educational attainment and welfare dependence. Adults with very low levels of literacy

are ten times as likely to be poor as those with high levels of literacy.

''(6) Studies, including the National Adult Literacy Survey, have found that more than one-fifth of American adults demonstrate very low literacy skills that make it difficult for them to enter high-skill, high-wage jobs, to assist effectively in their children's education, or to carry out their responsibilities as citizens.

''(7) National studies have also shown that existing federally supported adult education programs have assisted many adults in acquiring basic literacy skills, learning English, or acquiring a high school diploma (or its equivalent), and family literacy programs have shown great potential for breaking the intergenerational cycle of low literacy and having a positive effect on later school performance and high school completion, especially for children from low-income families.

''(8) Current adult education programs, however, are often narrowly focused on specific populations or methods of service delivery, have conflicting or overlapping requirements, and are not administered in an integrated manner, thus inhibiting the capacity of State and local officials to implement programs that meet the needs of individual States and localities.

''(9) The President's GI Bill for America's Workers, of which this Act is a key component, will help strengthen the capacity of States, educational institutions, and businesses, working together, to upgrade the skills and literacy levels of youth and adults.

''(10) The Federal Government can, through a performance partnership with States and localities based on clear State-developed goals and indicators, increased State and local flexibility, improved accountability and incentives for performance, and enhanced consumer choice and information, assist States and localities with the improvement and expansion of their adult education and family literacy programs.

''(11) The Federal Government can also assist States and localities by carrying out research, development, demonstration, dissemination, evaluation, capacity-building, data collection, professional development, and technical assistance activities that support State and local efforts to implement successfully services and activities that are funded under this Act, as well as adult education and family literacy activities supported with non-Federal resources.

''(b) PURPOSE.—(1) It is the purpose of this Act to create a performance partnership with States and localities for the provision of adult education and family literacy services so that, as called for in the National Education Goals, all adults who need such services will, as appropriate, be able to—

''(A) become literate and obtain the knowledge and skills needed to compete in a global economy and exercise the rights and responsibilities of citizenship;

''(B) complete a high school education;

''(c) become and remain actively involved in their children's education in order to ensure their children's readiness for, and success in, school.

''(2) This purpose shall be pursued through—

''(A) building on State and local education reforms supported by the Goals 2000: Educate America Act and other Federal and State legislation;

''(B) consolidating numerous Federal adult education and literacy programs into a single, flexible grant;

''(C) tying local programs to challenging State-developed performance goals that are consistent with the purpose of this Act;

''(D) holding States and localities accountable for achieving such goals;

''(E) building program quality though such measures as encouraging greater use of new technologies in adult education and family literacy programs and better professional development of educators working in those programs;

''(F) integrating adult education and family literacy programs with States' school-to-work opportunities systems, career preparation education services and activities, job training programs, early childhood and elementary school programs, and other related activities; and

''(G) supporting the improvement of State and local activities through nationally significant efforts in research, development, demonstration, dissemination, evaluation, capacity-building, data collection, professional development, and technical assistance.

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 3. (a) STATE GRANTS FOR ADULT EDUCATION AND FAMILY LITERACY.—For the purpose of carrying out this Act there are authorized to be appropriated $490,487,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997 through 2005.

''(b) RESERVATIONS.—(1) Except as provided in paragraph (2), from the amount appropriated for any fiscal year under subsection (a), the Secretary may reserve—

''(A) not more than 5 percent to carry out section 202;

''(B) not more than 3 percent to carry out sections 201 and 203; and

''(C) not more than $5,000,000 for Even Start family literacy programs for migratory families and Indian families under section 104(c).

''(2) The Secretary may reserve funds under paragraph (1)(A) beginning in fiscal year 1998.

''TITLE I—ADULT EDUCATION AND FAMILY LITERACY

''PROGRAM AUTHORITY; PRIORITIES

''SEC. 101. (a) PROGRAM AUTHORIZED.—In order to prepare adults for family, work, citizenship, and job training, and adults and their children for success in future learning, funds under this title shall be used to support the development, implementation, and improvement of adult education and family literacy programs at the State and local levels.

''(b) PROGRAM PRIORITIES.—In using funds under this title, States and local recipients shall give priority to—

''(1) services and activities designed to ensure that all adults have the opportunity to achieve to challenging State performance standards for literacy proficiency, including basic literacy, English language proficiency, and completion of high school or its equivalent;

''(2) services and activities designed to enable parents to prepare their children for school, enhance their children's language and cognitive abilities, and promote their own career advancement; and

''(3) adult education and family literacy programs that—

''(A) are built on a strong foundation of research and effective educational practices;

''(B) effectively employ advances in technology, as well as learning in the context of family, work, and the community;

''(C) are staffed by well-trained instructors, counselors, and administrators;

''(D) are of sufficient intensity and duration for participants to achieve substantial learning gains;

''(E) establish strong links with elementary and secondary schools, postsecondary institutions, one-stop career centers, job-training programs, and social service agencies; and

''(F) offer flexible schedules and, when necessary, support services to enable people, including adults with disabilities or other special needs, to attend and complete programs.

''STATE GRANTS FOR ADULT EDUCATION AND FAMILY LITERACY

''SEC. 102. (a) STATE GRANT.—From the funds available for State grants under section 3 for each fiscal year, the Secretary shall, in accordance with section 111, make a grant to each State that has an approved State plan under section 106, to assist that State in developing, implementing, and improving adult education and family literacy programs within the State.

''(b) RESERVATION OF FUNDS.—From the amount awarded to a State for any fiscal year under subsection (a), the State—

''(1) may use up to 5 percent, or $80,000, whichever is greater, for the cost of administering its program under this title;

''(2) may use up to 10 percent for leadership activities under section 103;

''(3)(A) may, beginning in fiscal year 1998, use up to 5 percent for financial incentives or awards to one or more eligible recipients in recognition of—

''(i) exemplary quality of innovation in adult education or family literacy services and activities; or

''(ii) exemplary services and activities for individuals who are most in need of such services and activities, or are hardest to serve, such as adults with disabilities or other special needs; or

''(iii) both.

''(B) The incentives or awards made under subparagraph (A) shall be determined by the State through a peer review process, using the performance goals and indicators described in section 109 and, if appropriate, other criteria; and

''(4) shall use the remainder for subgrants to eligible applicants under section 107, except that at least 25 percent of the remainder shall be used for Even Start family literacy programs, under section 104, unless the State demonstrates in its State plan under section 106, to the satisfaction of the Secretary, that it will otherwise meet the needs of individuals in the State for family literacy programs in a manner that is consistent with the purpose of this Act.

''(c) FEDERAL SHARE.—(1) The Federal share of expenditures to carry out a State plan under section 106 shall be paid from the State's grant under subsection (a).

''(2) The Federal share shall be no greater than 75 percent of the cost of carrying out the State plan for each fiscal year, except that with respect to Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands the Federal share may be 100 percent.

''(3) The State's share of expenditures to carry out a State plan submitted under section 106 may be in cash or in kind, fairly evaluated, and may include only non-Federal funds that are used for adult education and family literacy activities in a manner that is consistent with the purpose of this Act.

''(d) Maintenance of Effort.—(1) A State may receive funds under this title for any fiscal year only if the Secretary finds that the aggregate expenditures of the State for adult education and family literacy by such State for the preceding fiscal year were not less than 90 percent of such aggregate expenditures for the second preceding fiscal year.

''(2) The Secretary shall reduce the amount of the allocation of funds under section 111 for any fiscal year in the exact proportion to which a State fails to meet the requirement of paragraph (1) by falling below 90 percent

of the aggregate expenditures for adult education and family literacy for the second preceding fiscal year.

''(3) The Secretary may waive the requirements of this subsection if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous decline in the financial resource of the State.

''(4) No lesser amount of State expenditures under paragraphs (2) and (3) may be used for computing the effort required under paragraph (1) for subsequent years.

''STATE LEADERSHIP ACTIVITIES

''SEC. 103. (a) STATE LEADERSHIP.—Each State that receives a grant under section 102(a) for any fiscal year shall use funds reserved for State leadership under section 102(b)(2) to conduct activities of Statewide significance that develop, implement, or improve programs of adult education and family literacy, consistent with its State plan under section 106.

''(b) USES OF FUNDS.—States shall use funds under subsection (a) for one or more of the following—

''(1) professional development and training;

''(2) disseminating curricula for adult education and family literacy programs;

''(3) monitoring and evaluating the quality of, and improvement in, services and activities conducted with assistance under this title, including establishing performance goals and indicators under section 109(a), in order to assess program quality and improvement;

''(4) establishing State content standards for adult education and family literacy programs;

''(5) establishing challenging State performance standards for literacy proficiency;

''(6) promoting the integration of literacy instruction and occupational skill training, and linkages with employers;

''(7) promoting the use of and acquiring instructional and management software and technology;

''(8) establishing or operating State or regional adult literacy resource centers;

''(9) developing and participating in networks and consortia of States that seek to establish and implement adult education and family literacy programs that have significance to the State or region, and may have national significance; and

''(10) other activities of Statewide significance that promote the purposes of this Act.

''EVEN START FAMILY LITERACY PROGRAMS

''SEC. 104. (a) EVEN START GRANTS.—Each State that receives a grant under section 102(a) for any fiscal year shall use funds reserved under section 102(b)(4) to award subgrants to partnerships described in subsection (b)(5) to carry out Even Start family literacy programs.

''(b) PROGRAM ELEMENTS.—An Even Start family literacy program shall—

''(1) provide opportunities (including opportunities for home-based instructional services) for joint participation by parents or guardians (including parents or guardians who are within the State's compulsory school attendance age range, so long as a local educational agency provides, or ensures the availability of, their basic education), other family members, and children;

''(2) provide developmentally appropriate childhood education for children from birth through age seven;

''(3) identify and recruit families that are most in need of family literacy services, as indicated by low levels of income and adult literacy (including limited English proficiency), and such other need-related indicators as may be appropriate;

''(4) enable participants, including individuals with disabilities or other special needs, to succeed through services and activities designed to meet their needs, such as support services and flexible class schedules; and

''(5) except as provided in subsection (c), be operated by a partnership composed of—

''(A) one or more local educational agencies; and

''(B) one or more community-based organizations, institutions of higher education, private non-profit organizations, or public agencies (including correctional institutions or agencies) other than local educational agencies.

''(c) MIGRATORY AND INDIAN FAMILIES.—From funds reserved under section 3(b)(1)(C) for any fiscal year, the Secretary shall, under such terms and conditions as the Secretary shall establish, support Even Start family literacy programs through grants to, or cooperative agreements with—

''(1) eligible applicants under section 107(b) for migratory families; and

''(2) Indian tribes and tribal organizations for Indian families.

''STATE ADMINISTRATION

''SEC. 105. (a) DESIGNATED STATE AGENCY OR AGENCIES.—A State desiring to receive a grant under section 102(a) shall, consistent with State law, designate an education agency or agencies that shall be responsible for the administration of services and activities under this title, including—

''(1) the development, submission, and implementation of the State plan;

''(2) consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of programs assisted under this title, such as business, industry, labor organizations, and social service agencies; and

''(3) coordination with other State and Federal education, training, employment, and social service programs, and one-step career centers.

(b) STATE-IMPOSED REQUIREMENTS.—Whenever a State imposes any rule or policy relating to the administration and operation of programs funded by this title (including any rule or policy based on State interpretation of any Federal law, regulation, or guideline), it shall identify the rule or policy as a State-imposed requirement.

''STATE PLAN

SEC. 106. (A) Five-Year Plans.—(1) Except as provided in subsection (f), each State desiring to receive a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a five-year State plan in accordance with this section. Each State plan submitted to the Secretary shall be approved by the designated State agency or agencies under section 105(a).

''(2) The State may submit its State plan as part of a comprehensive plan that includes State plan provisions under one or more of the following statutes: section 14302 of the Elementary and Secondary Education Act of 1965; the Carl D. Perkins Career Preparation Education Act of 1995; the Goals 2000: Educate America Act; the Job Training Partnership Act, and the School-to-Work Opportunities Act of 1994.

''(b) PLAN ASSESSMENT.—In developing its State plan, and any revisions to the State plan under subsection (e), the State shall base its plan or revisions on a recent, objective assessment of—

''(1) the needs of individuals in the State for adult education and family literacy programs, including individuals most in need or hardest to serve (such as educationally disadvantaged adults and families, recent immigrants, individuals with limited English proficiency, incarcerated individuals, homeless individuals, recipients of public assistance, and individuals with disabilities);

''(2) the capacity of programs and providers to meet those needs, taking into account the priorities under section 101 and the State's performance goals under section 109(a).

''(c) PUBLIC PARTICIPATION.—In developing its State plan, and any revisions under subsection (e), the State shall consult widely with individuals, agencies, organizations, and institutions in the State that have an interest in the provision and quality of adult education and family literacy, including—

''(1) individuals who currently participate, or who want to participate, in adult education and family literacy programs;

''(2) practitioners and experts in adult education and family literacy, social services, and workforce development; and

''(3) representatives of business and labor.

''(d) PLAN CONTENTS.—The plan shall be in such form and contain such information and assurances as the Secretary may require, and shall include—

''(1) a summary of the methods used to conduct the assessment under subsection (b) and the findings of that assessment;

''(2) a description of how, in addressing the needs identified in the State's assessment, funds under this title will be used to establish adult education and family literacy programs, or improve or expand current programs, that will lead to high-quality learning outcomes, including measurable learning gains, for individuals in such programs;

''(3) a statement of the State's performance goals and indicators established under section 109, or, in the first plan, a description of how the State will establish such performance goals and indicators;

''(4) a description of the criteria the State will use to award funds under this title or eligible applicants under section 107, including how the State will ensure that its selection of applicants to operate programs assisted under this title will reflect the finds of program evaluations carried out under section 110(a);

''(5) a description of how the State will integrate services and activities under this Act, including planning and coordination of programs, with those of other agencies, institutions, and organizations involved in adult education and family literacy, such as the public school system, early childhood education programs, social service agencies, business, labor unions, libraries, institutions of higher education, public health authorities, vocational education and special education programs, one-stop career centers, and employment or training programs, in order to ensure effective us of funds and to avoid duplication of services;

''(6) a description of the leadership activities the State will carry out under section 103;

''(7) any comments the Governor may have on the State plan; and

''(8) assurances that—

''(A) the State will comply with the requirements of this Act and the provisions of the State plan;

''(B) the State will use such fiscal control and accounting procedures as are necessary for the proper and efficient administration of this title; and

''(C) programs funded under this title will be of such size, scope, and quality as to give realistic promise of furthering the purpose of this Act.

''(e) PLAN REVISIONS.—When changes in conditions or other factors require substantial modifications to an approved State plan, the designated State agency or agencies shall submit a revision to the plan to the Secretary. Such a revision shall be approved by the designated State agency or agencies.

''(C) programs funded under this title will be of such size, scope, and quality as to give realistic promise of furthering the purpose of this Act.

''(e) PLAN REVISIONS.—When changes in conditions or other facets require substantial modifications to an approved State plan, the designated State agency or agencies shall submit a revision to the plan to the Secretary. Such a revision shall be approved by the designated State agency or agencies.

''(f) PLANNING YEAR.—(1) For fiscal year 1996 only, a State may submit a one year State plan to the Secretary that either satisfies the specific requirements of this section or describes how the State will complete the development of its State plan with respect to those specific requirements within the following year. A State may use funds reserved under section 102(b)(2) to complete the development of its State plan.

''(2) A one year plan under this subsection shall—

''(A) be developed in accordance with subsection (c); and

''(B) contain the assurances described in subsection (d)(8).

''(3) In order to receive a grant under section 102(a) of fiscal year 1997, a State that submits a one year State plan under this subsection shall submit a four year State plan that covers fiscal year 1997 and the three succeeding fiscal years.

''(g) CONSULTATION.—The designated State agency or agencies shall—

''(1) submit the State plan, and any revision to the State plan, to the Governor for review and comment; and

''(2) ensure that any comments the Governor may have are included with the State plan, or revision, when the State plan, or revision, is submitted to the Secretary.

''(h) PLAN APPROVAL.—(1) The Secretary shall approve a State plan, or a revision to an approved State plan, if it meets the requirements of this section and is of sufficient quality to meet the purpose of this Act, and shall not finally disapprove a State plan, or a revision to an approved State plan, except after giving the State reasonable notice and an opportunity for a hearing.

''(2) The Secretary shall establish a peer review process to make recommendations regarding approval of State plans and revisions to the State plans.

''SUBGRANTS TO ELIGIBLE APPLICANTS

''SEC. 107. (a). AUTHORITY.—(1) From funds available under section 102(b)(4), States shall make subgrants to eligible applicants under subsection (b) to develop, implement, and improve adult education and family literacy programs within the State.

''(2) To the extent practicable, States shall make multi-year subgrants under this section.

''(b) ELIGIBILITY.—(1) Except as provided for subgrants for Even Start family literacy programs under section 104, the following entities shall be eligible to apply to the State for a subgrant under this section:

''(A) local education agencies

''(B) community-based organizations;

''(C) institutions of higher education;

''(D) public and private nonprofit agencies (including State and local welfare agencies, corrections agencies, public libraries, and public housing authorities); and

''(E) consortia of such agencies, organizations, institutions, or partnerships, including consortia that include one or more for-profit agencies, organizations, or institutions, if such agencies, organizations, or institutions can make a significant contribution to attaining the objectives of this Act.

''(2) Each State receiving funds under this title shall ensure that all eligible applicants described under subsection (b)(1) receive equitable consideration for subgrants under this section.

''APPLICATIONS FROM ELIGIBLE APPLICANTS

''SEC. 108. (a) APPLICATION.—Any eligible applicant under sections 104(a) or 107(b)(1) that desires a subgrant under this title shall submit an application to the State containing such information and assurances as the State may reasonably require, including—

''(1) a description of the applicant's current adult education and family literacy programs, if any;

''(2) a description of how funds awarded under this title will be spent;

''(3) a description of how the applicant's program will help the State address the needs identified in the State's assessment under section 106(b)(1);

''(4) the projected goals of the applicant with respect to participant recruitment, retention, and educational achievement, and how the applicant will measure and report to the State regarding the information required in section 110(a); and

''(5) any cooperative arrangements the applicant has with others (including arrangements with social service agencies, one-stop career centers, business, industry, and volunteer literacy organizations) that have been made to deliver adult education and family literacy programs.

''(b) FUNDING.—In determining which applicants receive funds under this title, the State shall—

''(1) give preference to those applicants that serve local areas with high concentrations of individuals in poverty or with low levels of literacy (including English language proficiency), or both;

''(2) consider—

''(A) the results of the evaluations required under section 110(a), if any; and

''(B) the degree to which the applicant will coordinate with and utilize other literacy and social services available on the community.

''STATE PERFORMANCE GOALS AND INDICATORS

''SEC. 109. (a) STATE-ESTABLISHED PERFORMANCE GOALS AND INDICATORS.—Any State desiring to receive a grant under section 102(a), in consultation with individuals, agencies, organizations, and institutions described in section 106(c), shall—

''(1) identify performance goals that define the level of student achievement to be attained by adult education and family literacy programs, and express such goals in an objective, quantifiable, and measurable form;

''(2) identify performance indicators that State and local recipients will use in measuring or assessing progress toward achieving such goals; and

''(3) by July 1, 1997, ensure that the State performances indicators include, at least—

''(i) achievement in linguistic skills, including English language skills;

''(ii) receipt of a high school diploma or its equivalent;

(iii) entry into a postsecondary school, job training program, employment, or career advancement; and

''(iv) successful transition of children to school.

''(b) TRANSITION.—Except as provided in subsection (a)(3), each State receiving funds under this title may continue to use the indicators of program quality it developed under section 331(a)(2) of the Adult Education Act as in effect before the date of enactment of the Adult Education and Family Literacy Reform Act of 1995, to the extent that they are consistent with the State's performance goals.

''(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to States regarding the development of the State's performance goals and indicators under subsection (a). Notwithstanding any other provision of law, the Secretary may use funds reserved under section 3(b)(1)(B) to provide technical assistance under this section.

''EVALUATION, IMPROVEMENT, AND ACCOUNTABILITY

''SEC. 110. (a) LOCAL EVALUATION.—Each recipient of a subgrant under this title shall biennially evaluate, using the performance goals and indicators established under section 109, the programs supported under this title and report to the State regarding the effectiveness of its programs in addressing the priorities under section 101 and the needs identified in the State assessment under section 106(b)(1).

''(b) IMPROVEMENT ACTIVITIES.—If a State determines, based on the applicable performance goals and indicators established under section 109 and the evaluations under subsection (a), that a subgrant recipient is not making substantial progress in achieving the purpose of this Act, the State may work jointly with the local recipient to develop an improvement plan. If, after not more than two years of implementation of the improvement plan, the State determines that the recipient is not making substantial progress, the State shall take whatever corrective action it deems necessary, which may include termination of funding or the implementation of alternative service arrangements, consistent with State law. The State shall take corrective action under the preceding sentence only after it has provided technical assistance to the recipient and shall ensure that any corrective action it takes allows for continued services and activities to the recipient's students.

''(c) STATE REPORT.—The State shall biennially report to the Secretary on the quality and effectiveness of the adult education and family literacy programs funded through its subgrants under this title, based on the performance goals and indicators under section 109(a) and the needs identified in the State assessment under section 106(b)(1).

''(d) TECHNICAL ASSISTANCE.—If the Secretary determines that the State is not properly implementing its responsibilities under subsection (b), or is not making substantial progress in meeting the purpose of this Act, based on its performance goals and indicators under section 109(a), the Secretary shall work with the State to implement improvement activities.

''(e) WITHHOLDING OF FEDERAL FUNDS.—If, after a reasonable time, but not earlier than one year after implementing activities described in subsection (d), the Secretary determines that the State is not making sufficient progress, based on its performance goals and indicators under section 109(a), the Secretary shall, after notice and opportunity for a hearing, withhold from the State all, or a portion, of the State's allotment under this title. The Secretary may use funds withheld under the preceding sentence to provide, through alternative arrangements, services and activities within the State that meet the purposes of this Act.

''ALLOTMENTS; REALLOTMENT

''SEC. 111. (a) ALLOTMENT TO STATES.—(1) Subject to subsection (b), from the funds available under section 102(a) for each fiscal year, the Secretary shall allot to each State—

''(A) a sum that bears the same ratio to one-half that amount as the number of individuals in the State who are 16 years of age or older and not enrolled, or required to be enrolled, in secondary school and who do not possess a high school diploma or its equivalent, bears to the number of such individuals in all the States; and

''(B) a sum that bears the same ratio to one-half that amount as the number of individuals in the State who are 18 years of age or older and who are living at or below poverty bears to the number of such individuals in all the States.

''(2)(A) The Secretary shall allot to the Commonwealth of Puerto Rico an amount equal to 2.95 percent of the funds available under section 102(a) for each fiscal year.

''(B) For the purpose of the subsection, the term 'State' shall be deemed to exclude the Commonwealth of Puerto Rico.

''(3) The numbers of individuals specified in paragraph (1) shall be determined by the Secretary on the basis of the latest estimates available to the Department that are satisfactory to the Secretary.

''(b) HOLD-HARMLESS.—(1) Notwithstanding any other provision of law and subject to paragraph (2)—

''(A) for fiscal year 1996, no State shall receive under title I of this Act less than 90 percent of the sum of the payments made to the State for the fiscal year 1995 for programs authorized by section 313 of the Adult Education Act, section 1202 of the Elementary and Secondary Education Act of 1965, and sections 202(c)(1)(C) and 262(c)(1)(C) of the Job Training Partnership Act, as they were in effect prior to the enactment of the Adult Education and Family Literacy Reform Act of 1995; and

''(B) for fiscal year 1997, no State shall receive under title I of this Act less than 90 percent of the amount it received under title I for fiscal year 1996.

''(2) If for any fiscal year the amount available for allotment under this section is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all States for such services and activities as necessary.

''(c) REALLOTMENT.—If the Secretary determines that any amount of a State's allotment under this section for any fiscal year will not be required for carrying out the program for which such amounts has been allotted, the Secretary shall make such amount available for reallotment to one or more other States on a basis that the Secretary determines would best serve the purposes of this Act. Any amount reallotted to a State under this subsection shall be deemed to be part of its allotment for the fiscal year in which it is obligated.

''(d) REPORT.—The Secretary shall, by September 30, 2000—

''(1) conduct a study to determine the availability and reliability of statistical data on the number of immigrants and limited English proficient individuals in each State; and

''(2) report to the Congress on the feasibility and advisability of including such populations as factors in the formula under subsection (a)(1).

''TITLE II—NATIONAL LEADERSHIP

''NATIONAL LEADERSHIP ACTIVITIES

''SEC. 201. (a) AUTHORITY.—From the amount reserved under section 3(b)(1)(B) for any fiscal year, the Secretary is authorized to establish a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy nationwide.

''(b) METHOD OF FUNDING. The Secretary may carry out national leadership and evaluation activities directly or through grants, contracts, and cooperative agreements.

''(c) USES OF FUNDS.—Funds used under this section may be used for—

''(1) research and development;

''(2) demonstration of model and innovative programs;

''(3) dissemination;

''(4) evaluations and assessments, including independent assessments of services and activities assisted under this Act and of the condition and progress of literacy in the United States;

''(5) capacity building at the State and local levels;

''(6) data collection;

''(7) professional development;

''(8) technical assistance; and

''(9) other activities designed to enhance the quality of adult education and family literacy nationwide.

''AWARDS FOR NATIONAL EXCELLENCE

''SEC. 202. The Secretary may, from the amount reserved under section 3(b)(1)(A) for any fiscal year after fiscal year 1997, and through a peer review process, make performance awards to one or more States that have—

''(1) exceeded in an outstanding manner their performance goals under section 109(a);

''(2) made exemplary progress in developing, implementing, or improving their adult education and family literacy programs in accordance with the priorities described in section 101; or

''(3) provided exemplary services and activities for those individuals within the State who are most in need of adult education and family literacy services, or are hardest to serve.

''NATIONAL INSTITUTE FOR LITERACY

''SEC. 203. (a) PURPOSE.—The National Institute for Literacy shall—

''(1) provide national leadership;

''(2) coordinate literacy services; and

''(3) be a national resource for adult education and family literacy, by providing the best and most current information available and supporting the creation of new ways to offer improved services.

''(b) ESTABLISHMENT.—(1) There shall be a National Institute for Literacy (in this section referred to as the ''Institute''). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the ''Interagency Group''). The Secretary may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

''(2) The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (the 'Board') under subsection (e) in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director.

''(c) DUTIES.—(1) In order to provide leadership for the improvement and expansion of the system for delivery of literacy services, the Institute is authorized, to—

''(A) establish a national electronic data base of information that disseminates information to the broadest possible audience within the literacy and basic skills field, and that includes—

''(i) effective practices in the provision of literacy and basic skills instruction, including the integration of such instruction with occupational skills training;

''(ii) public and private literacy and basic skills programs and Federal, State,and local policies affecting the provision of literacy services at the national, State, and local levels;

''(iii) opportunities for technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

''(iv) a communication network for literacy programs, providers, social service agencies, and students;

''(B) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local levels;

''(C) coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies, especially with the Office of Educational Research and Improvement, and carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

''(D) collect and disseminate information on methods of advancing literacy that show great promise;

''(E) work with the National Education Goals Panel, assist local, State, and national organizations and agencies in making and measuring progress towards the National Education Goals, as established by P.L. 103–227;

''(F) coordinate and share information with national organizations and associations that are interested in literacy and workforce development; and

''(G) inform the development of policy with respect to literacy and basic skills.

''(2) The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private institutions, agencies, organizations, or consortia of such institution, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

''(d) LITERACY LEADERSHIP.—(1) The Institute may, in consultation with the Board, award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

''(2) Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

''(3) The Institute, in consultation with the Board, is authorized to award paid and unpaid internships to individuals seeking to assist in carrying out the Institute's mission and to accept assistance from volunteers.

''(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—(1)(A) There shall be a National Institute for Literacy Advisory Board (the 'Board'), which shall consist of 10 individuals appointed by the President.

''(B) The Board shall comprise individuals who are not otherwise officers or employees of the Federal Government and who are representative of such entities as—

''(i) literacy organizations and providers of literacy services, including nonprofit providers, providers of English as a second language programs and services, social service organizations, and providers receiving assistance under this Act;

''(ii) businesses that have demonstrated interest in literacy programs;

''(iii) literacy students, including those with disabilities;

''(iv) experts in the area of literacy research;

''(v) State and local governments; and

''(vi) organized labor.

''(2) The Board shall—

''(A) make recommendations concerning the appointment of the Director and staff of the Institute; and

''(B) provide independent advice on the operation of the Institute.

''(3)(A) Appointments to the Board made after the date of enactment of the 'Adult Education and Family Literacy Reform Act of 1995' shall be for three-year terms, except that the initial terms for members may be established at one, two, or three years in order to establish a rotation in which one-third of the members are selected each year.

''(B) Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office.

''(4) The Chairperson and Vice Chairperson of the Board shall be elected by the members.

''(5) The Board shall meet at the call of the Chairperson or a majority of its members.

''(f) GIFTS, BEQUESTS, AND DEVISES.—(1) The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

''(2) The responsible official shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible services would reflect unfavorably upon the ability of the Institute or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs.

''(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

''(h) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

''(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

''(j) EXPERTS AND CONSULTANTS.—The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

''(k) REPORT.—The Institute shall submit a biennial report to the Interagency Group and the Congress.

''(1) FUNDING.—Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

''TITLE III—GENERAL PROVISIONS

''WAIVERS

''SEC. 301. (a)(1) REQUEST FOR WAIVER.—Any State may request, on its own behalf or on behalf of a local recipient, a waiver by the Secretary of Education, the Secretary of the Interior, or the Secretary of Labor, as appropriate, of one or more statutory or regulatory provisions described in subsection (c) in order to carry out adult education and family literacy programs under title I more effectively.

''(2) An Indian tribe or tribal organization may request a waiver by a Secretary described in subsection (a)(1), as appropriate, of one or more statutory or regulatory provisions described in subsection (c) in order to carry out an Even Start family literacy program under section 104(c) more effectively.

''(b) GENERAL AUTHORITY.—(1) Except as provided in subsection (d), a Secretary described in subsection (a)(1) may waive any requirement of a statute listed in subsection (c), or of the regulations issued under that statute, for a State that requests such a waiver—

''(A) if, and only to the extent that, the Secretary determines that such requirement impedes the ability of the State or a subgrant recipient under title I to carry out adult education and family literacy programs or activities in an effective manner;

''(B) if the State waives, or agrees to waive, any similar requirements of State law;

''(C) if, in the case of a statewide waiver, the State—

''(i) has provided all subgrant recipients of assistance under this title I in the State with notice of, and an opportunity to comment on, the State's proposal to request a waiver; and

''(ii) has submitted the comments of such recipients to the Secretary; and

''(D) if the State provides such information as the Secretary reasonably requires in order to make such determinations.

''(2) A Secretary shall act promptly on any request submitted under paragraph (1).

''(3) Each waiver approved under this subsection shall be for a period not to exceed five years, except that a Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the State to carry out the purpose of this Act.

''(c) EDUCATION PROGRAMS.—(1) The statutes subject to the waiver authority of the Secretary of Education under this section are—

''(A) this Act;

''(B) part A of title I of the Elementary and Secondary Education Act of 1965 (authorizing programs and activities to help disadvantaged children meet high standards);

''(C) part B of title II of the Elementary and Secondary Education Act of 1965 (Dwight D. Eisenhower Professional Development Program);

''(D) title VI of the Elementary and Secondary Education Act of 1965 (Innovative Education Program Strategies);

''(E) part C of title VII of the Elementary and Secondary Education Act of 1965 (Emergency Immigrant Education Program);

''(F) the School-to-Work Opportunities Act of 1994, but only with the concurrence of the Secretary of Labor; and

''(G) the Carl D. Perkins Career Preparation Education Act of 1995.

''(2) The Secretary of Interior may waive under this section the provisions of part B of the Education Amendments of 1978.

''(3) The statutes subject to the waiver authority of the Secretary of Labor under this section are—

''(A) the Job Training Partnership Act; and

''(B) the School-to-Work Opportunities Act of 1994, but only with the concurrence of the Secretary of Education.

''(d) WAIVERS NOT AUTHORIZED.—A Secretary may not waive any statutory or regulatory requirement of the programs listed in subsection (c) relating to—

''(1) the basic purposes or goals of the affected programs;

''(2) maintenance of effort;

''(3) comparability of services;

''(4) the equitable participation of students attending private schools;

''(5) parental participation and involvement;

''(6) the distribution of funds to States or to local recipients;

''(7) the eligibility of an individual for participation in the affected programs;

''(8) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

''(9) prohibitions or restrictions relating to the construction of buildings or facilities.

''(e) TERMINATION OF WAIVERS.—A Secretary shall periodically review the performance of any State or local recipient for which the Secretary has granted a waiver under this section and shall terminate such waiver if the Secretary determines that the performance of the State affected by the waiver has been inadequate to justify a continuation of the waiver, or the State fails to waive similar requirements of State law in accordance with subsection (b)(1)(B).

''DEFINITIONS

''SEC. 302. For the purpose of this Act:

''(1) the term 'adult' means an individual who is 16 years of age, or beyond the age of compulsory school attendance under State law, and who is not enrolled, or required to be enrolled, in secondary school;

''(2) the term 'adult education' means services or instruction below the college level for adults who—

''(A) lack sufficient education or literacy skills to enable them to function effectively in society; or

''(B) do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

''(3) the term 'community-based organization' means a private nonprofit organization that is representative of a community or significant segments of a community and that provides education, vocational rehabilitation, job training, or internship services and programs;

''(4) the term 'family literacy program' means a program that integrates adult education, parenting education, and early childhood education into a unified set of services and activities for low-income families that are most in need of such services and activities, and that is designed to help break the cycle of intergenerational poverty and undereducation;

''(5) the terms 'Indian tribes' and 'tribal organizations' have the meaning given such terms in section 3 of the Indian Self-Determination and Education Assistance Act;

''(6) the term 'individual of limited English proficiency' means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language;

''(7) the term 'institution of higher education' means any such institution as defined by section 1201(a) of the Higher Education Act of 1965;

''(8) the term 'literacy' means an individual's ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function on the job and in society, to achieve one's goals, and develop one's knowledge and potential;

''(9) the term 'local educational agency' means a public board of education or other

public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, except that, if there is a separate board or other legally constituted local authority having administrative control and direction of adult education in public schools therein, such term means such other board or authority;

''(10) the term 'migratory family' means a family with a migratory child as defined in section 1309(2) of the Elementary and Secondary Education Act of 1965;

''(11) the term 'public housing authority' means a public housing agency, as defined in 42 U.S.C. 1437a(b)(6), that participates in public housing, as defined in 42 U.S.C. 1437a(b)(1).

''(12) except under section 301, the term 'Secretary' means the Secretary of Education; and

''(13) except as provided in section 111(a)(2)(B), the term 'State' means each of the 50 States and the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, and the Virgin Islands.''.

TITLE II—EFFECTIVE DATE; TRANSITION

EFFECTIVE DATE

SEC. 201. This Act shall take effect on July 1, 1996.

TRANSITION

SEC. 202. Nothwithstanding any other provisions of law—

(1) upon enactment of the Adult Education and Family Literacy Reform Act of 1995, a State or local recipient of funds under the Adult Education Act, the Even Start Family Literacy Programs of the Elementary and Secondary Education Act of 1965, and sections 202(c)(1)(C) and 262(c)(1)(C) of the Job Training Partnership Act, as they were in effect prior to the enactment of the Adult Education and Family Literacy Reform Act of 1995, may use any such unexpended funds to carry out services and activities that are authorized by those statutes or the Adult Education and Family Literacy Act; and

(2) a State or local recipient of funds under the Adult Education and Family Literacy Act for the fiscal year 1996 may use such funds to carry out services and activities that are authorized by either such Act or were authorized by the Adult Education Act, the Even Start Family Literacy Programs of the Elementary and Secondary Education Act of 1965, and sections 202(c)(1)(A) and 262(c)(1)(C) of the Job Training Partnership Act, as they were in effect prior to the enactment of the Adult Education and Family Literacy Reform Act of 1995.

TITLE III—REPEALS OF OTHER ACTS

REPEALS

SEC. 301 (a) EVEN START.—Part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6361 et seq.) is repealed.

(b) NATIONAL LITERACY ACT.—The National Literacy Act of 1991 (20 U.S.C. 1201 et seq.) is repealed.

(c) GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS.—Part E of title X of the Higher Education Act of 1965 (20 U.S.C. 1135g) is repealed.

DEPARTMENT OF EDUCATION,
Washington, DC, May 8, 1995.

Hon. ALBERT GORE, JR.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed for consideration of the Congress is the ''Adult Education and Family Literacy Reform Act of 1995,'' the Administration's plan to create a comprehensive strategy for meeting our Nation's adult education and family literacy needs. Also enclosed is a section-by-section analysis summarizing the contents of the bill. I am sending an identical letter to the Speaker of the House.

As part of the G.I. Bill for America's Workers, the Administration is consolidating and restructuring nearly 70 separate programs into a streamlined system to empower youth and adults to acquire the education and skills they need for new and better jobs. The Adult Education and Family Literacy Reform Act is central to this goal.

Results from the 1993 National Adult Literacy Survey reveal a literacy crisis in this country. More than 20 percent of adults performed at or below a 5th-grade level in reading and math—far below the level needed for effective participation in the workforce. And because parents' educational level is a strong predictor of children's academic success, the effects of this crisis extend beyond adults to their children. Despite the obvious need for literacy services among our Nation's adults, the recent National Evaluation of Adult Education Programs found that the current Adult Education program serves only small percentage of adults in need of services and that, while many adults benefit from participation in the program, many leave before they achieve any literacy gains. Overall, the current configuration of adult education and family literacy programs is too diffuse and diverts human and financial resources from what should be the focus of all Federal literacy efforts: the provision of high-quality, results-oriented services.

The Administration recognizes that adults who need to improve their educational skills will be hindered in the workplace, and in promoting their children's progress in school, if they do not have access to adult education and family literacy programs that meet their needs. In response, the enclosed bill creates a performance partnership designed around give broad principles—streamlining, flexibility, quality, targeting, and consumer choice—described in detail below.

First, our strategy would streamline a dozen existing adult education and family literacy programs into a single State grant that has a clear purpose and is aimed at high standards. In addition, the enclosed bill would cut in half the number of State planning requirements. These changes would save States time and money and allow them to focus more attention on improving the quality of their programs.

Our second principle is flexibility. To place decision-making in the hands of the States, the bill would eliminate several restrictions on the use of funds, such as the current mandatory set-aside for services to institutionalized individuals, the requirement that States make ''Gateway Grants'' to public housing authorities, and the cap on State expenditures for adult secondary education. States could use Federal funds to support a range of services in the mix that they—not the Federal Government—determine would best meet the needs of adults in their States. These services would include parenting education, basic skills education, high school equivalency instruction, early childhood education, and English classes for adults who speak other languages.

Because the Even Start Family Literacy Program has shown exceptional promise as a family literacy model, the bill would set aside 25 percent of the funds available for subgrants for Even Start Family Literacy Programs. However, if a State is already meeting the family literacy needs of its residents through a program of comparable quality, the Secretary could modify or waive this requirement.

We have also built in other flexibility provisions. For example, a new waiver authority would permit States to request, for themselves or for the local service providers, waivers of statutory or regulatory provisions of related Federal programs, such as Part A of Title I of the Elementary and Secondary Education Act of 1965, the School-to-Work Opportunities Act of 1994, the Job Training Partnership Act, and the proposed Carl D. Perkins Career Preparation Education Act, in order to facilitate more effective implementation of adult education and family literacy programs.

Third, the Administration believes that strong accountability provisions must go hand-in-hand with increased flexibility and that, combined, these elements improve the overall quality of education programs. To this end, the bill would build on current accountability provisions in Adult Education and Even Start by requiring States to develop or modify their own performances goals and indicators and describe them in their State plans. States would use these goals and indicators to evaluate the effectiveness of local programs. The Department would assist States in developing their performance goals and indicators by providing technical assistance. If, after a reasonable period of time, and the opportunity for a hearing, the Secretary determines that a State is not making sufficient progress toward its performance goals, the bill would authorize the Secretary to withhold Federal funds.

Solid evaluation requirements are also key to building better programs. While the Adult Education Act requires States to evaluate annually 20 percent of their grant recipients, it neither requires nor encourages subgrantees to evaluate themselves. Our bill would require a biennial local evaluation, whose results local providers would describe in their applications for subgrants. States would then consider those results in awarding funds to applicants seeking to provide services in various localities.

The bill also includes incentives for exceptional State and local performance. The new Act would authorize the Secretary to use up to five percent of the appropriation to make National Excellence Awards to States with exemplary adult education and family literacy programs. States could also reward exemplary local programs by using up to five percent of their allotments for financial incentive awards.

The bill includes additional quality-enhancing provisions. A reservation of up to ten percent of State funds for leadership activities, including professional development and training, and the development, acquisition, and promotion of advanced technologies, would encourage program improvement. Research and development, evaluation, and demonstration of model and innovative programs would take place at the Federal level through the National Leadership authority. Such activities would expand our understanding of what works in adult education programs, thereby helping States to improve the effectiveness of their programs. The bill would also authorize the National Institute for Literacy to continue in its current role as a national resource on literacy issues.

Fourth, our bill would target funds to States and local areas with the greatest need

for adult education and family literacy services. A new funding formula would distribute 50 percent of the funds based on the adult education population (excluding in-school students) and 50 percent based on adults living in poverty. In making determinations regarding local applications, States would be required to give preference for funding to those applicants that serve local areas with the highest concentrations of individuals in poverty or with low levels of literacy, or both.

Our final principle is consumer choice. In addition to allowing States flexibility to choose the services they offer, the enclosed bill would also expand adult learners' choices. By encouraging States to establish strong links with one-stop career centers, job-training programs, and social service agencies, the Administration's bill would facilitate the dissemination of information about the availability, services, and student outcomes of adult education and literacy programs. As learners make more informed choices about the programs they enter, the likelihood of their success in adult education and family literacy programs should improve.

I encourage Congress to act swiftly on our bill. By creating a single funding stream to States, the bill responds to concerns regarding the potential duplication of adult education and literacy programs. In doing so, the bill consolidates separate discretionary programs for library literacy, workplace literacy, and literacy programs for prisoners and the homeless. Although the Administration's bill would eliminate many narrow, categorical programs, we have taken steps to ensure that needy populations and promising practices are emphasized in our proposal. The bill permits States to continue to use libraries and the workplace as sites for the provision of services. It also requires States to assess the adult education and family literacy needs of hard-to-serve and most-in-need individuals, such as the homeless and the incarcerated, and describe programs' capacity to meet those needs. Targeting provisions of the bill also would ensure that local areas with high concentrations of individuals in poverty or low levels of literacy, or both, receive priority for Federal funds.

The Office of Management and Budget advises that there is no objection to the submission of this proposal to Congress and that its adoption would be in accord with the program of the President.

Yours sincerely,

RICHARD W. RILEY,
The Secretary.

ADULT EDUCATION AND FAMILY LITERACY REFORM ACT OF 1995—SECTION-BY-SECTION ANALYSIS

TITLE I OF THE BILL—AMENDMENTS TO THE ADULT EDUCATION ACT

Section 101. Amendment. Section 101 of the bill would amend the Adult Education Act (''current law'') in its entirety, as described below.

In general, this amendment would consolidate the current Adult Education programs, eliminating the many separate and prescriptive categorical programs, and the Even Start program under Title I, Part B of the Elementary and Secondary Education Act of 1965 into a simplified, flexible, comprehensive, performance partnership between Federal and State and local providers of adult education and family literacy services. States would build on their accomplishments under current law and establish their own performance goals and indicators. The Federal Government would support State and local efforts with national leadership and evaluation activities, national performance awards to States, and waivers from specific statutory and regulatory rules.

Adult Education and Family Literacy Act (the ''Act'')

Section 1. Short title; table of contents. Section 1 of the Act would propose that the amended Adult Education Act be cited as the ''Adult Education and Family Literacy Act'' (''the Act''). This section would also set forth a table of contents for the Act.

Section 2. Declaration of policy, findings, and purpose. Section 2 of the Act would set forth the findings and purpose of the Act.

Subsection (a) would set forth congressional findings.

Subsection (b) would state that the purpose of the Act is to create a performance partnership with States and localities for the provision of adult education and family literacy services so that, as called for in the National Education Goals, all adults who need such services will, as appropriate, be able to: (1) become literate and obtain the knowledge and skills needed to compete in a global economy and exercise the rights and responsibilities of citizenship; (2) complete a high school education; (3) become and remain actively involved in their children's education in order to ensure their children's readiness for, and success in, school. This purpose would be pursued through: (1) building on State and and local education reforms supported by Goals 2000: Educate America Act and other Federal and State legislation; (2) consolidating numerous Federal adult education and literacy programs into a single, flexible grant; (3) tying local programs to challenging State-developed performance goals that are consistent with the purpose of this Act; (4) holding States and localities accountable for achieving such goals; (5) building program quality though such measures as encouraging greater use of technologies in adult education and family literacy programs and better professional development of educators working in those programs; (6) integrating adult education and family literacy programs with States' school-to-work opportunities systems, career preparation education services and activities, job training programs, early childhood and elementary school programs, and other related activities; and (7) supporting the improvement of State and local activities through nationally significant efforts in research, development, demonstration, dissemination, evaluation, capacity-building, data collection, professional development, and technical assistance.

Section 3. Authorization of appropriations. Section 3 of the Act would establish a ten-year authorization of appropriations for State and national programs. A ten-year authorization would facilitate stable growth and reform of the program.

Subsection (a) would authorize $490,487,000 for fiscal year 1996 and such sums as may be necessary for each of fiscal years 1997 through 20005 to carry out the Act. Subsection (b) would, from the amount appropriated in any fiscal year, authorize the Secretary to reserve not more than 3 percent to carry out sections 201 (national leadership activities) and 203 (National Institute for Literacy) of the Act, and not more than $5,000,000 for Even Start family literacy programs for migratory and Indian families under section 104(c) of the Act. Beginning in fiscal year 1998, the Secretary would also be authorized to reserve not more than 5 percent of section 202 (national performance awards).

TITLE I OF THE ACT—ADULT EDUCATION AND FAMILY LITERACY

Section 101. Priorities. Section 101 of the Act would require that, in order to prepare adults for family, work, citizenship, and job training, and adults and their children for success in future learning, funds under this title must be used to support the development, implementation, and improvement of adult education and family literacy programs at the State and local levels.

In using funds under the title, States and local recipients would be required to give priority to: (1) services and activities designed to ensure that all adults have the opportunity to achieve to challenging State performance standards for literacy proficiency, including basic literacy, English language proficiency, and completion of high school or its equivalent; (2) services and activities designed to enable parents to prepare their children for school, enhance their children's language and cognitive abilities, and promote their own career advancement; and (3) adult education and family literacy programs that are built on a strong foundation of research and effective educational practices; effectively employ advances in technology, as well as learning in the context of family, work, and the community; are staffed by well-trained instructors, counselors and administrators; are of sufficient intensity and duration for participants to achieve substantial learning gains; establish strong links with elementary and secondary schools, postsecondary institutions, one-stop career centers, job-training programs, and social service agencies; and offer flexible schedules and, when necessary, support services to enable people to attend and complete programs.

Section 102. State grants for adult education and family literacy. Section 102(a) of the Act would require the Secretary, from funds available for State grants under section 3 for each fiscal year and in accordance with section 111 of the Act, to make a grant to each State that has an approved State plan under section 106 of the Act, to assist that State in developing, implementing, and improving adult education and family literacy programs within the State.

Section 102(b) of the Act would authorize a State, from the amount awarded to it for any fiscal year under subsection (a), to use: (1) up to 5 percent, or $80,000, whichever is greater, for the cost of administering its program under this title; (2) up to 10 percent for leadership activities under section 103 of the Act; and (3) beginning in fiscal year 1998, 5 percent for financial incentives or awards to one or more eligible recipients in recognition of exemplary quality or innovation in adult education or family literacy services and activities, or exemplary services and activities for individuals who are most in need of such services and activities, or are hardest to serve, or both. Such incentives or awards would be determined by the State through a peer review process, using the performance goals and indicators described in section 108 and, if appropriate, other criteria.

Section 102(b) would also require that the remainder of the State's funds be used for subgrants to eligible applicants under section 107, except that at least 25 percent of such remainder would be required to be used for Even Start family literacy programs under section 104 of the Act, unless the State demonstrates in its State plan under section 106 of the Act, to the satisfaction of the Secretary, that it will otherwise meet the needs of individuals in the State for family literacy programs in a manner that is consistent with the purpose of this Act.

Section 102(c) of the Act would require that the Federal share of expenditures to carry out a State plan under section 106 of the Act be paid from the State's grant under subsection (a). However, such Federal share could be no greater than 75 percent of the cost of carrying out the State plan for each fiscal year, except that with respect to

Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands, the Federal share could be 100 percent. Section 102(c) of the Act would permit the State's share of expenditures in carrying out its State plan to be in cash or in kind, fairly evaluated, including only non-Federal funds that are used for adult education and family literacy activities in a manner that is consistent with the purpose of this Act.

Section 102(d) of the Act would require State-level maintenance of effort. Under subsection (d)(1), a State would be permitted to receive funds under the title for any fiscal year only if the Secretary finds that the aggregate expenditures of the State for adult education and family literacy by such State for the preceding fiscal year were not less than 90 percent of such aggregate expenditures for the second preceding fiscal year. The Secretary would be required to reduce the amount of the allocation of funds to a State, under section 102(a), for any fiscal year in the exact proportion to which a State falls below 90 percent of the aggregate expenditures for the second preceding fiscal year. Subsection (d)(3) would permit the Secretary to waive the maintenance-of-effort requirements if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous decline in the financial resource of the State. Subsection (d)(4) would state that no lesser amount of State expenditures under paragraphs (2) and (3) could be used for computing the effort required under subsection (d)(1) for subsequent years.

Section 103. State leaderships activities. Section 103 of the Act would require States to use their State leadership funds to conduct activities of Statewide significance that develop, implement, or improve programs of adult education and family literacy, consistent with the State plan under section 106. Such activities would include one or more of the following: (1) professional development and training; (2) disseminating curricula for adult education and family literacy programs; (3) monitoring and evaluating the quality of, and improvement in, services and activities conducted with assistance under this title, including establishing performance goals and indicators under section 109(a) of the Act, in order to assess program quality and improvement; (4) establishing State content standards for adult education and family literacy programs; (5) establishing challenging State performance standards for literacy proficiency; (6) promoting the integration of literacy instruction and occupational skill training, and linkages with employers; (7) promoting the use of and acquiring instructional and management software and technology; (8) establishing or operating State or regional adult literacy resource centers; (9) developing and participating in networks and consortia of States that seek to establish and implement adult education and family literacy programs that have significance to the State or region, and may have national significance; and (10) other activities of Statewide significance that promote the purposes of the Act.

Section 104. Even Start Family Literacy Programs. Section 104 of the Act would require each State that receives a grant under section 102(a) of the Act for any fiscal year to use the funds reserved under section 102(b)(4) of the Act (unless the State demonstrates to the Secretary that it will otherwise meet the needs of individuals in the State for family literacy programs) to award Even Start family literacy subgrants to partnerships composed of one or more local educational agencies and one or more community-based organizations, institutions of higher education, private non-profit organizations, or public agencies (other than local educational agencies). Such Even Start family literacy programs must: (1) provide opportunities (including home-based instructional services) for joint participation by parents or guardians (including parents or guardians who are within the State's compulsory school attendance age range, so long as a local educational agency provides, or ensures the availability of, their basic education), other family members, and children; (2) provide developmentally appropriate childhood education for children from birth through age seven; (3) identify and recruit families that are most in need of family literacy services, as indicated by low levels of income and adult literacy (including limited English proficiency), and such other need-related indicators as may be appropriate; and (4) enable participants to succeed through services and activities designed to meet their needs, such as support services and flexible class schedules.

From funds reserved under section 3(b)(1)(C) of the Act for any fiscal year, the Secretary would be required, under such terms and conditions as he or she establishes, to support Even Start family literacy programs through grants to, or cooperative agreements with, eligible applicants under section 107(b) of the Act for migratory families and with Indian tribes and tribal organizations for Indian families. Assistance to Indian tribes and tribal organizations for Indian families under this Act could be integrated with other programs under the Indian Employment Training and Related Services Demonstration Act of 1992.

Section 105. State Administration. Section 105 of the Act would require a State desiring to receive a grant under section 102(a) of the Act to designate, consistent with State law, an education agency or agencies that shall be responsible for the administration of services and activities under this title, including the development, submission, and implementation of the State plan; consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of programs assisted under this title; and coordination with other State and Federal education and training programs.

Section 105(b) of the Act would require that whenever a State imposes any rule or policy relating to the administration and operation of programs funded by this title, it must identify the rule or policy as a State-imposed requirement.

Section 106. State Plan. Section 106(a) of the Act would require, except as provided in subsection (f), each State desiring to receive a grant under this title for any fiscal year to submit to, or have on file with, the Secretary a five-year State plan that is approved by the designated State agency or agencies under section 105(a) of the Act. A State may submit its State plan as part of a comprehensive plan that includes State plan provisions under one or more of the following statutes: section 14302 of the Elementary and Secondary Education Act of 1965; the Carl D. Perkins Career Preparation Education Act of 1995; the Goals 2000: Educate America Act; the Job Training Partnership Act; and the School-to-Work Opportunities Act of 1994.

Section 106(b) of the Act would require the State, in developing its State plan, and any revisions to the plan, to base its plan or revisions on a recent, objective assessment of: (1) the needs of individuals in the State for adult education and family literacy programs, including individuals most in need or hardest to serve; and (2) the capacity of programs and providers to meet those needs, taking into account the priorities under section 101 of the Act and the State's performance goals under section 109(a) of the Act.

Section 106(c) of the Act would require the State, in developing its State plan, and any revisions to the plan, to consult widely with individuals, agencies, organizations, and institutions in the State that have an interest in the provision and quality of adult education and family literacy.

Section 106(d) of the Act would require the State plan to be in such form and contain such information and assurances as the Secretary may require, and include: (1) a summary of the methods used to conduct the assessment under subsection (b) and the findings of that assessment; (2) a description of how, in addressing the needs identified in the State's assessment, funds under this title will be used to establish adult education and family literacy programs, or improve or expand current programs, that will lead to high-quality learning outcomes, including measurable learning gains, for individuals in such programs; (3) a statement of the State's performance goals and indicators established under section 109, or in the first such plan a description of how the State will establish such performance goals and indicators; (4) a description of the criteria the State will use to award funds under this title to eligible applicants under section 107, including a description of how the State will ensure that its selection of applicants to operate programs assisted under this title will reflect the findings of program evaluations carried out under section 110(a); (5) a description of how the State will integrate services and activities under this Act, including planning and coordination of programs, with those of other agencies, institutions, and organizations involved in adult education and family literacy in order to ensure effective use of funds and to avoid duplication of services; (6) a description of the leadership activities the State will carry out under section 103; and (7) any comments the Governor may have on the State plan. Section 106(d) of the Act would also require the State plan to provide assurances that: (1) the State will comply with the requirements of this Act and the provisions of the State plan; (2) the State will use such fiscal control and accounting procedures as are necessary for the proper and efficient administration of this title; and (3) programs funded under this title will be of such size, scope, and quality as to give realistic promise of furthering the purpose of this Act.

Section 106(e) of the Act would require the designated State agency or agencies, when changes in conditions or other factors require substantial modifications to an approved State plan, to submit a revision to the plan to the Secretary. Such a revision would have to be approved by the designated State agency or agencies.

Section 106(f) of the Act would authorize a State, for fiscal year 1996 only, to submit a one year State plan to the Secretary that either satisfies the specific requirements of this section or describes how the State will complete the development of its State plan with respect to those specific requirements within the following year. A State may use funds reserved under section 102(b)(2) to complete the development of its State plan. A one year State plan under this subsection would have to be developed in accordance with subsection (c); and contain the assurances described in subsection (d)(8). In order to receive a grant under section 102(a) for fiscal year 1997, a State that submits a one year State plan under this subsection would have to submit a four year State plan that covers fiscal year 1997 and the three succeeding fiscal years.

Section 106(g) of the Act would require the designated State agency or agencies to submit the State plan, and any revisions to the State plan, to the Governor for review and comment; and ensure that any comments the Governor may have are included with the State plan, or revision, when the State plan, or revision, is submitted to the Secretary.

Section 106(h) of the Act would require the Secretary to approve a State plan, or a revision to an approved State plan, if it meets the requirements of this section and is of sufficient quality to meet the purpose of this Act. The subsection would also prohibit the Secretary from finally disapproving a State plan, or a revision to an approved State plan, except after giving the State reasonable notice and an opportunity for a hearing. The Secretary would be required to establish a peer review process to make recommendations regarding approval of State plans and revisions to the State plans.

Section 107. Subgrants to eligible applicants. Section 107(a) of the Act would require States, from funds available under section 102(b)(4) of the Act, to make subgrants to eligible applicants to develop, implement, and improve adult education and family literacy programs within the State. To the extent practicable, States would make multi-year subgrants.

Under section 107(b), except for subgrants for Even Start family literacy programs under section 104, entities eligible to apply to the State for a subgrant would be: (1) local educational agencies; (2) community-based organizations; (3) institutions of higher education; (4) public and private nonprofit agencies (including State and local welfare agencies, corrections agencies, public libraries, and public housing authorities); and (5) consortia of such agencies, organizations, institutions, or partnerships, including consortia that include one or more for-profit agencies, organizations, or institutions, if such agencies, organizations, or institutions can make a significant contribution to attaining the objectives of the Act. Each State receiving funds under title I would be required to ensure that all the above-mentioned eligible applicants receive equitable consideration for subgrants under this section.

Section 108. Applications from eligible applicants. Section 108 of the Act would require any eligible applicant under sections 104(a) (Even Start partnerships) or 107(b)(1) (other eligible applicants) that desires a subgrant under title I to submit an application to the State containing such information and assurances as the State may reasonably require. Such information must include: (1) a description of the applicant's current adult education and family literacy programs, if any; (2) a description of how funds awarded under this title will be spent; (3) a description of how the applicant's program will help the State address the needs identified in the State's assessment under section 106(b)(1); (4) the projected goals of the applicant with respect to participant recruitment, retention, and educational achievement, and how the applicant will measure and report to the State regarding the information required in section 110(a); and (5) any cooperative arrangements the applicant has with others (including arrangements with social service agencies, one-stop career centers, business, industry, and volunteer literacy organizations) that have been made to deliver adult education and family literacy programs.

In determining which applicants receive funds under this title, section 108(b) of the Act would require the State to give preference to those applicants that serve local areas with the high concentrations of individuals in poverty, or with low levels of literacy (including English language proficiency), or both, and to consider the results of the evaluations required under section 110(a), if any, and the degree to which the applicant will coordinate with and utilize other literacy and social services available in the community.

Section 109. State performance goals and indicators. Section 109(a) of the Act would require any State desiring to receive a grant under section 102(a) of the Act, in consultation with individuals, agencies, organizations, and institutions described in section 106(c), to: (1) identify performance goals that define the level of student achievement to be attained in adult education and family literacy programs funded under title I, and express such goals in an objective, quantifiable, and measurable form; and (2) identify performance indicators that State and local recipients will use in measuring or assessing progress toward achieving such goals. By July 1, 1997, such performance indicators must include, at least: (1) achievement in linguistic skills, including English language skills; (2) receipt of a high school diploma or its equivalent; (3) entry into a postsecondary school, job training program, employment, or career advancement; and (4) successful transition of children to school.

Section 109(b) of the Act would authorize a State, except as provided in subsection (a)(3), to continue to use the indicators of program quality that it developed under section 331(a)(2) of current law, to the extent they are consistent with the State's performance goals.

Section 109(c) of the Act would require the Secretary to provide technical assistance to States regarding the development of such performance goals and indicators and authorize the Secretary to use funds reserved under section 3(b)(1)(B) of the Act to provide such technical assistance.

Section 110. Evaluation, improvement, and accountability. Section 110(a) of the Act would require each recipient of a subgrant under title I of the Act to evaluate biennially, using the performance goals and indicators established under section 109(a) of the Act, the programs supported under title I and report to the State regarding the effectiveness of its programs in addressing the priorities under section 101 and the needs identified in the State assessment under section 106(b)(1).

Section 110(b) of the Act would provide that if a State determines, based on the applicable performance goals and indicators and the evaluations under subsection (a), that a subgrant recipient is not making substantial progress in achieving the purpose of this Act, the State may, but is not required to, work jointly with the local recipient to develop an improvement plan. If, after not more than two years of implementation of the improvement plan, the State determines that the recipient is not making substantial progress, the State must take whatever corrective action it deems necessary, which may include termination of funding or the implementation of alternative service arrangements, consistent with the State law. The State could take such corrective action only after it provided technical assistance to the recipient and ensured that corrective action allowed for continued services and activities to the recipient's students. The State would have to report biennially to the Secretary on the quality and effectiveness of the adult education and family literacy programs funded through its subgrants under title I, based on the performance goals and indicators under section 109(a) and the needs identified in the State assessment under section 106(b)(1).

Section 110(d) of the Act would require that if the Secretary determines that the State is not properly implementing its responsibilities under subsection (b), or is not making substantial progress in meeting the purpose of this Act based on its goals and indicators under section 109, he or she must work with the State to implement improvement activities. If, after a reasonable time, but not earlier than one year after the State implements such activities, the Secretary determines that the State is not making sufficient progress, based on its performance goals and indicators, the Secretary would be required, after notice and opportunity for a hearing, to withhold from the State all, or a portion, of the State's allotment under this title. The Secretary would be given the authority to use funds withheld to provide, through alternative arrangements, services and activities within the State that meet the purposes of this Act.

Section 111. Allotments; reallocation. Section 111(a) of the Act would, subject to the hold-harmless provisions in subsection (b), from the funds available under section 102(a) for each fiscal year, require the Secretary to allot to each State: (1) a sum that bears the same ratio to one-half that amount as the number of individuals in the State who are 16 years of age or older and not enrolled, or required to be enrolled, in secondary school and who do not possess a high school diploma or its equivalent bears to the number of such individuals in all the States; and (2) a sum that bears the same ratio to one-half that amount as the number of individuals in the State who are 18 years of age or older and who are living at or below poverty bears to the number of such individuals in all the States. The Secretary would be required to allot to the Commonwealth of Puerto Rico an amount equal to 2.95 percent of the funds available under section 102(a) for each fiscal year. For the purpose of subsection (a), the term 'State' would be deemed to exclude the Puerto Rico. The numbers of individuals specified in paragraph (1) would be determined by the Secretary on the basis of the latest estimates available to the Department that are satisfactory to the Secretary.

Section 111(b)(1) of the Act would provide that, notwithstanding any other provision of law and subject to paragraph (2): (1) for fiscal year 1996, no State shall receive under title I of this Act less than 90 percent of the sum of the payments made to the State for the fiscal year 1995 for programs authorized by the section 313 of the Adult Education Act, section 1202 (Even Start) of the Elementary and Secondary Education Act of 1965, and sections 202(c)(1)(C) and 262(c)(1)(C) of the Job Training Partnership Act, as those statutes were in effect prior to the enactment of this bill; and (2) for fiscal year 1997, no State shall receive under Title I of this Act less than 90 percent of the amount it received under Title I for fiscal year 1996. Section 111(b)(2) of the Act would provide that, if for any fiscal year the amount available for allotment under this section is insufficient to satisfy the provisions of subsection (b)(1), the Secretary is to ratably reduce the payments to all States for such services and activities as necessary.

Section 111(c) of the Act would provide for reallotment of any unneeded portion of a State's allotment under subsection (a) for any fiscal year.

Section 111(d) of the Act would require the Secretary, by September 30, 2000, to conduct a study to determine the availability and reliability of statistical data on the number of immigrant and limited English proficient individuals in each State, and report to the Congress on the feasibility and advisability of including such population as a factor in the formula under subsection (a)(1).

TITLE II OF THE ACT—NATIONAL LEADERSHIP

Section 201. National Leadership Activities. Section 201 of the Act would authorize

the Secretary, from the amount reserved under section 3(b)(1)(B) of the Act for any fiscal year, to establish a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy nationwide. The Secretary would be authorized to carry out such activities directly or through grants, contracts, and cooperative agreements. Funds under this section could be used for: (1) research and development; (2) demonstration of model and innovative programs; (3) dissemination; (4) evaluations and assessments, including independent assessments of services and activities assisted under this Act and of the condition and progress of literacy of the United States; (5) capacity building at the State and local levels; (6) data collection; (7) professional development; (8) technical assistance; and (9) other activities designed to enhance the quality of adult education and family literacy nationwide.

Section 202. Awards for National Excellence, Section 202 of the Act would authorize the Secretary, from the amount reserved under section 3(b)(1)(A) of the Act for any fiscal year after fiscal year 1997, and through a peer review process, to make performance awards to one or more States that have: (1) exceeded in an out-standing manner their performance goals established under section 109(a) the Act; (2) made exemplary progress in developing, implementing, or improving their adult education and family literacy programs in accordance with the priorities described in section 101 of the Act; or (3) provided exemplary services and activities for those individuals within the State who are most in need of adult education and family literacy services, or are hardest to serve.

Section 203. National Institute for Literacy. Section 203 of the Act would reauthorize the National Institute for Literacy (the ''Institute'').

Subsection (a) would clarify the purpose of the Institute by requiring it to: (1) provide national leadership; (2) coordinate literacy services; and (3) be a national resource for adult education and family literacy, by providing the best and most current information available and supporting the creation of new ways to offer improved services.

Subsection (b) would establish the Institute, to be administered by the terms of an interagency agreement entered into by the Secretaries of Education, Labor, and Health and Human Services (the ''Interagency Group''). The Secretary could include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

Under subsection (b), the Interagency Group would consider the recommendations of the National Institute for Literacy Advisory Board in planning the goals of the Institute and in implementing any programs to achieve such goals. The daily operations of the Institute would be carried out by the Director.

Subsection (c) would authorize the Institute to: (1) establish a national electronic data base that disseminates information to the broadest possible audience within the literacy and basic skills field; (2) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local levels; (3) coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies, especially with the Office of Educational Research and Improvement, and carry out basic and applied research and development on topics that are not being investigated by other organizations investigated by other organizations or agencies; (4) collect and disseminate information on methods of advancing literacy that show great promise; (5) work with the National Education Goals Panel in making and measuring progress towards the National Education Goals, as established by P.L. 103–227; (6) coordinate and share information with national organizations and associations that are interested in literacy and workforce development; and (7) inform the development of policy with respect to literacy and basic skills;

Subsection (c) would also authorize the Institute to enter into contracts or cooperative agreements with, or make grants to, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements would be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

Subsection (d) would authorize the Institute, in consultation with the Board, to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation. Such fellowships would have to be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level. Subsection (d) would also authorize the Institute, in consultation with the Board, to award paid and unpaid internships to individuals seeking to assist in carrying out the Institute's mission and to accept assistance from volunteers.

Subsection (e) would establish the National Institute for Literacy Advisory Board (the 'Board'), consisting of 10 individuals appointed by the President who are not otherwise officers or employees of the Federal Government and who are representative of such entities as: (1) literacy organizations and providers of literacy services; (2) businesses that have demonstrated interest in literacy programs; (3) literacy students, including those with disabilities; (4) experts in the area of literacy research; (5) State and local governments; and (6) organized labor.

Subsection (e) would require the Board to: (1) make recommendations concerning the appointment of the Director and staff of the Institute; and (2) provide independent advice on the operation of the Institute. Subsection (e) would also provide for staggering the terms of appointment for Board members, filling vacancies on the Board, electing a Chairperson and Vice Chairperson of the Board by the members, and calling Board meetings.

Subsection (f) would authorize the Institute to accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible. Subsection (f) would also require the responsible official to establish written rules setting forth the criteria to be used in determining whether the acceptance of such gifts or donations reflect unfavorably upon the ability of the Institute or any employee to carry out its responsibilities or official duties in a fair and objective manner, or compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs.

Subsection (g) would authorize the Board and the Institute to use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

Subsection (h) requires the Interagency Group, after considering recommendations made by the Board, to appoint and fix the pay of a Director.

Subsection (i) would permit the Director and staff of the Institute to be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and to be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

Subsection (j) would allow the Institute to procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

Subsection (k) would require the Institute to submit a biennial report to the Interagency Group and the Congress.

Subsection (l) would permit any amounts appropriated to the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section, to be provided to the Institute for such purposes.

TITLE III OF THE ACT—GENERAL PROVISIONS

Section 301. Waivers. Section 301 of the Act sets forth waiver provisions, in order to provide the flexibility States need to carry out adult education and family literacy programs.

Subsection (a)(1) provides that any State may request a waiver by the Secretary of Education, the Secretary of the Interior, or the Secretary of Labor, as appropriate, of one or more statutory or regulatory provisions in order to carry out adult education and family literacy programs under title I more effectively. Subsection (a) (2) provides that an Indian tribe or tribal organization may request a waiver by a Secretary described in subsection (a) (1), as appropriate, of one or more statutory or regulatory provisions described in subsection (c) in order to carry out an Even Start family literacy program under section 104(c) more effectively.

Subsection (b) would, with some exceptions, authorize a Secretary described in subsection (a) (1) to waive any requirement of any statute listed in subsection (c), or of the regulations issued under that statute. In both cases, the Secretary would be authorized to grant a waiver to a State that requests one: (1) if, and only to the extent that, the Secretary determines that the requirement impedes the State's or subgrant recipient's ability to carry out adult education and family literacy programs or activities in an effective manner; (2) if the State waives, or agrees to waive, any similar requirements of State law; (3) if, in the case of a statewide waiver, the State has provided all subgrant recipients of assistance under title I in the State with notice of, and an opportunity to comment on, the State's proposal to request a waiver and has submitted these comments to the Secretary; and (4) if the State provides such information as the Secretary reasonably requires in order to make such determinations.

Subsection (b) would require a Secretary to act promptly on any waiver request. This subsection would also provide that each waiver shall be for no longer than five years. However, a Secretary may extend the period if the Secretary determines that the waiver has been effective in enabling the State to carry out the purpose of the Act.

Subsection (c)(1) would list the following statutes as subject to waiver by the Secretary of Education: (1) this Act; (2) part A of title I of the Elementary and Secondary Education Act of 1965 (authorizing programs

and activities to help disadvantaged children meet high standards); (3) part B of title II of the Elementary and Secondary Education Act of 1965 (Dwight D. Eisenhower Professional Development program); (4) title VI of the Elementary and Secondary Education Act of 1965 (Innovative Education Program Strategies); (5) part C of title VII of the Elementary and Secondary Education Act of 1965 (Emergency Immigrant Education program); (6) the School-to-Work Opportunities Act of 1994, but only with the concurrence of the Secretary of Labor; and (7) the Carl D. Perkins Career Preparation Education Act of 1995.

Subsection (c) (2) would authorize the Secretary of the Interior to waive the provisions of part B of the Education Amendments of 1978.

Subsection (c) (3) would list the following statutes as subject to waiver by the Secretary of Labor: (1) the Job Training Partnership Act; and (2) the School-to-Work Opportunities Act of 1994, but only with the concurrence of the Secretary of Education.

It is not necessary to include Head Start programs in the waiver authority section of this bill, because there already exists sufficient authority in Head Start legislation for a wide range of collaborative and coordination efforts with adult education and family literacy programs.

Subsection (d) would prohibit the Secretary from waiving any statutory or regulatory requirement of the programs listed in subsection (c) that relate to: (1) the basic purposes or goals of the affected programs; (2) maintenance of effort; (3) comparability of services; (4) the equitable participation of students attending private schools; (5) parental participation and involvement; (6) the distribution of funds to States or to local recipients; (7) the eligibility of an individual for participation in the affected programs; (8) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or (9) prohibitions or restrictions relating to the construction of buildings or facilities.

Subsection (e) would require a Secretary to review periodically the performance of any State or local recipient for which the Secretary has granted a waiver and to terminate the waiver, if the Secretary determines that the performance of the State affected by the waiver or the State fails to waive similar requirements of State law.

Section 302. Definitions. Section 302 would define the terms ''adult,'' ''adult education,'' ''community-based organization,'' ''family literacy,'' ''Indian tribes'' and ''tribal organizations,'' ''individual of limited English proficiency,'' ''institution of higher education,'' ''literacy,'' ''local educational agency,'' ''migratory family,'' ''public housing authority,'' ''Secretary,'' and ''State'' for the purpose of the Act.

TITLE II OF THE BILL—EFFECTIVE DATES; TRANSITION

Section 201. Effective date. Section 201 of the bill would provide that the Adult Education and Family Literacy Reform Act of 1995 would take effect on July 1, 1996.

Section 202. Transition. Section 202 of the bill would provide that, notwithstanding any other provisions of law, upon enactment of this bill, a State or local recipient of funds under the Adult Education Act, the Even Start Family Literacy Programs of the Elementary and Secondary Education Act of 1965, and sections 202(c)(1)(C) and 262(c)(1)(C) of the Job Training Partnership Act, as they were in effect prior to the enactment of this bill, could use any unexpended funds to carry out services and activities that were authorized in by those statutes or by the Adult Education and Family Literacy Act. A State or local recipient of funds under this Act for fiscal year 1996 could use those funds to carry out services and activities that are authorized by either this Act or the Adult Education Act, the Even Start Family Literacy Programs of the Elementary and Secondary Education Act of 1965, and sections 202(c)(1)(C) and 262(c)(1)(C) of the Job Training Partnership Act, as they were in effect prior to the enactment of this bill.

TITLE III OF THE BILL—REPEAL OF OTHER ACTS

Section 301. Repeals. Section 301 of the bill would repeal Part B (Even Start) of title I of the Elementary and Secondary Education Act of 1965, the National Literacy Act of 1991, and Part E (Grants to States for Workplace and Community Transition Training for Incarcerated Youth Offenders) of title X of the Higher Education Act.

By Mr. CONRAD (for himself, Mr. CHAFEE, Mr. JEFFORDS, Mr. BRADLEY, and Mr. ROCKEFELLER):

S. 798. A bill to amend title XVI of the Social Security Act to improve the provisions of supplemental security income benefits, and for the purposes; to the Committee on Finance.

THE CHILDREN'S SSI ELIGIBILITY REFORM ACT

Mr. CONRAD. Mr. President, I rise today to introduce the Children's SSI Eligibility Reform Act.

As my colleagues know, the welfare reform bill passed by the House of Representatives attempted to address criticisms that have been leveled against the SSI program. But the House went too far.

SSI is the program of last resort for 850,000 children with severe disabilities who live in low income families. The cash assistance provided to these children's families enables them to meet the added costs the disability imposes on the family—whether those costs result from necessary modifications to the home; day care for siblings while the child in question receives therapy; basic necessities like food, shelter, clothing and utilities; transportation expenses in making frequent trips to a therapist or hospital; or the cost of foregoing one parent's income in order to care for a child with a disability. SSI also provides for the basic necessities of low income families, in order to maximize the likelihood that a child with a disability can remain at home.

But the SSI program is not without its faults. SSI as it relates to children has been poorly defined since its inception. There is concern that children who are not sufficiently disabled to merit assistance are making their way onto the SSI rolls. There have been allegations that some parents have coached their children to feign a disability in order to obtain benefits. And there is concern that SSI does nothing to promote the improvement of those children with disabilities who could improve with proper assistance.

Because of these issues and my concern that the House enacted an ill-conceived, sweeping proposal with insufficient data on its impact, I convened a series of psychiatric and disability experts to help me develop the Children's SSI Eligibility Reform Act. And I am extremely pleased that Senators CHAFEE, JEFFORDS and BRADLEY have joined me in this effort.

This is a bipartisan issue. Republicans and Democrats alike want to do the right thing when it comes to severely disabled children. That's why we should make every effort to repair the defects in the SSI program, but do so in a way that protects children with severe disabilities.

The House of Representatives, out of frustration with repeated reports of abuse under the program, went too far. The House wiped out the Individualized Functional Assessment that was developed to protect children with disabilities after the Supreme Court's Zebley decision. And as a result, the vast majority of the 250,000 children who currently receive SSI by virtue of the assessment would lose all benefits—both SSI cash benefits and Medicaid.

The proposal Senator CHAFEE, Senator JEFFORDS, Senator BRADLEY and I are introducing, on the other hand, takes a surgical approach to improving SSI. It targets the problems, not the kids.

But none of us can pretend that SSI reform will not eliminate some children from the rolls. Obviously, it will. Given that fact, our goal should be to remove those who should not be on the program in the first place.

In order to accomplish this, our proposal takes several approaches. First, it clarifies the purpose of the program, which critics argue was never sufficiently defined. It ensures that the purpose of SSI is not only covering the additional costs of caring for children with disabilities and maintaining them at home, but also providing basic necessities and enhancing the opportunity for these children to develop into independent adults.

Second, our proposal modifies SSI's medical listings and Individualized Functional Assessment to ensure that only children with severe disabilities are drawing SSI benefits.

This is not a modification I take lightly. Members of Congress, for the most part, must acknowledge our ignorance in making clinical diagnoses relating to mental illness and other disabilities. Any modifications we make to the diagnostic tools of clinicians should respect both what we know and do not know, so we do not harm innocent children.

Therefore, while our proposal modifies the medical listings and increases the level of severity required under the Individualized Functional Assessment, it also requires an evaluation of these changes by the Social Security Administration.

Mr. Chairman, much attention has been paid in this debate to children with mental disorders, and the degree to which they should be eligible for SSI.

I think we need to be very careful to avoid denying eligibility to someone who doesn't look disabled. And as much as we must reform this program

to insure its integrity, we must also avoid making decisions based only on anecdotal evidence. A child who may not ''look'' disabled to the average person may suffer from a severe disability that is just as costly for the family as a physically disabled child.

Let me give you an example from North Dakota. The mother of a 6-year-old child named Garrett recently visited my office.

When Garrett was 4, he was diagnosed with attention deficit hyperactivity disorder—ADHD. A medication was prescribed for him after he experienced a series of seizures. But the medication caused brain damage which has deprived Garrett of the ability to control his negative emotions.

Because Garrett has no neurological control, he is incapable of exercising choice in his actions and requires constant supervision. Garrett's aggressive disorders have resulted in harm to himself, the members of his family, and their home.

SSI not only has enabled the family to make household repairs when Garrett has damaged the house, but also to pay for day care for their younger daughter when Garrett's mother has had to take him to therapy. There is no day care for a youngster like Garrett.

Garrett is just one example of the kind of child who should not be removed from SSI. I am hopeful that this Congress will see fit to take a balanced approach to this issue to ensure that we clean up this program in a way that is tough, honest and fair.

Mr. President, in addition to making the changes to SSI that I have already mentioned, our proposal also:

Increases the use of standardized tests to make it virtually impossible for anyone to feign a disability;

Expands and better targets SSI continuing disability reviews;

Expands civil penalties for those who coach children to act inappropriately in order to receive benefits;

Graduates the level of benefits that families receive when they have more than one child on SSI;

Changes the SSI policy regarding retroactive lump sum benefits;

Requires parents to demonstrate that they have sought appropriate treatment to alleviate their child's disability; and several other important provisions.

Mr. President, while a great deal of time and effort has gone into developing this legislation, I would be the first to acknowledge that there may be room for improvement. For example, the Slattery Commission on Childhood Disability appears ready to recommend that Medicaid coverage continue for children who leave SSI because their condition improves, but need continued medical assistance to ensure their condition does not worsen. Although this provision is not in our bill, I believe it is one the Congress should consider.

I also want to call to my colleagues' attention a new report by the National Academy of Social Insurance entitled ''Restructuring the SSI Disability Program for Children and Adolescents.'' The Academy's study, conducted by a nonpartisan group of national experts, is an extremely thoughtful and comprehensive analysis of the approach Congress should take to reform SSI. And it contains many parallels to the legislation we are introducing today. The report recommends strengthening eligibility criteria, preserving the cash benefit, graduating the amount of benefits families receive when they have more than one child on SSI, encouraging measures to foster independence among those youngsters who can become independent, and several other items.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

[From National Academy of Social Insurance, May 8, 1995]

EXPERT GROUP RECOMMENDS STEPS TO RESTRUCTURE SUPPLEMENTAL SECURITY DISABILITY PROGRAM FOR CHILDREN, ADOLESCENTS

WASHINGTON, DC.—A nonpartisan group of national experts, responding to a study request from the House Ways and Means Committee in the 102nd Congress, said today that ''there is a strong rationale for the payment of cash benefits to families with disabled children, while suggesting specific steps to restructure the Supplemental Security Income (SSI) disability program whose future is currently being debated in the Congress.

The Committee on Childhood Disability of the National Academy of Social Insurance released its findings in a study entitled ''Restructuring the SSI Disability Program for Children and Adolescents.'' The study, one year in the making, also considered the views of 12 additional experts in government, academia, and the private sector who contribute to the Academy's Disability Policy Panel.

The population of children with disabilities is small, but significant, and varies depending on the definition of ''disability.'' The National Health Interview Survey estimates in 1991 that children who had a ''limitation in their major activity''—which means attending school for children age 5–17, or playing for younger children—numbered 2.7 million or 4.2 percent of children under 18. In December of 1994, there were 837,000 low-income children under 18 receiving SSI due to their disabilities.

Jerry Mashaw, the Panel chair and Sterling Professor of Law at Yale University, explained that ''cash payments must be seen in the context of needs for family support. There are myriad special burdens placed on families of children with severe disabilities. Cash support can ease those burdens, even if it cannot remove them. Low-income families, already at the margin, face particular difficulties meeting the added costs associated with their child's disability.''

The Committee, though clearly in support of cash benefits for disabled children, said that these benefits should be made ''only in appropriate cases'' and that they should not be excessive in the modest number of cases where families have more than one disabled child. Most importantly, they argued, ''the approach to the support of disabled children through the SSI program should be reoriented toward an emphasis on the medical recovery, physical and mental development and job readiness of children with disabilities.''

The rapid growth in SSI childhood disability awards between 1989 and 1993 has leveled off and actually declined in 1994. According to Mashaw, the growth appears to be a ''wave'' rather than a long term trend. The ''wave'' was attributed to four factors: updates of the listing of disabling childhood mental impairments in late 1990; implementation of a 1990 Supreme Court decision that expanded SSI eligibility criteria for children; legislatively mandated outreach activities by the Social Security Administration as well as efforts by States and private organizations to enroll eligible children in the SSI program; and an economic recession in 1990–91 that caused more families with disabled children to meet the program's low-income criteria.

The report also makes clear that allegations of widespread abuse have not been substantiated in any of the studies that have been done. The data show that children who receive SSI have very significant disabilities, and that those who are suspected of ''gaming the system'' are denied benefits. Further, the Social Security Administration has put in place rigorous new systems to investigate all such allegations and assure that benefits are not improperly paid.

The Academy's expert group identified five themes that define sound disability policy for children and adolescents:

Family preservation. ''The basic purpose of cash benefits is to support and preserve the capacity of families to care for their disabled children in their own homes.'' This can be done by providing for some of the additional, non-medical, but disability-related, costs of raising a disabled child; by compensating for some of the income lost because of the everyday necessities of caring for a disabled child; and by meeting the child's basic needs for food, clothing, and shelter.

''Without these supports,'' they argue, ''disabled children would be at a much greater risk of losing both a secure home environment and the opportunity for integration into community life, including the world of work.''

Strengthened eligibility criteria. The Committee urged that ''maladaptive behavior'' be eliminated as a separate ''functional domain'' for evaluating childhood mental disorders that qualify one for SSI. Further, they called for increased use of standardized tests to assess functioning for children with mental disorders. And, they called for revamping the ''individualized functional assessment'' required by the Supreme Court to make it a more accurate barometer of both physical and mental disabilities, that is not so closely tied to mental disorders.

The Committee said that ''new regulations should be developed expeditiously to strengthen the childhood eligibility criteria. At the same time, care should be taken not to repeat the tumult of the early 1980s, when radical retrenchment in Federal disability policy brought widespread individual hardship and judicial challenges. States were at first reluctant, and then refused, to implement the harsh policies because it left them with the burden of care for vulnerable populations whose Federal benefits were denied or terminated.

Limiting family benefits when there is more than one eligible child in the household. With appropriate exceptions for children who need round-the-clock nursing care or foster care, and for adopted special-needs children, SSI benefits for families with more than one disabled child should be limited to 1.5 times the individual benefit for two children and two times the benefit for three or more children, according to the Committee's recommendations. No disabled child should

lose Medicaid eligibility because of this limit on cash benefits.

Encourage a work track for teens with disabilities. At age 14, teenagers on SSI, together with their parents and special education advisors, should begin setting career goals and developing transition plans out of SSI and into financial independence whenever possible, according to the study group. While these children are pursuing their goals for work or further education after high school, they would have assurance of SSI benefits until they reached age 18, even if they began to demonstrate work skills.

Encourage energetic measures by States, localities, and the private sector to limit the period when cash support is needed for infants and young children with disabilities. Children's progress should be tracked and periodically reviewed to ensure that those who recover do not remain on the SSI disability rolls, and that those whose disabilities persist are linked to services appropriate to their changing needs as they grow older.

The Disability Policy Panel will issue a report providing a fundamental review of the Social Security Disability programs for adults later this fall. Today's report on children and the SSI disability program is available from the National Academy of Social Insurance. The Academy is a nonprofit, nonpartisan organization devoted to furthering knowledge and understanding of Social Security and related public and private social programs. The Disability Project is supported by The Pew Charitable Trusts, The Robert Wood Johnson Foundation, and corporate members of the Health Insurance Association of America that offer long-term disability insurance.

MAY 11, 1995.

Hon. KENT CONRAD,
U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: The undersigned national organizations are writing to express our full support for the bill you, Senator Chafee, Senator Jeffords and Senator Bradley are sponsoring, to make sensible reforms to the Supplemental Security Income (SSI) program for children with disabilities.

The SSI program is a lifeline for families who have children with disabilities. Over 900,000 children with severe impairments living in low-income families now receive cash benefits to meet their basic needs (which often cost more for children with disabilities), compensate for their extraordinary expenses, and offset loss of income because a parent must remain unemployed or underemployed to care for their child.

The SSI program for children has been maligned by allegations that parents are ''coaching'' their children to appear disabled and that SSA is qualifying children with mild impairments. The program has been intensively examined by the Social Security Administration, the HHS Office of Inspector General and the General Accounting Office. While they criticized some aspects of the program, they could not substantiate the allegations of widespread fraud or maladministration. Nevertheless, the House enacted legislation, H.R. 4, which throws 170,000 children off the program immediately, denies benefits to 400,000 others over the next five years, and replaces cash benefits to future eligible children with a vague set of services administered by the states. The House bill cuts by 35% estimated SSI spending for the children over the next five years.

Your bill represents sensible reform. It addresses the issues raised by the program's critics without decimating the program. It clarifies and raises the SSI eligibility standards, expands the definition of fraud to include ''coaching'' children to pass disability tests, requires periodic reviews to assure that children who are no longer disabled are removed from the program and improves incentives to encourage children to move toward independence.

We are happy to support your legislation and look forward to working with you to assure its passage in the Senate and ultimate enactment into law.

Sincerely,

Joseph Manes; Rhoda Schulzinger, Bazelon Center Mental Health Law; Martha Ford, The Arc; Al Guida, National Mental Health Association; on behalf of: American Academy of Child and Adolescent Psychiatry; American Association of Children's Residential Centers; American Association on Mental Retardation; American Association for Partial Hospitalization; American Association of Pastoral Counselors; American Association of Private Practice Psychiatrists; American Association of Psychiatric Services for Children; American Board of Examiners in Clinical Social Work; American Counseling Association; American Counseling Association; American Family Foundation; American Occupational Therapy Association; Orthopsychiatric Association; American Psychoanalytic Association; American Psychological Association; American Rehabilitation Association; Anxiety Disorders Association of America, Association of Mental Health Administrators; Bazelon Center for Mental Health Law; Corporation for the Advancement of Psychiatry; Cult Awareness Network; Epilepsy Foundation of America; Family Service America; Federation of Families for Children's Mental Health; International Association of Psychosocial Rehabilitation Services; Legal Action Center; National Association of Protection and Advisory Systems; National Association of Psychiatric Health Systems; National Association of Psychiatric Treatment for Children; National Association of School Psychologists; National Association of Social Workers; National Association of State Directors of Development Disabilities Services, Inc.; National Association of State Mental Health Program Directors; National Community Mental Healthcare Council; National Depressive and Manic Depressive Association; National Easter Seal Society; National Federation of Societies for Clinical Social Work; National Head Injury Foundation; National Mental Health Association; National Organization of State Associations for Children; National Organization for Rare Disorders; The Arc; United Cerebral Palsy Association; World Association of Psychosocial Rehabilitation.

Mr. CHAFEE. Mr. President, I am pleased today to join Senator CONRAD in introducing the Childhood SSI Eligibility Act. This legislation makes important reforms to the children's SSI program without completely dismantling this critical cash assistance program for low- income families with disabled children.

It is important to point out from the outset that, contrary to the many sensational stories we have seen in the press, 80 percent of children receiving SSI payments are severely disabled. They suffer from severe physical disabilities such as cystic fibrosis and cerebral palsy, or from significant developmental retardation. The other 20 percent have other mental impairments such as childhood autism or schizophrenia.

The families of such children need cash assistance in addition to medical services. In many of these cases, one parent must remain home with the child; in this case, the program serves as income replacement for a parent who must quit working. If these families were to lose their SSI cash benefits, many would not have the resources to care for their children at home resulting in a significant increase in institutionalization. Mr. President, if there is one thing we can all agree on it is that, whenever possible, children should remain at home with their families and in the community instead of in institutions. This legislation continues to make that possible.

The cash is also used for other critical supports, such as specially trained child care providers, specially equipped vehicles to transport children who use wheelchairs, home modifications and adaptations, special telecommunication services, and family support services.

Having said that, I also recognize that there are some problems with the children's SSI program, and that is why we are introducing legislation today. There has been rapid growth in the SSI program for children over the last 5 years. In 1989 the program was providing cash assistance to 300,000 children; by 1994 it was serving 890,000 children. During this same period the cost of the children's SSI program grew from $1.2 billion to $4.5 billion.

The growth in the program has now leveled out, but clearly, we need to ask ourselves why the program suddenly exploded and how we can prevent this from happening in the future. There are a couple of reasons for the sudden growth. First, the recession in the early 1990's resulted in many people falling into poverty, precipitating an increased need for government assistance. Second, in 1989 the Congress directed the Social Security Administration [SSA] to conduct outreach for the first time to potentially eligible families with children who have severe disabilities. Third, there was a change made to the mental impairment listings. And, finally, the 1990 Supreme Court decision, the so-called Zebley decision required SSA to change its childhood disability determination process to evaluate the child's level of functioning in addition to his or her medical condition. It was estimated at that time that 1 million additional children will meet the new criteria under Zebley.

We have all heard and read about the stories of parents gaming the system and coaching their children to act disabled in some fashion to qualify for SSI. And I do not question that some of this occurs. But is it rampant? The GAO finds no solid evidence of parents coaching their children, although it

does recommend that we take a serious look at certain aspects of the eligibility determination process. And that is what our legislation does.

First, the legislation tightens eligibility to ensure that only children with severe and persistent impairments, which substantially limit their ability to function, receive benefits. Second, it increases and better targets continuing disability reviews to ensure that only those who remain eligible actually continue to receive benefits. Third, it expands penalties for coaching children to act inappropriately in order to receive benefits. Finally, it imposes graduated payments for additional children, like other cash assistance programs such as AFDC.

Mr. President, I think this legislation is a fair and balanced approach. It acknowledges and corrects abuses in the system while reinforcing the purpose of the program: to enable children with disabilities to remain at home or in another appropriate and cost-effective setting and to cover the additional costs of caring for and raising such a child.

Who is this money serving? Children like Juan, a 9-year-old youngster in my home State of Rhode Island. Juan has been on SSI since birth, confined to a wheelchair and dependent on medical technology to survive. Without the cash assistance he receives under SSI, Juan's mother would be forced to put him into a residential facility at a cost of almost $200,000 per year. Compare this to the maximum SSI benefit of $438 a month. It seems to me that we are getting a pretty good deal, and that families like Juan's deserve every nickel they get.

The Finance Committee will be taking up this issue in the coming weeks as part of welfare reform. Many of my colleagues are familiar with the provision in the House-passed welfare reform bill which would eliminate cash assistance for all children unless they would be otherwise institutionalized. In my view, this should be rejected. I sincerely hope that my colleagues on the Finance Committee will consider the legislation we are introducing today as an alternative which provides effective reforms without removing disabled children from the rolls who are truly in need.

Mr. JEFFORDS. Mr. President, I rise today in support of Senator CONRAD'S Childhood Supplemental Security Income [SSI] Eligibility Reform Act. I am pleased to be an original cosponsor of this bill. I would like to begin by acknowledging and thanking my colleague Senator CONRAD for his hard work and dedication on drafting this bill to cure the problems in the children's SSI program. I am hopeful for this bill's quick consideration and adoption.

In the welfare reform bill passed earlier this year by our colleagues in the House, substantial changes were made in the children's SSI program. However, I believe that the House version of this bill fails to address the criticisms leveled towards this program while at the same time ensuring that the children and families that rely on and need these benefits receive them.

For example, a family I know of in Vermont has two young children with cystic fibrosis. They live in a very rural area of Vermont about 2 hours away from the specialty clinic and hospital they go to. This distance creates a constant expense of travel to this clinic and hospital. In addition, the medication costs for the two children are very high. The infant had growth problems related to malabsorption which required special formula. The older child had severe malabsorption that required surgery and requires subsequent close follow-up of his nutritional status.

The father of these children works full time, but has to take time off to attend the clinics with the children and to transport and visit them in the hospital. Some of the time off is unpaid because he has limited vacation time.

The children's mother had intended to return to work after they were born but cannot find a day care provider who is comfortable with the children's medical care needs. She undoubtedly would also have difficulty finding an employer who would allow her the necessary time off for appointments, hospitalizations, and so forth.

Mr. President, this family has a clear need for the Medicaid coverage and extra income that SSI provides. It is difficult to imagine how they could continue to provide the medical care that their children need without these benefits. They are a hard-working and tax-paying couple who struggle to do the best that they can for their children. The effect of the House bill on this family would be devastating, while our bill would ensure that this family that needs to receive these benefits would still receive them.

I believe that the bill being introduced today will meet both of these goals: preserve the essential parts of the children's SSI program, while, at the same time, addressing the concerns raised by its critics. I would now like to address the valid criticisms of the SSI program, and our specific solutions in the bill to these criticisms.

First, our bill will address the issue that SSI's purpose for children with disabilities was never sufficiently defined. By defining the program as maintaining children with disabilities in the most appropriate and cost effective setting, and enhancing such children's opportunities to develop into independent adults, our bill will combat the old once-disabled-always-disabled way of thinking.

This bill will also combat the current problem that children who are not severely disabled are drawing benefits. By tightening the SSI eligiibility requirements, our bill will ensure that children and families that truly need these benefits will be receiving them.

In addition, by increasing penalties to parents and guardians that knowingly and willfully coach children to act in ways that render them eligible for SSI, and requiring greater use of standardized testing, our bill will stem the practice of children who should be ineligible for benefits being found to be eligible for SSI.

Further, our bill will graduate payments to families for each additional child in the family receiving SSI benefits. This provision will ensure that families with multiple kids receiving SSI benefits will not be receiving the maximum benefit for each child.

Finally, our bill will help children receiving SSI benefits move toward self-sufficiency. I, for one, find this to be one of the most important provisions of the bill. By ensuring that we move people toward self-sufficiency, we are helping reduce the number of children receiving SSI benefits, while increasing the possibility that these individuals will not require future governmental support.

Mr. President, I believe that our bill changes what is wrong with the SSI program while maintaining legitimate benefits that children and their families rely on. We don't want to go back to a much more costly system that institutionalizes children rather than affording them an opportunity for productive and self-sufficient lives. Thus, I feel confident in stating that this bill will ensure that continued support of SSI benefits to families, like the one from Vermont I described earlier, while solving some of the problems currently plaguing the children's SSI system.

ADDITIONAL COSPONSORS

S. 234

At the request of Mr. CAMPBELL, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 234, a bill to amend title 23, United States Code, to exempt a State from certain penalties for failing to meet requirements relating to motorcycle helmet laws if the State has in effect a motorcycle safety program, and to delay the effective date of certain penalties for States that fail to meet certain requirements for motorcycle safety laws, and for other purposes.

S. 240

At the request of Mr. DOMENICI, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 240, a bill to amend the Securities Exchange Act of 1934 to establish a filing deadline and to provide certain safeguards to ensure that the interests of investors are well protected under the implied private action provisions of the Act.

S. 256

At the request of Mr. DOLE, the names of the Senator from Utah [Mr. HATCH] and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the