any committee with Terry, but in the few years that we served together, he immediately struck me as a wonderful man, a good man, with a ready smile, a very thoughtful, very wise, very good, very deep person, the kind of Senator that not only North Carolina, I know, is very proud of, but the kind of Senator that I think most Americans would want their Senator to be.

I cannot, as I am standing here thinking of Terry Sanford, think of another person whom I respected more and loved more and appreciated more, going through all the history, Research Triangle of North Carolina, the Governor, president of Duke University. But the main point I want to make is, working with Terry personally, and talking with him, and working through issues, he was a man who will be very difficult to replace. And, as I said, I can think of no Senator whom I would hold in higher esteem or regard than Terry Sanford.

The PRESIDING OFFICER. Without objection, the resolution and preamble offered by the Senator from North Carolina are agreed to.

The resolution (S. Res. 211) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 211

Whereas Terry Sanford served his country with distinction and honor for all of his adult life;

Whereas Terry Sanford served his country in World War II, where he saw action in 5 European campaigns and was awarded a Bronze Star and a Purple Heart;

Whereas as Governor of North Carolina from 1961–1965, Terry Sanford was a leader in education and racial tolerance and was named by Harvard University as 1 of the top 10 Governors of the 20th Century;

Whereas as President of Duke University, Terry Sanford made the University into a national leader in higher education that is today recognized as 1 of the finest universities in the United States; and

Whereas Terry Sanford served with honor in the United States Senate from 1987 to 1993 and championed the solvency of the social security system: Now, therefore, be it

Resolved, That the Senate—

(1) has heard with profound sorrow the announcement of the death of the Honorable Terry Sanford and expresses its condolences to the Sanford family, especially Margaret Rose, his wife of over 55 years; and

(2) expresses its profound gratitude to the Honorable Terry Sanford and his family for the service that he rendered to his country.

SEC. 2. TRANSMITTAL.

The Secretary of the Senate shall transmit an enrolled copy of this resolution to the family of the Honorable Terry Sanford.

Mr. FAIRCLOTH. The preamble and resolution have been agreed to?

The PRESIDING OFFICER. That is correct.

Mr. FAIRCLOTH. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2017

The PRESIDING OFFICER. The Senate now turns to the amendment No. 2017 offered by the Senator from Ohio. Under the previous agreement, there will be 2 minutes of debate equally divided followed by a vote on that amendment.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I think this Nation of ours came to be what it is, more than anything else, for one reason, and that is public education in this country was not what it had been in Europe. It had not been just for the kids from the castle. It had not been just for the rich kids or the wealthy young people. It had not been just for those who were politically well connected, who knew somebody.

In this country, education came to be for every single person, and that grew as a national interest. It was implemented then for the K–12, as we know it now, through the States and localities and communities across this country. They formed local school boards, and we have school districts. Now every single State has a requirement for public education.

We did not preclude other people who had parochial school ideas for their children, or whether they wanted to send their kids to boys schools or girls schools or a special interest of some kind, from forming those schools and from sending their children to those schools. But we looked at the public responsibility as being to the public schools that gave a good education to every single young person in this country.

Ms. LANDRIEU. Mr. President, I would like to lend my strong support to the efforts of my colleague from Ohio, Senator GLENN. Our colleague from Georgia has introduced a bill which he claims will improve savings for education. Unfortunately, the evidence from economists seems to disagree with him. The average American family would save only $37 under Senator COVERDELL's approach.

The reason for this is simple to understand. In order to experience real economic benefit from a tax free savings plan, the principle and interest must stay untouched for significant periods of time in order to have a chance to grow. With H.R. 2646, parents would be allowed to deposit up to $2,000 into an educational IRA, which is a significant increase over the $500 they are currently allowed to contribute. However, Senator COVERDELL would also allow these families to withdraw funds from the education accounts for the annual costs of elementary and secondary education. So in essence, you would have families depositing $2,000 into an educational savings account, accruing some limited tax savings, and withdrawing it the next year.

Under this scenario, there are no long terms savings, no accumulated interest and none of the real benefits that we are attempting to create with these educational IRAs. That is why I am so pleased with the approach taken by my friend, JOHN GLENN. Through Senate Amendment 2017, families would be able to contribute more to their tax free savings accounts, however, it would be reserved for higher education expenses. By increasing the contribution limit to $2,000, Americans can all reap the benefit of increased savings for education. They will see their principle grow with compound interest and Congress will preserve the true intention of this newly created IRA.

Mr. President, I ask unanimous consent that this table be printed in the RECORD.

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

SAVINGS GROWTH THROUGH COMPOUND INTEREST

Year	Less than—			
	$10 per week at 6% yield	$10 per week at 12% yield	$40 per week at 6% yield	$40 per week at 12% yield
1	530	560	2,120	2,240
2	1,091	1,187	4,367	4,748
3	1,687	1,889	6,749	7,558
4	2,318	2,676	9,274	10,705
5	2,987	3,557	11,950	14,230
6	3,696	4,544	14,787	18,178
7	4,448	5,649	17,794	22,599
8	5,245	6,887	20,982	27,551
9	6,090	8,274	24,361	33,097
10	6,895	9,827	27,943	39,309
11	7,934	11,566	31,739	46,266
12	8,941	13,514	35,764	54,058
13	10,007	15,696	40,030	62,785
14	11,137	18,139	44,551	72,559
15	12,336	20,876	49,345	83,506
16	13,606	23,941	54,425	95,767
17	14,952	27,374	59,811	109,499
$8,500	$14,952	$27,374	$34,000/$59,811	$109,499

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time in opposition?

Mr. GLENN. I ask unanimous consent for 1 more minute.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator from Ohio is recognized for an additional minute.

Mr. GLENN. Mr. President, what my amendment would do is say we could keep the $2,000 that is in the bill now, but we would move that just to be used for post-12th grade education. In other words, we move from $500 up to $2,000, but we say it cannot be used for private schools, for private school vouchers, and so on.

I think when we start down this track, we start toward the ruination or start opening the door, a toe in the door, for a ruination of our public school system. I want the finest public school system we can have. Voting a voucher system or taking public money off to support private schools is not the way to go about it. I urge support for my amendment.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. GRAMM. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. How much time do we have on each side?

The PRESIDING OFFICER. Two minutes are equally divided under the previous agreement.

Mr. GRAMM. I thank the Chair.

The PRESIDING OFFICER. The Chair notes that the time for those who would speak in opposition to the amendment is currently running with 35 seconds remaining.

Mr. GRAMM. Mr. President, our leader on this issue, Senator COVERDELL, is at a press conference out on the steps. We have no further requests to have speakers on our side. If the distinguished senior Senator from Ohio is through with his portion of the debate, I would be happy, on behalf of Senator COVERDELL, to move to table the pending amendment.

Mr. GLENN. Fine.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. GRAMM. Mr. President, I move to table the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment No. 2017. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The result was announced—yeas 60, nays 38, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—60

Abraham	Faircloth	Mack
Allard	Feinstein	McCain
Ashcroft	Frist	McConnell
Biden	Gorton	Murkowski
Bond	Gramm	Nickles
Breaux	Grams	Roberts
Brownback	Grassley	Roth
Burns	Gregg	Santorum
Byrd	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Coats	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thomas
D'Amato	Kyl	Thompson
DeWine	Lieberman	Thurmond
Domenici	Lott	Torricelli
Enzi	Lugar	Warner

NAYS—38

Akaka	Durbin	Kerry
Baucus	Feingold	Kohl
Bingaman	Ford	Landrieu
Boxer	Glenn	Lautenberg
Bryan	Graham	Leahy
Bumpers	Harkin	Levin
Cleland	Hollings	Mikulski
Conrad	Inouye	Moseley-Braun
Daschle	Johnson	Murray
Dodd	Kennedy	Reed
Dorgan	Kerrey	
Reid	Rockefeller	Wellstone
Robb	Sarbanes	Wyden

NOT VOTING—2

Bennett	Moynihan

The motion to lay on the table the amendment (No. 2017) was agreed to.

AMENDMENT NO. 2288

The PRESIDING OFFICER. The question now occurs on amendment No. 2288, as amended, offered by Senators MACK and D'AMATO.

Under a previous order, there will be two minutes equally divided for debate followed by the vote.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the next votes in this series be limited to 10 minutes in length.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who yields time?

If neither side yields time, the time will be charged equally to both sides.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, our amendment provides incentives for teacher testing and merit pay.

We see that competition in the 21st century will be based on knowledge, and that if our children and our grandchildren are going to be able to compete in this next century, they must have an education second to none.

Quality teachers produce quality students. We believe this amendment will increase the number of quality teachers in the school system today.

With that, I yield to my colleague for his comments.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me simply say that the objective of these reforms is to put our children first, to promote excellence in education, to reward the truly outstanding teachers who create magic in the classroom, give them merit pay, and see to it that we have a level of competence in terms of teaching what our children require.

Mr. President, let me say that we do not mandate that States and local districts come into this with the funds that will be provided for merit pay and teacher testing.

The PRESIDING OFFICER. Who yields time? If no time is yielded in opposition to the amendment, the time will run.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the time be yielded and that we proceed to the regular order.

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

The question occurs on amendment No. 2288, the Mack-D'Amato amendment, as amended.

The yeas and nays have not been ordered.

Mr. COVERDELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The result was announced—yeas 63, nays 35, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—63

Abraham	Feinstein	Lugar
Allard	Frist	Mack
Ashcroft	Gorton	McCain
Bond	Gramm	McConnell
Boxer	Grams	Murkowski
Breaux	Grassley	Nickles
Brownback	Gregg	Roberts
Burns	Hagel	Roth
Byrd	Hatch	Santorum
Campbell	Helms	Sessions
Chafee	Hollings	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Hutchison	Smith (OR)
Collins	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kempthorne	Stevens
D'Amato	Kohl	Thomas
DeWine	Kyl	Thompson
Domenici	Landrieu	Thurmond
Enzi	Leahy	Torricelli
Faircloth	Lott	Warner

NAYS—35

Akaka	Feingold	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Murray
Bryan	Harkin	Reed
Bumpers	Inouye	Reid
Cleland	Johnson	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Levin	

NOT VOTING—2

Bennett	Moynihan

The amendment (No. 2288), as amended, was agreed to.

Mr. COVERDELL. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator will withhold.

The Senate will please come to order.

The Senator from Georgia is recognized.

AMENDMENT NO. 2291

Mr. COVERDELL. Mr. President, I ask for the yeas and nays on the amendment offered by the Senator from Texas.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. KENNEDY. Mr. President, as I understand, under the rules, we have a brief time for explanation of the amendment and in opposition. Two minutes.

Are those who favor the amendment going to speak? Because I would like to speak briefly in opposition.

Mr. COVERDELL. The protocol has been, those opposing the amendment have taken the first 2 minutes, proponents for the amendment the last 2 minutes.

Mr. KENNEDY. That is rather unusual. I will be glad to follow. Usually those who propose it make the case for it; those opposed to it speak in opposition. So I will reserve the time and wait until those who favor the issue speak in favor of it.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Who yields time?

Mrs. HUTCHISON. Mr. President, I will take 30 seconds to explain the amendment, and then if the Senator would like to take his time, and then I will reserve the last 30 seconds for Senator COLLINS to close.

Mr. President, I ask unanimous consent that Senator HELMS of North Carolina be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, so ordered.

Mrs. HUTCHISON. Mr. President, my amendment offers the opportunity, the option to local school districts and parents to choose single-sex classrooms or schools if there are comparable opportunities for both sexes. ''Comparable'' is the word used by the Department of Education and the Supreme Court in the VMI case to determine if there is equal protection under the law.

I hope we will allow all of the parents of our country to have this as an option. We have to break out of the box in public education to give options to our parents for what is best for their child.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, if the purpose of the amendment of the Senator from Texas is to permit separate classrooms for different genders, you can already do that. We already have it. So there is no purpose in this. If the purpose is to set up schools which are separate and allegedly providing, as the amendment says, ''comparable,'' all you have to do is look at the court opinions and what ''comparable'' means, and it fails to meet the constitutional standard in terms of real equality.

We don't have to learn in this country again that, when you have either minorities in separate facilities or women in separate facilities, it is second-level education or treatment. We can debate that at another time. That is the history. If you just want to have separate classrooms, you can already have them, and it is constitutional.

There is a much more sinister and real issue of constitutionality that is raised by this. We virtually had no hearings. If you don't want to undermine the whole movement of trying to get equal treatment for women in the classrooms and education, vote in opposition to the amendment of the Senator from Texas.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Thank you, Mr. President.

Mr. President, I am pleased to support the amendment offered by the Senator from Texas. There is a wonderful example of what she is talking about in Presque Isle, ME. There is an all-girl's math class. They produce wonderful results. I have been in that classroom, and the learning there is absolutely terrific. But they had to go through all sorts of regulatory hoops in order to be able to do that. They would not have to under the amendment of the Senator from Texas. I am pleased to join her in support of it. Thank you, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KENNEDY. Mr. President, I have 15 seconds left. I ask that the Senator from Illinois be permitted 15 seconds.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Thank you very much. I thank the Senator from Massachusetts. I will be brief. As both a minority —the only minority Member of this Chamber—and a woman, I fit both bills. Quite frankly, we have been down the road of separate but equal and unequal in this country. Unless it is equal, it winds up being unequal. The discrimination that is possible by this legislation for girls is too frightening to support it. I rise, therefore, in opposition. I ask there be hearings on this matter so that we can visit with the parents and see what direction they would like to take. Thank you.

Mr. DOMENICI. Mr. President, I ask unanimous consent for 3 seconds to ask the Senator a question.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from New Mexico is recognized.

Mr. DOMENICI. Is there anything sinister about your amendment?

Mrs. HUTCHISON. I am so pleased to have the question asked because, of course, this is to allow local school districts to have the option. We are not forcing this on anyone. But where an individual child can best perform in a single-sex classroom, why not let them try it? Are we not going to open our minds and be creative with our public education system? If it is good enough for private education, it should be good enough for public education, and everyone should have the opportunity to do the best in the circumstances that fit them best. I thank the Senator for the question.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2291. The yeas and nays have been ordered. The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 69, nays 29, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—69

Abraham	Faircloth	McCain
Allard	Feinstein	McConnell
Ashcroft	Frist	Mikulski
Bingaman	Gorton	Murkowski
Bond	Graham	Nickles
Boxer	Gramm	Reid
Breaux	Grams	Robb
Brownback	Grassley	Roberts
Bryan	Gregg	Rockefeller
Burns	Hagel	Roth
Byrd	Hatch	Santorum
Campbell	Helms	Sessions
Chafee	Hutchinson	Shelby
Coats	Hutchison	Smith (NH)
Cochran	Inhofe	Smith (OR)
Collins	Jeffords	Snowe
Conrad	Kempthorne	Specter
Coverdell	Kyl	Stevens
Craig	Landrieu	Thomas
D'Amato	Lieberman	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Torricelli
Enzi	Mack	Warner

NAYS—29

Akaka	Ford	Lautenberg
Baucus	Glenn	Leahy
Biden	Harkin	Levin
Bumpers	Hollings	Moseley-Braun
Cleland	Inouye	Murray
Daschle	Johnson	Reed
Dodd	Kennedy	Sarbanes
Dorgan	Kerrey	Wellstone
Durbin	Kerry	Wyden
Feingold	Kohl	

NOT VOTING—2

Bennett	Moynihan

The amendment (No. 2291) was agreed to.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, shortly I will offer an amendment on behalf of myself and 18 others to submit a plan to help rebuild and modernize our schools for the 21st century. The amendment creates a simple and effective partnership between the Federal Government, State and local governments, and the private sector to provide the financial backing communities need to upgrade and modernize our schools.

This legislation will help modernize classrooms so that no child misses out on the information age. It will also help ease overcrowding—again, so that no child is subjected to what Jonathan Kozol in his landmark book called ''Savage Inequalities'' that are created by school environments that are unsuitable for learning. It will help local governments patch the roofs, fix broken plumbing, and strengthen the facilities that provide the foundation for our children's education.

Just last month the grades were posted on a set of international math and

science tests. Though results of those tests were profoundly disturbing—American students placed at or near the bottom of every one of the math and science tests offered, below countries like Cyprus, Norway, Iceland and Slovenia—these results should be a clarion call to every policymaker at every level that we need to do more to support public education in this country.

Our amendment does exactly that. It creates a new category of zero interest bonds for States and school districts to issue to finance capital improvements. States and school districts will be able to issue some $21.8 billion worth of these bonds over the next 2 years. Purchasers of the bonds would receive Federal income tax credits instead of interest. By using this innovative mechanism, this plan cuts the costs of major school repair and construction by at least a third, and in many cases by up to 50 percent. Over a 5-year period of time, this plan will cost the Federal Government only $3.3 billion. We pay for the amendment with several tax proposals from the President's budget, several of which have already been approved by the Finance Committee. So this bill is paid for, it is in the President's budget, and it will allow the leveraging of substantial amounts of money to help rebuild our crumbling schools.

The interesting thing about it, even at $21.8 billion, this amendment only scratches the surface. According to the U.S. General Accounting Office, it will cost $112 billion just to bring the schools in this country up to good overall condition. That is just the basics, just bringing them up to code. That does not equip them with computers and fancy cosmetics but just to address the toll of deferred maintenance. The GAO found that crumbling schools are to be found in every corner of America. According to the General Accounting Office, 38 percent of schools in urban areas are in the worst condition, 30 percent of rural schools are in the worst condition, and 29 percent of suburban schools are in the worst condition. So it is about a third, a third, a third. This is not just an inner-city phenomenon. Crumbling schools can be found in every kind of community in every part of our country.

In my home State of Illinois, school construction and modernization needs top $13 billion. Many of our school districts have a difficult time even buying textbooks and pencils, let alone financing major capital improvements.

I will share some pictures. I think everybody who is listening to this debate has probably seen some crumbling schools, but for those who have not been in a local school recently, I show a picture of a hallway in a school in my city. Nobody is proud to show pictures like this, but this is just reality. As you can see, it looks like they have a new fire alarm, but given the hallway, the infrastructure, they need a new wall. They probably should replace the whole building, but the point is the deferred maintenance is clearly evident.

Here is another picture showing the same school. We see the peeling paint and the water damage. Here is the floor and the wall. It looks like someone tried to cover up parts of the hallway, but the efforts were obviously not good enough.

Our children should not have to learn in these kinds of conditions. This is a picture of a school in a suburb of Chicago. Again, this is a suburban school. These are the kinds of classes kids are required to learn in during these times. A couple of weeks ago, President Clinton came to Chicago and toured the Rachel Carson Elementary School. That school has two buildings, an old one and a brand new one. In the old building, classrooms are unusable because of many years of water damage, and the windows have turned opaque. In the new building, students can learn in modern and bright facilities. According to the students and teachers, the new facility affords a much greater opportunity to learn. And the teachers were so pleased because it afforded them an opportunity to teach, again, without regard to the threat of falling plaster.

Mr. President, our amendment will allow for school districts to build and modernize more than 5,000 new schools across the country. It will also give communities the power to relieve overcrowding. We have the largest number of children in our schools in the history of our country.

According to the Department of Education, enrollment will continue to grow over the next 10 years. Just to maintain current class sizes, we will need to build 6,000 new schools over the next 10 years. Now, again, the problem of overcrowding, in addition to the problem of deferred maintenance and neglect, is a serious one. I have visited schools in my home State of Illinois where study halls are held in hallways because there is no other classroom space. I have seen stairway landings converted into computer labs, and cardboard partitions used to turn one classroom into two. There was one school where the lunch room had been converted into two classrooms so that the students would have to eat in the gymnasium instead of having gym class where they have ''adaptive physical education,'' where they stand next to their desks because the gymnasium is now a lunch room. I was tickled to listen to the young people talk about this problem and this issue. One young man talked about a phenomenon called ''hall rage.'' He said, ''it happens when you are in the halls trying to get to class and it is so crowded that you can't go anywhere.'' They are experiencing violence in the hallways because of overcrowding.

These conditions directly affect the ability of children to learn and, again, the research has backed up the intuition, what people know intuitively, which is that we cannot expect our children to learn tomorrow's skills in buildings that are crumbling down around them.

The problem is so widespread and pervasive, and I submit to anyone listening that this really is a direct and foreseeable result of our archaic school funding system. The current system of school funding was established over a century ago when the Nation's wealth was measured in terms of landholdings. Wealth is no longer accumulated just in land, and the funding mechanism of relying primarily on the local property tax is no longer appropriate, nor is it adequate. The current school finance budget works against most American children and mitigates most families' best efforts to improve local schools.

Again, according to the General Accounting Office, in another study they did, poor and middle-class school districts really make the greatest tax effort, but the system works against them. In some 35 States, poor and middle-class districts have higher tax rates than the wealthiest districts, but they raise less revenue because there is, of course, less property wealth to tax. In 11 States, this unfair system has led the State courts to rule that their State school finance systems are unconstitutional. In nearly every case, States complied by raising property taxes or sales taxes to finance school improvement. By the way, litigation is pending in 16 other States. The odds are that many of those lawsuits will in fact result in higher local property taxes.

Mr. President, our amendment can break this cycle of crumbling schools and higher local taxes. Our amendment breaks the mold of school financing and creates a new partnership for the 21st century where the Federal Government, by giving tax benefits for investment, allows States and local governments to leverage $22 billion worth of investment in school infrastructure. I urge my colleagues to take a close look at the needs of the schools in their States and decide what they stand for—higher property taxes and crumbling schools, or lower property taxes and a new partnership to improve our schools for the 21st century. Our students should learn about gravity in a science lab, not from falling ceiling tiles. Our schools should be wired for computers, not just metal detectors. Our classrooms should be comfortable, not just crowded like rush hour commuter trains.

I believe that the American public understands this issue. According to a bipartisan poll released earlier this year, 76 percent of registered voters would support a $30 billion, 10-year Federal commitment to rebuilding and modernizing our schools.

I want to submit for the RECORD a letter from the President of the United States, which is on every Member's desk, I believe, in support of this amendment, the last lines of which say:

Our children deserve schools they can be proud of. I urge you to help our schools provide a learning environment that will prepare our children for the challenges of tomorrow by supporting the Moseley-Braun amendment, and opposing the expanded Education IRA's.

Sincerely,

BILL CLINTON.

I ask unanimous consent that the entire letter be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, April 20, 1998.

Hon. THOMAS A. DASCHLE,
Minority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: As you consider H.R. 2646 this week, you will have the opportunity to vote for the first time on a version of my proposal to help build and modernize more than 5,000 schools across America. I am writing to ask for your support in this important effort and for your opposition to the expanded Education IRAs in the bill.

Never before have the education infrastructure needs of the Nation been so great. In order to accommodate record enrollments, move to smaller class sizes, repair aging buildings, take advantage of new technologies, and better educate children with disabilities, States and localities are faced with unprecedented construction and renovation needs. The Federal Government helps build roads, bridges, and other infrastructure projects, but none of that will matter much if we let the education infrastructure come crumbling down on our children. We must be part of the solution.

I understand that Senator Moseley-Braun will offer an amendment that would replace the IRA provisions with a proposal to allow communities to issue nearly $22 billion in bonds for modernizing public schools. Because bond purchasers would receive interest payments through a Federal tax credit, communities' costs would be reduced by one-third or more. A vote for this amendment is a vote for safer, state-of-the-art schools that will open doors to the future for our children.

The IRA provisions, which provide tax benefits for elementary and secondary education expenses, are both bad education policy and bad tax policy. Instead of targeting limited Federal resources to build stronger public schools, this proposal would divert needed resources from public schools. In addition, the expanded IRAs provide little financial assistance to average families, disproportionately benefiting the highest-income taxpayers. For these reasons, and because of other potential amendments that may be adopted, I would veto this bill.

Our children deserve schools they can be proud of. I urge you to help our schools provide a learning environment that will prepare our children for the challenges of tomorrow by supporting the Moseley-Braun amendment, and opposing the expanded Education IRAs.

Sincerely,

BILL CLINTON.

Ms. MOSELEY-BRAUN. Mr. President, I would not be here as a Member of the U.S. Senate if it were not for a system of quality public education when I came through the system. It breaks my heart that we have failed to maintain that level of quality public education across this country for every child that wants to access it.

It seems to me that as we go into the next century, it is the responsibility of our generation to give every child the opportunity to learn and to give every child at least the basic tools with which that individual would not only be able to provide for themselves, but really provide for our country's well-being. As we go into the next century, there is no question that in this international global competition, in this information age and age of technology, unless we educate every child and give every child the ability to access a quality education, to go as far as their talents will allow them, we will be undermining our Nation's ability to maintain its standard as a leader in this world economy. How and whether or not we train our work force may well come down to something as simple as providing an environment that is suitable for learning.

Our kids cannot learn if they are put in environments that are not suitable for learning, in which they cannot access the new technology. I submit to my colleagues that this is a very, very serious matter. I find it interesting that even the columnists and the cartoonists have drawn cartoons about this. But this is certainly no laughing matter. If anything, this issue goes to the heart of our generation's commitment to provide the next generation of Americans with at least as much as we inherited from the last generation. We inherited from them a school system that was quality, that was adequate, in which people like me could get an education and ascend to the U.S. Senate. I am afraid that unless we tackle this problem and create a partnership to help modernize the schools, we will fail the next generation of Americans. I therefore call upon my colleagues to put partisanship aside and support this amendment.

I yield to the Senator from Rhode Island.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, just an administrative technicality. Under the unanimous consent agreement, we agreed that the amendment to be offered by the Senator from Illinois would have an hour equally divided. We have endeavored to accommodate the Senator from Illinois. I don't believe the amendment is technically prepared, but I assume that the Senator from Illinois agrees that the time we are spending now would operate under the 1 hour equally divided time.

Ms. MOSELEY-BRAUN. Absolutely. I thank the Senator from Georgia. He is exactly right. It was my assumption that in light of the fact that there was a technical glitch in the amendment as prepared, the time used at this point would come off of that.

Mr. COVERDELL. I thank the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I rise in strong support of the amendment offered by the Senator from Illinois. I commend her for her incisive amendment, which will aid the children of America and the parents of America. I appreciate very much her effort today.

Does the Senator from Delaware wish to say something? I will be happy to yield temporarily.

Mr. ROTH. Mr. President, I believe that, in the normal order of things, as the manager of the bill, I would be next to address the amendment proposed by the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois had control and yielded to the Senator from Rhode Island, which was her right to do.

Mr. REED. Mr. President, let me continue by again commending the Senator from Illinois. It goes right to the heart of what we do materially to aid the States and localities in the United States in providing for excellent public education and excellent education overall.

The statistics that we have seen about crumbling schools in the United States is staggering. Just recently, the American Society of Civil Engineers concluded that our schools are in the worst condition of any of America's infrastructure. We know that because we go back to our States and to our communities every weekend and we see these buildings.

Just yesterday I was in the Providence Street Elementary School in West Warwick, RI. The reason I went there is because this is an excellent elementary school, one of two elementary schools in Rhode Island accredited by the New England Association of Schools and Colleges. I was talking to the principal and his staff. They do wonderful things. I asked them: What is the biggest problem in this school? They said, without hesitation, the facilities. The main building of the Providence Street School was built in 1914 onto a wooden structure. But in 1969 the school department acquired a parochial school across the street. The classes are operating in both of these schools. Schoolchildren—first graders, second graders, third graders, and fourth graders—have to cross a busy thoroughfare each and every day to change classes. There is no room in the old building, the 1914 building, to accommodate the new technology. The heating system does not work. Yet, this is a wonderful school.

That is just an example of one school in my State. I could go on and on and on. In Woonsocket, the Harris School was built in 1876, the year that George Custer met his fate at Little Bighorn. It is still operating. The Thompson Middle School in Newport, RI, part of it was built in 1898.

These schools need help. These communities need help. This is not just about improving the academic quality, which I think it could do dramatically; it is also assisting taxpayers. More and more of our constituents are coming up to us and telling us they cannot afford to support increased property taxes

that support schools in their communities.

If we want to do anything constructive, pragmatic, and useful to help not only the schools of America but the taxpayers of all the towns and cities of America, then we will support this legislation because it will directly assist them in their efforts. The proposal that Senator MOSELEY-BRAUN has submitted is an ingenious way to use Federal resources to promote public education at the local level.

Once again, we require the initiative of the locality. They will have to decide what schools will be fixed up. They will have to go to their communities and ask for bond authority to do it. But we would by paying the interest to allow these communities to get the resources to make the investment to fix the schools, to provide the education which we know is at the heart not only of the individual progress of the next generation of Americans but the progress of our Nation, because without good schools, without schools that are at least sanitary, that at least have the ability to accept modern equipment, without this minimal level of adequacy, we cannot expect children to learn to be not only productive members of our economy in the 21st century but to be productive citizens of the 21st century. This is the way to proceed—not by disseminating Federal resources in tax plans to aid private schools but by allowing the local communities to use their initiative to issue bonds with Federal help to fund, repair, and renovate schools.

This is what our constituents want. This is what we must do to improve public education in this country.

I thank the Senator for her recommendation of this amendment. I urge my colleagues to support it.

I yield my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield myself 10 minutes.

Mr. President, I oppose the amendment offered by the distinguished Senator from Illinois for two reasons. First, it is important to understand that the amendment strikes section 101 of the Coverdell bill. This section is the very heart of the legislation, for it is the provision that provides the most widespread benefits for American families. This section increases the maximum contribution to an education IRA from $500 to $2,000. It permits the education IRA to be used for elementary and secondary school expenses, and it permits the education IRA to be used for public and private schools.

I have already spoken numerous times about the importance of making these changes to the education IRA. In fact, the Senate has already endorsed these changes as they were all included in the Senate version of the Taxpayer Relief Act of 1997. The provisions made sense at that time, and they continue to make sense today. Our students and our families need these resources and the benefits of an education IRA to help them meet the cost and realize quality education. I hope my colleagues continue to recognize just how important this tool can be for the American people.

Mr. President, a second reason I oppose this amendment is that, in effect, it would create a massive Federal mechanism whose stated purpose is to spur the construction and rehabilitation of public schools. It appears to be the same proposal contained in the administration's fiscal year 1999 budget, and it would create a new type of bond called a ''qualified school modernization bond.'' Unlike regular tax-exempt bonds, like those already in the Coverdell bill where holders receive tax-exempt interest payments, the holders of these new ''qualified school modernization bonds'' would receive a Federal tax credit in an amount to be set by the Treasury Department. This amendment provides that a total of $19.4 billion worth of these school modernization bonds could be issued around the country over the next 2 years. It also increases the amount of qualified zone academy bonds by $2.4 billion over 2 years.

Even more massive than the amount of bonds to be issued under the proposal is the bureaucracy that would be created to administer this program. The Treasury would need to establish a formula to allocate the school modernization bonds. The amendment calls for half of the bonds to go to the 100 largest school districts with the largest number of low-income children. The other half of the bonds would go to the States and Puerto Rico divided in proportion to their share of Federal assistance. This would be according to the basic grant formula of the Elementary and Secondary School Act of 1965. Then all of this would be readjusted for allocation to the 100 largest school districts.

This runs contrary to President Clinton's promise that the ''era of big government is over.'' It runs contrary to our objective to strengthen schools by empowering families and communities. It consolidates ever-increasing power in the hands of a few Federal bureaucrats while it robs our families and communities of local control over their schools and precious financial resources.

Not only does the Moseley-Braun amendment create more bureaucracy in the way that it requires the Federal Government to sift through the criteria and bond allocation process, but it calls on the Federal Government to oversee another massive program.

According to this amendment, a bond would only be deemed to be a qualified school modernization bond if the Federal Department of Education signs off on it. The Federal Department of Education would have to approve the school construction plan of the States or eligible school districts. By giving its OK, the Federal Department of Education is supposed to consider whether—I am quoting from the administration's description of its proposal:

> The school construction plan must, one, demonstrate that a comprehensive survey of a district's renovation and construction needs has been completed; and, two, describes how the jurisdiction will assure the bond proceeds are used for the purposes of this proposal.

If we are to meet the education needs of our children and the challenges of the future, we need less bureaucracy, not more. We need greater involvement in oversight from our parents and communities, not less. We need a Federal Government that supports the best and most innovative programs and policies implemented by our States and local school boards, not one that takes them over.

The bond proposals in this amendment are modeled after a much more limited measure that was included in the 1997 tax bill at the request of Congressman RANGEL and the administration. The 1997 bill created ''qualified zone academy bonds.'' The purpose of these bonds was to provide additional incentives for private entities to get involved in school construction.

Holders of the qualified zone academy bonds, all of whom have to be in the business of lending money, are to receive a tax credit instead of an interest payment, and the amount of qualified zone academy bonds for 1998 and 1999 was capped at $400 million per year.

The qualified zone academy bond program was deliberately kept small for several reasons. First, there was a fundamental concern about the Federal Government taking on the traditional State and local responsibility for school construction. Second, it was unclear whether the academy bond program would place funds where they need to be, in the hands of local schools.

Nevertheless, here we are, less than 1 year later and the push is on for a massive expansion of what is nothing more than an untested proposal.

The attempt with this amendment is to authorize almost $22 billion in all-school bonds, and this attempt is being made without any data that the bond mechanism in the amendment is the most efficient or beneficial way to help States and localities deal with school modernization. It is simply unclear whether issuing a new type of bond, no matter how catchy its name, will ultimately result in schools being modernized. What is clear is that it once again falls back on the failed notion that Washington knows best. It assumes that creating layer upon layer of unneeded bureaucracy within the Department of Education is a far greater solution than giving parents and local communities greater control over the education of their children.

Under the proposal, the Department of Education would be required to approve the school construction plan of a

State or eligible school district. This means that the bureaucrats from Washington would be micromanaging a local school district's renovation plans—in effect, second-guessing and even directing the decisions of State and local officials. It also means that parents, local leaders, and school districts would have to watch as their vital financial resources are commandeered by Washington, DC, and sent out to build and renovate schools elsewhere despite the fact that they themselves might desperately need improvements in their own community schools.

This amendment strikes right at the heart of local control. It gives the Department of Education the final say about how a school district should address its construction and renovation needs. It allows the Department of Education in Washington to tell local officials that they have misjudged the needs of their district. This is wrong. Local officials are the people who are on the front lines every day. They know the needs of their students. They are directly accountable to parents. It seems only a matter of common sense that they are the ones who best understand the need of their district and the best ways to fix any problems.

Yet this amendment would set up a structure whereby the availability of this Federal tax benefit is controlled by Washington and not by the localities. As the Department of Education would be required to monitor whether the bond proceeds were being used for the stated, appropriate renovation plan, Washington bureaucrats would have an ongoing supervisory role.

It just does not make sense for the Department of Education to get involved at this level. President Clinton himself stated in 1994 that ''the construction and renovation of school facilities has traditionally been the responsibility of State and local governments, financed primarily by local taxpayers.'' And in that respect I agree with the President.

I remind my colleagues that the approach in the Moseley-Braun amendment is not risk free. The costs are substantial. The Joint Tax Committee estimates that the revenue loss to the Federal Government for a program like this would be about $3.26 billion over 5 years and $9 billion over 10 years.

The Coverdell bill offers better government. I oppose the Moseley-Braun amendment, and I urge my colleagues to join me.

I yield back the floor.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair.

I say to my chairman, Senator ROTH, that in the first instance the Senator misread the bill. This plan provides for minimal administrative requirements on the State and local authorities charged with school repair and construction. The State and local school districts need meet only two main requirements for issuing these new school bonds. First, they have to document their school facility need. Second, they have to describe how they intend to allocate the bonding authority to assure that the schools get the benefit of it.

End of story. There is no reapplying for money. There is no continuous oversight. There is no getting individual projects approved by the Federal agency. There is nothing about having to deal with big Government at all in this legislation.

I would add also that no school district, no State is required to take this. This is for those school districts that want to issue these bonds. It is a matter of engaging the private sector, engaging communities, engaging local governments in helping to rebuild their schools.

I yield 5 minutes—he wants 7.

Mr. ROTH. Will the distinguished Senator from Illinois yield on my time for 60 seconds?

Ms. MOSELEY-BRAUN. Yes, of course.

Mr. ROTH. First of all, I think it is important to point out that we have not been graced with a copy of the amendment so that we are not in a position to state specifically what it says. But my comments are based on the administration's proposal, which specifically spells out these requirements and would result in a major buildup of a Federal bureaucracy. I would just like to point out that this local approach is, indeed, contrary to what the President himself said in 1996. I point to this chart here which says:

> The construction and renovation of school facilities has traditionally been the responsibility of State and local governments, financed primarily by local taxpayers.

It goes on to say:

> We are opposed to the creation of a new Federal grant program for school construction.

With that I 100 percent agree, and it is because of that kind of thinking I think it is important that this amendment be defeated.

AMENDMENT NO. 2292

(Purpose: To amend the Internal Revenue Code of 1986 to expand the incentives for the construction and renovation of public schools, and for other purposes)

Ms. MOSELEY-BRAUN. I say to my chairman, again, I apologize if he has not had a copy of the amendment. It has just been cleaned up. We had a technical modification, as you know.

I send this amendment to the desk so it is formally offered and ask the clerk to dispense with the reading of it.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois [Ms. MOSELEY-BRAUN], for herself, Mr. MOYNIHAN, Mr. DASCHLE, Mr. KENNEDY, Mrs. MURRAY, Mr. DODD, Mr. BINGAMAN, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. REED, Mr. ROBB, Mr. GLENN, Mr. REID, Mr. LEVIN, Mr. KERRY, Mrs. FEINSTEIN, Mr. DURBIN, Mr. KERREY, and Mr. HARKIN proposes an amendment numbered 2292.

The PRESIDING OFFICER. Without objection, the reading of the amendment is dispensed with.

The amendment is as follows:

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Ms. MOSELEY-BRAUN. I yield 7 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President.

Mr. President, yesterday I attended the groundbreaking ceremony for a new elementary school in Richmond, VA. It was an important occasion for the city of Richmond because the last groundbreaking for a new public school in the capital city of my State was 13 years ago, in 1985, the last year I had the privilege of serving as Governor. Today, the average age for all public schools in the Richmond system is 55 to 60 years, and two of them have portions of their facilities that date back to 1888, 110 years.

Last month, Education Secretary Dick Reilly and I visited Chantilly High School in Fairfax County. Even though Chantilly High is a new school, its enrollment is already 20 percent over capacity. Classes are being taught in 17 trailers that have no bathrooms, bad ventilation and are not wired to the Internet. Some classes have student-teacher ratios as high as 27 or 28 to 1.

I am an enthusiastic cosponsor of the school construction amendment of the Senator from Illinois because this legislation gives important Federal help to cities like Richmond and counties like Fairfax to help build and renovate public schools. It not only addresses one of the most pressing needs our schools face—the urgent need for school construction money—it also represents an eminently appropriate and constructive role for the Federal Government in education.

If we had unlimited resources, there is much more I would like to do for education, and I support many of the provisions in the underlying bill. But because Federal dollars are limited, we are forced to make decisions on what is most important, on how best to spend the limited Federal dollars we have.

To me, the provisions of the underlying bill simply do not meet this test.

In truth, the simple question before us today is this: How can we best invest $1.6 billion on education? Do we help States face their urgent construction needs? Do we give States additional money to help reduce class size? Do we help States incorporate technology into their classrooms and curriculum? If we look into the language of the underlying bill, the answer to every question is no.

But if we look at the language in the pending amendment and we ask this

question—will we help States and localities build and renovate public schools?—the answer is an emphatic yes.

Mr. President, there is no question the need is great. The Government Accounting Office has estimated that our national school repair and construction needs are $112 billion. Fourteen million children attend public schools that are in need of major repair or complete replacement. In addition, far too many young Americans attend woefully overcrowded public schools. We need to help States repair and modernize existing facilities.

In order to hire new teachers and reduce class size, we need additional classrooms in which to place those teachers. In order to increase student access to computers and technology, we need to help some existing facilities undergo complete electrical upgrades to support the use of that technology, and as we debate this bill, we cannot be confused about what this bill is and is not.

Just because the word ''education'' is in the name, that does not mean that the bill gives money to schools. In truth, this legislation will not build a single school or hire a single teacher or help incorporate technology into a single classroom.

Despite all the rhetoric, this bill is really nothing more than a tax cut for the few when what we so urgently need is a new roof for the many. Encouraging individuals to save their own money is a noble intention, but like every decision we face, we have to acknowledge that there is a cost, and the real cost of the underlying bill lies in every school we don't help build, every teacher we don't help hire, every leaking roof we don't help fix and every classroom we don't help wire for the Internet.

Again, we have two choices: We can invest $1.6 billion in support of school construction with the pending amendment, or we can spend $1.6 billion on tax cuts, disguised as education money, with the underlying bill. I hope the Senate will support school construction.

I thank the Chair and yield back any time to the sponsor of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, how much time is remaining on both sides?

The PRESIDING OFFICER. Sixteen minutes 34 seconds to the Senator from Georgia; 5 minutes 23 seconds to the Senator from Illinois.

Mr. COVERDELL. Mr. President, I yield myself 10 minutes of our time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, first, I have the utmost respect for my good colleague from Virginia, but I do want to correct one statement that he made. He said that the underlying bill provides no provisions for school construction. That is not accurate. The underlying bill embraces the provisions of the Senator from Florida on the other side of the aisle that does have a significant expansion of funding for schools at the local level and, without creating a new bureaucracy, leaving all the decisions to be made at the local level rather than at the Department of Education.

In the debate between the chairman and the Senator from Illinois, it is suggested that this does not carry that traditional, onerous Federal intervention with prevention. But I would just like to share with you that under this legislation, the Federal Government is required to establish a formula to allocate the school modernization bonds.

The Federal Government would need to ensure that half the bonds go to the 100 largest school districts with the largest number of low-income children, and the other half of the bonds would go to the States and Puerto Rico divided in proportion of shares of Federal assistance according to the basic grant formula for the Elementary and Secondary School Act of 1965.

The Federal Government would not only scrutinize the criteria and figure out who gets what, it would be required to do more.

Under these provisions, a bond would only be deemed to be a qualified school modernization bond if the Department of Education signs off on it.

The Department of Education would also have to approve the school construction plan of the State—that is a key one—or eligible school district.

In approving the construction plan, the Department of Education is supposed to consider whether a comprehensive survey of the district's renovation and construction needs have been completed, et cetera; expansion of the Federal oversight, the master principle envisioned over local control.

The chairman of the board of education in my State accepts the President's admonition that construction of schools is a responsibility of local government. There is already Federal relief in terms of financing, but that leaves all the decisions at the local level, like the President wanted to do in 1996.

My State is spending over nearly $5 billion in school construction; $186 million last year for 57 brand new schools and for modifications in 110 additional schools.

This proposal rewards failure, because it moves to where the job has not been done. Those States and communities that have been doing what the President appropriately said here, they do not meet the criteria anymore because they have eliminated the criteria.

Mr. President, we have heard a lot during the course of this debate about how a modest tax relief for 14 million families is inappropriate tax policy. I reminded the other side that the definition of the tax relief is identical to the IRA we passed last year and signed by the President for college education, and all we have done is taken that proposal and expanded it to $2,000 instead of $500 and have allowed it to be used for grades kindergarten through high school.

This amendment eliminates that proposal and that modest tax relief, which is about $500 million over 5 years and a little over $1 billion over 10 years, and creates tax relief of $9 billion—for whom? Banks, insurance companies and very, very successful people are going to be the recipients of this $9 billion. So we just take these little folks making $75,000 or less, $150,000 or less, mop that out—that's not good policy—and create tax relief on these bonds that would go to banks and insurance companies, and we all know who buys these kinds of bonds, these tax-exempt bonds. Out goes the little guy, in comes the big guy.

Mr. President, school construction and quality of schools and the facilities are important. For as long as we have known, that has been a duty of the State and the local government. A lot of States and a lot of local communities have fulfilled that requirement. They will be on the short end of this proposal.

The underlying proposal for school construction expands financing for schools, gives additional options, but it keeps the decision apparatus at the local level. And it does not create another Federal outreach, another Federal intervention, into the local process of school construction.

I oppose the amendment on those grounds. But I am particularly concerned that it eliminates the heart of the underlying proposal, which is to create a modest—the families will not be taxed on an interest buildup, such a modest proposal that creates such a big response in America where 14 million families come forward and save $5 billion in the first 5 years, up to $10 billion over 10 years, and there is not a single tax dollar involved. These are voluntary dollars, an enormous infusion, frankly, larger than this proposal, behind the student—not the building, but the student. Those billions of dollars will buy computers and tutors and deal with special learning disabilities and cost the Federal Government, in terms of taxes not collected, a very modest amount.

But this will go to buildings, and this will cost the taxpayers $9 billion. Conversely, this little proposal, the education savings account, creates $10 billion. There is no school board that has to raise its property tax base. There is no State that has to raise its income tax. There are no new taxes from the Federal Government. It is people doing it on their own, simply because we have said, we will allow you to keep your investment, your principal, and we will not tax you on the interest if you use it to help your child in school wherever they happen to be.

The other side has repeatedly said this is for private schools. And 7.5 percent of the underlying cost of the underlying bill could help somebody who has a child in private schools; 90-plus percent goes to children and helps people in the public school system. So it is just incorrect—and the Senator from Illinois has not been part of that, but all morning long I have heard this business that the underlying proposal is for private schools. It is just not the case.

Seventy percent of the families who use these savings accounts have children in public schools. Half the money that is generated—and it is their money—would go to support children in public; half of it would go to support children in private. Tax relief that would be associated with private is about $200 million over 5 years, or about 7 percent of the cost of this bill.

Mr. President, I yield back whatever is left of my 10 minutes.

The PRESIDING OFFICER. Who yields time?

Ms. MOSELEY-BRAUN. Mr. President, I yield 2 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, first of all, it is important to note that under the Moseley-Braun amendment the provision dealing with the construction, the Graham amendment, is not struck, it is preserved, as well as the tuition assistance programs. What is struck is the Coverdell proposal. And the Coverdell proposal, according to the Joint Tax Committee, provides that the majority of its money is going to go to private schools. Now that is a fact.

You have the choice of whether you want that or whether you want to have a downpayment in our public schools to try to help ensure that we are going to free our public schools from asbestos, from boilers breaking down, and from leaky pipes.

Mr. President, I want to just mention a case here that is right on point. And this is the Revere public schools. That is a blue-collar area in Massachusetts. It has increased by 25 percent the enrollment over the past 5 years in the elementary schools. Revere recently passed a $2.2 million referendum to repair roofs in three schools and to remove the asbestos panels and modernize the fire alarm system in the high school. Since then, the high school roof has begun to leak, threatening to ruin the new fire alarm system. The town estimates it will cost $1 million to repair the roof. The mayor says: We would repair the roof if we had the Carol Moseley-Braun amendment.

What I hear from the mayors all over Massachusetts, in the old towns and communities, as well as in the rural areas, is that interest on some of these bonds runs up to 40 percent of the burden and the debt, in many instances, if they are not attended to in a prompt way.

This provides a helping hand to those needy communities. And it is an essential part of the President's program. I commend the Senator from Illinois for making this strong case and hope our colleagues will support her.

Mrs. FEINSTEIN. Mr. President, today I am pleased to support two construction initiatives to help our public schools reduce overcrowding. The first is included in Senator ROTH's substitute bill that is before us and the second is an amendment by Senator CAROL MOSELEY-BRAUN.

The two proposals combined mean that California could issue tax exempt bonds totaling $2.8 billion. They differ in their approach and help two different types of districts. The Roth proposal will help suburban high-growth areas. The Moseley-Braun proposal will target disadvantaged, inner city districts, while also providing the state with authority to address the needs of other districts.

THE ROTH PROPOSAL

The school construction provisions of Senator ROTH's education bill provide $2.4 billion per year for new tax-exempt bonds and allocate them according to a state's population, at $10 per person. It targets funding at the school districts with a 20 percent enrollment growth between 1990 and 1995. Under this proposal, California could issue tax-exempt bonds totaling $322 million and as many as 77 high-growth school districts in California could take advantage of these bonds. This means that using these bonds, we could build 40 elementary schools, 8 middle schools and 2 high schools in my state. We could build schools in high-growth school districts like Clovis, Capistrano, Tustin, Elk Grove, Modesto, Palo Alto, Lancaster, Culver City, and Fontana.

The Roth proposal creates a new category of tax exempt facility bonds to encourage innovative public-private partnerships for school construction, but the ownership of the school building would stay with the public school district. This approach could brings some innovative financing to school construction, in my view.

While in terms of California's enormous needs, the amount of bonding authority in this proposal is modest, it does offer a new financing tool for our schools.

THE MOSELEY-BRAUN AMENDMENT

I also will vote for the school construction amendment to be offered by Senator MOSELEY-BRAUN, which will provide $22.6 billion in authority for state and local governments to issue bonds to construct and rehabilitate schools. In addition, her amendment will make more qualified zone academy bonds available by increasing the national bond cap from $400 million to $1.4 billion and by allowing them to be used for school construction. Bondholders would get federal tax credits in lieu of interest.

Under this proposal, California could get $2.5 billion in bonds, the most of any state. Thirty-five percent of these bonds would be used by the 100 largest school districts based on their ESEA Title I funding, which assists disadvantaged children. Sixty-five percent would be distributed by states based on their own criteria. In addition, the Secretary of Education could designate 25 additional districts based on the state's share of ESEA Title I grants, excluding the 100 largest districts.

Under this amendment, the following school districts could receive the following allocations:

Bakersfield City Elementary, $19 million;
Compton Unified, $30 million;
Fresno Unified, $56 million;
Long Beach Unified, $48 million;
Los Angeles Unified, $481 million;
Montebello Unified, $22 million;
Oakland Unified, $35 million;
Pomona Unified, $18 million;
Sacramento City Unified, $31 million;
San Bernardino City Unified, $32 million;
San Diego City Unified, $68 million;
San Francisco Unified, $28 million;
Santa Ana Unified, $27 million; and
Stockton City Unified, $24 million.

In addition to these, the state would get $1.2 billion to allocate among needy school districts.

In my state, these two proposals provide two approaches to address the school construction needs in two different types of California school districts. The Roth-Coverdell proposal helps districts with enrollment growth exceeding 20% between 1990 and 1995, high-growth districts. The Moseley-Braun proposal helps the large, urban, poor districts, districts that also have pockets of escalating enrollments and dilapidated and crowded buildings.

CALIFORNIA'S CRITICAL NEEDS

My state faces severe challenges.

SOARING ENROLLMENT GROWTH

California's public school enrollment between 1997 and 2007 will grow by 15.7 percent, triple the national rate of 4.1 percent. California's schools will see the largest enrollment increase of all states during the next ten years.

Each year between 160,000 and 190,000 new students enter California classrooms.

California's high school enrollment is projected to increase by 35.3 percent by 2007. Approximately 920,000 students are expected to be admitted to schools in the state during that period, boosting total enrollment from 5.6 million to 6.8 million.

California needs to build 7 new classrooms a day at 25 students per class between 1997 and 2001 just to keep up with the growth in student population.

OVERCROWDING

California needs to add about 327 schools over the next three years just to keep pace with the projected growth. Yet these phenomenal construction rates would only maintain current use and would not even begin to relieve current overcrowding.

We have the largest class sizes in the nation. Students are crammed into every available space and in temporary buildings. Los Angeles Unified School

District, for example, has 560,000 seats for 681,000 students.

Here are a few other examples:

At Horace Mann Year-Round School in Oakland, increasing enrollment and class size reductions require some teachers and students to pack up and move to a new classroom every month.

At John Muir Elementary School in San Bruno, one class spent much of the year on the stage of the school's multipurpose room as it waited for portables to arrive.

Anaheim City School District has a 6 percent enrollment growth rate, double the state average and recently approved the purchase of 10 portable buildings, at a cost of $235,000 to relieve overcrowding.

Los Angeles Unified School District has 195 schools on a nontraditional, year-round schedule and is bussing 11,000 students away from their neighborhoods because of overcrowding. Garfield High School in East Los Angeles was built for 2,500 students but now has almost 5,000. Many classes have 40 or more students per teacher.

In order to build it's way out of overcrowding, Oceanside School District in San Diego, would need to build four elementary schools, two middle schools and a high school at an estimated cost of $110 to $140 million.

OLD SCHOOLS

60 percent of our schools are over 30 years old.

Today's schools need a modern infrastructure, including updated wiring for computers.

In California, 87 percent of the public schools need to upgrade and repair buildings, according to the General Accounting Office,

HIGH COSTS

The California Department of Education estimates that the state needs $22 billion during the next decade to modernize our public schools and an additional $8 billion to meet enrollment growth.

Here's what it costs to build a school in California:

An elementary school (K–6), $5.2 million;

A middle school (7–8), $12.0 million; and

A high school (9–12), $27.0 million.

Our schools must be built to withstand earthquakes, floods, El Nino and a myriad of other natural disasters. California's state earthquake building standards add 3 to 4 percent to construction costs.

The cost of building a high school in California is almost twice the national cost. The U.S. average is $15 million; in California, it is $27 million.

CLASS SIZE REDUCTION

Our state, commendably, is reducing class sizes in grades K through 3 because smaller classes improve teaching and learning.

We have the largest pupil-teacher ratios in the country and fortunately, we are beginning to reduce class sizes. Small classes bring more individual attention to students, but smaller classes mean more classrooms.

In short, California's needs are immense and states and local communities need the federal partner.

CONCLUSION

These new bond programs will provide important assistance for school districts across America. Some of the bonds can especially help small and low-income area school districts, because low-income communities with the highest school rehabilitation and construction needs may have to pay the highest interest rates in order to issue the bonds, if they can be issued at all.

These approaches are similar to the bill I introduced on March 12, the Expand and Rebuild America's Schools Act, S. 1753. My bill would provide a tax credit for bond holders of school construction bonds and includes criteria to address high growth areas and older schools in need of modernization.

School overcrowding places a heavy burden on teachers and students. Studies show that the test scores of students in schools in poor condition can fall as much as 11 percentage points behind scores of students in good buildings. Other studies show improvements of up to 20 percent in test scores when students move to a new facility.

The point is that improving facilities improves teaching and learning. School overcrowding undermines the health and morale of students and teachers, disrupting education. Overcrowded schools prevent both teachers and students from reaching their full potential.

Our nation's school districts face huge challenges as we move toward the 21st century, with a record 52.2 million children this year and a booming school population forecast well into the next century. The legislation proposes modest, targeted federal support for school bonds in growth areas, offering important assistance to school districts, teachers, parents and students.

In the end, it is improved student achievement is what this is all about and in the end, that is the goal of this Senator.

Mr. AKAKA. Mr. President, I rise in support of the amendment offered by my colleague from Illinois, Senator MOSELEY-BRAUN. The Senator's amendment would authorize over $22 billion in essential bonding authority to the 50 States and territories to improve our Nation's public school system.

The Moseley-Braun school construction amendment would provide direct assistance to states to improve and construct school facilities for our nation's children. The amendment before us will help thousands of schools across the country modernize their facilities to meet increasing technological demands. It will also provide assistance to local school districts to build additional facilities for the growing number of students.

Hawaii's schools, particularly our rural schools on the neighbor islands, are in great need of improvement and modernization. The inclusion of modern technology in our education curriculum requires extensive renovations in older school buildings to ensure that all children have equal access to today's technological advancements. Hawaii's schools could receive an estimated $53 million for school construction under this amendment. This would greatly assist my state in meeting the increased educational demands of our children.

Mr. President, as a former teacher, I have taught in both the private and public school systems, and I recognize the advantages and disadvantages of both systems. However, I believe that the Federal Government has a moral obligation to ensure that all our children are provided a quality education, and diverting potential resources away from our public schools is a disservice to the majority of American children who attend public schools. The underlying proposal does not focus on those who need the most help. The bill before us provides an average tax break for families with public school children of only $7 over five years, while families with children in private schools would receive a $37 benefit. This proposal provides a disproportionate share of benefits to wealthier families who do not need the additional Federal assistance.

I urge my colleagues to support the Moseley-Braun school construction amendment and provide all our nation's children an equal opportunity to learn in safe, clean, modern school facilities. Thank you, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Ms. MOSELEY-BRAUN. Mr. President, I will close. How many minutes do I have left?

The PRESIDING OFFICER. Three minutes 18 seconds.

Ms. MOSELEY-BRAUN. I will close briefly by saying this: The choice, unfortunately, here is between a new and complicated tax cut that is disguised as education policy—and I say ''new and complicated;'' it is all of $7 to a maximum of $37 a year tax cut that nobody really asked for. It will not fix a single school. It will not deal with an existing problem. It will not reduce a single dollar of property taxes.

I point out that the quote from the administration that was made in 1996 makes it very clear: Traditional responsibility, financed by local taxpayers. We are trying to provide a partnership to break the cycle of crumbling schools and high property taxes by providing a partnership that allows us to fix crumbling schools, to fix up the schools, provide an environment suitable for learning, and reduce the property tax burden, and bring the Federal Government, in cooperation and collaboration—not a lot of bureaucracy, but as a helping hand.

The Federal Government is not the problem here. It is not the solution here. It can only help and assist local

efforts. That is all this amendment does. I urge my colleagues to support the Moseley-Braun amendment.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield myself 3 minutes.

Mr. President, the statement was made by the distinguished Senator from Illinois that her legislation would not require the creation of the type of bureaucracy of which I spoke in my opening remarks. I have since then, for the first time, received a copy of the amendment. But I have to say that exactly as I spelled out in my statement, this legislation requires very detailed action on the part of the Department of Education and the Treasury in allocating and granting the funds provided for under this agreement.

Let me just give you one or two illustrations of what I speak. On page 17, in paragraph 5, it says:

APPROVED STATE APPLICATION.—For purposes of paragraph (1), the term ''approved State application'' means an application which is approved by the Secretary of Education and which includes—

(A) the result of a recent publicly-available survey (undertaken by the State with the involvement of local education officials, members of the public, and experts in school construction and management) of such State's needs for public school facilities, including descriptions of——

I will not read on. But I want to reemphasize that this legislation is putting control of school construction in the hands of Washington, of the Federal bureaucracy. And that is exactly contrary to what the President himself said in the justification of an appropriations estimate.

I think it is important too, because I agree with what he says here:

The construction and renovation of school facilities has traditionally been the responsibility of state and local governments, financed primarily by local taxpayers; we are opposed to the creation of a new federal grant program for school construction.

That is exactly what I am saying today. We are opposed to the creation of a new Federal program with a bureaucracy. We think the control of our schools, including the construction of new facilities, should be in the hands of the State and local government.

I yield the remainder of my time to the distinguished Senator from Georgia.

Mr. COVERDELL. How much time remains?

The PRESIDING OFFICER. Four minutes and 14 seconds, and the Senator from Illinois has 2 minutes.

Mr. COVERDELL. Mr. President, I reiterate in the underlying proposal there is a concern about school construction. In that sense, there is a sharing of concern with the Senator from Illinois. We have a different view about how to come to it.

I believe, as I said, this proposal moves to failure. A State that has met its responsibilities and kept schools up to the level they should be doesn't meet the criteria in the amendment for the funding.

The second point, and probably for me the most significant, is that this amendment obviates and destroys the education savings account that we have been discussing now for almost 6 months. This education savings account offers modest tax relief, which causes Americans to do very big things. About $500 million-plus tax relief on the interest buildup in the savings account will cause 14 million families, according to the Joint Tax Committee, to open such an account and save, of their own money, $5 billion in 5 years, over $10 billion in 10 years, all of which comes to the direct support of a child's need—tutor, computer, transportation, afterschool program, uniform; it goes on.

So with just a modest incentive offered from the Federal Government, we cause Americans to step forward and give massive support to education.

Now, that is taken out of the bill and exchanged for something that takes $9 billion of Federal money, doesn't create a dime on the part of these families, and this tax relief goes to the financiers. A certain segment of it can only be managed by banks and insurance companies, and the balance of it certainly will gravitate to the wealthiest of our society.

So we kick out these average families—middle-income families. They cannot open a savings account and save this modest tax on their interest. That goes in the trash can. But the big dollars for big investors comes forward. The net exchange is, the Federal Government expends $9 billion instead of $1 billion and creates no investment versus $10 billion in investment. That is not a very good exchange. The little guy gets shortchanged. He or she cannot open a savings account, but the big institutions have an incentive to come forward.

So I repeat, this proposal rewards failure, it creates a massive new Federal reach, new Federal intervention into what even the President says should be a local decision, and wipes out those 14 million savings accounts.

I just say, one of the important features of that savings account that I think never gets talked about is the fact that every time the family opens it, from that point on, every month when they get the statement—not with their billions, but with their hundreds of dollars—every month they get it, they will be reminded of what that child needs for the school they attend.

The PRESIDING OFFICER. The time of the opponents has expired.

The Senator from Illinois has 2 minutes.

Ms. MOSELEY-BRAUN. I fear somehow that in parts of this debate we are talking at each other. That is unfortunate.

Everybody, of course, supports increased savings. That is not the issue. The question is whether or not this is education policy and whether or not we are responding to a very real need.

The relief provided in the Coverdell proposal, the $7 a year, is not going to fix a single broken window or roof. It is not going to address this issue of public schools at all. That is where this issue is joined, unfortunately.

In closing, I ask unanimous consent to have printed in the RECORD a list of the supporters of this proposal, along with a representative sample of letters, including one from a teacher in downstate Illinois.

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

LIST OF SUPPORTERS

AFL–CIO. American Association of School Administrators. American Federation of State, County and Municipal Employees. American Federation of Teachers. Children's Defense Fund. Council of Chief State School Officers. Hispanic Education Coalition. National Coalition for Public Education. National Education Association. National School Boards Association. National PTA. National Urban League. Rebuild America's Schools. United Auto Workers. Union of Needletrades, Industrial and Textile Employees.

LETTER FROM DOROTHY STRICKLER

I am a teacher in a public high school in Illinois, as is my husband. We are very concerned about the physical condition of the schools in downstate Illinois, especially. My husband's school is in rural Stark County. The building is almost 80 years old. It is completely inaccessible to the handicapped. His classroom has windows which will not stay open and having an open window in a classroom with no air-conditioning is important. In order to have fresh air in the room he must climb on a chair and onto the window sill to prop a stick in the window. This is just one example of the poor conditions he must face every day when he goes to work.

As for my situation, the worst problem I face is the lack of air-conditioning. My school is in Peoria County. Our school year begins August 15 and at times the room in which I teach has a temperature of 95+ degrees. We have state-of-the-art computer technology, but no air-conditioning.

I hope the federal government can pass legislation to help school districts in this country bring their buildings up to livable standards. We have brand new jails going up all around us, but our children and teachers in the schools are trying to work in conditions no one in any other part of society would tolerate.

Sincerely,

DOROTHY STRICKLER.

NATIONAL EDUCATION ASSOCIATION,
Washington DC, March 11, 1998.

UNITED STATES SENATE,
Washington, DC.

DEAR SENATOR: On behalf of the 2.3 million members of the National Education Association (NEA), we reiterate our opposition to the ''education IRAs'' for private schools in S. 1133 and urge you to vote against passage of this bill or any similar provision. No modification or additional amendments to this provision, such as school construction, would change our position. Positive ideas, such as modernizing public school buildings, should not be tied to tax schemes to benefit private and religious schools.

Instead of supporting S. 1133, NEA urges you to vote for a substitute to provide tax credits to subsidize $22 billion of school modernization bonds over 10 years. These bonds would enable states and local public school districts, which serve more than 90 percent of all students, to provide safe, modern

schools that are well-equipped to prepare students for jobs of the future. School modernization bonds would target one-half of the funds to schools with the greatest number of low-income children and allow states to decide where to distribute the remaining half. This would ensure that rural, urban, and suburban schools all benefit from these bonds.

The provision in S. 1133 to create tax-free savings accounts to pay for private and religious schools would do nothing to improve teaching or learning in our public schools. It would also disproportionately benefit wealthy families who already send their children to private and religious schools. The public and parents say they want federal investments to improve teacher training, promote safe schools, and establish programs to help all students reach high standards. Tax shelters, as proposed by S. 1133, would do nothing to help achieve these goals.

Further, this tax-free savings account does not guarantee parents a choice of schools. Private school admissions officers would decide which students to accept. An editorial about S. 1133 in the September 11, 1997 issue of the Christian Science Monitor stated: ''Sounds innocent enough. But where does it lead? It's a small step toward positioning government behind private—most often church-related—elementary and secondary education.''

NEA urges you to vote for the public school modernization bond substitute and against cloture and final passage of S. 1133 if it contains the private school tax scheme.

Sincerely,

MARY ELIZABETH TEASLEY,
Director of Government Relations.

NATIONAL PTA,
OFFICE OF GOVERNMENTAL RELATIONS,
Washington, DC, April 20, 1998.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: The 6.5 million-member National PTA opposes H.R. 2646, expected to be taken up during the week of April 20th. There are two amendments the National PTA urges you to support because they would eliminate the problem of funneling public dollars into tax breaks for private and religious school participation. One of the amendments will be offered by Senator Moseley-Braun and would substitute Senator Coverdell's tax package for a proposal to fund school construction projects designed to modernize public schools. The other amendment we urge you to support will be offered by Senator Glenn. His proposal would strike the language that allows for a tax subsidy for K–12 education, so that the tax breaks would go toward higher education accounts only.

The substitute package authorizes a tax credit for desperately needed construction and renovation. Instead of investing taxpayers' money in savings accounts that would primarily reward wealthy families, the substitute would direct federal resources to build and modernize public schools across the nation. By paying for the interest on nearly $22 billion in state and local bonds, the substitute will help ensure that children across the nation will be able to learn in safe, modern, well-equipped schools and get preparation they need to succeed in the 21st Century.

The amendment eliminating the K–12 language would still allow parents to invest $2,000 in higher education savings accounts, thus providing greater long-term financial benefits to families. According to The Joint Committee on Taxation, families who withdraw funds from the accounts to pay for primary and secondary school education will only receive an average tax benefit of $7 if their child goes to public school and $37 if their children attend private schools.

If either the substitute or the amendment do not pass, we urge you to oppose passage of H.R. 2646. Instead of using investing taxpayers' money to help a few children, we implore you to support investments in public schools that serve approximately 90% of K–12 students.

Sincerely,

SHIRLEY IGO,
Vice President for Legislation.

REBUILD AMERICA'S SCHOOLS,
Washington, DC, April 20, 1998.

Re: Moseley-Braun School Modernization Amendment to H.R. 2646 (S. 1133)

DEAR SENATOR: Rebuild America's Schools is a coalition of school districts and national organizations organized to help local communities in their efforts to modernize and build the school facilities needed to prepare our nation's students for the 21st century.

Rebuild America's Schools supports the Moseley-Braun, Moynihan, Daschle, Kennedy, School Modernization substitute amendment to H.R. 2646 (S. 1133). This amendment provides tax incentives to assist local communities in offering school construction bonds. The Qualified School Construction Bonds will enable states and school districts to offer $9.7 billion in school construction bonds in FY '99 and 2000. The Qualified Zone Academy Bonds established in the 1977 Taxpayers Relief Act also are expanded.

The need to repair, modernize and build new schools to meet rising enrollments is well documented in virtually every community in the nation. The Government Accounting Office report on the condition of America's schools established the alarming fact that over $112 billion must be invested to repair and modernize existing school facilities. State and local communities are struggling to finance school modernization programs. It cannot be done without federal support. The students educated in the local public schools of today will be tomorrow's political, economic and social leaders.

Federal support through the tax incentive programs presented in the Moseley-Braun, Moynihan, Daschle and Kennedy amendment will provide federal support in a magnitude which will help local communities renovate and build the schools they need. Decision making prerogatives and local responsibility for management of school facilities will remain at the local level. Proposals such as exempt facility bonds or private activity bonds for public schools do not provide enough resources to provide real assistance to the broad range of rural, urban and growing school districts straining to provide modern and safe school facilities for their students.

The Moseley-Braun, Moynihan amendment can generate more than $20 billion in school construction bonds. This will reach every state at a cost to the federal government of $3.3 billion over five years, according to the Joint Committee on Taxation.

The Moseley-Braun Substitute amendment to H.R. 2646 (S. 1133) commits significant federal incentives to help state and local communities provide educational facilities to enable students to thrive and prosper in the society and economy of the 21st century.

We urge your support of the substitute amendment.

Sincerely,

ROBERT CANAVAN,
Chair.

AMERICAN ASSOCIATION OF
SCHOOL ADMINISTRATORS,
Arlington, VA, April 16, 1998.

Hon. CAROL MOSELEY-BRAUN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: The American Association of School Administrators (AASA), representing more than 14,000 public school superintendents nationwide, urges you to oppose the ''A+ Savings Accounts'' championed by Senators Coverdell and Torricelli. If enacted into law, this cleverly packaged voucher scheme would mark a landmark shift of the federal role in elementary and secondary education. It represents the first step in an effort to shift federal aid away from public schools, where 90 percent of American children are educated, and towards private and religious schools.

As you know, and as research and testing prove, most of the challenges that public education currently faces are related to poverty. AASA's members believe that, because of this, it is illogical for Washington to create new education programs that only wealthy taxpayers will be able to effectively utilize. As you know, AASA has designed a bold reform plan specifically aimed at impoverished local schools which incorporates ideals championed by Republicans and Democrats. AASA's members support strong, decisive, and innovative action at the federal level to improve public education; however, the Coverdell-Torricelli plan is none of these things.

We understand that Senator Dodd will offer an amendment to spend the money that would be spent on the Coverdell-Torricelli plan on the Individuals With Disabilities Education Act (IDEA). As you know, the federal government has never come close to meeting its fiscal responsibilities under IDEA. Senate Republicans have stated, and included in their budget resolution, their intent to fully fund IDEA before embarking on new education spending. AASA strongly supports fully funding IDEA, and AASA's members believe that the Dodd amendment offers an excellent opportunity to move the federal government towards meeting its commitment.

AASA also strongly supports Senator Moseley-Braun's amendment to modernize American schools and Senator Glenn's amendment to modify the Education Individual Retirement Accounts. Considering the Joint Tax Committee's estimate of the benefit to public school families from the Coverdell-Torricelli plan, the contrast between the Moseley-Braun school modernization initiative and this thinly disguised voucher plan could not be more stark.

Thank you for considering our views. AASA stands ready to assist you however we are able. Please do not hesitate to call on us.

Sincerely,

ANDREW ROTHERHAM,
Legislative Specialist.

AMERICAN FEDERATION OF LABOR
AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, March 17, 1998.

DEAR SENATOR: The AFL–CIO strongly urges you to oppose motions to invoke cloture and final passage of S. 1133, the Parent and Student Savings Account Plus Act. The provisions of this bill amount to nothing more than subsidized private education for children of wealthy Americans paid for by the tax dollars of the working public.

The simple truth is that the average working family will never benefit from the IRA accounts created by S. 1133. Ninety percent of American children grades K–12 attend public schools and will never benefit from IRA accounts. Because S. 1133 can be used by wealthy taxpayers making up to $160,000, 70% of the benefits from the new IRA accounts will go to 20% of the nation's wealthiest families. The average American working family with children under the age of 18 cannot accumulate the savings necessary to use the new IRA. The Joint Committee on Taxation found that 60% of taxpayers would not establish such an account.

S. 1133 does nothing to achieve educational goals that are widely agreed upon. There is no funding to facilitate higher academic standards, improved teacher training and safer schools. Instead, the bill allows scarce federal funds to be used for undefined ''tutors'' (including babysitters or family members) and transportation, which according to the Joint Committee on Taxation, could mean using the IRA to buy a car for a student. Equality of educational opportunity cannot be achieved by diverting funding from public schools attended by many to private schools benefiting few.

S. 1133 amounts to little more than a voucher program to defray private education costs for the children of a very small number of wealthy Americans. The AFL–CIO urges you to oppose motions to invoke cloture and final passage of S. 1133, and work with us to address the educational needs of all our children.

Sincerely,

PEGGY TAYLOR,
Director, Department of Legislation.

AMERICAN FEDERATION OF TEACHERS,
Washington, DC, April 15, 1998.

DEAR SENATOR: On April 20, 1998, the Senate will return to H.R. 2646. On behalf of 950,000 members of the American Federation of Teachers (AFT), I again urge you to vote against H.R. 2646, The Parent and Student Savings Account Plus Act, commonly called the Coverdell bill. H.R. 2646 provides a $2,000, IRA-like investment account, whose tax-free proceeds can be used to pay for private K–12 educational expenses. The American Federation of Teachers strongly opposes this bill because it is an indirect form of educational voucher that would undermine support of public schools.

H.R. 2646 will not benefit working families because they do not have the necessary discretionary income. It is an expensive bill that would provide tax breaks primarily to the wealthiest families. The Treasury Department estimated that 70 percent of the benefits will go to the wealthiest 20 percent of the nation's families, and as drafted, will increase the administrative problems of the IRS. Further, the Joint Tax Committee estimates the average benefit for public school families would be only $7 by the year 2002, and $37 for private school families.

The bill ignores the fact that almost 90 percent of K–12 students go to tuition-free public schools. For this reason, the Coverdell bill can be described as a ''voucher-like'' tax-free savings account that for the most part will benefit wealthy families who send their children to private schools.

While AFT does not oppose the right of parents to choose private education, we strongly oppose the direct or indirect use of publicly funded vouchers, tax credits, IRAs, or other such mechanisms to pay for private K–12 educational expenses. It is essential to have an effective public education system to realize equality of opportunity for all Americans. The way to help all schools become more effective is by implementing high academic standards, high behavioral standards, and investing in needs such as new or improved school buildings.

AFT does support the Democratic school modernization substitute for the Parent and Student Savings Account Act. The school modernization substitute would provide federal tax credits for the interest on special school modernization bonds, at a five-year cost of $5 billion. This would leverage approximately $22 billion of school modernization bonds—a modest federal contribution to the $112 billion school construction shortfall projected by the GAO.

We also support Senator Glenn's amendment to strike K–12 from the Coverdell IRA. If the Glenn amendment were adopted, the Coverdell IRA would be exclusively for higher education and not undermine support for K–12 public education.

If the Democratic School modernization amendment and the Glenn Amendment fail, the American Federation of Teachers urges you to oppose H.R. 2646.

Sincerely,

GERALD D. MORRIS,
Director of Legislation.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA
Washington, DC, March 11, 1998.

DEAR SENATOR: This week the Senate may take up the proposed Parent and Student Savings Account Plus Act (S.1133), sponsored by Senator Coverdell. The UAW strongly opposes this legislation; we urge you to vote against this measure and to oppose and attempt to invoke cloture when it is taken up by the Senate.

The Coverdell bill would allow individuals to contribute up to $2,000 per year to tax-free IRA type accounts for elementary and secondary school expenses, including the expenses associated with attending private and parochial schools. In our judgment, these tax subsidies are simply private school voucher by another name. This bill would disproportionately favor privileged families who are more likely to have money to put into their IRA type accounts than are families with lower incomes. In addition, the legislation would divert urgently needed funds from public schools, thereby undermining our system of public education and encouraging well to do families to send their children to private and parochial schools.

The UAW understands that a substitute package may be offered to S. 1133 that would fund school construction projects designed to modernize public schools the UAW supports this initiative to ensure that children across the nation are able to learn in a safe, modern, well-equipped school environment. We believe that federal policies should direct limited resources into public schools where over 89 percent of American children are educated, not divert funds to private and parochial schools.

For these reasons the UAW urges you to vote against the Coverdell bill (S. 1133) and to oppose any attempt to invoke cloture on this measure. We also urge you to support the substitute proposal providing additional funds for school construction. Thank you for considering our views on these important issues.

Sincerely,

ALAN REUTHER,
Legislative Director.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL–CIO,
Washington, DC, March 13, 1998.

DEAR SENATOR: On behalf of 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME), I strongly urge you to oppose the ''education IRAs'' for private schools in S. 1133 and urge you to vote against passage of this bill. Instead, we urge you to vote for a substitute to be offered by Senator Carol Moseley-Braun to provide tax credits to subsidize $22 billion for school modernization bonds over 10 years. These bonds would enable states and local public school districts, which serve more than 90 percent of all students, to provide safe, modern schools that are equipped to prepare students for the future.

The provision in S. 1133 creating tax-free savings accounts to pay for private and religious schools would do nothing to improve teaching or learning in our public schools. It would disproportionately benefit wealthy families who already send their children to private and religious schools.

This tax subsidy does nothing to raise academic standards for all children, provide safe learning environments for children, provide more teacher training, or increase parent involvement in schools. Tax subsidies are private school vouchers by another name. They would divert public resources to support private education at a time when we need to do all we can to improve our public schools. Please vote against S. 1133 and for the Moseley-Braun substitute.

Sincerely,

GERALD W. MCENTEE,
International President.

HISPANIC EDUCATION COALITION,
April 20, 1998.

DEAR SENATOR: On behalf of the Hispanic Education Coalition (HEC), an ad hoc coalition of national organizations dedicated to improving educational opportunities for Hispanics and other interested organizations, we are writing to urge you to strengthen our educational infrastructure as you begin debate and votes on S. 1133. In passing transportation legislation, the Senate signaled that transportation infrastructure is of vital national interest, crucial to the economy and future development. Education is equally important. Socially, politically, and economically, education will be the determining factor in the quality of life in our nation.

Please support Sen. Carol Moseley-Braun's amendment, in the nature of a substitute, to provide critical federal resources to help states and local education agencies modernize schools and reduce class sizes. There is little disagreement that across the nation, many of our public schools are in terrible physical shape, placing our children's safety in jeopardy and cheating them of access to critical educational tools. Likewise, there is broad consensus that we are facing an acute teacher shortage that will worsen as the current teaching corps ages and the student population grows. Not surprisingly, the schools that are in the worst condition and suffer the most from teacher shortages are located in our most disadvantaged and fastest growing communities. As a nation, we can ill afford to poorly educate large segments of tomorrow's workforce. Sen. Moseley-Braun's amendment will move us toward resolving these pressing problems by leveraging local resources to build, repair and modernize schools and providing incentives that will help put more qualified teachers in our classrooms.

We also encourage you to support Sen. Jeff Bingaman's amendment to focus national attention on drop out prevention. As stated in the Hispanic Dropout Project's final report, *No More Excuses,* ''For students, dropping out forecloses a lifetime of opportunities—and in turn makes it far more likely that their own children will grow up in poverty and be placed at risk. For business, this means a lack of high skilled employees, fewer entrepreneurs, and poorer markets. For communities, this cumulates the risk of civic breakdown.'' For the Hispanic community, with a drop out rate of nearly 30 percent, this issue is of paramount importance.

Unfortunately, two amendments that will be offered would significantly undermine our education system and could do real harm to many low-income students. Individual tax credits will not improve our educational infrastructure, put quality teachers into classrooms, nor improve the educational achievement and attainment for our students. Secondly, Federal resources that are carefully targeted are most effective. Federal education programs were created to fill gaps

that local and state governments allowed to occur. Block grants would dilute the positive impact many of these programs have made in providing opportunities for disadvantaged students. Although these proposals may spark interesting political debates, they do little to help us accomplish the task at hand—ensuring that all children have access to quality education.

Sincerely,

PATRICIA LOERA,
HEC Co-Chair, National Association for Bilingual Education.

RAUL GONZÁLEZ,
HEC Co-Chair, National Council of La Raza.

On behalf of: Hispanic Association of Colleges and Universities, League of United Latin American Citizens, Mexican American Legal Defense and Educational Fund, National Association for Migrant Education, and National HEP-CAMP Association.

Ms. MOSELEY-BRAUN. This chart is a ''report card'' for America's infrastructure, which was put together by the American Society of Civil Engineers—not exactly a probureaucracy group. We can see mass transit got a C; bridges, a C-minus; solid waste, a C-minus; waste water, a D-plus; roads, a D-minus; but schools got an F. We clearly have a problem.

A minimum $112 billion only begins to set up a partnership. Again, it is not the grant program that the administration opposed several years ago but a bureaucracy-free tax credit. We give local governments the help we can best give them, which is access to the tax benefits that this legislation provides. And from that assistance, from that modest assistance that we as a national community give these local governments, we will be able to go to the private sector, go to the capital markets, and raise the money to begin to grapple with this problem.

We have an ''F'' on schools in this country in terms of infrastructure needs. I daresay the real tragedy here is that we have not reached consensus yet that it is appropriate as a national community that we come together in a partnership, that we work together, instead of pointing fingers about what is wrong and pointing the blame and saying it is this group's fault or the local property taxpayer. We ought to work together to make certain issues like this get resolved in behalf of the children of our country and the future of this country.

The PRESIDING OFFICER. All time has expired.

Mr. COVERDELL. Mr. President, I move to table the amendment offered by the Senator from Illinois.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Illinois.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—56

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Biden	Grams	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Burns	Hagel	Santorum
Byrd	Hatch	Sessions
Campbell	Helms	Shelby
Chafee	Hutchinson	Smith (NH)
Coats	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Jeffords	Stevens
Coverdell	Kempthorne	Thomas
Craig	Kyl	Thompson
DeWine	Lieberman	Thurmond
Domenici	Lott	Torricelli
Enzi	Lugar	Warner
Faircloth	Mack	

NAYS—42

Akaka	Feingold	Lautenberg
Baucus	Feinstein	Leahy
Bingaman	Ford	Levin
Boxer	Glenn	Mikulski
Breaux	Graham	Moseley-Braun
Bryan	Harkin	Murray
Bumpers	Hollings	Reed
Cleland	Inouye	Reid
Conrad	Johnson	Robb
D'Amato	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Specter
Dorgan	Kohl	Wellstone
Durbin	Landrieu	Wyden

NOT VOTING—2

Bennett	Moynihan

The motion to lay on the table the amendment (No. 2292) was agreed to.

Mr. COVERDELL. Mr. President, I move to reconsider the vote.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the Wellstone and Gregg amendments no longer be in order under the consent agreement of March 27 and prior to third reading Senator WELLSTONE be recognized for up to 15 minutes under his control and Senator GORTON for up to 15 minutes under his control and Senator HARKIN for up to 15 minutes under his control.

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

Mr. BIDEN. Mr. President, will the Senator yield for a minute?

Mr. COVERDELL. I yield.

Mr. BIDEN. Mr. President, I wanted to explain the reason I voted the way I did on the last amendment. I strongly support Senator MOSELEY-BRAUN's amendment and approach.

The PRESIDING OFFICER. The Senate will be in order so the Senator from Delaware can be heard.

The Senator from Delaware.

Mr. BIDEN. Once again, Mr. President, as often occurs here, we are presented with Hobson's choices. As I said, I have strongly supported and continue to support the school construction initiatives of Senator MOSELEY-BRAUN, but her amendment should have been added to the bill, not given as an alternative to it. In order to vote for her amendment, I would have had to vote against the guts of the Coverdell bill. I support the essence of what Senator COVERDELL is doing. So I voted against Senator MOSELEY-BRAUN's amendment, although I strongly support it and think we need to invest considerable amounts of money in school construction.

I conclude by saying I only wish it had been an add-on to the Coverdell bill, not in place of the Coverdell bill.

I thank the Chair.

Mr. COVERDELL. Mr. President, I thank the Senator from Delaware for his remarks.

Mr. President, I ask unanimous consent that debate only be in order for the remainder of the session of the Senate today to be equally divided between the majority and minority leaders or their designees.

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

Mr. COVERDELL. Mr. President, in light of this agreement, I announce on behalf of the majority leader there will be no further votes this evening.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I say to my colleagues that I will try to be relatively brief.

I wish to speak to the agreement that the Senator from Georgia had announced. Senator GREGG had an amendment that he wanted to bring to the floor dealing with IDEA. Many of us were concerned about his amendment. From my point of view, this was an amendment that I believe threatened to undercut some of what I think has really been rich and important about IDEA.

That is my own view. Many people in the disabilities community, many parents of children are worried about it as well. IDEA is really a pretty wonderful breakthrough for many families because up until the mid seventies—I know Senator HARKIN will speak about this later—there were about 8 or 9 million children, many of whom felt shut out from the schools. The concern we had was that this amendment might turn the clock back. We did not want that to happen. It was our view it wasn't a question of it might turn the clock back; we were worried that it would. I guess the agreement we have reached is that now Senator GREGG is going to withdraw the amendment.

I now want to speak about the amendment I am withdrawing. I want to say to parents and people in the disabilities community, especially in my

State of Minnesota, that I have withdrawn this amendment reluctantly, but I understand their concern, and people really kind of got to my heart because there was a tremendous amount of concern about this amendment and I care fiercely about IDEA. I thought last year we had reached a good bipartisan consensus. I think this amendment by Senator GREGG is mistaken. I am glad it is now withdrawn. And when Senator HARKIN—who is one of my really close friends here, somebody whom I have a tremendous amount of respect for and who has been probably, I think, just a giant in the Senate when it comes to issues that affect the disabilities community—said that he thought this agreement would put his mind at ease, then I so agreed.

Mr. President, I will therefore offer the amendment that I had initially had to the Coverdell bill to the higher education bill, which makes a great deal of sense because that is really what this is about. I think we can get a majority vote for this because this amendment is very reasonable. Some Senators, such as Senator FORD from Kentucky, Senator LEVIN from Michigan, Senator DURBIN from Illinois, who are among the original cosponsors, voted for the welfare bill. I voted against the welfare bill, but that is not what this amendment is about. What this amendment says is that we really have to fix the welfare bill. We have to make a modification here because what's happening around the country is that too many States are put in a position, in order to meet the work participation requirements, of essentially saying to single parents, almost all of them women with small children, you have to leave school and take a job even if that job is maybe a $6-an-hour job, and then a year later they will be worse off because they don't receive any health care benefits.

This is shortsighted, and I do not think anybody intended this to happen. What this amendment will say, I say to my colleague from Georgia, is it will leave it up to States. There is no mandate at all. It will just say that if the State of Minnesota—and I think my State certainly wants to do this, or the State of Georgia or the State of Kentucky so decides—the States can say to us, ''Look, we would like to be able to give these parents, these women, 2 years of higher education because they are on the path to economic self-sufficiency.'' Why would you want to take them off that path?

These are the parents who have the best chance of completing at least 2 years of school and then obtaining a living wage job and doing better for themselves and their children, and that this would not count against the work force participation requirements that States now have to meet. It would leave it entirely up to the States, but it would at least give States that option.

I think my colleagues will be hearing from a lot of Governors and a lot of States and the higher education community. I think it makes all the sense in the world.

This surely is not what we intended. I do not think we intended, under the framework of what is called welfare reform, to put States in a position where States have to say to all too many women, ''Look, you have to leave school.'' We ought to let these parents complete the school and, therefore, they are going to do much better for themselves and much better for their children as well.

Mr. President, I, therefore, want to make it clear that I will offer this amendment. I see my colleague, the chairman of our Labor and Human Resources Committee, Senator JEFFORDS, here. I wanted to do it on this bill, but we got into this impasse. I care about IDEA. I didn't want us to have some acrimonious debate and a lot of ill will. So I am withdrawing the amendment; Senator GREGG is withdrawing his amendment. Therefore, I will look for another vehicle.

The higher education bill is going to come before us. It is a good bill, a bipartisan bill. This amendment, I promise colleagues, is as reasonable as it can get. There is no reason in the world why we would want to put States in a position and put too many parents in a position of not being able to complete 2 years of education. It certainly would make a huge difference to them.

Just one other word. I gather that we are going to talk about IDEA, and Senator GREGG or Senator GORTON is going to want to come to the floor and speak about that, and Senator HARKIN can respond to what they have to say. For my own part, I thought we had a really strong agreement on IDEA. I think we should stick to that. It is a bipartisan agreement. It is important to make sure that children who are disabled have equal opportunities. I would hate to see us weaken this very, very important step that we have taken as a Senate. We will not be dealing with that debate tonight. But this amendment on higher education will be there.

I also want to say one other thing to my colleagues, and then I will finish.

Again, please look at the evidence that is coming in. What you are going to see with the welfare bill is that in all too many cases, we have now seen a reduction in the caseload, that is true, but it does not equal the reduction of poverty, which is where we should be heading. Too many of these parents are finding jobs, but they pay barely minimum wage without any health care benefits.

In addition, the child care arrangements are really rather frightening, and too many small children, prekindergarten children, are not receiving good developmental child care. Too many children who are age 4 are home alone, and too many children are going home from school alone.

We really have to look at what is happening, because a year from now or 2 years from now or 3 years from now, depending on the States, there is going to be a drop-dead date certain, and there will be no assistance. We have to know whether these families are reaching economic self-sufficiency, and the best way these families can do that is for that mother to be able to get an education.

If we want real welfare reform or we want to reduce poverty or we want to have a stable middle class in our country, there is nothing more important to do than to make sure that we focus on a good education and a good job. That is what this amendment is about.

I thank my colleague from Georgia for his graciousness. I hope when I offer this amendment there will be good, strong support. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. Smith of Oregon). The Senator from Georgia.

Mr. COVERDELL. Mr. President, I appreciate the comments by the Senator from Minnesota and the accord and cooperation by all parties concerned in facilitating the debate on this education proposal. I thank my colleague for his comments.

Because of the large number of amendments on this measure, it has been difficult at times for Senators to know when they might make a comment. Senator GRAMS has been here most of this afternoon. Now that we are in this open period—and I know Senator JEFFORDS also was here—I hope that some accord can be shown our two colleagues who have been waiting to make a comment.

Mr. President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you, Mr. President. I wanted to take a few minutes this afternoon to rise and speak in support of Senator COVERDELL's education bill, S. 1133.

Mr. President, today the Senate continues its debate on this very important bill, a bill that is really out to promote education alternatives. It is a far-reaching bill which advances educational options, one which promotes quality education where it can best be achieved and that, Mr. President, is at the local level and by family involvement. It is sound policy, and I believe it is long overdue.

S. 1133, the Parent and Student Savings Account Plus Act, is a modest bill, but it is a very important step forward for restoring decisionmaking authority in the hands of parents and families and, again, this is where that authority belongs.

The heart of this bill is simply a measure that would allow families to save for their children's education and without tax penalty.

S. 1133 is the Senate's version of the education IRA which has already passed in the House. The bill, commonly referred to as the A+ savings accounts, would expand the college educational savings accounts established

in the Taxpayer Relief Act of 1997, and that would then include primary and secondary education as well.

A+ accounts would also increase the maximum allowable annual contributions from $500 to $2,000 per child. The money could be used without tax penalty to pay for a variety of education-related expenses for students in K through 12, as well as college expenses.

A number of mega-dollar, pumped-up political Band-Aids are being offered in the form of amendments to the A+ accounts legislation. It would be nice to think that we could solve the problem of education by just spending more and more money, but unfortunately, that does not work. The United States is the world leader in national spending per student.

Again, the United States is the world leader in national spending per student. Yet, our test scores show that our system is failing our children. Test results released in February show that American high school seniors scored far below their peers from other countries in math and science. Education Secretary Riley called the scores ''unacceptable'' and indicated that schools are failing to establish appropriate academic standards.

Legislation like A+ accounts would help direct responsibility and accountability, again, where it belongs—at the family level where families can make decisions and take responsibility for their children's education. The A+ accounts legislation includes many important legislative initiatives beyond the savings accounts. For instance, it fosters employer-supported education for employees by extending the tax credit to the year 2002. I hear time and time again employers are desperate for well-trained employees, and this legislation allows them to continue to provide that training.

Graduate level courses would be permitted under this exclusion as well as undergraduate courses. If we are ever going to be able to tackle the shortage of high-tech employees, this tax incentive is very crucial.

Additionally, the A+ accounts bill would assist local governments in issuing bonds for school construction by increasing the small-issuer exemption from $10 million to $15 million, provided that at least $10 million of the bonds are issued to finance public schools.

It is estimated that 600 schools would be improved under this legislation. Our bill also provides tax-free treatment for students who receive National Health Corps scholarships. Students can thereby exclude the scholarship value from their taxable income. That would provide further important education assistance when it is most needed.

A complimentary amendment to the A+ accounts is the Investment in America's Future bill. That was Senator GORTON's block granting amendment. Under this bill, most federally funded K–12 programs, except for special education, would have been consolidated and the dollars sent directly to local school districts—free from the usual Washington red tape. This would have ensured our education dollars would go to students, as opposed to going to bureaucrats. The Gorton amendment was not a cutting measure.

The bill maintained that if Federal funding were to fall below the levels agreed to in the 1997 budget agreement, then the program would revert back to funding categorical programs.

Mr. President, there are a number of additional amendments, crucial for education, which greatly enhance the core A+ accounts legislation. The teacher testing and merit pay amendment would serve to retain competent teachers by providing incentives to States to implement programs geared at rewarding successful, high-quality teachers.

The Coats amendment would increase to 110 percent deductions that individuals and families could take on charitable contributions to schools and programs aimed at poor children.

Another important amendment would expand literacy programs that are so important to assist in poverty areas. So this simple and modest bill fosters education through families, through employers, and through local governments. We could accomplish so much through the A+ accounts package.

Common sense would have had us pass these measures a long time ago. But, unfortunately, tired, groundless attacks continue to hang on. And the charge I hear most frequently is that ''education savings accounts and tax breaks for parents would shift tax dollars away from public schools.'' That simply is not the case.

More education dollars under parental control would actually promote education by encouraging parents to save, to invest in, and support programs and materials that facilitate and help provide the right option for a child's education. Nothing, Mr. President, would be taken away from public education resources—nothing.

The A+ accounts help working families by encouraging savings and enabling families to make plans which shape a child's future. They are directed at low- and middle-income families, not at the wealthy families which currently have more educational options for their children.

It seems ironic to me that some of the loudest opponents of these savings accounts are high-income and high-option individuals who can now afford to send their own children to private schools—and often do.

According to the Joint Committee on Taxation, the great majority of families expected to take advantage of the education savings accounts are families that have incomes of $75,000 or less. These are the families who need those savings options and need the incentives the most.

So, Mr. President, the bill provides educational alternatives for working families. These are very important options to improve the education of our children. I urge my colleagues to join in and support this very important education initiative.

Thank you very much, Mr. President. I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. JEFFORDS. Mr. President, we just finished a vote on the controversial Moseley-Braun amendment related to school construction. There is no question about the tremendous school infrastructure needs throughout this Nation. Well over $180 billion are necessary to bring the schools up to some appropriate standard.

However, as was very aptly pointed out, and no doubt was one reason that the amendment was defeated, it is States that have the primary responsibility for that construction. It is not a constitutional responsibility of this body.

I just bring to the attention of the body a chart that was discussed earlier today. Quoting the words of the Clinton administration:

> The construction and renovation of school facilities has traditionally been the responsibility of state and local governments, financed primarily by local taxpayers. We are opposed to the creation of a new Federal grant program for school construction.

I want people to keep that in mind when they consider what I have to say.

Under the Constitution, the District of Columbia, the Capital of the United States, is, in the view of Congress, at least in the writings, are our responsibility as a state legislature is to a State. We, the Members of the Congress of the United States, are responsible for the infrastructure of this city and its school system. And we should be ashamed of our negligence in that regard. The neglect did not occur over a few years; it has occurred over decades.

So, the deficit in the school infrastructure is the responsibility of all of those who have been in power, whether it was the local governments to whom we gave the power in the 1970s and 1980s or whether it was the Congress that was in power before that. Everyone has neglected the school infrastructure. There is no question that the Nation's Capital, for which Congress is responsible, has one of the worst school infrastructures in the Nation.

Again, this fall, the DC schools did not open on time. How that happened is another story that could be discussed some other time. But the bottom line is that it was because of the dilapidated conditions of the schools. The students marched to make us all aware of what was happening.

I now show you a chart that appeared as a photograph in the Washington Post on Wednesday, October 8th, in

which the students say, ''Why should students suffer for adult incompetence?'' It should be ''For congressional incompetence,'' because we are responsible for those schools being closed. The question is, what should we do about it?

I voted against the Moseley-Braun amendment because I felt that that money, which would be more than adequate to fix up the D.C. schools, should be utilized for that purpose. I am not pushing this issue right now for this reason: Last year, I raised the issue of funding the construction of the DC public schools to bring them up to standard. I almost got $1 billion in the Finance Committee. That effort failed by one vote. We did end up with $50 million coming out of the Senate. But in the reconciliation bill, even the $50 million was dropped.

Why? Because it was said that there were better programs to be financed by the Federal Government to help the District of Columbia than to help the school system. I violently disagree with that. At the same time, the Director of OMB said that he would work with me this year to find the money for the schools, as did other members of the Finance Committee. The members of the conference committee also said that they would help. Thus I have formed a working group with the OMB Director, Frank Raines, and other Members of both the House and the Senate, and we will be working over the next month or two to be able to try to find out what we can do to make sure that these schools get brought up to proper standards.

Congress is not meeting its obligation. The infrastructure repair requirements—just to bring schools up to modern standards—is $2 billion. That is with a ''b,'' $2 billion, to give the students in this city the necessary funds to fix up the schools. The District is the size of a small State—population-wise, about the size of Vermont. That we are not able to help these kids is a travesty. There is no excuse for that.

Also, if you want to look at the DC schools compared to the rest of the country, we have a chart. The red bar is where D.C. is on critical areas in need of repairs, and the yellow is the national average.

The national total is $180 billion necessary to bring schools up to proper standards—not very good. But if you compare the national average with the D.C. schools, my God, look at that. Exterior walls and windows, 72 percent of DC schools are inadequate. The national average is 27 percent. Sixty-seven percent of the roofs on the schools in this city are in bad need of repair, 65 percent of the heating and ventilation needs repair, and 65 percent of the plumbing needs repair. Electrical lighting, 53 percent. That is just not acceptable. We should be ashamed.

It is our responsibility to make sure that those repairs are made. However, not only have we not done that, but in 1974 when we created home rule, we prohibited the District from raising its own money from the most likely source to repair its schools. How did we do that? Well, the Senators from Virginia and Maryland very cleverly put a provision in the act that says the District cannot tax the income of nonresident workers. Every State in the Union that has a tax on income, taxes the income of nonresidents.

Every city in a multistate area that has an income tax also taxes the income of nonresidents. So in prohibiting a commuter tax in DC, we have precluded District residents from generating the revenues to improve the physical infrastructure of the schools. The District has to have a revenue stream to be able to raise the bonds in order to pay for the school repairs.

We in Congress have the responsibility to repair the schools, and we have prevented the local government from raising the money using the most logical source to fix those schools.

What must we do? We have a number of options. I first point out that the closing of the schools this past fall demonstrates the necessity of funding the school repairs. In this regard, I want to clear up something for the record. A lot of blame has been heaped on General Becton, the school superintendent. Actually, what happened was that the citizen's group, Parents United, brought a lawsuit to ensure proper repairs while some repairs were already in process of being made. The work was planned so the schools wouldn't have to be closed, but the judge, who got fed up with city's inability to repair the schools, said, ''No, you are not going to open the schools until you complete the repairs.'' This then created a panic, because the school administrators had to search all of a sudden to find contractors to get the schools fixed to then get the schools re-opened. That process, as a subsequent GAO analysis showed, ended up adding expense to the renovation process.

It is important for us to recognize that before we go home this year, before we fix schools in other areas, it is our responsibility to fix the schools of this city. We are constitutionally responsible. I am hopeful that in the days ahead, when our DC schools working group meets, our task will be to figure out how Congress is going to find the necessary $2 billion in the years ahead, either through some revenue stream created for the District or by utilization of Federal funds. We have to do that. We cannot allow this travesty to continue for the young people of D.C. when we have a constitutional responsibility to fix their schools.

I am hopeful that as we go forward, we will be able to work together, both sides of the aisle, to find a solution to this inexcusable travesty for the young people of Washington.

I want to make sure that my colleagues understand that what I have said is valid. First, we have a letter from Dr. Brimmer, the head of the control board, which indicates that it is impossible to create a revenue stream for the DC schools under the present fiscal situation of the city, nor does the school district have the authority to create a dedicated revenue source. Therefore, it would be necessary for Congress to do something to acquire the necessary money for construction and repairs of the school system.

I ask unanimous consent that this letter be printed in the RECORD.

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

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY,
Washington, DC, February 9, 1998.

Hon. JAMES M. JEFFORDS,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I appreciate your continued support of the District of Columbia Public Schools (DCPS) and the opportunity to provide you with information on the outlook for the DCPS capital program.

Simply put, the school system must rely upon the District of Columbia government for its capital improvement funds and the City government's related bonding capacity. The General Services Administration has estimated the total cost of repairing and improving the District's educational facilities at more than $2 billion Years of deferred maintenance have left the DCPS education facilities in a state of extreme disrepair.

District school officials estimate that between $20 million and $30 million may be realized from the sale of former school properties in the next year. All of the proceeds from these sales will be used for school capital improvements. While these funding sources are substantial, they are finite infusions. Recent additions of capital improvement funds, principally through your efforts, from the privatization of Connie Lee and Sallie Mae, have raised $18.25 million and $36.8 million, respectively. These have greatly enhanced the capital program. However, the sums made available through these means, even when added to the District's current annual capacity to borrow for school repairs and improvements, are woefully inadequate. They do not fully fund the program developed to bring the DCPS facilities into the new millennium.

In February, 1997, the DCPS issued its first Long Range Facilities Master Plan covering the years 1997 through 2007. This plan, updated in July, 1997, sets out goals and plans for emergency repairs, right sizing, stabilization, and modernization of the District's public school facilities. Without additional resources, which are not now in sight, this program cannot be fully implemented, and its goals (including equipping schools with modern technology) cannot be achieved.

The only continuing source of funding available to the District is its annual capital borrowing program. This source must bear not only a school repair burden, but also the significant infrastructure needs, including the requirements of roads and bridges, of the rest of the District government. This capital program has been limited to approximately $150 million for the entire city in recent years. This is due to the District's statutory limitation on the amount of debt, as a percentage of total revenue, that the city is allowed to carry. Given this limitation, and past commitments to the Washington Metro system, the District can only afford to commit approximately $30 million to public school capital annually, while the annual capital improvement need is well in excess of $100 million.

The Authority continues to evaluate alternatives, including a non-profit corporation financing vehicle and a dedicated revenue stream. However, to date none of these alternatives appears to achieve the needed capital funds flow to DCPS without a negative effect on the City's other capital needs. It is also important to note that, for fiscal year 1997, the Federal government provided a Federal Payment (in-lieu-of-taxes) to the Nation's Capital. The District of Columbia Revitalization and Self-Government Improvement Act of 1997 (Revitalization Act) repealed the authorization for such a payment and replaced it with a Federal Contribution of $190 million for fiscal year 1998, with no specific authorization beyond that year. The President's budget for fiscal year 1999 makes no request for the Federal Contribution. This puts further stress on the District's revenue sources and amounts that can be obtained through a capital borrowing program.

Your efforts on behalf of the District's school children is recognized and appreciated by this District's citizens and leaders. I hope that this information will be useful to you.

Sincerely yours,

ANDREW F. BRIMMER,
Chairman.

Mr. JEFFORDS. In addition, I ask unanimous consent to have printed in the RECORD the testimony of Professor Raskin from hearings I held in January. It addresses the constitutionality of Congress' responsibility for those schools. As a constitutional scholar, his testimony justifies what I think has become obvious from the debate, that the Congress has a responsibility to provide for the D.C. schools infrastructure.

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

[ATTACHMENT 1A]

TESTIMONY OF PROFESSOR JAMIN B. RASKIN BEFORE THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE, JANUARY 13, 1998

The Constitution confers on Congress the same powers over the District of Columbia that states have within their domains. In 1899, the Supreme Court stated that Congress "may exercise within the District all the legislative powers that the legislature of a state might exercise within the state . . . so long as it does not contravene any provision of the constitution of the United States."[1] In 1932, the Court found that the District Clause endows Congress with "all the powers of legislation which may be exercised by a state in dealing with its affairs, so long as other provisions of the Constitution are not infringed."[2]

Thus, Congress has a structural responsibility for education in the District, and this is a responsibility that must be executed in a constitutional way. In 1954, when the Supreme Court struck down racial segregation in public schools in the states as a violation of the Fourteenth Amendment, it also struck down racial segregation in public schools in the District of Columbia as a violation of the Fifth Amendment. This was *Bolling v. Sharpe*,[3] the unsung companion case to *Brown v. Board of Education*, which ended a century of Congressional segregation of public schools in D.C. and malign neglect of the black population.

Even after *Bolling v. Sharpe*, however, Congress oversaw a system of what federal District Court Judge J. Skelly Wright in 1967 called "racially and socially homogeneous schools" that "damage the minds and spirits of all children who attend them" and "block the attainment of the broader goals of democratic education."[4] In *Hobson v. Hansen* that year, the court found that the Congressionally-appointed school board, which had a maximum quota of three black members of nine (later changed to four), had effectively segregated the schools by race and class and created "optional zones for the purpose of allowing white children, 'trapped' in a Negro school district to 'escape' to a 'white' or more nearly white school, thus making the economic and racial segregation of the public school children more complete than it would otherwise be under a strict neighborhood assignment plan."[5]

The *Hobson* court also found that teachers and principals were assigned according to their race and the race of their students, that a tracking system was used to divide students according to race and class and consigned many students to an inferior and demeaning education, and that reading scores fell increasingly behind the national norm in each grade.[6]

Thus, although Congress clearly has an ultimate constitutional responsibility for schooling in the district, it is one that it has not generally lived up to, except by court order. Even now, we see that the Emergency School Board of Trustees, appointed by the Control Board, is an illegally created body. So now would be a good time to figure out how Congress can best fulfill its very real obligations to the District and its children.

On this question, I just have two quick points. First, unlike the citizens of the fifty states, residents of the District have no state constitution to fall back on in order to demand equality of resources and excellence of result in the educational process, something that has taken place in dozens of states. Thus, as you know, the Supreme Court's decision in *San Antonio v. Rodriguez*,[7] holding that education is not a fundamental right and that disparate funding of schools does not violate Equal Protection, is the barren and controlling constitutional framework for the District. This makes it all the more important that Congress try to take the rights of the people and the needs of the children seriously. As the Court put it in *Brown v. Board*, "education is perhaps the most important function of state and local governments."

But, second, this is a delicate matter since education, as the Court observed in *Rodriguez*, is also a public function jealously guarded by local governments, one in our nation's history that has been traditionally the province of the local community itself. So, Congress must also act with maximum respect and deference for the wishes of the local population, the American citizens who live there. Thus, your presumption should be that matters of fundamental educational policy should be decided by the local school board and elected officials so long as they do not implicate an independent federal interest that would justify congressional action under the District Clause. On matters of proposed departures from existing educational policy, such as the school voucher proposal currently in play, Congress should allow the District of make up its own mind in the way that every other locality in America is getting to choose for itself. Nothing could be more averse to the spirit of federalism, democratic government and local control over education than to have members of Congress elected from other jurisdictions deciding such basic matters for the people of the District themselves.

We must never forget that the District is part of America and its citizens have all the rights of other Americans. In 1933 in *O'Donoghue v. United States*,[8] Justice Sutherland recited explained why District residents may not be treated as second-class citizens:

"It is important to bear constantly in mind that the District was made up of portions of two of the original states of the Union, and was not taken out of the Union by cession. Prior thereto its inhabitants were entitled to all the rights, guaranties, and immunities of the Constitution, among which was the right to have their cases arising under the Constitution heard and determined by federal courts created under, and vested with the judicial power conferred by Article 3. We think it is not reasonable to assume that the cession stripped them of these rights, and that it was intended that at the very seat of the national government the people should be less fortified by the guaranty of an independent judiciary than in other parts of the Union."

Justice Sutherland quoted the Court's opinion in *Downes v. Bidwell*[9] to the same effect, emphasizing that the District clause had not subtracted constitutional rights from people who already had them as citizens of states:

"This District had been a part of the states of Maryland and Virginia. It had been subject to the Constitution, and was a part of the United States. The Constitution had attached to it irrevocably. There are steps which can never be taken backward. * * * The mere cession of the District of Columbia to the Federal government relinquished the authority of the states, but it did not take it out of the United States or from under the aegis of the Constitution. Neither party had ever consented to that construction of the cession. If, before the District was set off, Congress had passed an unconstitutional act affecting its inhabitants, it would have been void. If done after the District was created, it would have been equally void; in other words, Congress could not do indirectly, by carving out the District, what it could not do directly. The District still remained a part of the United States, protected by the Constitution."[10]

Thus, in closing, I would say that you walk a tightrope here, the way that all states do when the get involved in the essentially local issue of education. On the one hand, you have a basic constitutional and indeed moral responsibility to see to it that excellent education for effective democratic citizenship is made available to all children in the District regardless of race, ethnicity, language, income, social status, geography, and disability. On the other hand, as much as possible, you must respect the basic American principles of local control over education, democratic participation, and one person-one vote. These I would see as your basic constitutional responsibilities.

FOOTNOTES

[1] *Capital Traction C. V. Hof.*, 174 U.S. 1, 5 (applying the Seventh Amendment right to jury trial to the District of Columbia).

[2] *Atlantic Cleaners & Dyers* v. *U.S.*, 286 U.S. 427, 435 (finding that Congress, like a state, has power under the District Clause to criminalize local conspiracies in restrain of trade in the District of Columbia).

[3] 347 U.S. 497 (1954).

[4] *Hobson* v. *Hansen*, 269 F.Supp. 401 (1967).

[5] *Id.* at 406.

[6] *Id.*

[7] 411 U.S. 1 (1973).

[8] 289 U.S. 516, 544 (finding that the local courts of the District of Columbia are Article III courts for constitutional purposes, unlike territorial courts which "'are incapable of receiving [Article III judicial power].'").

[9] 182 U.S. 244 (1901).

[10] *O'Donaghue*, 289 U.S. at 541 (quoting *Downes*, 182 U.S. at 260–61).

Mr. JEFFORDS. Also, for those who have additional interest in this issue, I ask unanimous consent to have printed in the RECORD a list of all the States that have an income tax and whether or not those states tax the income of

See footnotes at end of article.

nonresidents. I also ask unanimous consent to have printed a list with similar information about cities that impose taxes on nonresidents. It shows that every city in a multistate area that has an income tax also taxes the income of nonresidents.

Somebody may point out that Baltimore does not, but Baltimore, as you know, is flanked on two sides by water and on two other sides by the State of Maryland. It cannot therefore be construed as a city in a multistate area.

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

MAY 21, 1979.

[Attachment 4B]

THE LIBRARY OF CONGRESS, CONGRESSIONAL RESEARCH SERVICE

STATES WHICH HAVE A NONRESIDENT INCOME TAX

Alabama: Nonresidents taxed on income from property owned or business transacted in the State (Sec. 40–18–5).

Alaska: Nonresidents taxed on income attributable to Alaska sources (Sec. 43–20–035) Tax repealed Jan. 1, 1979.

Arizona: Nonresidents taxed on income from activities or sources within the State (Sec. 43–102).

Arkansas: Nonresidents taxed on income from property owned and businesses, trade or occupation transacted within the State (Sec. 84–2003).

California: Nonresidents taxed on income from sources within the State (Sec. 17951).

Colorado: Nonresidents taxed on income derived from sources within the State (Sec. 39–22–110).

Connecticut: No income tax. Tax subsequently instated. Nonresidents taxed on income derived from or connected with sources within the State.

Delaware: Nonresidents taxed on income derived from Delaware sources (Sec. 1102).

District of Columbia: Nonresidents are not taxed.

Florida: No income tax.

Georgia: Nonresidents are taxed on income derived from certain specified activities carried on in the State including from employment, business, trade (Secs. 92–3003, 92–3112).

Hawaii: Nonresidents taxed on the income derived from Hawaii sources (Sec. 235–4).

Idaho: Nonresidents taxed on income from certain specified activities within the State (Sec. 63–3027A).

Illinois: Nonresidents taxed on income attributable to certain activities within the State (Ch. 120 Sec. 3–301 through 304).

Indiana: Nonresidents taxed on income derived from Indiana sources (Sec. 6–3–2–1).

Iowa: Nonresidents taxed on income derived within the State (Sec. 442.5 and 422.6).

Kansas: Nonresidents taxed on income derived from Kansas sources (Sec.

Kentucky: Nonresidents taxed on income derived from sources within Kentucky (Sec. 141.020).

Louisiana: Nonresidents taxed on Louisiana income (Sec. 47–291, 47–293).

Maine: Nonresidents taxed on income derived from sources within Maine (Sec. 5140, 5142).

Maryland: Nonresidents taxed on income from tangible personal property permanently located in Maryland, income from a trade or business or occupation carried on the Maryland, and State lottery prizes (Sec. 287).

Massachusetts: Nonresidents taxed on income derived from sources within the State (Sec. 5A).

Michigan: Nonresidents taxed on income allocable to sources within Michigan (Sec. 206.51, 206.110).

Minnesota: Nonresidents taxed on income allocable to sources within Minnesota (Sec. 290.01).

Mississippi: Nonresidents taxed on income derived from sources within Mississippi (Sec. 27–7–5, 27–7–23).

Missouri: Nonresidents taxed on income from sources within Missouri (Sec. 143.041).

Montana: Nonresidents taxed on income derived from property owned and business carried on in Montana (Sec. 15–30–105).

Nebraska: Nonresidents taxed on income attributable to Nebraska sources (Sec. 77–2715).

Nevada: No income tax.

New Hampshire: No income tax (only interest and dividends).

New Jersey: Nonresidents taxed on certain categories of income earned or acquired in New Jersey (Sec. 54A:5–5).

New Mexico: Nonresidents taxed on income derived from property or employment in New Mexico (Sec. 7–2–3, 7–2–7).

New York: Nonresidents taxed on income derived from New York sources (Sec. 632).

North Carolina: Nonresidents taxed on income derived from North Carolina sources (Sec. 105–136).

North Dakota: Nonresidents taxed on income from property owned or business conducted in North Dakota (Sec. 57–38–03).

Ohio: Nonresidents taxed on income earned or received in Ohio (Sec. 5747.02).

Oklahoma: Nonresidents taxed on Oklahoma taxable income (Sec. 2362).

Oregon: Nonresidents taxed on income from Oregon sources (Sec. 316.037).

Pennsylvania: Nonresidents taxed on income from Pennsylvania sources (Sec. 7302).

Rhode Island: Nonresidents taxed on income from Rhode Island sources (Sec. 44–30–32 and 33).

South Carolina: Nonresidents taxed on income from property or business in South Carolina (Sec. 12–7–20 and 210).

South Dakota: No income tax.

Tennessee: No income tax (just dividends).

Texas: No income tax.

Utah: Nonresidents taxed on income from Utah sources (Sec. 59–14A–6).

Vermont: Nonresidents taxed on Vermont income (Sec. 5811, 5823).

Virginia: Nonresidents taxed on Virginia taxable income (Sec. 58–151.013).

Washington: No income tax.

West Virginia: Nonresidents taxed on income derived from West Virginia sources (Sec. 11–21–32).

Wisconsin: Nonresidents taxed on income derived from Wisconsin (Sec. 71.01).

Wyoming: No income tax.

MARINE B. MORRIS,
Legislative Attorney,
American Law Division.

[Attachment 4D]

TABLE 1.—SELECTED LARGE CITIES WITH AN INCOME TAX ON NONRESIDENTS: TAX RATE ON RESIDENTS AND NONRESIDENTS AND TYPE OF TAX BASE

[Cities listed alphabetically by state]

City	Resident rate (percent)	Nonresident rate (percent)	Tax base
Birmingham, AL	1.0	1.0	Earned income.
Los Angeles	0.825	0.825	Employer payroll or business gross receipts.
San Francisco, CA	1.50	1.50	Do.
Wilmington, DE	1.25	1.25	Payroll/earned income.
Indianapolis—Marion Co., IN.	0.7	0.175	State AGI.
Louisville, KY	2.2	1.45	Occ. lic. tax on wages and net profits.
Detroit, MI	3.0	1.5	Income earned and received in the city.
Kansas City	1.0	1.0	Nonresidents taxed on earnings or net profits from activities conducted in the city.

TABLE 1.—SELECTED LARGE CITIES WITH AN INCOME TAX ON NONRESIDENTS: TAX RATE ON RESIDENTS AND NONRESIDENTS AND TYPE OF TAX BASE—Continued

[Cities listed alphabetically by state]

City	Resident rate (percent)	Nonresident rate (percent)	Tax base
St. Louis, MO	1.0	1.0	Do.
Newark, NJ	1.0	1.0	Employer payroll tax.
New York	2.7–3.4	[1]	State taxable income.
Yonkers, NY	15.0	0.5	Net state tax.
Akron	2.0	2.0	[2].
Cincinnati	2.1	2.1	[2].
Cleveland	2.0	2.0	[2].
Dayton	2.25	2.25	[2].
Warren, OH	1.75	1.75	[2].
Philadelphia	4.86	4.2256	Earned income and net profits.
Pittsburgh, PA	2.875	1.0	Do.

[1] 0.45 wages/.65 self-employment.
[2] Earned compensation and net profits of unincorporated business.

Mr. JEFFORDS. There is no excuse for our inability to fulfill our responsibility to make sure that these schools are brought up to code compliance and modern standards.

I yield the floor.

Mr. GORTON. Mr. President, just a few moments ago, the manager of this bill had a vehicle for a wide-ranging debate over Federal education policy and received unanimous consent to withdraw from consideration the Gregg amendment.

Because the Gregg amendment was identical to an amendment that I offered last year in debate over the Individuals with Disabilities Education Act, and because the Gregg amendment perhaps created more interest on the part of school authorities, school board members, superintendents, principals, and teachers, than any other amendment being debated this week, it seemed important to me to explain to educators all across the country why the debate on the Gregg amendment or the Gregg-Gorton amendment will not be pursued during the course of the debate on this Coverdell A+ bill.

Violence in our schools—assaults, the carrying into schools of guns and other dangerous weapons, disruptive behavior that threatens the safety and security of the educational environment, disruptive behavior that detracts from the educational experience of all students—is an increasingly serious problem.

The Individuals with Disabilities Education Act, the purposes of which are not only praiseworthy but in some respects essential in guaranteeing to all students, including even the most severely disabled, the opportunity for a public education that will allow them to live to the maximum of their capacities, nevertheless includes within it a set of provisions relating to safety, to discipline, and to the orderly nature of our classrooms that amounts to a clear and explicit double standard and, in an increasing number of cases, severely detracts from the educational atmosphere for all of the students of such a school.

In Seattle, late last month, a student designated ''disabled'' attacked other students with a knife on a schoolbus. In Louisiana, a teacher was attacked and hospitalized. In several States, as

we know, assaults with guns have actually resulted in the deaths of students and of teachers. In Danbury, CT, parents picketed a school and withdrew their children from the school because two students were suspended for a mere 10 days for bringing a gun into the school atmosphere.

The Seattle Post Intelligencer, Seattle's morning newspaper—not a newspaper from which I often quote—wrote an editorial shortly after the incident that took place on that Seattle school bus that reads, in part, as follows:

Tuesday's stabbing incident involving a student aboard a Seattle school district bus has called attention to unwise provisions of Federal law that apparently require more tolerance of dangerous behavior by special education students.

If the school district really is required by law to allow students back into class who carry weapons or otherwise have demonstrated intent to harm others, that law is in error and must be changed.

. . . In this school year, there have been four or five instances in which special education students have been accepted back into school even though they had carried weapons, according to Brenda Little, an assistant legal counsel for the district.

Before a special education student can be disciplined, said Little, principals are required by Federal law to prove that the child understood the consequences of his or her behavior and that it was not related to the student's disability.

That's a prescription for disaster.

If a child carries a weapon to school, it is irrelevant whether that child understands the possible consequences of doing so.

. . . In fact, if the child doesn't understand the consequences, that's all the more reason to remove that child from situations where other children may be harmed.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point.

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

CUT NO SLACK FOR WEAPONS BEARERS

Tuesday's stabbing incident involving a student aboard a Seattle School District bus has called attention to unwise provisions of federal law that apparently require more tolerance of dangerous behavior by special education students.

If the school district really is required by law to allow students back into class who carry weapons or otherwise have demonstrated intent to harm others, that law is in error and must be changed.

The bottom line is this: There is no case to be made for extending special civil rights protections to anyone if doing so results in threats to the safety of others.

This is especially so in public schools. ''Mainstreaming''—educating special education students with others—is good. But there are cases where it may have its limits, and safety is one of them.

School administrators cannot tolerate threats to children regardless of who poses that threat. There can be no double standard in this matter. It's not rational public policy to tie the hands of those who have legal responsibility for ensuring the safety of students.

A 13-year old Denny Middle School special education student has been expelled for the stabbing, but he could be back in class within 10 days despite the district's zero-tolerance for weapons. That's because the district has to jump through higher hoops to expel special education students.

''We have to take kids back that would ordinarily not be allowed to return,'' said Denny Middle School principal Pat Batiste-Brown, alluding to the newly tightened federal regulations for special education students who break rules. Twenty percent of the students in her school are classified as special education students.

In this school year, there have been four or five instances in which special education students have been accepted back into school even though they had carried weapons, according to Brenda Little, an assistant legal counsel for the district.

Before a special education student can be disciplined, said Little, principals are required by federal law to prove that the child understood the consequences of his or her behavior and that it was not related to the student's disability.

That's a prescription for disaster.

If a child carries a weapon to school, it is irrelevant whether that child understands the possible consequences of doing so.

In fact, if the child doesn't understand the consequences, that's all the more reason to remove that child from situations where other children may be harmed.

Mr. GORTON. Mr. President, the editorial is correct; it is correct in its understanding and it is correct in its policy judgments.

In Louisiana, the Shreveport Times reports in an article about the Gregg-Gorton amendment that Louisiana Department of Education revealed that there were 22,790 out-of-school suspensions in special education in the 1996–97 school year. . . . The Bossier Parish school board led the fight for more local control by signing a resolution last week that supports Gorton and Gregg. . . . Bossier School superintendent Jane Smith vowed that if a special education student posed a considerable safety threat, such as bringing a gun to class, the parish would treat him or her like a regular education student regardless of the Federal laws.

In other words, Mr. President, we have a law, we have a statute, we have a set of regulations that actually causes a school superintendent to say that this is so bad, this is so dangerous to the students I am attempting to educate that I will simply defy the law. The Seattle school district hasn't taken that position.

In Danbury, Connecticut, parents had to picket and take their kids out of school because of the requirements of the statute that literally sets up a double standard. School districts have plenary authority over safety and discipline and an appropriate educational atmosphere for all of their regular students. They now have almost none—very limited rights to oppose discipline on students denominated ''disabled.'' And don't think that this country isn't full of imaginative lawyers who can come up with a plausible case to denominate a student ''disabled.'' In fact, often they use the very violent or safety-threatening activity of the student to demonstrate that a particular student is disabled.

The Gorton-Gregg amendment was very simple and very short. I believe that our colleagues ought to be reminded of exactly what it said. I am going to read it now:

Notwithstanding any other provision of the Individuals With Disabilities Education Act, each State educational agency or local educational agency may establish and implement uniform policies with respect to discipline and order applicable to all children within its jurisdiction to ensure safety and an appropriate educational atmosphere in its schools.

That's all. That is the entire proposal.

Well, when I made this proposal last year on my own, 47 Members of this body—just 3 short of the number needed to pass it—voted in favor of it. Several members who have voted against it have come to me since then to say that the combination of the reauthorization of IDEA, and the even more prescriptive regulations now proposed by the U.S. Department of Education, and the reactions of their own school boards, have caused them to rethink the issue. As a consequence, I believe that there is a very real chance that the Gorton-Gregg amendment would have been accepted by this body had we presented it.

But I must say, in a very interesting side line, that it truly cross-pressured our school board members, our superintendents, our principals, our teachers, and our PTA members because, of course, by and large, they don't much like the Coverdell bill. They recognize that the Coverdell bill is very likely to pass, that it will be presented to the President and the President will veto it. So a combination of the proposition that the President would veto this amendment in connection with the veto of the Coverdell bill and their own opposition to Senator COVERDELL has caused them to be less than enthusiastic about pursuing it at this time.

That is a valid concern, Mr. President. Both Senator GREGG and I would like to accomplish our goal, would like to see to it that schools have restored to them the authority to keep order and to provide for the safety and security of their students. We feel this way in spite of the fact that we are strong supporters of the Coverdell bill.

A second element is involved. The amendment can be read to cover two closely related, nonetheless distinct, subjects. One of those is the pure physical safety and security of students in schools; that is to say, allowing schools to take disciplinary measures even against those who are disabled. That will assure the safety and security of all of the rest of the students. That is what the editorial in the Seattle Post Intelligencer is about.

But the other element in this amendment has to do with an appropriate educational atmosphere in the schools. That is even more worrisome to the community advocating the rights of the disabled. They see that as authorizing school boards, or teachers, or principals to expel students who present no safety hazard to their fellow students, but can be seen by the tremendous

amount of attention they require on the part of teachers severely to distract from the educational atmosphere of a particular classroom. Personally, I believe that that is an appropriate consideration for our teachers and our principals and our school board members. I believe they have a right to weigh the quality of education of all of their students in making these judgments. I do recognize, however, that that aspect of this amendment is more controversial—not only more controversial, but more arguable than the balance is. And as a result of a series of meetings during the last two-week recess at schools all across the State of Washington, in which both the amendment I will introduce tomorrow on block grants and IDEA, aforementioned, more of our time was spent on this Disability Act and safety and security in the schools than on any other subject.

At the last of those meetings when both the disability community was represented and school authorities were represented, I detected for the first time some willingness to meet on a middle ground. Whether that middle ground has to do with safety and security only, how far the disability community is willing to go in that connection, whether or not there ought to be some consideration of the educational atmosphere of all students, none of these questions were settled by any stretch of the imagination in the course of the meetings that I had, even with the education community in the State of Washington. But I do feel that it is at least possible that on this very controversial issue a bit more time may permit us to find some common ground. From my perspective at least, that is the second reason that it was appropriate that I consented to the withdrawal of the Gregg amendment at this point in the debate.

I want to make it crystal clear, however, to educators all over the country who have supported us in this cause, that this withdrawal does not mean that the debate is over by any stretch of the imagination. The present Gregg-Gorton amendment, or something very similar to it, will be presented at an early opportunity on some other bill that relates directly or indirectly to education. It will not go away. But I hope the next time that it is presented, it is presented on a bill that is almost certain to be signed by the President of the United States rather than vetoed by the President of the United States.

In addition, I hope that by that point we may have at least a partial meeting of the minds—one might hope a full meeting of the minds—between those genuinely concerned with the educational rights and civil rights of the disabled community and those genuinely concerned with the safety and security of all of our students, and on the proposition that all of our students receive their education in an atmosphere best conducive to that education for all students in the public schools of the United States.

It is with those twin hopes—that we will have a better vehicle for this debate and that perhaps we can have the debate at a somewhat more extended fashion than the very limited time on the Coverdell bill and that we might bring the two sides together to a greater extent than they have ever been in the past—that I have agreed to the withdrawal of that amendment.

It is withdrawn from this bill. It will come up again. I believe that we need to do more to empower those men and women all across the United States who provide the educational services to our children day after day, week after week, year after year because of their own professional dedication. I believe their views need to be considered, and I think that we will be able to consider them better a little later on this year. I pledge, however, that consider them we will.

Mrs. HUTCHISON. Mr. President, I want to take this opportunity to thank John Danforth, the former Senator from Missouri, for initiating the ultimately successful effort to create greater opportunity in public schools to have same-gender classes schools.

I was a freshman in 1994. I remember the compelling argument made by Senator Danforth about what an opportunity this would be for a girl like Cyndee Couch, the seventh grader at the Young Women's Leadership school in East Harlem, NY, to have a safe haven where she could learn without worrying about her safety, or her ability to speak out without being made fun of, or in any way not able to be secure in feeling that she could ask questions and participate in the classroom.

He also thought about the young girls in the classroom in Maine that were spoken about by Senator COLLINS today where the school had to go through hoop after hoop after hoop to be able to have an all-girl math class. When they were able to finally do it and break down all the bureaucratic barriers, the test scores have shown that this has been an outstanding success for the girls in that class, without any detriment whatsoever to the other students in that school.

What we want and what the Senate has done today is to help pave the way to ensure that every child in America to has this same option. This amendment is not a mandate. We are not saying that same-gender classes are best for everyone. But it has been proven that they are good for some, especially for girls and minority boys, who have demonstrated higher test scores and higher grades when they are allowed to concentrate on their studies, free from the distractions of a coed environment.

I am very proud that the Senate has spoken so clearly today in favor of this option for our public school students, an option that I might say is available at private schools, for parents who can afford it. Should this amendment ultimately become law, this same option will become available for many thousands of parents and their children who may not be able to afford private school tuition. In short, the amendment expands the proven benefits of private, same-gender education to the public school system.

I am very pleased the Senate has spoken so decisively today on this issue, and I am confident Congress will include it in the final version of this important bill. And this success would not have been possible but for the hard work, vision, and leadership of Jack Danforth, who took-up this cause and in whose footsteps I proudly follow. When he left the Senate and said he would not seek reelection, I told him I would take up the mantle on this issue, and that I would continue his fight to ensure that our nation's schools pursue excellence wherever they may find it. The parents and students of this nation now await the completion of this job, and I urge my colleagues to continue to work for expanded educational opportunities and choices for all Americans.

Thank you, Mr. President.

MORNING BUSINESS

Mrs. HUTCHISON. Mr. President, on behalf of the majority leader, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, April 20, 1998, the federal debt stood at $5,514,299,725,342.15 (Five trillion, five hundred fourteen billion, two hundred ninety-nine million, seven hundred twenty-five thousand, three hundred forty-two dollars and fifteen cents).

Five years ago, April 20, 1993, the federal debt stood at $4,254,483,000,000 (Four trillion, two hundred fifty-four billion, four hundred eighty-three million).

Ten years ago, April 20, 1988, the federal debt stood at $2,512,569,000,000 (Two trillion, five hundred twelve billion, five hundred sixty-nine million).

Fifteen years ago, April 20, 1983, the federal debt stood at $1,251,499,000,000 (One trillion, two hundred fifty-one billion, four hundred ninety-nine million).

Twenty-five years ago, April 20, 1973, the federal debt stood at $454,840,000,000 (Four hundred fifty-four billion, eight hundred forty million) which reflects a debt increase of more than $5 trillion—$5,059,459,725,342.15 (Five trillion, fifty-nine billion, four hundred fifty-nine million, seven hundred twenty-five thousand, three hundred forty-two dollars and fifteen cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to