the Budget Committee years ago supported a similar amendment to the one I'm proposing today. When I offered an amendment in the Budget Committee that would require that over a number of years we increase the federal contribution to special education to 40-percent, it unfortunately fell on a tie vote.

As some people are aware, the Federal Government commits only 7 cents on the dollar to fund elementary and secondary education services in this country. Seven cents on the dollar is what we do; 93 cents on the dollar comes from the States and local governments, and most funding for education comes from local taxation.

My proposal offers a way for the Federal Government to provide some real tax relief at the local level for special education costs that these communities must raise in order to meet their obligations under the Individuals with Disabilities Education Act.

I am hopeful that, while this amendment has not been adopted in the past, given the choice between a $20.50 tax break over 4 years and taking $1.3 billion and sending it back to our communities to help them meet their special education costs, this amendment may prevail this time. Our children with disabilities and our communities deserve our support. I then hope we can move on to the real business of continuing our work on the Elementary and Secondary Education Act.

RECESS

Mr. DODD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, at 1:10 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GREGG).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of New Hampshire, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The majority leader.

AFFORDABLE EDUCATION ACT OF 1999

Mr. LOTT. As we discussed earlier and agreed to, I now ask unanimous consent that the Senate turn to Calendar No. 124, S. 1134, the education savings account bill.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1134) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. In order to keep the Senate on the subject of the education savings accounts, I ask unanimous consent that the bill be pending today for debate only.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Mr. President, I hope when the Senate resumes the bill tomorrow, that all amendments will be relevant to the education savings account issue. I intend to ask that our Democratic colleagues at a later time agree to that. In the meantime, I expect vigorous discussion today about this very important education issue and how we can all have an opportunity to be helpful to our children in K through 12th grades.

In light of the agreement, there will be no votes during today's session. I remind Members that a rollcall vote is scheduled to occur tomorrow at 11:30 a.m. on the Iran Nonproliferation Act. There is a likelihood that there will be more votes Thursday afternoon, perhaps on Executive Calendar items. We will notify Members of any nominations that might be considered. If votes are required, then we will notify Members on both sides of the aisle exactly what time that would occur.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. We are very grateful that we have an opportunity to talk about education. There are many things that we need to talk about as it relates to education. Certainly, this is a step in the right direction.

I personally believe very strongly about the fact that in America we have 3,000 children dropping out of high school every day—3,000 children who are going to be less than they could be. I think we need to do something about that.

On a number of occasions we have attempted to move legislation forward that would help create a dropout czar in the Department of Education to adopt some of the educational programs that are working around the country.

We in Nevada are particularly concerned with the dropout rate. We have the dubious distinction of leading the Nation in the rate of high school dropouts. We really need to do something about that. This problem is making our country less productive. It is making the State of Nevada less productive. For this reason alone, I think it is important that we start talking about education.

I do say that on the education savings account issue—of which there will be some discussion today by the ranking member of the Education Labor Committee, who will talk in more detail about this—but as the Senator from Massachusetts knows, we could take all these programs, including education savings accounts, and lump them together, and very few people would be helped. We need something to help public education generally.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I am disappointed that we have failed to obtain a unanimous consent agreement to limit amendments with respect to S. 1134, the Affordable Education Act. I hope that we will move towards passage of this very significant bill. The importance of giving American families the resources and means they need to educate their children must be above politics.

I will soon take a few minutes to walk through the various provisions of the bill. But before I get into the specifics, let me remind my colleagues that all of the concepts in this bill should be very familiar.

This bill is an A+ for American education. Its concepts should be familiar because we have already endorsed them. The base provisions in the bill—which include the increase in the maximum allowable contribution to an education IRA, the use of the IRA for elementary and secondary school expenses for public and private schools, the tax-free treatment of State-sponsored prepaid tuition plans, and the extension of tax-free treatment for employer-provided educational assistance—all received bipartisan support from the Finance Committee in the Senate as part of the Taxpayer Relief Act of 1997.

Despite this Senate support, these provisions were dropped from the bill during conference negotiations. Because of opposition from the administration, these particular elements failed to be included in the final version of the Taxpayer Relief Act of 1997.

In addition, these proposals were included in legislation sent to the President in 1998. Unfortunately, the President vetoed that legislation.

These bipartisan proposals were included in the Taxpayer Refund and Relief Act of 1999, which passed last year. Unfortunately, the President vetoed that legislation, as well.

But we must not lose heart. The cause of affordable education is too important. I hope this time we can succeed for the American people.

We are here today to show our commitment to affordable education and to enact what this body determines makes good sense for American families.

It is important to note that this tax bill is not designed to answer all the education-related issues that face this country. Many issues are too varied and complicated to be addressed by the Federal Government. They need to be solved at the State and local level—by schools, by teachers, and by parents working together.

Instead, this bill is designed to build on the innovative concepts that have been introduced in the last few years. Our goal is to fix the Tax Code so that it provides the necessary incentives to help American families help their children. These are much needed tools.

From 1992 through 1998, tuition at a 4-year college increased by 234 percent. During that period, the average student loan increased by 367 percent. In contrast, median household income rose only 82 percent during that period and the Consumer Price Index rose only 74 percent. Our students, our families, need these resources to help them meet the costs and realize the opportunities of a quality education. I hope my colleagues continue to recognize just how important they remain. The American people are counting on us.

Let me take a few minutes to describe the various provisions of the bill, to provide an overview, and to highlight some reasons these measures are so important.

As I already mentioned, the bill increases the maximum education IRA contribution from $500 to $2,000. That increase is important on two levels. First, with the well-documented increase in education costs, it is essential that we provide American families with the resources to meet these costs.

I have long argued that it is essential to change the savings habits of the American people. There are few things more important than the education of their children. Not only will saving in this way increase our investment capital, it will increase Americans' education capital as well. Anything that thwarts either of these objectives is shortsighted.

By using the Tax Code to encourage individual responsibility for paying for educational expenses, we all benefit. The expansion of the education IRA will result in greater opportunities for individuals to save for their children's education.

Besides being too low to give parents the necessary resources to pay for the cost of education, the current $500 limit fails from another practical perspective. As we all know, any banker or broker who provides an IRA account faces assorted administrative costs for each account. To ensure they can adequately cover their administrative costs, most brokers or banks impose a minimum account balance, and in many cases the maximum balance has been set well higher than $500. That reality of the marketplace has the effect of limiting the availability of the educational IRA to American families.

Another reality is that confronted by a $500 limit. Many mutual fund companies find it is not worth their while to spend money on marketing the educational IRA. It is a fact of life that regardless of what we say or do in Congress, many families only know about the benefits of an educational IRA through the marketing efforts of their local mutual fund companies and banks. These businesses have been very successful in marketing IRAs with the higher contribution limit. If we want to maximize the involvement of American families in education IRAs, we need to ensure that the accounts make economic sense from the perspective of the companies offering them.

The next major change this bill makes to education IRAs is that it allows withdrawals for education expenses for elementary and secondary schools and for both private and public schools.

As we recognized last year, it is a fundamental principle that a parent should have the right and the ability to make decisions about his or her child's education, to decide basic questions such as how the child shall be educated and where the child should attend school.

In 1997, for example, when Congress passed a variety of provisions targeted to higher education, we made no distinction between private and public schools.

We did not say, for instance, that an education IRA or a HOPE scholarship would only be available if a student attended public school. We did not say that a student who attended the University of Maryland would receive a tax benefit but a student who attended George Washington University would receive nothing.

This bill recognizes that, just as for higher education, we should not establish a priority system where some elementary and secondary schools are favored over others. We should not forget that it is the taxpayer who funds the educational IRA, that it is the parent who puts his or her hard-earned money into the education IRA.

It seems a matter of common sense, therefore, that the parent should be able to choose how to spend that money and the parent should be able to choose where to send their children to school.

Moreover, parents with students in elementary and secondary school need our help to cope with the costs. It is simply not true that only rich kids attend private elementary or secondary schools. For instance, recent data from the National Catholic Education Association indicate that almost 70 percent of the families with children in Catholic schools have income below $35,000, and almost 90 percent of those families have incomes below $50,000. Why should those children not have access to these accounts?

Another provision in this bill makes State-sponsored prepaid tuition plans tax free, not simply tax deferred. This is a significant distinction because it allows students to withdraw the savings that accumulate in their prepaid tuition accounts without paying any tax at all. That means more money for children's education. It also means parents have the incentive to put money away today, and their children have the full benefit of that money without any tax tomorrow.

As I have already mentioned, at least 43 States have prepaid tuition plans in effect. This means most Members of the Senate have parents and students back home who either benefit from the plan right now or will benefit from the plan soon. I am pleased to see my home State of Delaware has already acted in this area. Delaware parents can now save for college on a tax-deferred basis. But if this bill becomes law, these Delaware families will be able to save for a child's college education on a tax-free basis.

The prepaid provision also covers networks of private college plans. This will enable still more parents and more students to save for college.

The Finance Committee bill also extends tax-free treatment of employer-provided educational assistance for graduates and undergraduates through June 30, 2004.

This particular program is a time-tested and widely used benefit for working families. Over 1 million workers across America receive tax-free employer-provided education. This allows them to stay on the cutting edge of their careers. It benefits not only them individually but their employers and, of course, the economy as a whole. With the constant innovation and advancing technology of our society, it is vitally important that we continue this program.

The Finance Committee hearings demonstrated the crushing debt burden faced by students coming out of college. I can tell you about this debt burden from Delaware families. I am sure I am not alone. To this end, the Finance Committee restores the student loan interest deduction in the Taxpayer Relief Act of 1997. This bill goes another step further and simplifies and expands the deduction for more students.

The Finance Committee does even more than address the cost of attending school. In response to concerns from Members on both sides of the aisle, the Finance Committee agreed on some measures to provide relief in the area of school construction.

The first provision is directed at innovative financing for school districts. It expands the tax-exempt bond rules for public-private partnerships set up for the construction, renovation, or restoration of public school facilities in these districts. In general, it allows States to issue tax-exempt bonds equal to $10 per State resident. Each State would be guaranteed a minimum allocation of at least $5 million of these tax-exempt bonds. In total, up to $600 million per year in new tax-exempt bonds would be issued for these innovative school construction projects.

This provision is important because it retains State and local flexibility. It does not impose a new bureaucracy on the States. It does not force the Federal Government to micromanage school construction.

The provision is also important because it promotes the use of public-private partnerships. Many high growth school districts may be too poor or too

overwhelmed to take on a school construction project itself. But with these bonds, these districts can partner with a private entity and still enjoy the benefits of tax-exempt financing.

It is worth noting that there already is a significant Federal subsidy for school construction. Under current law, States and localities can issue debt that is exempt from Federal taxation. This benefit allows them to finance school construction by issuing long-term bonds at a lower cost than they otherwise could.

Moreover, the evidence shows that States and localities are taking advantage of this benefit. In the first 6 months of 1996, voters have approved $13.3 billion in school bonds, an increase of more than $4 billion over the first 6 months of 1995. The bottom line is that many States and localities are doing their homework, passing bonds, building and renovating schools, and enjoying favorable treatment under the existing Tax Code. They are doing all this without significant Federal involvement.

I do not have to remind colleagues that school construction has always been the province of State and local governments. 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. In that respect, I agree with the President.

Well, there is a second bond provision in this bill. That provision is designed to simplify the issue of bonds for school construction. Under current law, arbitrage profits earned on investment unrelated to the purpose of the borrowing must be rebated to the Federal Government. However, there is an exception, generally referred to as the small issuer exception, which allows governments to issue up to $5 million of bonds without being subject to the arbitrage rebate requirement. We recently increased this limit to $10 million for governments that issue at least $5 million of public school bonds during the year.

The provision in the Finance Committee bill increases the small issuer exception to $15 million, provided that at least $10 million of the bonds are issued to finance public schools. This measure will assist localities in meeting school construction needs by simplifying their use of tax-exempt financing. At the same time, it will not create incentives to issue such debt earlier or in larger amounts than is necessary. That is a type of targeted provision that I believe makes good sense.

Finally, as we all know, the Tax Code is too complex. As chairman of the Finance Committee, simplification of the Tax Code is one of my top priorities. This Finance Committee bill provides for coordination between education IRAs, prepaid tuition plans, the HOPE scholarship, and lifetime learning credits. This provision will mean that parents will not lose the benefit of the HOPE scholarship and lifetime learning credits when they use an education IRA or a prepaid tuition plan.

It is clear that the Finance Committee bill contains numerous important provisions for the American family.

As I have already said, many of these measures are ones the Senate passed last year. Anyone—students or parents—who is on the front line dealing with the cost of a quality education must have been disappointed in 1997, in 1998, and in 1999 when the President failed to agree to give any student or parent all the tools they needed.

American families understand the need for these measures. American families have now been waiting for several years. Let us not disappoint them any further. Let's not keep them waiting any longer. Let's move forward. Let's pass the Finance Committee bill now.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, it is now Wednesday, the 23rd of February. It is just about a week after the President of the United States sent his budget to the Congress where he outlined his request of the Congress for a very extensive education priority—more than $4.5 billion measured just in financial terms over the previous years—specifying in great detail, the priorities he placed in strengthening our education system.

I think any American who listened to the President's State of the Union Address would have to conclude that the President spoke for all Americans when he said the primary priority for all Americans was in the area of education and also that we ought to try to find partnerships where the Federal Government can work with the States and local communities in order to strengthen our K through 12 education system. Both the President and all of us in this Congress understand that we have some very important pieces of legislation before the Committee on Health, Education, Labor, and Pensions. We will reauthorize the ESEA, a composite of different pieces of legislation, that is primarily targeted in terms of the most disadvantaged children and children in greatest need.

I, as ranking minority member of the Committee on Health, Education, Labor, and Pensions, want to take this time now to commend our chairman, Senator JEFFORDS, for the time he has taken to try to examine and bring that legislation as a priority item to the floor of the Senate so we can take action. Even though we are in the Senate for a relatively short period of time, we are going to have the opportunity to debate that legislation, which primarily is $8 billion, which is focused on the neediest schools and poorest children.

There are other funds in terms of school construction. There are other funds in terms of math and science programs. There are additional funds in the Elementary and Secondary Education Act. That has really been the vehicle on which I think most of us thought we would begin the debate in this Congress on the issue of central importance to the American people—on education.

I can say, as someone who has served on the education committee now for 38 years, that we have had a remarkable sense of bipartisanship in working through education. It has only been in the last 10 years we have even voted in the committee. We had votes on the floor of the Senate. But by and large, under the leadership of Bob Stafford, a Republican from the State of Vermont, under the leadership of Claiborne Pell, a Democrat from Rhode Island, and even back to the period of Lister Hill in the early 1960s when many of these pieces of legislation were initially passed, we didn't really have a great deal of partisanship. It was understood that education was something on which we freed ourselves from involving partisan disputes. It has only been in the most recent times we have had that.

That doesn't mean a good debate and discussion on education policy is not helpful in terms of trying to find out the most sensible and responsible ways we would proceed. But it does come as some surprise to the members of our committee, quite frankly, that we have had some 20 days of hearings and we are in the process of attempting to mark up this major piece of legislation and bring it to the floor so we can have a full debate and discussion on the measure.

Just to put this tax legislation in some perspective, the President's budget in terms of education will be about $40 billion this year, $4.5 billion over last year. The measure which is being offered on the floor of the Senate as the principal Republican measure comes to approximately $225 million per year—$1.2 billion over 5 years.

Not that you can't do a good deal with $1.2 billion over 5 years, but when we are talking about the magnitude of our involvement in terms of what the parents of this country have said they want to have happen in their local schools and local communities across this country, I am somewhat amazed. I am amazed that the Republican leadership would recommend—as they did and as is their power to do—that we are now considering this legislation of $1.2 billion over 5 years, $225 million a year, that will provide an average benefit of $7 per family, according to the Joint Tax Committee, which is neither Republican nor Democrat.

We are now 4 weeks into the session, I can't believe we have any more important priority for the Senate than the issue of education. We should be debating real solutions to real problems, such as overcrowded classrooms, crumbling facilities and unsafe school buildings, and the lack of qualified teachers

in classrooms, accountability for results, and adequate after-school opportunities.

We certainly have been waiting to debate the issue of health care. I look forward to our meetings as a member of the conference committee on the Patients' Bill of Rights for next week. But that was long past in the Senate last year. We were just about getting to it.

We still have not been willing to address a minimum wage increase for the hardest working members. We always hear from the Republican leadership that we haven't the time to debate a 50-cent-per-hour increase for minimum wage this year and 50 cents next year. We haven't the time to debate that, although we are committed this afternoon to no votes. We are not able to debate an increase in the minimum wage for the 12 million Americans—mostly women benefit, mostly children benefit, mostly men and women whose skin is not white benefit. We don't have time to debate that. No. We haven't the time in the Senate to do it the fourth week into the session. No. We are going to debate this issue which is valid at $225 million—which we ought to be about debating as well.

I want to review this very quickly. As I say, if we ask parents back home what they are most concerned about, what comes out on every single review about things that the parents are most concerned about, it is discipline and safety in the schools.

It is no surprise that under the most recent studies in 1999, the top concerns of parents are safety and discipline in the schools—safety and discipline in the schools.

With the relatively small amount of resources we provide to local communities, 7 or 8 cents out of every dollar, what can we do in the Senate to help local communities have greater safety and discipline in the schools? That is what parents are concerned about. That is what we want to debate. It is on that which we want to call the roll. But no, we will debate whether there will be tax provisions that benefit some, to the tune of $225 million, an average of $7 per family.

It is a shame to mention the polls because it is self-evident what parents want is a well-trained teacher in every classroom for their children. We don't need a poll for that. They want teachers who know how to teach, who know the importance of support, and teacher mentors who help in the classrooms. They want smaller class sizes. That is the way to deal with discipline. That is the way for academic achievement and accomplishment.

We can debate what the records are with the STAR programs in Tennessee and other States that show significant academic achievement. Why are we not supporting those? Why do we not take programs that benefit children and replicate them? No, no, we have to debate this other piece of legislation, the $1.2 billion over 5 years. We cannot debate class size, we cannot debate improving the quality of education, we cannot debate afterschool programs, we cannot debate modernizing schools, we cannot debate how to assist special needs children. No, we cannot do that.

What do the various important bipartisan studies show? On the priorities for parents, No. 7 is creating educational savings accounts to help parents pay for educational expenses for children. That is what we are debating.

No. 6, modernizing and rebuilding schools and wiring all classrooms for computers and Internet. That is a priority—the digital divide. Make sure every public school will be included on the Internet; make sure all the curriculum will be adequate in order to be able to teach these children; and to make sure the teachers know how to use that technology.

No. 5, establish national academic standards and tests for students. More and more of the States are doing so. Almost all of the States have done it in certain classes, even this year.

No. 4, reduce class size to 18 students in grades 1 through 3.

No. 3, increasing the salaries of teachers. Are we debating that this afternoon? No, we are talking about the IRAs for parents that will be valued at $7 per family. We are not allowed to have any of these amendments or vote on them this afternoon.

No. 2, train teachers in technologies, computers, and Internet.

No. 1, establish national certification standards for teachers, meaning we will have good teachers in every classroom.

That is what American parents want. That is what the Democratic Party wants. That is what we ought to be debating on the floor of the Senate this afternoon. It is on that which we ought to call the roll.

But no, no, we are working on priority No. 7, to create educational savings accounts to help parents cover those expenses for the children.

I think this is a great tragedy this afternoon. If we accept the Coverdell bill this afternoon, I will not vote for it. I believe if we are going to have the $1.2 billion, it can be better spent getting more qualified teachers, smaller class sizes, afterschool programs, computers, special needs children.

If we pass the $1.2 billion program, it will not mean a single better trained teacher in any classroom in this country. None. It will not mean a single smaller class. It will not be an afterschool program. It will not provide help and assistance to special education needs children. It does not help any of the older schools that are crumbling. It does not provide a new computer in a classroom. It does not make a school safer. It does not stop overcrowding. It does not move children out of some of the trailers and into the classroom. It does not respond to what the General Accounting Office pointed out is the $112 billion needed to make the basic schools livable in our society. We do not add a nickel to any of those priorities. It does very little in terms of providing help and assistance to the children in the public schools.

What are the various groups saying? Not that we ought to be dictated to by the various groups; we do not find real support from the primary groups interested in working with the Congress. We can find some support if this were to be used in terms of higher education, as an add on, but we do not find support from teachers; we do not find support in terms of the Chief State Schools Officers, or the Council of the Great Schools; we do not find support in terms of any of the special education programs; we do not find support with the parents; we do not find support with the school boards; we do not find support with a number of groups—I have a list of over 75.

My regret is that we are being denied the opportunity to get into the more substantive matters that are of central importance to parents whose children are going to the public schools.

We ought to have a good, sound debate about what we are going to do to have better trained teachers. With scarce resources, who wants to put funding into teachers, including the recruitment of teachers, the training of teachers, the holding of teachers, teacher mentoring and support for upgrading the skill of teachers—the whole range of different suggestions that have been made primarily by those who are in the teaching profession? We ought to be listening to those who entered the profession. We ought to be debating those issues.

Smaller class size, we had good debate on that. We had some division within the body on that—the first time the Murray amendment was actually accepted. Republicans were falling over themselves trying to accept credit for it, and then fought it the next year. I do not know where they will be this year. But it makes a good deal of sense, and the more evidence we get the more that is demonstrated.

We need to do more to help schools and communities develop constructive afterschool activities to keep students off the streets, away from drugs, and out of trouble. These programs have been endorsed from an education point of view and a law enforcement point of view. Funding has been significantly increased in the President's proposal. That is a legitimate proposal and we ought to debate whether we want scarce resources focused that way.

What are we going to do to make sure the neediest children in our country, those who come from the poorest areas of our country, have access to computers? That is a matter of national technology. Are we going to take new technology, and at the end of 10 years, those who went to schools that had the best in technology and teachers are going to be light-years ahead of another group of students, whose skin is probably not white, who are from underserved areas? We ought

to be debating that. Is that before us on the floor of the Senate?

There are Republicans and Democrats who have good views on this. We ought to be working together to find out the solutions to these problems. But, oh, no, we are just going to be debating this afternoon. We are just going to be debating what is No. 7 in all of the polls, creating educational accounts, something that is valued at $225 million.

I know probably our colleagues say: That may not be a lot to you, Senator. We don't want to bother with that answer. We know we are spending $40 billion this year in a Federal budget and now we are engaged in our first education debate, which is how we are going to spend $225 million of it.

Does that say something about what the leadership wants for debate and discussion on issues of education? I think it does.

We are prepared to meet with the chairman of our committee and follow the committee process and come to the floor of the Senate with responsible recommendations and to debate those until we are able to have a resolution of those. But that process has been short-circuited, evidently, by the leadership of the Republican Party. They are basically saying no to its chairman, the chairman of the education committee—no, we are not going to do it that way; we are going to do it some other way.

We are going to have to deal with what we are faced with, and I think there are many more important educational proposals we ought to be debating. We ought to be debating them this afternoon. We ought to be taking rollcalls on these issues. They are of central concern.

Then we ought to move on to many of these other issues that have been effectively side-tracked. We cannot get a bankruptcy conference appointed because I have every intention to try to instruct the Members, when they go to the conference on bankruptcy, they are to change the provisions that have been included in the bankruptcy bill to make sure the neediest American workers are going to get a fair increase in the minimum wage. The majority leader will not call that up. We cannot deal with that.

We are putting off the Patients' Bill of Rights. We cannot begin the debate and discussions on the prescription drug bill.

We have been watching these debates that have been taking place, Democrats and Republicans. Many even in this Chamber have been in States where seniors have been gathering together, talking about the importance of a prescription drug benefit. We are not even able to get a good debate and discussion on these measures in the Senate.

Four weeks into the session and this is our record so far: we have the Marianas immigration bill which was passed overwhelmingly; we have a nuclear waste bill, which is legislation that is going to be vetoed; and we have a conference report on bankruptcy. We have had 11 votes, including 3 nominations. It is already the end of February.

You cannot get away from where responsibility lies to address America's agenda. On this side of the aisle we want to address the issues of education. We want to address the issues of health care. We want to address the issues of prescription drugs for our senior citizens. We want to address the issues that are of central concern to working families. We are being denied that opportunity now, and we are going to continue to point out as we go through this legislative process each and every time that we are being denied. We are going to work feverishly to try to do the Nation's business and not be denied bringing these matters up on the floor of the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I would like to point out that what we have before us is a matter within the jurisdiction of the Finance Committee. As I said in my opening remarks, this bill does not answer all problems of education. I am not one to try to base what I do on what a particular poll shows today or tomorrow. I am trying to help satisfy some of the pressing educational problems facing America.

When I go home to my little State of Delaware, a matter of real concern to families, whether their children are teenagers, in secondary or in grammar school, is how the family can afford to send their children to quality colleges. This is a key problem facing the typical American family. Make no mistake about it. I defy any one of you to go home and talk to parents, talk to your neighbors who have children. Time and again they will tell you how difficult it is to have the funds necessary to pay for college education.

So I do not apologize for bringing this kind of legislation before us. This is a matter within the jurisdiction of the Finance Committee. I might say, we have had this legislation reported out since last May. I am pleased and delighted we are having the chance to debate and vote on it. Yes, it does not settle the problems of teachers' training, the size of classes, or many of the other matters mentioned by my distinguished colleague from Massachusetts. I do not deny those are important problems, but they are matters within the jurisdiction of other committees. What I seek to do today is to bring to the Senate legislation that will be most helpful to the typical American family, meeting part of that great American dream of sending their children on to higher education.

We have purposely tried to devise the kind of program that takes advantage of the miracle of compound interest. The question is not how much it costs the Government. The question is how much does this legislation help the typical American family? We all know the miracle of compound interest. If families will start when their children are small, saving in educational IRAs, up to $2,000, this will provide significant resources, tremendous amounts of money to help them send their children to school.

Yes, this legislation does not answer all problems of education, nor was it intended to. That is not within the jurisdiction of my committee. But I do say it does seek and will address some of the most important problems facing the American family.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from New Hampshire.

Mr. GREGG. Mr. President, I begin by congratulating the Senator from Delaware for bringing this bill forward again, and the Senator from Georgia, who is presently in the Chair, for having been the original author of this bill.

This is a very strong piece of legislation which, as the Senator from Delaware has so effectively pointed out, is absolutely critical to the parents of this country as they try to assure the one thing that is most important in most parents' lifestyles in dealing with their kids, beyond giving their kids love and a sense of how to deal with reality and a sense of values, and that is the ability to get a good education. The ability to get a good education, once you get out of the public school system in our country today, is tied, to a great extent, to your ability to pay for that education. Postsecondary school education, even under public school systems, can be extraordinarily expensive.

These college savings IRA accounts give parents more flexibility. In fact, there was an ad I saw on TV last night which brought home the reality of this so effectively. It showed a baby being born. The theme of the ad was: The first image that comes across the parents' minds is the wonder of the baby. The second image that comes across the parents' minds is, $210,000 is flashed up on the screen because that is what it is going to cost to educate that child, to have that child, who was just born, go to college. The theme of the ad is: What am I going to do to pay that?

One way to address it is to pass this bill which was passed and, regrettably, rejected by the Democratic side of the aisle and the President. It is before us again so we can give parents some relief.

Nobody is claiming this is the entire rug or the entire makeup of the issue of how we address education. No one is claiming that this is the whole quilt. This is one block within the quilt, one item of the quilt in how we improve education in this country today. It is an important item, and it is an important statement to make that we, as a Congress, are going to, once again, put forward this initiative which we put forward last year as part of our efforts.

A couple of Members from the other side of the aisle have come to the floor today and said they would rather debate something else. I guess they do not think college education is that important. They think something else is more important.

One Member came to the floor today, the Senator from Connecticut, and said we need to debate special ed; we need to put more money into special ed. We should not be putting more money into this program; we should be putting more money into special ed.

That is an unusual argument to hear from the other side of the aisle because there is a certain inconsistency and hollowness to that argument. Let's go through the numbers as to special ed and this Congress since the Republicans have taken over and since we have had a Democratic President.

In 1997, the President sent up a budget. How much of an increase did he have for special ed? He had a 12-percent increase. The Republican Senate made a commitment. It said: That's not enough; we have to address special ed. We are going to put more dollars into special ed.

As a result, the Republican Congress put forward a 34-percent increase in special ed. Why was that? Because we see special ed as being the single largest unfunded mandate, outside the environmental area, this country has. Originally, the agreement was, the Federal Government was going to pay 40 percent of the cost of special ed. When the Congress became Republican, the cost that was being paid by the Federal Government was 6 percent, and it had not been improved at all by the Democratic Congress or by a Democratic Presidency.

We made a commitment as a Republican Congress that we were going to get that spending up so more special ed dollars would flow back to the States, so we could fulfill our obligations under special ed of paying a larger percentage of that 40 percent, so local dollars could be freed up for the purposes of spending them on local priorities rather than having local dollars spent paying the Federal share of special ed.

As I said, in 1997 the Democratic leadership in this Congress, and through its President, proposed a 12-percent increase in special ed. We raised special ed spending by $783 million that year, or 34 percent. I am pointing this out because the Senator from Connecticut said we have to spend more money on special ed; we should not be talking about this program on the floor; more money should go to special ed. I think that rings hollow in light of these numbers.

In 1998, the President put forward a budget with a 4-percent increase in special ed funding. That is essentially enough to pay for all the salaries of all the administrators they want to put on the books. The Senate increased special ed spending that year under a Republican initiative by 22 percent, $698 million.

In 1999, it was the same story. The President sent us a budget supported by the Democratic leadership. How much of an increase did they ask for in special ed spending? This time they asked for a .03-percent increase in special ed funding.

The Republican majority said: No, that is not acceptable; we are going to increase special ed funding again. We increased it over the baseline by 13 percent in 1999, $510 million.

Again, in the year 2000, this year, the President increased special ed funding by what? Seven percent. We said: No, that is not acceptable; more special ed dollars are needed to meet the obligation of the 40-percent commitment we made. So the Republican Senate, with a Republican initiative of this Congress, increased special ed funding by $678 million last year for a 15.7-percent increase.

The total increase under the Republican leadership in this Congress in special ed funding has been over 100 percent since the year 1997. We have gone from $2.6 billion up to over $5 billion we are projecting in this coming year in special ed funding.

The proposals coming from the other side of the aisle—and we just heard this presentation that said we should be spending more on special ed—were to increase special ed funding over that period by essentially nothing.

The Republican majority has taken the issue of special ed funding. We have fulfilled an obligation. We are moving toward full funding of that obligation made by this Congress in 1976 when the special ed bill was first passed, and as a result we are doing what should be done, which is to fund special ed at an aggressive level, something which we have not seen coming from the other side of the aisle or from the administration.

When I hear folks come to this floor and say we should not be taking up this bill, we should be funding special ed, there is, I think, a certain hollowness to that argument.

The Senator from Massachusetts argued we ought to be taking up this item of education, that item of education, another item of education, and why haven't we taken up all these items of education; we have not done anything in this Congress, including minimum wage.

I note, the bankruptcy bill did have minimum wage in it, which we passed, which the Senator, I guess, does not like, and that is why he considers we have not taken it up. The fact is, all the educational items he has listed are presently moving through committee and will be discussed in committee and then will be brought to the floor, as the Senator knows.

The Elementary and Secondary Education Act is on the verge of being marked up in committee. In fact, I think the Senator probably, as of today or maybe tomorrow, will be putting together his amendments and will be getting ready for a major markup of that bill the first week in March, which will take up almost all the issues he outlined as not being addressed by this Congress.

Would he want us to skip the committee and just bring that bill to the floor without any committee action? As a senior member on the Democratic side of that committee, I seriously doubt that. That bill is not being vetted in committee. I cannot imagine the Senator would want those issues, which are very complex, very important, and involve substantive discussions of education policy, to be thrown out on the floor without committee action. But that seems to be what he is suggesting, that we should have just thrown the bill before the Senate rather than putting it through the proper committee procedure and taking action on it, which is what he has proposed. He knows it is going to be taken up in committee and then brought before the Senate and worked on I suspect for a week or a week and a half, maybe 2 weeks.

Why is this bill being considered? Because this bill has gone through the committee process. The chairman of the committee which has jurisdiction over this piece of legislation is presenting the bill. That is why it is here.

If the ESEA bill was ready, it could be brought to the floor, but the ESEA bill isn't ready. It will be ready fairly soon. It is going to be one heck of a good bill on which to debate education policy. I will not deny that.

The differences between our side of the aisle and the other side of the aisle on the issue of elementary and secondary education in this country are fairly significant. We happen to think after you have spent $100 billion on a program, and kids can be shown to have obtained absolutely nothing from that money, that you have children essentially who are still locked into failure, where low-income kids are still getting the same terrible education children got 20 years ago.

Even though we have spent $100 billion on education, unfortunately, the children with whom we started out 20 years ago in this program have ended up coming through a system which has failed them. We are still sticking kids into that system. We are still running them through that system, the same way it has always been—counting bureaucrats instead of counting results; not focusing on the child but, rather, focusing on systems. That is a failure; no question about it. We are going to get to discuss that failure at some length on this floor, as we will in committee. That is going to be a big issue.

But to simply bring the ESEA out here and throw it on the floor, as the Senator from Massachusetts, the ranking member, seems to be implying we should do before we take up this bill, abandons the legislative process.

The legislative process relative to this bill has worked. It has gone through committee. It has actually gone through committee and through

the Senate and it has been vetoed. Now it is back on the floor. Having gone through the committee, it has come back to the floor to be heard again. It makes sense that we should be taking up this bill.

I think the arguments by the Senator from Massachusetts, as much as I respect his understanding of the legislative process—he is one of the people in the Senate who knows the most about the legislative process and has been here the longest of anyone, I guess, other than Senator THURMOND and Senator BYRD. He understands the legislative process, and I am a little surprised, I guess, that he would make the representations he did relative to why this bill is on the floor versus the other issues he outlined as being his preference for being considered on the floor.

We will get to those other issues. We will get to them aggressively. We will have a full debate. It is going to be a very energized debate. There will be a lot of differences of opinion. It will be good for this country because the education debate needs to be aired on this floor with intensity and with a full hearing because it is such a critical issue for our Nation.

But as of right now, the bill on which we are ready to proceed is this bill. In my opinion, we should not have a lot of ''straw dogs'' put up in the face of it. Let's pass this bill. It is good for parents, it is good for kids who want to go to college, and as a result it will be good for the country.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, just to respond to my good friend from New Hampshire, when we came back to the whole question of special education, I listened carefully to his remarks. And his remarks have a certain hollow echo, as well.

I remember when the Republicans offered their $780 billion tax break a year ago. I offered an amendment that would have funded every special education program for 10 years. It would have reduced the $780 Republican tax reduction by a fifth. Every Member of the body on the other side of the aisle voted against it.

So with all due respect, that proposal made a good deal of sense. Every Member on the Democratic side of the aisle said: It is more important to fund the special education needs of every special education program across this country, over the next 10 years, than to have a tax break. Every Republican voted against that. So with all due respect, we ought to at least begin to remember our history on this particular provision.

I listened to my friend from Delaware talk about the two different provisions. He talked about the educational IRAs, which my remarks were directed at, and then he talked about the section 127 provisions which provide the education assistance for undergraduate and graduate studies, and also about the prepaid tuition plans. Those are in the administration's budget.

I see both my friend from Georgia as well as Senator WELLSTONE waiting to speak. But if there had been more time, I was going to review what has been done with regard to President Clinton and this Congress over the last 7 years in terms of offering educational opportunities. There has not been an administration in the last 30 years that has done a better job in terms of opening up and being responsive to the needs of students. It is a very proud record.

So those particular provisions of what they call the extenders of various tax provisions are going to be worthwhile to work out in a bipartisan way. Certainly there will be credit for all those who are going to be involved in it later on. But the principal proposal which has been advanced, the education IRAs, which was discussed earlier as a vehicle for strengthening and improving public education, it does seem to me that the American people want a debate and discussion, in a comprehensive way, about how we are going to strengthen public education, and what the Federal Government is going to do, and what the States are going to do, and what the local communities are going to do.

Whatever we do in the Congress, I think there are certain priorities which the public has. They want to know how we are going to ensure that there will be a well-trained teacher in every classroom? They want smaller class sizes, particularly in the earlier grades. They want to make sure we have after-school programs. They want to make sure we are going to have mentors and supporters for those teachers, particularly those who serve in underserved areas. They want to make sure we have the technology, and the curriculum with that technology, and well-trained teachers to use that technology.

They want us to be sensitive to the digital divide so we do not use technology to open up a whole new spread between the haves and have-nots. They want to make sure there is parental involvement. They want to make sure there is access to continuing education through college and that there is continuing training programs which will be necessary for the new jobs of the new century.

I believe they want us to give emphasis and focus in terms of early education, including the expansion of the Head Start Program for children up to 3 years of age, on which this administration has placed emphasis, along with a number of Senators, in a bipartisan way, including Senators STEVENS and DODD.

They want us, at the end of the day when we pass the legislation, to be able to answer the question: What did this legislation mean in terms of my son or my daughter? Whether it is a question of security in the classroom or whether it is access to guns getting into the classrooms. They want to have a comprehensive way of being able to say, look, there is some legislation. It isn't going to answer all of the problems. It isn't going to do everything, but at least it is something. We stand in support of those individuals who want to use scarce resources at the national level to pump into this priority. Those are the people we want to see successful and we want to support. That is very reasonable.

With a budget of some $40 billion and a $225 million program dealing with what will mean $7 per family to go to school, the idea that we are doing anything meaningful for families in this country who are interested and concerned about educating their kids is a disservice to the American people and a disservice to this process. That is why I have risen.

I see my colleague and friend from Georgia and Senator WELLSTONE. I yield the floor.

Mr. WELLSTONE. Mr. President, the Senator from Georgia wants to speak. I ask unanimous consent that I be allowed to follow the Senator from Georgia.

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

The Senator from Georgia is recognized.

Mr. COVERDELL. I thank the Chair.

The good Senator from Massachusetts and I find ourselves, once again, in a prolonged discussion about tax policy that affects education. I have several comments to make with regard to that. Before I outline the reach of the legislation, I will respond to several remarks made by the Senator from Massachusetts.

First, the Senator from Massachusetts indicated that the President's budget had $4.5 billion in new funding for education and that we are debating something that is worth some $200 million over 5 years. My data does not match his. Actually, in 5 years this legislation would use tax policy to relieve taxpayers, whether they are parents or employers or people who are in a State tuition program. It would be $4.3 billion in the first 5 years and almost $8 billion over 10 years.

They really are apples and oranges. What we are debating is the relief of tax policy on top of what will ultimately become an increase in the education budget. In fact, if you are going to do it that way, you have to add these figures to what the President and the Congress ultimately decide is going to be the increase in the education budget, remembering that last year the Congress' increase in education was greater than the President's.

It is not accurate to refer to one section of the bill we are debating. You have to refer to the entire section, A. And, B, they are not comparable figures. One is a discussion about how much of an increase you will have in the President's or the congressional budget for education, in addition to

which, this is a proposal to significantly leave tax dollars in the hands of parents, employers, and students to help them pay for education, in addition to whatever the Federal Government is contributing.

That is a major disparity in our presentation of the numbers.

This is the third time, in essence, we have debated this. We hear this number, that this is only worth $7 to a family. When you leave it there, you distort the picture. Remember, the Senator from Massachusetts complimented the administration and the Congress, and I do as well, for the fact that we have already passed a $500-per-year savings account for higher education. This one section of this bill takes that proposal from $500 per year to $2,000, and it is for higher education or elementary education.

My question to the Senator is this: Under that logic, if this proposal is only worth $7 per family, then the President's proposal is only worth about $2.25 because what he and we have done so far is only one-quarter of what we are proposing to do here. If it is insignificant, why are we so tangled about it?

Mr. KENNEDY. May I answer the Senator?

Mr. COVERDELL. Certainly.

Mr. KENNEDY. In my earlier address, I was using figures provided by the committee. I will refer to them and include them now, the Affordable Education Act of 1999. I look over at the estimated budget effects of the Affordable Education Act of 1999, as approved by the Senate Committee on Finance, May 19, 1999. I read it out to the year 2004, and it is $1.156 billion. That is what we are basically talking about in terms of the IRAs.

As I indicated earlier, you have some extenders with regard to graduate education which are in the President's program and undergraduate. If you want to add all of those programs in to get up closer to your $4 billion figure, that is fine. My point is, you have your $1.5 billion which comes to $225 million for the IRA, which comes to what I have talked about as $7 per family. I do think there is a better way of using the $1.5 billion than providing that kind of benefit to families that, according to the Joint Tax Committee, is $7 a family.

The other provisions about which I should have been more precise are included in the broad scope mentioned by Senator ROTH, which basically are a continuation of what they call tax extenders about which there is really no debate. This debate, primarily on COVERDELL, has been about the creation of $1.2 billion, $230 million a year, effectively, for families, which would amount to $7 per family, whether we think that is the best way in terms of education policy. That is what I was getting at.

The pages are not numbered, but I will be glad to share those with my colleague.

Mr. COVERDELL. I appreciate that. I think we are getting close to a common line. My point was that the legislation we are debating has a value of $4.3 billion. It is apart from the President's proposed budget or what the Congress is going to do. This is in addition to whatever the Congress and the President decide, A. And, B, I don't think it is plausible to attack a $2,000-a-year savings account because of the $7 figure, with which I take some exception. If you want to use it, that means what we have done is only worth $2.25 under the President's proposal, which is only $500 per year.

The Senator from Massachusetts alluded in his remarks to a partisan debate. This is not a partisan debate on the proposal from the Finance Committee. It was passed out with Republican and Democrat Members. The principal cosponsor of the legislation is Senator ROBERT TORRICELLI from New Jersey, the principal cosponsor and a member of the Democratic Party in good standing. In addition, there are some 8 to 10 other Democrats who are on that side of the aisle in the Senate and are very supportive of this legislation.

I was pleased by the Senator's remarks when he said the President has become interested in K through 12 because I really believe that is where the crisis in American education is. I am glad we are now talking about the same target. The crisis is not in higher education; it is K through 12. It is, in fact, the 30 and 40 percent of our students who are coming out of high school and are not effective readers and can't write well.

The Senator from Massachusetts referred to polling data and listed some seven items that this particular poll enumerated as important. At one point, he said parents are not supportive of this. But in his own poll, the sixth or seventh most important desire on the part of parents was this.

Many of the items in the poll that he cites are not in the jurisdiction of the Federal Government. We can debate that, and we have been debating that, for some time. Some of us would find some of those proposals not in our purview; but tax policy is and that was No. 6.

I might also add that if you go down the list of items included in the bill that are helping employers deal with continuing education, to which the Senator alluded, this is a very high item in the poll—school construction is a high item in the poll.

In other words, the items that are in this proposal react just as the Senator would have them to his poll. So I thought it was important there be some clarification of these points that were alluded to early on. Anybody watching this discussion needs to know that, in fact, this proposal augments the budgetary process.

Now, let's talk about the proposal in general. What does it do? I have always been stunned by how little incentive it takes to cause Americans to do huge things. The Senator is correct when he says the savings account is not a particularly large form of tax relief. It is not. It is about $1.2 billion over 5 years. Over 10 years, it is $2.4 billion.

What happens is, because we say you can open a savings account and we, the Federal Government, are not going to sock it to you by taxing the interest on the account, we are going to help you make a contribution to the work you do to educate your children—get these numbers—14 million American families will open this kind of account. They are the parents of 20 million children. That is almost half the elementary school population who will become involved in this concept. Their parents, and others, will save $12 billion over the next 10 years.

So in addition to all this funding the Senator from Massachusetts is talking about, we are putting into the education arena $12 billion more, and we didn't have to raise taxes one dime to do it, and the State didn't and the local communities didn't. This is voluntary. This is money given to education by loving parents.

In my judgment, the $12 billion is worth three to five times the money the Senator from Massachusetts is talking about. Why? Public education money, we all know, is spread across a wide arena. A lot of it never sees a classroom. It doesn't know the name of a single student. It cannot get targeted to particular problems.

If we pass this legislation, 14 million families will have an account and once a month some saving institution is going to send a notice to those parents that this is how much money they have in their account for Johnny or Jane. That almost beats the PTA because every month this family is being reminded of this resource it is collecting for its children.

Now, I call these smart dollars. Why? Because it is like a laser beam; this money will be invested directly on the child and directly on the most pressing need the child has. You talk about the digital divide—families who have these accounts can close them; they can buy home computers; they can hire a tutor; they can deal with a special ed problem, a health problem, a transportation problem, or whatever it is the child specifically needs. This $12 billion—and I think it would be more—goes right to the target.

These IRA accounts are entirely unique in one special way. Anybody can deposit money into the account—the parents, of course, or it could be the grandmother, sister, aunt, or it could be a next-door neighbor or a church; it could be a labor union; it could be a company. No one has even begun to calculate what ideas will emerge to build up these accounts. One can easily see an employer matching his employees and encouraging them to open these kinds of accounts.

There is virtually zero downside to the accounts. Every segment of education in America will be a winner—

public education, private education, home schooling, you name it. These accounts will all infuse new resources for which the Federal Government will not have to appropriate a dime to get the job done: Fourteen million families, 20 million children, a resource that is available to them from kindergarten through college, and thereafter if disabled. Public education wins. Private, home schooling, and every form of education wins. To me, it is mind-boggling that anybody would challenge the concept.

The bill does more, as I was explaining to the Senator from Massachusetts. In States that have advanced tuition programs available, those proceeds to students will no longer be taxed. I might add that this suggestion came from the Democrat side of the aisle—a good idea.

It will help encourage States to have State tuition plans, and it will encourage families to get in them because they don't eat it up in taxes when they use them to go to college. It is estimated that 1 million college students will benefit from that plan.

Everybody knows today that education is no longer a box—you finish high school, you finish college, and that is it. In today's rapidly changing world, it is an ongoing process.

The legislation—which I think I heard the Senator from Massachusetts say the President agrees with—extends employer tax exemptions when they spend money to train employees on advanced education, and even on undergraduate and graduate education. It is worth $5,200 a year. It is estimated—I think this figure is low—that 1 million American employees will benefit from this legislation. It relieves students of taxes on the interest of their student loans. Through the work of Senator GRAHAM of Florida, it makes it easier for local governments to build new schools. It is a very important part of the legislation.

Again, if you take the list of the Senator from Massachusetts of what parents think is important, this legislation refers to almost every one of those arenas, and in the proper Federal way where we manage tax policy. We should make that policy more friendly to people dealing with education. It is not necessarily the Federal Government's role to decide exactly how we are going to build a school in my home State of Georgia.

The Senator from Minnesota is waiting. I will finish in a couple of minutes so he may speak. I may speak some more afterwards.

I want to relate that since we first debated this proposal and passed it in the Senate with 59 Senate votes—it would probably be higher today—a lot has been happening in America. The debate over the failure of kindergarten through high school is charging through the country.

In my State, the Governor is a Democrat. He is fighting for an education revamp right now in the Georgia Legislature. It includes offering tenure. He is proposing for schools proven to certifiably fail that parents have a right to leave those schools. What better tool to help a family deal with that predicament if it comes about—and it will. We will have schools in a State that cannot cut it. And he is not going to force people to go to those kinds of schools.

The most unconscionable policy in America is forcing families and children to go to schools that we know are failing. This legislation helps those families deal with that kind of problem, which is why, when you ask parents if they want to do this or not, it gets between 60 and 70 percent approval. They understand that it is an opportunity, a voluntary opportunity—something important in America's government today—to help themselves, to help their families, to help their children. It allows everybody else in the country to help some kid somewhere—one of your employee's children, one of your union member's children, your benevolent association's children, or a police officer who goes down. A community could open this up and have $70,000 sitting there when that kid wants to go to school. Think about it.

The Senator wonders why we are debating this. It affects half the population in elementary schools in the United States as it relates to tax policy. That is why.

Mr. President, I yield the floor. I think under a previous unanimous consent the floor will go to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I appreciate the Senator's remarks. I definitely want to respond. Senator SCHUMER is on a tight timeline. He asked whether he could speak for 5 minutes. Then I would follow him. I ask unanimous consent that Senator SCHUMER be allowed to speak for 5 minutes and I be allowed to follow Senator SCHUMER.

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

The Senator from New York is recognized for 5 minutes.

Mr. SCHUMER. Thank you, Mr. President. I thank both the Senator from Georgia and the Senator from Minnesota who was gracious to yield time.

Mr. President, I do not profess to be an expert on the bill that my good friend, the Senator from Georgia, has introduced. I came on the floor because it seems to me that education is not only the No. 1 issue that most Americans feel is important, but it is the No. 1 issue that is facing the future of our country.

We have a huge number of different problems in education. We have overcrowded classrooms. My children attend the public schools in New York City, I am proud to say. I am proud to say they are getting a good education. When my daughter was in kindergarten, she had to share that kindergarten room with another class. We have a desperate shortage of classrooms. We have a desperate shortage of teachers coming forward. The average age of a teacher in America is 50 years or older. Every year we are going to need more and more teachers in our schools.

We have a desperate shortage of standards. All too often people graduate from course work and can't carry the load. In an economy where education and knowledge seem to be so important, we don't have any good Federal ideas on what to do. There are some who might say we don't need Federal ideas. I don't question the right to debate this proposal, nor do I doubt what the Senator from Georgia has said in that it will help lots of families. I am aware of the problem.

I introduced legislation, along with the Senator from Maine, to make college tuition up to $12,000 tax deductible because of the strain. It is another way to go. It might benefit some families more than the legislation of the Senator from Georgia. It might benefit some families less. But it is along the same line.

But I agree with my colleague from Massachusetts. Why are we doing this piece of legislation, worthy though it may be, when we have all these issues out there? Why aren't we taking a month? It is certainly worth our Nation's future to take a month and debate all the educational issues, see where our priorities are, and see if this proposal from the Senator from Georgia, into which he has put a lot of effort and a lot of work, comes at the top, the middle, or the bottom of our priorities. Is it going to do more than spending the same amount of money on new classrooms or new teachers or mentor training? Is it going to do more than, say, raising teachers' salaries because it is awfully hard in large part in this country to get a qualified person to teach our young people math and science when the private sector pays them double. Is it worth more than having our National Standards Board come up with real national standards, and should we be debating that issue?

These are questions that I think are vital to the future of our country and to the future of this Chamber.

These are questions that get to the very heart of a fundamental principle with which I think most Americans agree. We want to stay the No. 1 economic power in the year 2025.

In my judgment, to bring up one particular issue that stands in isolation and not be allowed to debate the whole panoply of educational issues and vote on them together as a package is not how a good business would operate. It is not how a good volunteer organization would set its priorities. A family sitting around the dinner table would not say let's just discuss vacation in our budget and then not discuss what we have to pay for food, for shelter, and for transportation.

Again, I respect my friend from Georgia. We have worked together on many

pieces of legislation. He is sincere in this effort. I simply say to my colleagues, this is no way to come up with a real and desperately needed education policy in 21st century America.

I thank my colleague from Minnesota for yielding.

Mr. COVERDELL. Mr. President, I will only take a minute to respond to the good Senator from New York.

The point is, the legislation had come out of the Finance Committee. No one is suggesting this is the only education debate. This bill is ready. This bill has been voted on by the Senate before; 59 Senators have already supported this. This is vetted.

Some of the issues the Senator alluded to certainly are not vetted; for example, the Federal Government taking on local teacher salaries. The good Senator from New York knows that will be highly controversial.

This is ready. There is not an ulterior motive. The education bill has not come out of the education committee; both Republicans and Democrats are still trying to reach a consensus. I understand the desire to move to other issues, but I do not see that as making this an inappropriate discussion for the Senate.

I might add that the neighbor of the Senator, Senator ROBERT TORRICELLI, is the principal cosponsor.

I have enjoyed, as well, working with the Senator from New York.

The PRESIDING OFFICER (Mr. SESSIONS). Under the previous order, the Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I appreciate the remarks of Senator SCHUMER and what Senator COVERDELL had to say. Let me move away from procedure and whether the bill should now be debated and go to substance.

First of all, the idea that up to $2,000 in savings can be put into education, from my point of view from some of the most hard-pressed people in Minnesota—Minnesota is divided, metro and then inner city, where a lot of people are struggling economically. Unfortunately, in Minnesota and I think around the country, we are moving to two Americas. In rural America, people are not going to have the $2,000 savings. They will not even get close. They do not have it to put in savings.

Let me be clear in terms of which families will be able to benefit and which will not.

I ask the Senator from Georgia, is it a deduction people make?

Mr. COVERDELL. No, it will not be shown as income.

Mr. WELLSTONE. Just from a tax progressivity point of view, those with the highest liability with less income shown pay less. I don't see the large part of this benefit going to the most hard-pressed families.

That is my first point. That is substance, not parliamentary, when the bill is out on the floor.

Mr. COVERDELL. Will the Senator yield?

Mr. WELLSTONE. I am happy to yield to the Senator.

Mr. COVERDELL. I point out two things. The scope of the families who are eligible for the account is identical to the President's criteria for who is eligible for the account. That is one quarter the size we have already passed. If there is no difference, it is identical to the criteria of the President.

Somewhere along the line, we all have to determine what the criteria are, so it is means tested. I frankly have some resistance to that, but we have accepted it.

No. 2, the account allows other parties to contribute. The community described by the Senator is in all of our States. Certainly we have a large community such as that in Georgia, but an inner-city church, a labor organization, an employer, other family members, can make these accounts real.

And last, from the very communities the Senator is talking about are the loudest voices for Congress to do this.

Mr. WELLSTONE. Mr. President, I appreciate what the Senator said, and I will be pleased to yield for other questions as well.

First, I point out to the Senator on whether or not this is, roughly speaking, the same benefit as in the President's proposal, that does not move me as a Senator as much. Having done a lot of community work with low- and moderate-income people, I know for a fact that most of the people will not have anywhere close to $2,000 to put into savings. It is a reality. It is not even thinkable for most of them.

Second, yes, others in the community might be able to contribute and help them out, but that begs the question. The families who will be able to best take advantage of this are families who are on the higher income end of the scale. That is a first point, regardless of a comparison to the President's proposal.

In any case, I made this to be scrupulously nonpartisan or bipartisan, or whatever the right label is. For the President's HOPE scholarship program, I said if this is not a refundable tax credit, most of the families with incomes under $28,000 don't have the tax liability and it will not help. I am being consistent in my argument.

On the whole question of low-income communities, the very people I am talking about are the ones who are clamoring the most for this. Let me get to that point in a second.

First, another criticism. I want to be straight up in my disagreement with my colleague from Georgia. I think there is a real question if it is through the Tax Code. We keep having a debate. It is tax expenditure. We are spending money one way or the other. If we do it through the Tax Code, we are basically providing dollars that could be going to public education, and in this particular case it could go to private schools.

I am opposed to that. I view that as a voucher plan. That might be attractive to the Senator. There are some who believe that is a big mistake and believe we ought to use the public taxpayer dollars one way or another, whether it be through the direct expenditure or whether it be through tax deductions and tax credits. We believe that ought to go to public education. That is a disagreement. If we brought this out next year or brought it out here with a whole bunch of other proposals, I would still disagree.

On the whole question of who benefits and who does not and which communities are clamoring for this, now I get to the point: If on the whole question of the savings account it ultimately gets to $7 per child, I don't see that as a great benefit. I certainly don't see how it gets to many people. Even if you want them to get to the exclusive private schools, I don't think it helps much.

This is where I really disagree with my colleague. I am sure there are organizations and people who support this plan. I am sure they do it in good faith. The question is opportunity before the Senate. Either we put this $1.2 billion here or we say there are better uses. I argue there are better uses. I argue there are better uses for the money.

Now, we have talked about what proposals have been vetted or have not been vetted. My colleague from New Hampshire came out here with an argument that was interesting. I think he had every right to make it. He said we will deal with this in the Elementary and Secondary Education Act.

However, I will give some examples. We had a pretty long discussion about title I. This is talking about low- and moderate-income families. This is a place where the Federal Government is a real player. This is terribly important for kids who come from disadvantaged circumstances. It is funded at about one-third the level it should be funded. So in a lot of urban Minnesota, once you get to schools with less than 65 percent low-income students, there is no money. The other schools are not even eligible.

I would argue, if it is $1.3 billion or $4 billion or $5 billion, or whatever amount of money you want to talk about, the opportunity cost of putting it into this plan is that you do not put it directly into a proven program that really benefits kids if given the funding and if given the accountability. I would rather put it there.

What have we talked about and what have we not talked about? It should not have taken Columbine. But we have had this discussion about violence. We have had this discussion about how does one get to these kids before they commit this kind of violent act. We have had this discussion about the need for support services for kids. We have had this discussion about so many kids feeling anonymous in the schools. We have talked about the need to have counselors.

Some of us have had amendments out on the floor to provide funding for more counselors in our schools, to provide support services to kids, to students. That is an important education

program. I doubt whether any Senator, if he or she is in a school—I try to be in a school in Minnesota every 2 weeks—does not hear about the need to have more counselors and more support services for students, many of whom, if they are not the top of their class and they are not a great athlete, feel lost. I argue we would be making a much better investment if we invested it in this program.

There is another issue we have had on the floor that is not new. You cannot argue we should not be out here talking about it because we never talked about it before. I would be pleased to fault the administration on this as well, I say to my colleague from Georgia. I believe someday we are going to do this. I think the place where the Federal Government can be a real player —in fact, if I was the one who was writing this amendment, if I agreed with the concept, I would apply it to this area. I would apply it to early childhood development as well. We should be a real player pre-kindergarten.

My colleague may say it does not give people enough time to work up the savings for when they have children, if they are very young. But you don't know. Maybe you would let grandparents be able to do it for their children's children. I don't know. But I will say this. It is absolutely pathetic how little we have done by way of an investment in early childhood development. It is pathetic. We have study after study, book after book, documentary after documentary, White House conferences, we all love children, we are all committed to children, and we all know the medical evidence is irrefutable and irreducible that you have to get it right for kids.

If I had $1.3 billion over the next 5 years, I would put it into early childhood development. You can make a real difference for children and a real difference for families because, after all, what is most important to families, or parents, is that their children do well in school.

The fact is, the reality is, that all too many young people, children in America, come to kindergarten behind. I think the big crisis in education is the learning gap between those kids who have had the support at home, who have had parents who can afford the best by way of developmental childcare, children who have been read to widely, are already computer literate, who have been encouraged, they have that spark of learning, and they come to kindergarten and they are ready to go. Many children come to kindergarten way behind. What in the world are we doing debating this piece of legislation as opposed to talking about this amount of money—or much more, I would argue—by way of investment in early childhood development?

I say to my colleague from Georgia, I could talk about other issues as well, but I come to the floor to oppose this on the following grounds: One, I believe it is a fantasy to think $2,000 in savings is going to mean much for most hard-pressed families in Minnesota. They don't have that money for savings. Two, the way the tax benefit works, by definition, whatever money you are not liable for, if you are in a higher tax liability, you get the biggest break, so it is going to benefit more the people on the top. The third point I argue is that I am opposed to using public dollars when we do not even have enough dollars for public education right now, for private education, for what is essentially a voucher plan.

Someday in the future, if somebody can show me we have really made the investment in public education—I heard my colleague from New Hampshire talk about all the money we spent that hadn't worked. I would like to talk about areas in which we have not invested. Then I might be willing to talk about how we would use dollars and talk about vouchers. Not now. I do not believe this is the way to go. You would have to persuade me we have really made a commitment.

That is my fourth point; whether it be this amount of money, whether it be today, whether it be tomorrow, whether it be next week, if the Senate is really serious about children and education, here is where I do join Senator KENNEDY 100 percent—and this is not so much directed at my colleague from Georgia; he has his piece of legislation here; he believes in it—but honestly, we have done next to nothing. This has been ridiculous. I do not believe the way we have been spending our time week after week after week. I am glad we are out here starting a debate. I actually commend my colleague from Georgia for bringing out a piece of legislation that at least deals with education. But, honest to goodness, we have done next to nothing. We have had hardly any votes, hardly any legislation, hardly any opportunities to introduce amendments to bills.

I say to the majority leader and majority party, it is very difficult. I think, frankly, it is difficult for all of us to represent our States well when we do not have a real legislative process going on. I will get to the education part of it in a moment, but I will speak about it in broader terms.

Take this last week. You go home. You meet with people and people are glad to meet with you. I think we all have had that experience. They are talking about their work; they are excited. You think you could make a difference as a Senator—and you would not be in the Senate if you didn't think you could make a difference. I had one meeting with parents talking about depression and suicide among kids—it is the second leading killer of our children, ages 18 to 25—and the lack of any kind of support and the lack of services. I could go on and on. I talk to veterans. There are a whole set of unmet needs in the VA health care system.

Then we come back here and we have quorum calls or no piece of legislation and no opportunity for amendment. We do not have a legislative process going on in the Senate in general. It is unbelievable. I say to the majority party, I don't think we can represent people back in our States very well unless we get real about the concerns and circumstances of people's lives and what we are doing. I think this has been, to quote someone else, a do-nothing Senate; a do-nothing Congress.

I would argue—not that the amendment of my colleague from Georgia is a do-nothing amendment; it is not. He thinks it is the right step. But I say, frankly, as opposed to $7 per kid at best, as opposed to talking about $2,000 in savings that most families I know in Minnesota can't come close to saving, as opposed to a tax break that is going to benefit people more on the upper end—I would say in my discussions, and I try to be in a school every 2 weeks, what people talk about—I think this was Senator KENNEDY's point earlier—is they say we need good teachers. We need to have smaller classes.

Students talk about how they are sharing textbooks. They have these political science or government textbooks. Minnesota is a pretty small education State, and the last President they talk about is Ronald Reagan. It is way out of date. They don't have good textbooks. Everybody is talking about computers and technology, but the textbooks are hopelessly outdated.

They talk about the need to get it right for kids before kindergarten. I didn't say to the Presiding Officer that he would not think Ronald Reagan wasn't one of the greatest Presidents. I am just saying there have been other Presidents since Ronald Reagan. I see my colleague, Senator SESSIONS, smiling. He can't say anything to me because he is the Presiding Officer, and I can give it to him right now.

They talk about school construction. That sounds very abstract, but a lot of buildings are in disrepair and decrepit.

We do not tell our kids we care much about them when we do not do anything to rebuild crumbling schools. This is the discussion I hear.

They also talk about the question of digital divide and making sure we have access to technology in our schools. I am OK with having this amendment before us, but I disagree with the amendment for the reasons I have stated. The Senator from Georgia disagrees with my disagreement. The larger issue is, frankly, I do not think to most people in the country and to most people I represent that this is really a piece of legislation that deals with their needs or their children's needs or deals with the challenges we have in education. My question is, When in the world are we going to get real about this?

Mr. COVERDELL. Will the Senator yield?

Mr. WELLSTONE. My colleague says it is in addition to other things. The ''other'' is not anywhere near what we should be doing. Whatever it is subtracts from the other things we could

be doing. I do not buy his argument that there are other things we are doing and this is just in addition because of the unmet needs.

Mr. COVERDELL. Will the Senator yield?

Mr. WELLSTONE. I am talking about the decisive areas in which we should be making an investment. I do not think this is the way we should go at all. I yield for a question.

Mr. COVERDELL. I am convinced we have a pretty strong disagreement. The Senator has made that point. But being a persistent individual, let's go back to the point the Senator made about the savings account, which is only one part of this bill. Then he alluded to the amount of money that would not be collected. I signaled to him that it is about $1.2 billion over 5 years. The Senator from Minnesota said he thought that could be put to a better use: We collect the money from the people, bring it here, and put it to another use.

My question is this: How many Federal dollars can you think of that we leverage to a 10-to-1 value? My point is this: For that amount of uncollected revenue, we cause 14 million families with 20 million kids—it is about half the population in elementary school—on their own, with their own dollars to augment that, and you end up with $12 billion.

If we could do that with every dollar we have, we would not be in a debate about any of these things. We could do any and everything. It is very unique in that we get it back over 10 times.

I do not think you can call this a voucher. This is not—and I will stop here and let the Senator respond—a voucher. It is simply if a person is in a private school, they can have a savings account. If they are in a public school, they can have a savings account. It is their money; it is not public money, and it is being used by them to decide how they might best help their child.

I yield to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I will finish. I am a little frustrated—not with my colleague. I am supposed to meet with the Egyptian Ambassador. I just received a note. I have been keeping him waiting. Let me respond to my colleague from Georgia on a couple of different counts.

First of all, as far as Federal programs, we can talk about that $1 leveraged many times over. I can give the Senator a couple of examples. One great example is the Women, Infants, and Children Program. By the way, we have a real problem right now, with a booming economy, of hunger of children in America. The reports are very troubling.

Every single study I look at says if you get it right by an early childhood investment, it pays for itself over and over. I cannot give a ratio, a dollar amount, but I can tell you either you invest in children when they are young or you pay later with high rates of dropouts—I do not think my colleague disagrees—high rates of substance abuse, and high rates of violence.

There are clearly areas where you make investments on the front and it pays for itself over and over. Anything that is early childhood development fits the Senator's criteria.

I am saying that is where we should be putting the money, and that is where I would put this $1.3 billion and more. That is part of my disagreement. It is a matter of priorities. A dollar spent is a dollar spent one way or the other.

I am attracted—I should not say this; I should be out here trying to demolish the proposal of the Senator from Georgia, but it is presented in good faith and there is a vision to some of it that I understand. The notion that this can encourage people to save and match money and have responsibility and put it into education—all of that I like, but I again argue, frankly, for a lot of families, especially on the low-moderate income end, it is not likely, even with the best intentions and the best commitment to children, they are going to be the ones who can take the greatest advantage of this benefit. It is going to be much more on the upper-income end. Therefore, I think it is a mistake. If this is adopted, if it becomes law, and I am proven wrong, I will be glad to be proven wrong, but I do not think I will be.

I yield the floor and thank my colleague from Georgia for his comments.

Mr. COVERDELL. Mr. President, as always, I enjoy the opportunity to share thoughts with the good Senator from Minnesota. I understand the dilemma he is in. It seems to happen to all of us all the time. I hope the good Ambassador will understand his responsibilities in this Chamber.

Even though the Senator from Minnesota has to leave, I am going to spend a few minutes responding to the remarks of the Senator from Minnesota. I see we have been joined by the Senator from Rhode Island, I assume, to speak on the legislation.

I want to go back to the point about not collecting—it is actually about $2.4 billion over 10 years. We say: OK, we are going to leave that in the checking accounts of the families who will open a savings account in support of their children's education, and we will not tax the interest. That is all this proposal does.

As I said earlier, it is amazing to me what little incentive it takes to cause Americans to do great big things. When we do that, the parents of 20 million children are going to open up 14 million accounts, and they are going to save $12 billion, and I think it will be much more.

So all of us who are interested in education will have had a role in infusing into every form of education—public, private, home; whatever—billions of new dollars that go right to a child's most specific need. Because there is no one who can guide or understand that need more clearly than their parents, these dollars are worth far more than some broad-based public education program.

The second point I make with regard to the Senator from Minnesota is that he talks about programs and responsibilities that are clearly not Federal. Education in the United States is governed by, and will continue to be governed by, the States. That is why last year we passed the Education Flexibility Act, which was called for by every Governor—every Republican Governor, every Democrat Governor—to give them more flexibility. They said: Don't tell us in the States what we need to set as our priorities; we will do that. They are not interested in the Senators from Minnesota or Massachusetts or Georgia saying: This is what your priority is. They want to determine that themselves.

The Senator from Massachusetts was citing different polling data, but one figure he did not mention that I will be glad to supply him with is: Do you want the Federal Government to manage local schools? The answer is a resounding no.

What we are doing is augmenting, empowering parents and their local communities to do the things they perceive are important for their child or their school system.

The Senator from Minnesota referred to school construction, but the proposal of the Senator from Florida, Mr. GRAHAM, is in the bill we are discussing, which aids local communities in school construction.

Virtually everything I have heard the other side of the aisle talk about, in one way or another, is being assisted by the various components of the bill. We are helping in continuing education. We are helping in school construction. We are helping students have personal computers. We are dealing with the digital divide. We are dealing with special education needs. We are dealing with all of it.

As I said, it remains somewhat mind boggling to me to understand why legislation that is so positive for every segment of the population would be opposed, particularly in light of the fact it has already passed the Senate with 59 votes. The Senate has ratified this proposal. The Senate believes in this proposal. It was a bipartisan vote that caused that.

I will not keep the Senator from Rhode Island from his remarks. I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I thank the Senator from Georgia for yielding the floor.

We are all—every Member of this Senate—vitally interested in the health and welfare of our educational system throughout the United States. We are taking divergent roads to try to improve that system.

I rise today, though, in opposition to the Education Savings Account provisions of this particular legislation. I think it is both bad tax policy and bad

education policy. In fact, I think one of the great dividing lines between those who support this legislation and those who oppose it is whether or not our primary responsibility is to enhance, support, indeed, to reform public education or to somehow, in general, provide disbursed resources to parents.

Our primary goal should be to enhance and reform and provide better public education. This legislative proposal, as well-intended and well-meaning as it is, does not do that. As I said, it represents both bad tax policy and bad education policy.

In terms of the bad tax policy, it is a preferential distribution to wealthy Americans. If you look at the analysis by the Treasury Department, it shows that this legislation would disproportionately benefit the wealthy and provide little or no benefit to low- and middle-income families.

Indeed, 70 percent of the tax benefits under this bill would go to families in the top 20 percent of the income bracket. This is bad tax policy because one of the problems we have today is the growing divergence between low- and middle-income Americans—working Americans—and upper-income Americans—not to suggest that upper-income Americans do not work. But what I am suggesting is that over the last 7 to 9 years of unprecedented growth in the economy, with a huge bonanza on Wall Street, we have seen the wealth and income of upper-income Americans grow significantly. We have not seen the same kind of effect—although we are beginning to see it—for low- and middle-income Americans.

When we go into the tax system and create a tax preference such as the one proposed in this legislation, that remarkably benefits upper-income Americans, we are exacerbating that bifurcation of benefits, that bifurcation of wealth and income.

If we are talking about effective tax policy, we should think of ways, rather than benefiting the well-to-do more, to try to provide those low-income and middle-income Americans with more tax relief. This bill does not do that.

In fact, 7 percent of the families with children in private schools would receive over half the tax benefits in this bill. I also suggest that these families probably are not sending their children to private schools because they need assistance. They are sending them to private schools because they have the means to do it—and, in fact, many other reasons. They are not sending them, I think, in any conscious way, to improve the public school system.

That is where there is this disconnectedness between tax policy designed to help private schools and the involved commitment of so many of the Members of the Senate who are trying to reform public education. I do not think there is a connection. I think parents who are sending their children to private schools today—and it is their prerogative—are doing so for reasons unrelated to the social advancement of other students or the social advancement of the community. They simply think a particular school is the best school for their child. Today they can pay for it. They will continue to pay for it—with or without this legislation. That is their choice.

One of the good things about our educational system is, we do have choices such as that. But the real question is, should we be subsidizing that choice with our tax system at the expense of public education? Should we subsidize education in a way in which the greatest subsidy goes to the most affluent Americans? I think the answer is clearly no.

It has been estimated by the Joint Tax Committee that if you look at the tax benefit for the average family—not the wealthier family, not the lowest income family who might possibly avail themselves of this provision—the average benefit is estimated to be little more than $20 over 4 years. Over one year the benefit translates into paying for 3 notebooks, 14 erasers or 1 box of crayons for the 90 percent of taxpayers who have children in public schools. We can, in fact, do something better, at least, for those in public education with this money. We should do that. So from a tax perspective, I think this bill is questionable.

Let me raise one other point, perhaps a technical point. These IRAs for education were designed to help people receive higher education, to be able to save for very significant tuitions. The presumption is that families will begin to save, either when they are just starting out in married life or certainly when the first child comes along, but that it gives them at least 18 years to accumulate the principal in this IRA account, and interest which is tax exempt, and then 18 years later, having a significant amount of principal and accumulated interest, they could begin to draw from it.

I must confess, I am not a tax expert. But I wonder, just on a technical basis, whether elementary education is the most suitable mechanism, if you will, the most suitable objective for these types of IRAs, since at most you have 3 or 4 or 5 years before the child goes to first grade to begin to accumulate. If you have several children, these funds might not be useful at all or be so disbursed. That is a technical point.

The basic point about the tax policy aspect is that essentially the benefits go to very wealthy Americans. The benefits are not an inducement or incentive to go to private schools. They are going to private schools anyway. They will go to private schools without this. Anytime we take money away from public education, we are really taking it away from children who need us to stand by them and need us to put all of our efforts into reforming public education which should be free and excellent for all of our citizens.

That aspect of the tax policy is one reason one could object—and I do object—to the legislation. The other aspect is the question of education policy. We have heard all of our colleagues come to the floor talking about education as a primary concern of the American public. That is absolutely true. They want to have a good system of public education.

As the Senator from Georgia pointed out, they don't want us to run it from Washington, DC. I agree with him on that. But they certainly want Washington, DC, to participate in the reform of American education. They want Washington, DC, to be a force, not a dominant, controlling force, but a catalyst for real reform at the State and local level. They want specific needs addressed. They want better facilities for their children. That is why many of my colleagues on the Democratic side have proposed significant support for local initiatives to rebuild and renovate schools.

I don't know about my colleagues, but every time I go back to Rhode Island, I have city council and school committee members come up to me and say: What we need is some money from Washington to help us with our school construction and modernization programs. That is a real concern. Frankly, if we support this type of tax break or tax advantage, which will flow primarily to private education, we won't have the resources to go in and help local communities rebuild and revitalize their schools.

Also, if we look at some of the other processes going on at the local level in terms of how do we make better schools, one critical issue that has been identified in recent polling is the need for more parental involvement in public schools. I know that proponents of this proposal are talking, I think quite sincerely, about empowering parents.

But we have another challenge when it comes to parents—getting those parents into the life of the public school. It is getting those parents to be involved in the education of their children in public schools. We can't do that simply by wishing for it. We have to provide support and resources. We have to provide training for teachers to be more adept, more sensitive to the needs of a new type of parent.

Particularly when you go into low-income communities in this country, both rural and urban, you find many times young parents who themselves had a very difficult experience in school. They are not the most adept at or interested in going back into the schools and being part of their child's education. We have to recognize that.

In my part of the country—frankly, in every part of the country today—we have many parents whose first language is not English. Again, if we really want to help our public schools—which I argue is our first and primary responsibility—we have to empower schools and teachers to deal with these types of parents. We can't do that if we take resources away from public education and target it through tax breaks

to private education. In fact, I argue—and I have submitted legislation to this effect—we should provide resources for public schools to have much more effective outreach to parents, much more effective ways to involve them in the life of their children.

That might be a more fundamental and more significant form of parental involvement and real parental choice than is offered by this tax bill. It may for the first time give parents, particularly those of low-income children, a real voice in their child's education in a public school. That is something else, again, I believe we should do. But if we take resources away from public education, we won't be able to do it.

We also have to ensure we have good, well-qualified teachers. Frankly, in many school systems we can't say that with confidence. I ask the Senate: How does this legislation before us in any way help public schools have better teachers? It doesn't. I think the logic and implication here is that it will assist, encourage, subsidize parents to put their children in private education.

I believe rather than walking away from a problem—indeed, a problem we should be dealing with directly—we should focus our attentions on the problem and our resources. In the area of teacher preparation, we could use the billions of dollars that would be involved in this program to enhance professional development, first, in the teacher colleges where the new teachers should learn about the new classroom, new technology, new techniques, and then, second, by integrating into public education the kind of comprehensive teacher preparation that is part of the curriculum, teacher mentoring, allowing principals to have more time to actually be education leaders. You can't do that for free. You need resources. We can help, not by dictating to the States but by essentially giving them the chance to qualify for grants that will help them do innovative things.

So for many reasons, a policy of simply telling parents you can leave the public school system with a subsidy is bad education policy because it doesn't go to the core of what we should be about, which is making sure that every public school in this country provides excellent education for all of the students.

Public education has always been the great leveler in this country. I went to parochial school, but that was a choice of my parents. There was always public education there for me, for them to choose. Perhaps this is nostalgia at this point in my life, but it was always perceived to be excellent education, good, solid education, getting people ready for the challenges of the last century. Now we have to get ready for the challenges of this century, and still we need public education.

Again, I believe this proposal is motivated by the same desire that is motivating every Member of the Senate—finding a way to improve educational opportunities for Americans. My disagreement is that our focus should be on public education, and this proposal does not focus in on public education. In fact, it draws resources away from it.

Also, I object because of the tax implications. Now is not the time to essentially provide tax incentives for people who already, and are likely to continue to, do what we are trying to subsidize, particularly when the benefits are so overwhelmingly skewed to the very affluent in our country.

I object to the legislation. I hope we can come together again. We can talk about some of the issues which I hear day in and day out from parents, from elected officials, from school superintendents back in my home State: How do we fix up our schools so they are not remnants of the last century and the 19th century? We have school buildings in Rhode Island built in 1878 and 1876 that are still being used. We have others that are almost as old. How do we deal with those issues? How do we prepare better teachers? How do we reduce class size? because we know from analyses and evaluations that smaller class sizes are beneficial, particularly when it comes to minority children. How do we do this in the context of public education?

That is where we should be focusing our attention. That is where I hope we can focus our attention. I urge this measure be put aside so we can get on with what I think is our top priority: Reforming, reinvigorating public education so we can say with great confidence on the floor of the Senate—and we cannot say it today—every school in this country gives every child in this country the chance to develop their talents to the fullest. Every public school does that. Until we can say that, I suggest we concentrate on improving public education, not subsidizing private education.

I yield the floor.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I would like to thank the Senator from Georgia for his leadership and dedication to education reform. I also appreciate the comments of the Senator from Rhode Island. Really, we are sort of talking about two different games. Senator REED is talking about tennis and we are talking about baseball. We have, in the Health, Education, Labor and Pensions Committee, of which I am a member, a dedicated effort ongoing right now to reauthorize for 5 years the Elementary and Secondary Education Act. It contains issues dealing with teachers and poverty and disadvantaged children and how to get money down to the teachers and the people who know our children's names. That will come up later this spring, or as soon as we can possibly get it out. ESEA is where most of the issues that the Senator from Rhode Island and his Democratic colleagues have raised should and will be dealt with.

I have been in probably 15 schools in Alabama since the first of this year, and I am not hearing people say they want the Federal Government to take control. Rhode Island is one of the more wealthy States in the Union, they might want school buildings, but in Alabama, they are not telling me that. I have met with teachers, principals, and school board members, the head of the teachers union, and the State Superintendent of Education, talking to them about what the Federal Government can do to improve learning. What we are here for and what we want to do is facilitate children learning. And for the record, that only occurs in the classroom, where a teacher and a child come together at that magic moment when good things happen. It doesn't happen in Washington, DC, or with bureaucracies and policies like that.

Senator WELLSTONE wants to spend it on early childhood. The Senator from Rhode Island wants new teachers. I might add, that we did hire 100,000 new teachers last year. Twenty-five percent of that money can be used for professional development of teachers. This Congress spent about $300 million to $500 million more on education last year than the President asked for and more than the Democratic leadership asked for in their budget. So we are not chintzy on education. The question is, what do we do?

The bill in front of us deals with some inequities and problems with the tax code which prevents people from going on and paying for their education. Everybody has to do that, whether it is in public schools or private schools. For example, a big part of this legislation is a bill, S.13, which I offered; called the ''CLASS Act.'' That act is the Collegiate Learning Students Savings Act. What we found was that 39 States in this country right now—and probably 42 or more by the end of this year—have programs to encourage prepaid tuition savings. People would prepay tuition for higher education; they set aside the money today for tuition tomorrow.

What we found out is that although the States make the interest on those contributions tax free, the accumulation of that money in those accounts is still taxed by the Federal Government when it is withdrawn. Now, what is wrong with that? I say that is not good public policy. It is not good public policy at its most basic level because what we are doing is taxing good behavior. We are taxing people who do the right thing and go about saving for higher education. At the same time, this Congress over the last number of years has enhanced steadily the subsidies we give to people who borrow money to go to college. There are a lot of subsidies—interest deferments and other tax changes—that encourage people to borrow. In the last decade, we have had more debt incurred for college expenses than we did in the previous three decades.

Good public policy ought to say that if you care enough to set aside money on a regular basis to pay for your child's education, the tax man ought not to penalize you for it. As Senator COVERDELL himself said earlier, we are getting such leverage from this money. We will probably save, in my opinion, more on the back end by having less loans that we have to pay and subsidize by this Congress than we would by allowing the tax deduction to begin with.

I want to share some things about this idea that these tax changes are just for the rich. Of course, you never know how they define rich. You may have a man and a woman who are both working hard and are making $75,000, $80,000, and some intend to call them rich. Those are people doing what we hope every American is doing—working hard, making $30,000, $40,000, $50,000 a year, and we burden them consistently with taxes. They have to pay, pay, pay. The breaks always seem to go for somebody else because people would say they are rich. I don't agree with that.

Let's look at the numbers we have on who is taking advantage of prepaid tuition plans. We have quite a track record around the country of those. It is middle-income families that are taking advantage of these plans, not the rich. In Florida, 71 percent of the participating families in the Florida prepaid college program have annual incomes of under $50,000, and 25 percent have incomes of less than $30,000. They are steadily putting money aside every year, every month, every week to help pay their children's education—a dream they have. Maybe they didn't get an education. My parents didn't get to go to college. They did everything they could to see that I could go to college. They didn't have a lot of the things that you have today that would help.

Mr. President, 72 percent of the tuition contracts in the Alaska Advance College Tuition Payment Plan—a similar plan—have been purchased by families with incomes of less than $47,500; 81 percent of the contracts in Wyoming's plan have been purchased by families with annual incomes of less than $34,000; 62 percent of the contracts in the Pennsylvania plan have been purchased by families with annual incomes of less than $35,000; 36 percent of the participating families in the Texas Tomorrow Fund Program have annual incomes of less than $50,000. The average monthly contribution to a family's college savings account during 1995 in Kentucky was $43 a month. Just $43 a month.

According to the Joint Tax Committee's score, the cost of this bill is $174 million over 5 years. That is all it costs. But I promise you that it will increase savings. In fact, not too long ago, I saw an article in one of these financial advisory magazines that wondered whether or not they considered it sort of a wash, whether it was a good investment to put your money in a college savings plan if they are going to tax the interest on it. I can see why this would be an inducement to make absolutely clear that it is a smart investment to invest in savings accounts while your children are young.

Mr. President, I believe in education. I taught in a public school for one year. I got to do something easy after that, I went to law school. Anybody who hasn't taught doesn't know how difficult it is. My wife taught for a number of years in public schools. I have been there when she came home at night in tears over the frustrations and difficulties of teaching. Teachers care about their kids. It is tough in those classrooms day after day. It is frustrating. So often what I am hearing when I talk to teachers is that Federal regulations are making their lives more difficult than they would be otherwise. They are telling me that if you would give us freedom to use some of the money you are giving, we could do more with it. You don't know in Washington. What do we know in Washington?

We can't write a law that can appropriately provide in a sensible way precisely what is needed in schools that are different—schools in the Northwest, schools in the big cities, schools in the small towns. Each State has different systems of education. Some are desperate for new teachers. Some need more buildings. Some need more computers. The Senator from Minnesota said Minnesota didn't have textbooks. Minnesota ought to have textbooks. They have enough money to pay for textbooks. Alabama has textbooks.

Another thing we need to know and remember very clearly—I think it is so important—is we need to do everything we can in this Congress to improve learning. We know, despite the fact we are second only I believe to Israel in per capita spending on education, that our test scores are not good. We finished 19th out of 21 industrial nations in math and science test scores, and 21 out of 21 for physics test scores. Somehow something is not working in our educational programs.

I believe the answer to it—from my travels and from talking to teachers and close friends of mine who are teachers—is that we need to focus our attention on the individual schools, even down to the individual classrooms because that is where learning occurs. We need to empower the people who know our children's names. The Federal Government simply does not have the clout to tell schools how to run their systems. In case many of you may not know, the Federal Government provides only 6 percent of the cost of education in America. Historically, education has always been a State and local enterprise. We have local school boards. We have local superintendents. We have principals who participate in the civic clubs of our community, who know our parents, teachers who know our parents, and PTA associations. Education is local.

One of the best speeches I have ever heard on this floor is the one Senator BYRD from West Virginia shared about the one-room schoolhouse he went to. I didn't go to a one-room school. But it was a country school. They brought water from the spring in a bucket and we drank from a single dipper. It seems he has done rather well. There is not a more educated person in this Senate than Senator BYRD. There is little doubt about that.

I believe we need to look at what we are doing. What is this legislation about? This is not a cure-all to educational problems. This is simply a proposal to allow tax policy to encourage people to save for education. What is wrong with that? The cost of it is infinitesimally small compared to what we are spending in this Congress on education. It is minute. But it would increase substantially parental involvement in making money available to educate children according to the wishes of the parent. It is a good idea, I believe, and a healthy idea.

I wish to say again how much I appreciate Senator COVERDELL's leadership with this effort. Senator ROTH, who chairs the Finance Committee, is committed to improving education, Senator BOB GRAHAM from Florida, who has been a steadfast supporter of making prepaid tuition plans tax-free, and my good friend Congressman JOE SCARBOROUGH of Florida who has sponsored the House companion to the CLASS Act. I think this is a solid first step toward encouraging people and affirming people to care enough to save for the education of their children. Who can be against that?

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

SENATOR ROCKEFELLER'S FIRST GRANDCHILD

Mr. BYRD. Mr. President, it is my pleasure to congratulate my esteemed colleague, Senator ROCKEFELLER, and his wife, Sharon, on the occasion of the birth of their first grandchild. Laura Chandler Rockefeller was born on Wednesday evening, February 16.

February, the second month of our calendar year, is from the Latin, februarius. It is a word of Sabine origin, signifying purification. The Roman festival of purification was held during this month. Nature, in the midst of Winter, with its cold, yet cleansing air, is preparing for the glorious blooms of Spring. And, in this or any season, what can more exemplify the innocence and purity of life than a newborn baby?

Laura's proud parents are Senator and Mrs. Rockefeller's eldest son, John, and his lovely wife, Emily. Laura is in good hands. She is blessed with parents, and grandparents, who love her, and who love learning. John is