peace around the world and when we are in jeopardy, peace is in jeopardy.

The concept of world peace promoted by the US has led to an era of trying to free up trade internationally through the World Trade Organization. There are countries in OPEC who want to belong to the World Trade Organization. By simultaneously being a member of the petroleum exporting countries, and being a part of that organization, their whole approach to determining price is antithetical to the free trade principles of the World Trade Organization. I don't think we ought to be supportive of OPEC nations joining the World Trade Organization if they don't want to follow the principles of free trade established within the WTO, which are contrary to OPEC's recent monopolistic action.

There is also $415 million of the taxpayers' money that the administration hopes to provide to some of the OPEC nations in the form of foreign aid. While we have traditionally done this for three or four decades, should we continue to give taxpayers' money, paid for by working men and women in this country, to the very same countries that have imposed egregious oil prices upon those same men and women? And at the same time encourage those consumers and working people of America, every day when they go to work, to pay more taxes into the Federal Treasury even though the price of gasoline continues to increase?

There is a third lever we can use against some of these countries. Mr. President, 20 percent of all the money for International Monetary Fund loans comes from the American taxpayer. We should encourage the International Monetary Fund to review the anti-competitive energy policy exhibited by foreign states as a factor when considering approval for loans. At the very least our 20% contribution should be conditioned on this criteria. We should not stand by while the same countries who gouge American taxpayers benefit from our 20 percent contribution.

I hope we use all the leverage we can against OPEC, but the only real solution is ultimately less reliance upon imported sources of oil and more on domestic production and/or renewable fuels.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

AFFORDABLE EDUCATION ACT OF 1999—Resumed

Mr. LOTT. Mr. President, what is the pending business?

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.

Mr. LOTT. Mr. President, I advise my colleagues on both sides of the aisle that I have had some discussions this morning with Senator DASCHLE and I think we are making some progress on getting an agreement as to how we can proceed on the education savings account legislation. In our discussions this morning, we talked about the possibility of going forward with an agreement that education amendments and education tax-related amendments would be in order, plus one amendment by Senator WELLSTONE. I thought that was an excellent way to proceed.

I am about to enter that as a unanimous consent request. I understand there still may be need to have some further discussions, but I hope we can get this worked out. If we do, it will mean we can vitiate the cloture vote that is scheduled for tomorrow, now at 2:30.

So I renew my request of last Thursday and ask consent that all amendments be relevant to the subject matter of education or related to education taxes, with the exception of the Wellstone amendment regarding a report on a TANF program, and that time with respect to that amendment be limited to 2 hours equally divided and it be subject to relevant second-degree amendments.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, reserving the right to object, I think progress has been made over the weekend. I, of course, would prefer to have the bill brought up and have no restrictions on amendments that could be offered. It does not appear we are going to be able to do that. Therefore, I hope during the next few hours, certainly before the scheduled cloture vote tomorrow, we can work something out and proceed on a unanimous consent basis. I hope it does not come to a point where we have to have the cloture vote.

That being the position of the minority, I object at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, then I hope we can come to an agreement on the bill. This is important education legislation that does have bipartisan support. I believe we are close to getting an agreement. I appreciate what Senator REID has been doing to try to bring about an agreement, including the amendment by Senator WELLSTONE that has basically already been agreed to.

However, if an agreement cannot be reached on the subject matter on which Members may offer amendments, then Senators are reminded there will be a cloture vote to occur tomorrow.

With that in mind, I now ask unanimous consent that the cloture vote be scheduled for 3:30 instead of 2:30 p.m. on Tuesday, if it is necessary to have that vote.

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

Mr. LOTT. With these final negotiations going on, then, I ask the bill be open for debate only until 4 p.m. and that at 4 p.m. I be recognized.

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

Mr. LOTT. Mr. President, I realize we have at least one more Senator on the floor who wishes to speak, but I want to take a moment to speak on this legislation. This is legislation about which I feel very strongly. I believe the American people support it.

It is a bill we debated a couple of years ago. It did pass the House and Senate, but it was vetoed by the President. At that time, I had some discussions with the White House that indicated they understood this had a lot of appeal and, while it is opposed by some people—specifically, I guess, teachers' unions—that it has overwhelming appeal. And it does.

Let me explain to those who may be listening basically what this legislation will do. It is not just about tax relief, although tax relief is very important for parents who want to help their children. It also is very much about education, quality education. Under this legislation, parents would be able to save up to $2,000 a year per child for their educational needs, K–12. That is the gist of it. I cannot understand some of the comments I have heard about how this is bad educational policy, that it was bad education policy 2 years ago, and it is still bad educational policy. Excuse me. What is bad about this? To allow people to save for their own children's educational needs?

We are not talking about a massive amount of money. We are talking about a bill, also, that has offsets to pay for it. But you are talking about up to $2,000 a year, with the interest of course receiving special tax consideration, where that money can be used for children's educational needs at the fourth grade, if they need some remedial reading attention, or at the eighth grade, if they need a computer, or maybe it is even just clothes, I guess. Whatever the educational needs of your children would be—and I am not sure it would be applicable to clothes but supplies, tutors—I can think of a lot of things that could be done for our children at a critical age.

We talk now about the need to have early intervention, that a lot of children by the time they start the first grade or kindergarten, they are already 2 years behind the curve. So we are looking now at what can we do for early intervention to help our children be ready to begin school.

We are also continuing to look at statistics that are not very encouraging when it comes to reading and arithmetic and basic education at the

elementary and secondary level: Fourth grade, eighth grade, tenth grade. What really is amazing to me is we do allow for tax considerations for parents to save for their children's educational needs in college. So it is OK for college, but it is not all right for elementary and secondary. Yet for higher education in America, there are scholarship programs, there are loan programs, there are grant programs, and there are supplemental grant programs. For any student in America who wants to get a college education, whether it is a community college or whether it is a special training program or higher education, there is financial assistance available but not for elementary and secondary. I do not understand that. A lot of the needs are at that level.

So we are saying yes to higher education but no to K–12. If we do not help our children, our own children, along the way when they have extra needs, then they are not going to be ready for college or, when they graduate from high school, they are not going to be ready to be trained.

I meet with corporate executives, people from the high-tech industries, and they say: We are really worried; the children now coming out of high school are not even ready to learn. They cannot be trained to work in Silicon Valley because they do not have the basics.

I am not saying this one bill will totally solve that, but I am saying it is one more option, it is one more part of improving education in America. So I think it is good educational policy. I think it is good for our parents. I think it also provides tax relief.

Some people will say that a lot of workers cannot save for their own children. Maybe that is true, although I think it would be a real incentive for people, even at a low income level, to be able to put aside just a little bit. It does not have to be $2,000; maybe it is only a couple of hundred. But it would be their money which they could use to help their children. Should not we provide that incentive?

By the way, what about middle-income parents? There are a lot of programs that will help low-income children. Of course, children of parents who have plenty of income, they do not need our assistance. But what about the family where the father works in a shipyard and makes $37,000 a year? Should he not be able to do a little something for his own children?

I urge my colleagues, as I know Members on both sides of the aisle already recognize this is important legislation, take a look at it. Tell me you can go back and tell your constituents you are against parents of children K–12 being able to save a little to help their children at that level. I do not believe you can do that.

This is not a costly bill. This is a bill that has offsets. This is a bill that is a plus all the way down the line. I believe before we are done, this legislation is going to pass and it is going to pass overwhelmingly when we get to the final vote, as it should.

I commend Senator COVERDELL and the bipartisan group that has worked on this legislation, brought it to the floor once before and back here now. But I felt compelled to say something because I had seen this quote saying this is bad educational policy. For the life of me, I cannot explain why that would be true. This is good policy across the board.

I urge my colleague to keep up the good work. I will continue to work with my colleagues on both sides of the aisle and with the leadership to come up with a process that is fair, where education amendments can be offered, where education tax amendments can be offered, now where the Wellstone amendment can be offered. If we can work out a couple of other agreements, certainly I will be prepared to try to do that because I think this is important and the legislation is good.

With that, I yield the floor.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Nevada.

Mr. REID. Mr. President, the New York Times reported last Wednesday that education stands out as the single most important issue nationally, and voters support action at the national level to improve the Nation's schools. I agree with the leader. It is important we talk about education. My own feeling, and I have mentioned this previously, is we should talk about all aspects of education. There are a lot of things that need to be done.

Overwhelmingly, the American people support a national role in education. I hope as we proceed down this legislative road dealing with education that we are allowed to go beyond what the Senator from Georgia, Mr. COVERDELL, has suggested. We need to go beyond this. That is why we are working so hard to get an agreement to go beyond this.

We have to make sure we talk about why kids are dropping out of school at the rate they are, why school construction is not taking place where it is needed, why we are not able to reduce class size. As this debate goes forward, let's make sure it covers all education, not just a little bit of education which we all agree needs to be looked at, but let's broaden our scope.

In light of the fact the Senator from Arizona has something scheduled, I will cut my remarks short.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from Nevada. I appreciate his willingness to allow me to move forward.

Also, what Senator LOTT told us is extremely important. His point is this is an act that is not going to be opposed by very many Senators once we can get it to the floor for a vote. It is the procedural maneuvering that is going on right now by some who want to gain an advantage in this debate to propose some of their own extracurricular ideas that have nothing to do with the bill that is holding us up from considering the bill.

I hope, along with the majority leader, we can get quickly to the consideration of this important legislation because, as he correctly noted, once we begin debate on this bill and have an opportunity to vote on it, it is going to receive overwhelming support from Members on both sides of the aisle in the Senate.

I want to speak for a moment on an amendment which I intend to offer, but before I do that, I commend the Senator from Georgia, Mr. COVERDELL, for his work on S. 1134. He has made a valiant effort, over a long period of time, to bring reform to our educational system.

He particularly wants to give all parents more choice in deciding where to send their children and to give them more of their own money with which to do so, or perhaps I should say to allow them to keep more of their own money in order to have those choices.

The number of Americans and, as I said, Senators of both parties who agree with Senator COVERDELL is growing every day.

His education IRA legislation, which was vetoed in 1998, is now a vital component of S. 1134. As noted by the majority leader, it will allow parents, grandparents, labor unions, churches, synagogues, employers, or others to contribute to tax-free savings accounts to provide for a child's education from kindergarten through high school.

According to a 1998 report from Congress' Joint Committee on Taxation, 14 million families—a majority of them low and middle income—are currently denied these benefits because of the Clinton veto of this bill in 1998. These are the families who will benefit from this legislation.

As one cosponsor of the vetoed bill, Democratic Senator TORRICELLI, lamented in an op-ed in the New York Times:

> With one stroke of a pen. . .an effort to begin a vast reform of American education has ended.

The Coverdell education IRA would extend a provision which I supported in the Balanced Budget Act of 1997 which allowed parents to save $500 per year tax free for their children's college education.

However, all levels of education, not just college, need the incentives to improve that market-oriented reforms such as parental school choice supply.

The real crisis in education, as former Education Secretary Bill Bennett has observed, ''is at the primary and secondary levels.''

As the majority leader said a moment ago, all of the help we provide for college students goes for nought if our students are not prepared by the time they get to the college level. So we need to be focusing now on the primary and secondary levels.

This resurrected Coverdell-Torricelli education IRA will allow families to

save up to $2,000 a year in a special education savings account for each of their children.

The contributions will be in after-tax dollars, but the interest generated will be tax free, as long as any deductions from the account are used to pay for school expenses.

The President may resist it, but we have to develop a unified student assistance funding system that guarantees choice to struggling parents of all income levels with children in all grade levels, from kindergarten through college.

Again, as Senator TORRICELLI said,

> For real reform to take place, both Democrats and Republicans, liberals and conservatives, must look beyond their narrow agendas and partisan political interests and seek out new proposals. Our schoolchildren deserve nothing less.

I could not say it better.

With that background, let me discuss the amendment which I will be offering to S. 1134. As the whole theory of this is to put resources where they will help the most, I have prepared an amendment which in a very narrow but important way will do precisely that. We call our amendment the Apples for Three Million Teachers Tax Credit Relief Act of 2000, first introduced on January 24 of this year, with Senator BUNNING and Senator FRED THOMPSON as cosponsors.

In the House, Representative MATT SALMON introduced companion legislation, H.R. 1710, which currently has 38 cosponsors, including the majority leader, DICK ARMEY.

What will this amendment do? It will provide an annual tax credit of up to $100 for public and private teachers' unreimbursed classroom expenditures that are qualified under the Internal Revenue Code.

What does that mean? We know that teachers routinely every year pay for a lot of their supplies for their classrooms to help instruct their children, things they know will be useful in their instruction but which are not provided by their local school districts. There is currently a tax deduction allowed—which I will talk more about in the future—but it does not work as well for these particular taxpayers.

Our amendment provides a $100 tax credit right off the top for these school supplies which these teachers are taking to their classrooms.

Thomas Jefferson once said ''an educated citizenry is essential for the preservation of democracy.''

As the son and brother of teachers devoted to their students, I know firsthand of the public spiritedness and commitment of these professionals to their students.

It falls to our teachers to inculcate the academic values and analytic skills that make good citizenship possible, of which Thomas Jefferson spoke.

In talking with teachers, both public and private, I have come to learn that a lot of them use their own money to cover the cost of classroom materials that are not supplied by their schools. Some have used money from the family budget to purchase these needed classroom supplies, and they would do it again. It seems to me we should not expect them to pay for these things out of their own pockets, or at least to give some Federal financial assistance when they do, particularly those who are on a teacher's rather modest income.

To put this in perspective, in 1996, according to a study by the National Education Association, the average K–12 teacher spent $408 annually on those classroom materials which they thought they needed for their classroom instruction but which were not supplied by the schools. They spend $408 on average per year. That includes everything from books, workbooks, erasers, pens, pencils, paper, and other equipment.

Under current law, a tax deduction is allowed for such expenses but only if the teacher itemizes and only if expenses exceed 2 percent of the teacher's adjusted gross income.

I commend Senator SUSAN COLLINS for her successful amendment to the Taxpayer Relief Act which eliminates this 2-percent threshold. I look forward to working with her to give our teachers needed relief from their out-of-pocket cost for classroom expenditures.

A deduction reduces taxable income. A credit will give teachers relief dollar for dollar spent, in the case of my amendment, up to the $100 annual limit.

This isn't the solution, but it is a small first step which I think would be very much appreciated by our hard-working and sacrificing teachers.

There is no absolute linkage between these personal contributions to school supplies and the quality of the teaching. However, there likely is some correlation, given the degree of commitment evidenced by these teachers who are spending their own money on their students.

We will be helping the best teachers. I believe this will promote high-quality instruction.

A similar provision enacted by the Arizona legislature in 1997 has been very well received by our teachers. Incidentally, it was recently upheld in terms of its constitutionality by the Arizona Supreme Court.

I urge my colleagues to join me in supporting this bill and in supporting the amendment I will be offering. I think it is important that our teachers at least be partially reimbursed for some of the financial sacrifices they made to educate our Nation's children. If we are serious about getting dollars to the classrooms that need it, this is really an excellent way to do it.

Again, I commend my colleague, Senator COVERDELL, for all his efforts in this regard and look forward to working with him in the future as we get this legislation up for debate and, importantly, for a vote in the Senate.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. First, Mr. President, I thank the Senator from Arizona. Those were very good remarks. But they were also generous as in regard to our effort. I deeply appreciate it, along with his work.

I say to the Senator from Iowa, Mr. GRASSLEY, that Senator REID curtailed his remarks in order to assist Senator KYL. He would like to finish those remarks. I do not think he intends for them to be very long. Then the Senator from Iowa would be next in the queue, if that would be all right.

Mr. REID. Mr. President, my appreciation to my friend from Georgia for his courtesy.

First of all, in brief response to my friend from Arizona when he mentioned—I made a note here—political maneuvering by the minority to keep this bill from moving forward, the fact is we are not maneuvering anything. We are willing to go forward on this legislation and have it treated the same as all legislation has been treated for more than two centuries in the Senate—move forward on the legislation and allow amendments. But recognizing that the majority is not going to allow us to do that, we are trying to work out some kind of compromise so there will be the ability to offer some amendments. I am hopeful we can do that. Certainly I hope so.

I talk about the need for us to discuss education. We need to discuss education but not just a piece of education here and a piece of education there. We need to talk about education in general.

Overwhelmingly, as I mentioned earlier, the American people support a national role on education. The New York Times reported last Wednesday it is the most important issue facing the American people. When we talk about a national role, we are not talking about interference with decisions by local communities when it comes to schools. We are talking about giving them the resources—that is, school districts—to reduce class size, to strengthen the connection with parents, teachers, and students. We are talking about giving our children the best teachers in the world and programs to help schools attract and keep those teachers. We are talking about giving communities the resources to build new schools and to repair those crumbling schools that are all around us.

I believe in public education. I was educated in public schools. My father never graduated from the eighth grade. My mother never graduated from high school. But as a result of the public school system we have in America, I was able to achieve the American dream of getting a good education.

We should give all of our young people the tools to achieve their dreams. We can help them do this by modernizing our schools, raising our expectations and standards, and reducing class size. That is the right thing to do.

When we talk about political maneuvering, we are not maneuvering anything political. We simply want to go forward and treat the Senate as the Senate and not the House of Representatives. We should have been allowing amendments on this legislation last week. We would have been drawing this debate to a close today. But we are not doing that. Instead of that—because of the political maneuvering going on with the majority, not the minority—we are unable to move forward. I hope we can set aside partisan differences and move forward on this legislation. If we do so, the people who will benefit the most are the American people.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I rise to speak about some provisions in this bill I have long backed to improve education. But before I point my remarks directly to those few provisions of the bill, I would like to put this whole thing into context, if I could.

No. 1, the American people are very concerned about education in the United States. If there is any one thing they want the Congress, the State legislatures, and the local schools and municipalities to address, it is the problem of education. I am convinced they want the decisionmaking to be done at the local level, but they would like to have both moral leadership and some resources to come from Washington.

I happen to be one who believes those resources that come from Washington, to the extent they are given to States and local communities with few strings attached—less redtape and less paperwork—the better off we are.

But I think, in the context of even more money, we want to think in terms of, if the money were the sole solution to the problems of education, then that would be an easy solution: Just appropriate more money. I think in terms of the $5,500 per student per year spent in my State of Iowa and the fact that our graduates end up either first, second, or third on the ACT scores in our competition with Minnesota and Wisconsin. For 7 or 8 years in a row, our graduates have ended up first in the SATs. That is the result. We ought to be concerned about results and not about process when we look at spending the taxpayers' dollars.

Compare, on the one hand, that $5,500 per year spent by the State of Iowa—still, my State legislators would say: There is a lot of concern about the need to do more to improve the product of our educational system in our State—with the approximately $11,000 that is spent in the District of Columbia—almost twice the amount spent in my State—and look at the massive dropout rate from the high schools in the District of Columbia. You can only conclude that there has to be a lot done in the District of Columbia other than just spending more money because if you looked at just more money being the solution to the educational problems, then I would quickly conclude that the District of Columbia ought to be doing much better than my State of Iowa.

People are very concerned about education. So in each one of our State capitals, and in the Congress of the United States, there is a great deal of time being spent on education, as there ought to be. We believe every child is entitled to a good education, entitled to that good education in a crime-free environment and with the best of teachers.

We also have to remember a basic principle: Education is all about children. The product of our schools is what matters. Does the process have the children in mind, or are there sometimes special interests beyond just the children's welfare to which we give too much attention?

We have seen studies indicating that whatever we do in the schools, spending money or a policy other than spending money, one of the best things we can do to enhance the environment of learning is to get parents involved in the education of their children, checking the homework, talking about it at the dinner table, in every respect encouraging that child in that family to learn, and also being supportive of the educational environment the child comes from, whether it be the public school or the private school, or some other learning environment of which that child might be a part. We have to make sure we have the educational result that no child will fall through the cracks and, for those who do, that there is a process that the results in getting that child the best possible education so they can succeed in life as well.

This bill is all about encouraging families to save money for the education of their kids from kindergarten through graduate school, planning for the future, not relying upon somebody else. With present tax dollars, less than 50 percent of the education dollar is spent in the classroom. That means we have to look at the allocation of resources within education and decide is it better to spend that on administration or is it better to spend it on teachers in the classroom, the ones who have the hands-on contact with the minute-by-minute education of everybody in that classroom. We have to have accountability for education dollars. I am not sure we have that accountability today, when we are spending less in the classroom than we ought to be spending and more on other aspects of education than we ought to be spending.

This bill is concerned with our children. When you are concerned about our children, you are concerned about the future. When you are concerned about the future of American children, you are concerned about America's future and our place in the world, our ability to lead the world, and our ability, individually and the country as a whole, to be economically competitive in the global environment in which we are now competing.

Too many people look to Washington for the answer. They might say: Well, if you're saying people shouldn't look to Washington for an answer, they ought to look to their parents, they ought to look to their local or private school, why this legislation?

Well, this legislation is all about empowering families, empowering parents. It is not concerned with process. It is concerned with giving parents choice. Basically, all the money that comes into the Federal Treasury is taxpayers' money. It comes from that individual working man or woman in America who pays taxes. This is about giving them some control over their own resources. It is about giving them choice. It is about not having help come from Washington with a lot of redtape connected with it to create more paperwork for the teachers than maybe the dollars they receive are worth.

This definitely is not about making education policy in Washington, DC—pouring one mold in Washington and making all policy out of that mold. If we were to do that, we would be saying the problems of New York City can be solved in exactly the same way as they can be solved in Waterloo, IA. One of two things is going to happen. Either we are going to fail in one place and succeed in another or, simultaneous with that, if we get the taxpayers' money's worth in New York, we won't get their money's worth in Waterloo. So consequently, it is about saying that our country is so geographically vast and our population so heterogeneous that you shouldn't pour one mold in Washington and expect to accomplish the same amount of good wherever you are in the United States with those same taxpayer dollars.

This is a way of saying to the American people: We give you an encouragement to save. We give you a tax incentive to save for the education of your children. What meets the educational policy needs of your family, the needs of your child, in the final analysis it is made by the family for which these resources should be used, empowering the family, involving the family to a greater extent in the education of their children, and also giving them the resources to meet those needs. It is not one size fits all. If we have 110 million different taxpayers in America, then this gives the possibility of 110 million different answers to the problems of education in America.

With that background, I will speak about the two or three provisions of this legislation that I have been involved in, some of which were in the tax bill that had been vetoed in the past. In particular, I mention the tax deduction for student loan interest beyond its current 60-month payment restriction.

Everybody who is paying attention to this legislation knows that the important part of this bill is expanding the education savings account from $500 per year to $2,000 per year. In conjunction with this, we are trying to do

some things that have other tax benefits to help education, some for kindergarten through 12 and some for higher education. What I am speaking about regarding my involvement is eliminating the 60-month payment restriction for which I fought 6 years and finally got adopted in 1997, the provisions of our Tax Code that reinstitute the deductibility of interest on student loans.

To fit that into the overall revenue-neutrality provisions of the budget law, we had to cap it at 60 months. This legislation would remove that 60-month cap. As the cost of higher education continues to rise, the levels of student debt are spiraling upward. Students and their families are finding that financing a higher education is burdensome. Some students, due to financial concerns, are unable to receive the education they need.

We have a duty to assist them in their need and, in so doing, send a clear message that the Congress understands their hardships and values their efforts in improving themselves through college. Also, it gives me an opportunity to establish a principle involved in this legislation beyond just the economic points of view we are trying to make about getting an education and the economic value of that—that is, to send a clear signal to the young people of America that borrowing money to enhance their intellect is just as important, as far as the Tax Code of this country is concerned, as borrowing money for capital investment in some business. And it seems to me that parity is legitimate. Eliminating the 60-month payment restriction will eliminate costly reporting requirements that are currently required for both lenders and borrowers. That is an additional benefit to taking that 60-month limit off.

Under the Taxpayer Relief Act of 1997, we succeeded in reinstating the tax deduction of interest on student loans, which had been eliminated 11 years previously. This brought much needed relief to students and their families. I spoke about the budget constraints we had in 1997, which today we would not have and we don't have. So we put that 60-month payment restriction in place for revenue neutrality. Our current budget situation makes it possible to reevaluate this limitation. As the price of going to college has continued to spiral upward, student debt has risen to very high levels.

The current restriction hurts some of the most needy borrowers. It hurts those who, due to limited means, have borrowed most heavily. It also weighs heavily on those who have dedicated themselves to a career in public service, despite oftentimes lower pay that is connected with that—as an example, teachers. By eliminating the 60-month payment restriction, we will be assisting these most deserving borrowers, while rewarding civic involvement as well.

Also in this bill are provisions for assistance in school construction. Last week, a Member on the other side of the aisle asked why we are not talking about school construction and repairs. My simple answer is: Read the bill. If they did, they would find that it contains some very helpful school construction and rehabilitation incentives. School districts across the country today are struggling to fix some of the wornout rungs in a fundamentally American institution, the public schools—the ladder by which people go up the economic scale. In fact, school districts nationwide spent $18.7 billion on school construction in the last year for which we have figures, 1996. Building and repairing U.S. elementary and secondary schools requires massive capital to keep up with growing enrollments, aging buildings, and modernization needs.

My State's reputation for educational excellence has gained national prominence, as I have already referred to, throughout the 20th century. Even in my State, we have local school districts that have tremendous needs, and this bill will help them to accomplish a good building environment for the next century.

As America prepares to enter this new century—and we have—we must work to strengthen our schools and ensure our classrooms are wired to deliver a 21st century quality education. That includes fixing basic structural damage and, even more so, installing modern communications and computer equipment. But whether it is repairing leaky roofs or removing hazardous asbestos or fixing the structure, everything needs a high-tech facelift at this particular time.

Expanding greater access to affordable capital, which this bill does, will relieve pressure on the local tax base and help more school districts build and repair their schools. Initiatives in this bill do that, and I have sponsored some of those initiatives. They build on something that already works. They build upon the principle to establish tax-exempt bonds. In fact, the single most important source of funding for investment in public school construction and rehabilitation is the tax-exempt bond market. Iowa school districts were issued over $625 million in tax-exempt bonds in the last year we have figures for, which is 1998.

Whether rural or suburban or urban schools, these school districts from coast to coast are facing substantial school construction costs. The greater the flexibility the better. One size fits all won't work, whether it is in capital investment in schools or investment in personal education. That is why my plan is designed to give local school districts greater leeway to secure critical funding.

This legislation would allow school districts to partner with private investors, allowing school districts to tap deep pockets in the private sector and leverage private dollars to improve public schools. Second, it would expand the volume of school construction costs that a small school district could issue annually. This will allow smaller rural and suburban schools a better opportunity to manage the high cost of replacing or repairing aging facilities.

In conclusion, I think all of these steps, along with a lot more in this bill, are important first steps. If and when we are able to pass a more comprehensive tax relief measure, I hope to build upon these initiatives and provide even more school construction assistance to our local communities.

Unlike a lot of proposals from this administration for school construction that require local school districts to get permission from Federal Government bureaucracies, the incentives in our bill empower local people, people on the local school board, and they preserve local control. Without a doubt, that is what the people of this country want. They do not want the dictation of educational policy from Washington, DC. They do not want, as a local school board, to come hat-in-hand to some Washington bureaucrat to get permission to get a little bit of help for fixing a crack in the wall or wiring for some high-tech improvement. They want to be able to decide the needs for their community. Why should they be the ones to do that? Because they are the only ones who know about it. There is no way, no matter how intelligent a Washington bureaucrat might be, that they would know the needs of all the local school districts of our country.

This is a very good bill that will enhance education in America. This bill will provide, through tax incentives, about $8 billion in education assistance to the American people, with local control of that money. It deserves our strong support.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, the subject, of course, is education and I wanted to come to the floor for a few moments to visit about this issue. I am a product of a small public school in Regent, ND. I graduated in a high school class of 9. I always kid that I was in the top 5 of my class; I won't tell exactly where in that 5, though. I went to college and to graduate school and, through a strange set of circumstances, I made my way to the Congress and finally to the Senate.

I am proud to stand on the floor of the Senate and discuss education. I don't pretend that I know more than anybody else in the Senate on the subject. I don't pretend to have all of the answers. But I do hope that when we debate education—and most parents in this country want us to debate how to improve public schools—I hope we will be able to debate all of the good ideas that exist in this Chamber, not only some or a few.

It is my hope that, shortly, we will have an agreement by which we will be able to consider all of the good ideas that exist in this Chamber to improve and strengthen education in this country.

Thomas Jefferson used to say that anyone who believes a country can be both ignorant and free believes in something that never was and never can be. He understood the value of education, as I am sure most of my colleagues do. I understand the value of a quality education. I want every young child in this country to be able to go through a classroom door that we are proud of, into a classroom that will allow young children to be the best they can be. Regrettably, that doesn't happen all across our country. We have some wonderful schools and some excellent teachers, but we have some challenges as well.

Let me start with this premise: Those who suggest the public education system in this country has collapsed and is unworkable are wrong—just wrong. We have many fine public schools in America. We have some outstanding teachers in our country. We need to have more. There are some significant areas of concern in some schools. Some inner-city schools and BIA schools on Indian reservations, for example, have physical facilities that should be cause for great concern.

Mr. President, decade after decade, we hear the debate that the school system in this country is collapsing, and that somehow public schools are not making the grade. In fact, however, the evidence shows that we have many fine public schools in this country.

The public school system has allowed the United States of America to progress and do things that virtually no other country has done. Why? Because we have an educated population.

Some while ago, a periodical described the progress in our country. They said we have spliced genes, we have split the atom, we have cloned sheep, we invented plastic, the silicon chip, radar, television, and computers. We built airplanes; we learned to fly them. We built rockets and flew to the Moon. We cured polio. We cured smallpox. And this country is hardly out of breath.

Did that come from a country that didn't educate its people? No. All of those advancements are a result of our investments in education in America—an investment in a system of public education in which we decided as a nation that every young child should be allowed to become the best he or she could be. We do not say to children somewhere along the line: All right, here is what you are going to do and become. Instead, we've said every child has the opportunity to be the best they can be in this system of ours.

Is it an accident that we stand at this precipice in history with the strongest economy in the world? Is it an accident that we invented television, that we invented the computer, and that we are the center of the high-tech industry? It is, in my judgment, a direct result of the educational system.

I am a little tired sometimes of hearing people denigrate the system of public education in our country. There is a lot to be said for public education.

I'm reminded of the old saying that bad news travels halfway around the world before good news gets its shoes on. Never is that more evident than in the debate on education among politicians. They can't bump each other fast enough to get to a place to make a speech about how bad our schools are.

Yes, some of our schools are not up to par. Some of our schools are in terrible need of repair. Some of our schools need reform. Yes; that is true. But I go into a lot of schools, and I see some remarkable places of learning.

I have a couple of children in school. I deeply admire their teachers. They do more homework than I did when I was in school. They are studying subjects at a higher level than I did when I was in their grade in school.

When we debate this subject of education, let's debate it based on the facts. I intend to bring a book to the floor by a researcher who compares the test scores of children in school now to children in schools a decade ago and to children in other countries, and who evaluates what, in fact, is happening to our system of public education. Is it, in fact, collapsing? Are test scores among the same group of students actually increasing?

Said another way, perhaps only the top 25 percent of the kids in high school took a college entrance exam not too many years ago. Now somewhere around 60 percent do. Has the average score dropped? Sure. That is because you have the top 60 percent rather than the top 25 percent taking the exam. Compare the top 25 percent of today to the top 25 percent a decade ago. Have the scores decreased? No. They have not at all.

There is a lot to be commended in our system of public education. I don't want to hear people talk about how awful it is because it is not awful. In my judgment, it has created a country that is the best in the world.

But let me talk about the challenges because they exist. That is part of what we want to address.

As I said, I come from a town of 300, and a high school that had 40 kids combined in all four grades. So I know something about small schools. I visited an inner-city school—something with which I was totally unfamiliar. When I went in the front door of that school, there were two metal detectors and armed security guards sitting at the front door. There was a shooting at this school some weeks after I had been there. One kid bumped another at a water fountain, and the other kid pulled a gun and shot him three or four times. This is a school with metal detectors and armed guards.

Does that school have a serious challenge? You bet your life it does.

In my State of North Dakota, there are two schools I have described before. If people have heard this already, I am sorry, but it is important. Among the issues we will discuss, now that we have an agreement, is not only the proposal brought to the floor by Senator COVERDELL and others to provide a tax cut for education savings accounts, but also ones to provide some help to improve and renovate schools and to reduce classroom size.

Let me talk about the Cannon Ball School. I am probably the only one in the Senate who has been to the Cannon Ball School, which is about 40 miles south of Mandan, ND, on the edge of the Standing Rock Sioux Indian Reservation. It is not a BIA school; it is a public school with mostly Indian students. And since it is on Indian land it has almost no tax base to support it.

The school has roughly 160 kids, most of them young Native American children. Much of the building is 90 years old; some of it is newer. Most of the classrooms do not have the capability to be wired for the Internet, so we do not have high-tech education. It has 160 kids, 2 bathrooms, and 1 water fountain. When I went there, they were using the old boiler room as a sort of make-do classroom, except a couple times a week they had to evacuate that temporary classroom because of a backed-up sewer system.

In the classrooms, the desks are an inch apart, with kids crowded into the little classrooms. How would Members feel if their daughter or son were walking into that classroom? Would they feel their children had an opportunity for a good education?

A little girl named Rosie Two Bears, who was a third grader at the time, said to me: Mr. Senator, are you going to build me a new school?

No, I am not able to build you a new school, not by myself. But I hope the actions of the Senate will give Rosie the opportunity to have a new school. I hope every young Rosie who is walking into a classroom in this country has parents who believe they are sending a child into a classroom of which they are proud, not one that is crowded with 30 or 40 children, but a classroom in which a teacher can pay attention to those children and give the children a good education, a classroom connected to the future with new technology, a classroom in a building that is safe, a classroom where that child can learn to be the best she or he can become.

That is not the case, regrettably, in Cannon Ball, ND, and those poor folks who run the school cannot do a thing about it because they don't have a tax base with which to issue a bond to renovate that school or build a new one. We ought to do something to help schools like this one, by providing funding for new teachers to reduce class size and to build new classrooms to reduce overcrowding.

Some will say that this is a bureaucrat's approach to solving the problems at Cannon Ball Elementary School. If we say let's provide help to a school such as that, so that child can go to a good school, we are told that we want bureaucrats to run our public education system. That is not the case at all—not a bit.

I am not embarrassed as a country for having goals and aspirations for our

children. Some want to brag that we as a country, the United States of America, have no national goals in education; good for us. Don't count me among those who pat themselves on the back for having no national goals or no national aspirations for what we want to get out of our public school system.

Has anybody been to the Ojibwa School? Probably not. The Ojibwa School has trailers sitting out on a hillside on the Turtle Mountain Indian Reservation. It is a BIA-funded school. We have a responsibility to these schools to do better. This school has been deemed unsafe by everybody. God forbid that someday there should be a fire that sweeps across those temporary classrooms with their wooden fire escapes, taking the lives of children. Everybody says: Why doesn't somebody stand up and take notice of that? They did. Study after study after study has found this school to be unsafe. Those children have to go out in the freezing cold weather in North Dakota between these mobile, temporary classrooms. Does anyone in the Senate volunteer to have their children attend that school? I don't think so.

Where are the resources to give those kids a decent school building? Maybe from some bureaucrat? Is it by the local school district? By the tribal council? How about the State legislature? No, no, no, in every case. How about from us? Could we in the Congress do something for the young school children in the Ojibwa School?

We have a list of those schools for which the federal government has responsibility. This is a federal trust responsibility that we have for Indian schools, and we are not meeting it. Why? Because we don't have the will to put up the money to build a decent school for those children.

Everyone in the room knows what makes a good education: A good teacher who knows how to teach, a child who wants to learn, parents who care about that child's education, and a safe and effective learning environment. We know what works.

We will, because of this unanimous consent agreement that was just reached, be able to address not just the question proposed by the Senator from Georgia regarding providing tax-favored education saving accounts for K–12 education.

In conclusion, I fully support and feel very strongly about the need to address the issue of reducing class size. We know a teacher does much better for students when she or he is teaching a class of 15 children rather than 35 children. We know that. That is not rocket science. We also know that a child who goes into a classroom that is in decent repair, in a good school building of which we can be proud, has a better opportunity to learn. We know that. To fail to address those two major issues is to fail on the subject of education. We will have an opportunity to debate that. I intend to debate those issues.

An additional point. I believe every school in this country ought to provide a report card to parents about how it is doing. I am a parent. My children are in school. I get report cards. I am able to open the mail and get a report card that gives me a grade for how my children are performing in mathematics, in English literature, and so on. That is very helpful for a parent. Parents can talk to their children all day long when they get home from school: What did you do in school today? What did you learn? And you get one-word answers, as we know. So a report card is a very important tool to let parents know how their children are doing in school.

But what about a report card on the school itself? Why don't parents, as taxpayers, have an opportunity to get a report card that says: This is how your school is doing versus other schools in the State; this is how your school is doing versus other schools in the school district, the State, and the Nation; so parents and taxpayers can compare their school to other schools? A school report card would give a parent information, not only about their child, but also information about their child's school, which is very important to their children's education.

So I intend to offer an amendment that would provide that report card. It is not intrusive, in my judgment. It would empower parents, give parents information about what they are getting for their tax dollars, what kind of school they are producing for their children to attend.

Let me say to the Senator from Georgia, as I have on past occasions, that he is a serious legislator. He brings ideas to the floor, some of which I disagree with strongly. Occasionally I have supported his ideas. But we are on the right subject. Education is the right subject. It is our future. It is our children. The unanimous consent agreement now gives us the opportunity in the next couple of days to address all the ideas for improving education. Instead of getting the worst of what each has to offer, maybe we can get the best of what both have to offer in this Chamber. That would be a refreshing change.

I yield the floor.

Mr. COVERDELL. Mr. President, I renew the leader's request of a few minutes ago, which is that all amendments be relevant to the subject matter of education and/or related to education taxes with the exception of a Wellstone amendment regarding a TANF program, the time with respect to that amendment be limited to 2 hours equally divided, subject to a relevant second-degree amendment, and the amendment filed at the desk by Senator BOB GRAHAM, which is amendment No. 2843.

Mr. REID. Mr. President, reserving the right to object—I will not object—I am very happy that we have been able to arrive at a point where within the next few minutes we will be able to start debating education issues.

I extend my appreciation to the Senator from Georgia and to the majority leader for this agreement. I think it is something with which we can work. I look forward to a good debate in the next few days on education and education-related matters.

Mr. COVERDELL. I appreciate the remarks of the Senator from Nevada.

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

Mr. COVERDELL. Mr. President, having just reached an agreement, I now ask unanimous consent that the scheduled cloture vote for Tuesday be vitiated.

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

Mr. COVERDELL. Mr. President, I hope Members will be prepared to offer their amendments with votes to occur beginning on Tuesday. It is the leader's hope the Senate can conclude this bill by Wednesday evening. In the meantime, I look forward to vigorous debate and thank all Members for their cooperation.

I mentioned to the Senator from Nevada a little earlier that as we move forward with this bill, if we can get some parameters around the debate and equally divided limits on the amendments, I think that would be useful for everybody. But we will proceed at the appropriate time.

Mr. REID. Mr. President, I say to my friend from Georgia that we are ready to start offering amendments this afternoon. We hope to be able to do that, and with notification to the leader, we hope there can be some votes tomorrow morning, or at least when we finish our conferences. We expect to have at least one amendment offered today. That would take a little while in the morning but is something we think we can get our teeth into and work quickly.

Mr. COVERDELL. Mr. President, it is my understanding the first amendment is by Senator DODD of Connecticut. If Senator REID could offer it in his behalf, we could begin that debate—we can confer about this—at 9:30 in the morning. That is what I think is the schedule.

Mr. REID. That seems appropriate.

Mr. President, I extend my appreciation to the Senator from North Dakota. He has been a leader in education, both in the House and the Senate. I always look forward to what he has to say during debate on education.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Georgia.

Mr. COVERDELL. I thank the Senator for his remarks. There are a couple of comments I want to make but I know Senator FRIST, from Tennessee, is pressed so I am going to yield the floor so he can begin.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Madam President, it is a pleasure to be opening this second session of the 106th Congress with a bill that is, I believe, so important in our

step-by-step approach to improving education, which is something I think both sides of the aisle feel strongly about. From the statements we have heard today and at the end of last week, and we will hear again and again, nothing is more important to America's future than addressing the education needs of our children. That is so for all the obvious reasons. There is nothing more important than education as we look at the preparation for quality of life, for looking at our Nation's overall economic prosperity domestically, but also as we look at issues such as global competitiveness.

As we heard this afternoon, every child in America does deserve the right to a drug-free classroom, to a violence-free classroom, with a highly qualified teacher at the head of that class. As a father of three young boys, 16, 14, and 12, I think a lot about education. I think a lot about how students can be best prepared for a future that is increasingly sophisticated in technology, information technology, and a global economy where competitiveness is not only with other people in the community but other people across the State, across the country, and across the world.

It comes back to that basic principle of local involvement, how we can step away from thinking education needs to be controlled by either us in the Senate or Washington, DC, or bureaucrats; and recognize it is that local control, those local schools that can best identify the needs of a local community with the involvement of parents who care the most about the education of their own children, and the involvement of principals in a local community. That is why last year my colleagues and I introduced legislation which we called Ed-Flex, which basically returns that power back to local communities, recognizing how limited we are, being right in Washington, DC, even assuming we can micromanage what goes on in Alamo, TN, or Soddy or Daisy, TN. It is those principals, those teachers, those parents, those superintendents, those districts that can best identify what the needs are of that community.

Ed-Flex allowed schools to use Federal money. That particular bill did not include new Federal money. Although I might add, we in the Senate, under Republican leadership—and I am very proud of this—did increase Federal spending last year by $500 million above what the President of the United States wanted or requested. The Republican leadership in the Senate sent a strong message: Yes, if we have local control, improved flexibility, and strong accountability, we will continue to invest, and invest heavily, in education across this country.

Ed-Flex took the same amount of money we had, but basically stripped away all the Washington redtape, freeing the shackles of these excessive, burdensome regulations that were added here in Washington, DC, but really handcuffing our teachers whose goal, whose profession is to educate people in that classroom, children in that classroom.

Ed-Flex was a first step. Issues such as school safety are, again, very important issues that have to be addressed if that right really does include being in a classroom that is violence free and drug free. It is time we extend this concept of empowerment of families, of parents, of using resources locally so they can be directed where the needs are. That is what this legislation does.

I am pleased because this is a continuation of a process. Again, this particular bill doesn't answer all the education challenges we have, but it continues that process by giving significant relief to American families, to parents as they pursue the educational opportunities which we all—both sides of the aisle—know are so important.

I had the opportunity of presiding over the previous hour, and again you hear this particular bill does not do enough to improve all K–12 education, or all education. Yes, this particular bill is not intended to solve all of the problems or all of the challenges of education. But it does very specifically address a number of them.

At the same time this discussion on the floor continues, we are debating in committee what is called ESEA, although a lot of people are just getting familiar with what those letters mean. ESEA is the Elementary and Secondary Education Act. We are reauthorizing that large act, which addresses many of the other issues in education. This particular bill will likely be debated actively in committee within the next several weeks and then brought to the floor to follow the current bill about which we are talking.

It is this combination of the bill we are talking about on the floor—and I will come to a few more of the details in this bill—and the more comprehensive legislation of ESEA that I believe put together, building on Ed-Flex last year, building on the additional $500 million investment this body put in above the President, that moves us towards the goal on the right track with the right principles of local control, strong accountability, and increased flexibility that ultimately will improve our American education system. That is true especially where we need the improvement the most, and that is kindergarten through the 12th grade.

The ESEA, or the Elementary and Secondary Education Act, addresses issues on the spending side of the ledger. The bill we are addressing today addresses the tax-related issues associated with education as well as the savings side of education. We had hearings in the Senate a couple of weeks ago. My colleague from Tennessee, Senator THOMPSON, held hearings on the rising cost of college, how that can be addressed today.

One of the things that came out of those hearings is that we should do all we can to empower parents and students to save enough for a college education.

What do we have today? Under current law, a family can contribute $500 per year into an education IRA. I do not want to diminish that because it is very important. It again came from this particular body, of which I am very proud. But I think we can extend it. We have an opportunity to extend that limit in one part of this bill.

Last week in Tennessee, I had an opportunity to visit three different K–12 public schools. The teachers and parents who had come said: Senator FRIST, we don't want you to be telling us how many computers we can have, what kind of computers, and where to hook them up. We want you to help us to be free to spend the resources we have. And can't you help us save a little bit for our children's education in the future? Isn't there something you can do in terms of legislation?

IRAs are tremendous savings vehicles. The regular IRAs we have today simply do not help the conscientious people of Tennessee save enough money for their children's education because when you take money out of these traditional IRAs, you pay a significant penalty for early withdrawal. Therefore, the only savings vehicle we have today is the education IRA. But as I mentioned, the limit on maximum contributions is $500 a year, and that comes down to about $40 a month. I do not know about my colleagues, but that is about what my cable bill is each month.

In addition to raising that contribution limit for education IRAs, this bill will also allow the American family for the first time to use some of those education savings for expenses that are associated with K–12 education. Currently, with an education IRA as presently designed, one cannot use that money for K–12 expenses. I have heard a number of my colleagues claim that allowing families to use some of their own money for elementary and secondary education is a backdoor attempt for a voucher debate. I hate to hear that almost fearmongering of: Let's not talk about the issues at hand because what you are really talking about is vouchers, when they are totally disassociated.

It comes down to whose money is this? It is the family's money; it is their money to begin with. This whole debate on vouchers can be held on some other day.

I want to make it clear this savings proposal we are debating is no more a voucher proposal than a tax cut is a voucher proposal.

As chairman of the Senate Budget Committee's Task Force on Education, I had the opportunity to listen to people who were bringing before that task force creative solutions to the problems which plague our Nation's schools today. Although, again, we need to address that in a comprehensive manner, which we are doing, I believe expanding the education savings account is a positive, constructive first step, not a final solution.

It does move us in the important direction of empowering parents, children, and that parent-child team. Again, the concept is very different than a Washington, DC, one size fits all strategy or more mandates out of Washington. What we are doing is locally empowering that parent-child team. Who best can identify the local needs of that child? It might also be an individual with a disability. For the first time, we allow these K–12 funds to be used for the purchase of technology to make learning easier. Or we are empowering for the first time that parent and that child, through a savings account, to use those resources for after-school tutoring for that child who cannot quite keep up or does not quite understand what the teacher is trying to say.

On the issue of expansion of the definition of qualified education expenses, again, it has been talked about, but I want to make the point that you can do these things for higher education, but it is K–12 for which you cannot use these funds. Therefore, this expansion of definitions is critically important. It can be used for fees, it can be used for academic tutoring as I mentioned, for books, or for supplies. It can be used for the cost of computers or technology, for those individuals with disabilities. It might be a tool that allows one either to hear a little bit better or to express one's self if one is unable to talk. Home schooling expenses, again, can qualify. We all know it is parents who know best and who care the most about their children's future.

The President signed in 1997 the Taxpayer Relief Act which authorized new education IRAs for those higher education expenses. I have been very supportive of that, and this body has been very supportive of that. What we want to do now is take those moneys and apply it to K–12.

Higher education in this country is the envy of the world. There is no question about it. We have the greatest higher education system of all 140 or 150 countries anywhere in the world. But what about kindergarten through 12? Are we the best? No. Are we in the top four or five? I can tell you what TIMSS, the Third International Math and Science Study, shows.

Looking at math and science and the 12th grade where one would think we would be the very best with the prosperity and the freedoms we have and our emphasis on education and the best higher education, surely in the 12th grade we are the best. In math and science, which we know pretty well are the backbone of technology and job creation of the future, we are not first in the world. We are not 5th in the world. We are not 8th in the world. We are not 12th in the world. We are not 15th in the world. We are not 18th in the world. But we are 19th and 20th in the world when it comes to the 12th grade. We are failing in K–12.

There are a number of issues we can talk about, and I know there are other Members on the floor who want to speak, but I do want to mention the employer-sponsored aspect of this bill. We will talk a lot about the education savings account as we go forward, but in addition, this bill extends the tax exclusion for employer-provided educational assistance and restores the exclusion for employer-provided educational assistance at the graduate level.

The Senator from Iowa was just in the Chamber and emphasized a very important point that can be overlooked but should not because it is a very important part of the bill, in that the bill eliminates the limit on the number of months a taxpayer may deduct the interest costs that he or she must pay on his or her student loan.

As a reminder, currently a taxpayer can only deduct the interest on his or her loan for 5 years, regardless of how long he or she must pay interest on that loan. The provision allows taxpayers to deduct the interest that must be paid on a student loan for the lifetime of that loan.

In closing, I want to mention that the bill itself does provide help for all of those schools, as well as those school districts in need of school construction, school modernization. Thus, I am pleased the majority leader has brought this bill before the Senate for early consideration. I applaud his decision to do so. It builds upon what we did in the last session. It sets us on the right track focusing on K–12 education, and there is no more important issue as we look to the future than education.

If we can complete action on this particular bill and then complete action on the Elementary and Secondary Education Act, we will have addressed both the spending side of the equation, as well as the tax side of the equation, both of which are important to improving and strengthening education in this country. We can do all of that before Easter.

I compliment the Senator from Georgia, who has worked on this particular issue during the whole period I have been in the Senate. His leadership is impressive. He is a mentor to many of us on education. I appreciate his hard work. I urge my colleagues to support this very important bill in order to expand education opportunities for families and students, yes, in Tennessee but all across America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Tennessee for his remarks and generous comments on our efforts. I enjoy very much working with him. I am very complimentary of his work in education on the Budget Committee and on the Educational Flexibility Act which was a historic accomplishment by the Congress. I thank the Senator so much for being here today.

I yield the floor. I note the Senator from Texas is seeking recognition.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Madam President, thank you very much for allowing me to speak. I am very pleased to support the bill. Of course, I acknowledge the leadership of Senator COVERDELL and Senator ROTH. They have been the leaders in trying to give more choices to more parents in our country to do what is best for their children.

In Washington, sometimes we get a one-size-fits-all mentality, but everyone knows that every child in this country is different and every child has different needs. What we should be doing in Washington is giving parents the ability to choose what is best for their particular child. That is what S. 1134 does.

The Affordable Education Act of 1999 is exactly what this country needs to empower parents to do the best for their children. Our goal is to give every child the opportunity to succeed in this country. No child can succeed without a good education.

This bill is simple and it is compelling. We have in the law now an education IRA. It allows post-tax contributions to be invested and then used tax free for college tuition and other costs. This is a great idea.

Once again, Senator COVERDELL and Senator ROTH led us to pass this bill. It creates an added incentive for Americans to save, particularly at a time when Americans have a negative savings rate. It encourages more Americans to think about and plan for and pay for college for their children. More college-educated Americans mean more higher-income Americans; it means more tax revenues to offset the lost revenues. If ever there was a win-win tax policy, this is it.

So why would anyone oppose expanding this tremendously successful program for K through 12 education expenses? We have a high school dropout rate that is unacceptably high for the greatest country on Earth. We have children who are unable to afford basic supplies, much less computers. We have children literally trapped in failed schools.

I support this bill because I support the ability of parents to choose what is best for their children. This bill ensures the maximum possible flexibility for parents. If they wish to save for college and use the proceeds to pay for college tuition on a tax-free basis, they can do that. If they want to use the proceeds to purchase band uniforms for their child, they can do that—or books or computers or anything that would relate to the education or development of their children.

And yes, parents can use the accounts for private or parochial school tuition—which forms the core of the opposition to this bill by the President and our colleagues on the other side of the aisle.

I am not going to apologize for supporting a bill that allows working families to save their own hard-earned

money to send their children to the school that will give them the best choice and the best start in life. It takes not one penny from the public schools in this country.

I do not apologize for supporting that because I know working-class Texans who have told me they want the choice to send their child to a school that they think is the best.

Choice is what this bill is all about. Choice is at the heart of a provision that I offered to this bill last year, which was passed on the Senate floor before being vetoed by President Clinton. That amendment would, for the first time, make Federal funds available for public single-sex schools and classrooms as long as comparable educational opportunities were made available for students of both sexes.

The Senate overwhelmingly approved this amendment on two previous occasions. I am confident it will again because I am going to bring it up on the reauthorization of the Elementary and Secondary Education Act scheduled to be taken up later this year in the Senate.

I might say, Senator COLLINS, who is sitting in the Chair today, is a very strong supporter of this amendment. I appreciate her leadership on this issue. She has talked to parents in Maine who have wanted to be able to send their children to a single-sex classroom because they know that child would be able to do better in that environment, but they have been discouraged by the Department of Education.

So because of that experience, because Senator COLLINS listened to her constituents in Maine, we are now going to team up and let every child in America have the choice that the parent in Maine wants for her child.

I offered that provision to help remove the cloud of doubt that was hanging over the education community about what the Federal Government would do if parents decided this is what they wanted, and they went to the school board and asked for the authorization of a same-gender school or classroom.

The amendment is simple. It adds the establishment and operation of same-gender schools and classrooms to the list of allowable uses for funds under title VI, the Federal innovation education block grant program. This amendment is necessary because for too long the Department of Education has discouraged States and public schools from pursuing voluntary single-sex programs, despite the clear benefits that such programs have for some students and despite the fact that they would only be offered where parents asked for it and support it.

Ask almost any student or graduate of a same-gender school, most of whom are from private or parochial schools, and they will almost all tell you—enthusiastically—that they were enriched and strengthened by their experience.

Surveys and studies of students show that at certain levels of education, for some students, both boys and girls enrolled in same-gender programs tend to be more confident, more focused on their studies, and ultimately more successful in school, as well as later in their careers. Both sexes report feeling a camaraderie and a sense of peer and teacher support that they do not encounter to the same degree in coeducational classrooms. Teachers, too, report fewer control and discipline problems—something almost any teacher will tell you can consume a good part of classtime. Inevitably, these positive student attitudes translate into academic results.

Study after study has demonstrated that girls and boys in same-gender schools, on average, are academically more successful and ambitious than their coeducational counterparts. These results and benefits of same-gender education for hundreds of thousands of American students and their families can be an option in public schools as well as parochial and private.

Susan Estrich, a professor of law at the University of California, stated in a recently syndicated article regarding the amendment:

> Without boys in the classroom, researchers have found, girls speak up more, take more science and math, and end up getting more Ph.D.s, and serve on more corporate boards. While the benefits of single-sex education for boys have been less well-documented, there is at least anecdotal evidence that boys' schools in the inner cities, where discipline is stressed and positive male role models emphasized, may result in lower dropout rates and higher test scores.

I believe this is an idea that should be an option for every parent. It is not a mandate. It is not even a recommendation. It is just an option. Why not let the parents have the full range of choices in public school? That is what the innovation provision of title VI is supposed to do.

We also hear a lot on the Senate floor about the need to hire more teachers and to reduce class size. Many on the other side of the aisle think the answer to the growing teacher shortage is to simply have the Federal Government hire more teachers, pay for a fraction of their salaries, and force local school districts to pick up the rest. I think there is a better approach and one that will not only ensure that more teachers are hired but that better teachers are also hired, teachers with real-world experience and knowledge that can be translated into the classroom.

Called Careers to Classrooms, my proposal would build on a tremendously successful Department of Defense program that takes experienced, qualified military service men and women and helps them transition into the classroom as teachers. The program seeks out and helps place members of the military, with at least 10 years of service and skills, in high-need areas such as math, science, computers, and language skills. It also helps many of them with stipends while they get their certification, which usually comes through a streamlined certification process.

Careers to Classrooms takes this successful model and applies it to civilian professionals interested in sharing their knowledge with public school students. Under this program, individuals with demonstrable skills in high-need areas, such as computers or foreign languages, would be helped to find a school that has a need for teachers in their field. It would provide assistance to the school to hire the individual while they obtain their certification—again, under a streamlined process.

This is another example of a win-win for a career person who would like to go into a different career, would like to go into teaching, happens to be able to speak French or Russian or Italian or Chinese, and would like to offer that to a school that can't offer it to students because they don't have a qualified teacher. This approach is far less costly than simply paying the salaries of new teachers regardless of their expertise or background.

While there is no question our teachers need to be paid, and paid well, this is an area that has been left to the discretion of our States and local school districts throughout the history of this Nation. Our Nation's parents and their children do not need more Federal control, more bureaucracy, and more red-tape.

I had a teacher come to one of my townhall meetings in a small town in north Texas. The teacher was about to go out of her mind. She brought me the number of forms she has to fill out. It was this tall—this tall—with pages she has to fill out just to be a teacher in this very small school district in north Texas.

That is not what our teachers need. What we need is to empower our parents with greater choices to find the education path that is best for each individual child in this country. We need to give teachers the ability to teach rather than have more Federal mandates. We need to make options available, and we need to do it in an innovative and flexible manner.

Heaping more money on a failed system has been exhaustive to our teachers, to our principals, to our superintendents, to our parents, and to our children. The policies of the past have failed. The Affordable Education Act and the two additional proposals I have outlined are policies of the future, policies that will enable every child in this country to fulfill his or her potential.

That is our goal. How we get there is the debate we are having today. I want to do it with flexibility, with options and empowerment of parents. That is what Senator COVERDELL and Senator ROTH are giving us the opportunity to pass. I urge my colleagues to support this very good piece of legislation.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Madam President, I thank the Senator from Texas for her

generous remarks and also the thoroughness with which she has described this legislation and her amendment.

If the Chair is willing, I am glad to assume the Chair so the Senator from Maine might participate in this debate, if that is appropriate.

(Senator COVERDELL assumed the Chair.)

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine.

Ms. COLLINS. I thank the Presiding Officer for his generosity in assuming the Chair so I may debate this extremely important issue. The Senator from Georgia has been such a strong leader in the Senate on education issues. I have been very pleased to work with him on a number of education issues. I know how committed he is to improving education for all American children. I am delighted to join in this debate today.

The PRESIDING OFFICER. The Chair thanks the Senator.

Ms. COLLINS. Mr. President, improving education for all American children is our No. 1 priority in the Senate. It is No. 1 on our Republican plan.

Education is more important than ever before in our history. While education has always been the engine of social and economic progress, today it assumes more importance than ever before. Education is critical to allow people to fully participate in our increasingly technological society. Education is critical to narrowing the gap between the rich and the poor in this country, which is largely an educational gap. In fact, an individual with a college degree can expect to earn, on average, $17,000 more a year than an individual who only has a high school degree. Increasingly, education is important not only to our quality of life, not only to technological and medical breakthroughs, but to narrowing the gaps in our society and ensuring that everyone is able to have the quality of life he or she wishes to have.

By working with our parents, our teachers, our communities, and our States, our goal is to strengthen our schools so that every American child has the opportunity for a good education, so that no child, in the words of Texas Governor George Bush, is left behind. That is our goal.

A good education is a ladder of opportunity. It turns dreams into reality, it is responsible for improvements in our quality of life, and it enables a child to achieve his or her full potential. That is why I am a strong supporter of the Affordable Education Act, the legislation we are debating today.

The Presiding Officer knows I am a very strong supporter of public education. I would not support a bill I thought in any way weakened public education. The last time this bill was debated on the Senate floor—and again today—I heard suggestions that somehow this bill was a backdoor attempt at vouchers. Nothing could be further from the truth. In fact, this legislation will allow American families to save for their children's future education—to save for college, for example. It will allow them to use the money they put aside to supplement public education in K through 12, to hire a tutor, for example, to pay for a school trip, to help to afford extra help by way of buying a computer. This will help parents help their own children with their own money that they are putting aside in an educational savings account.

I am particularly interested in this legislation because I think it will help parents afford higher education, which often seems to be an obstacle that many families question they can afford.

Creating the educational IRA, as this Congress did, was an important first step in encouraging families to save for higher education. But we need to go further, and the Affordable Education Act contains significantly improved benefits for families using educational IRAs to save for postsecondary education.

In the State of Maine, we have a terrific record of encouraging our students to complete high school. We have one of the best records in the country. But, unfortunately, we don't do as well encouraging students to go beyond high school. In that area, we lag behind other States. Yet we know how important higher education is. It is more important than ever before. As I talk with students and their families, school administrators, and teachers, I find that too many Maine families believe education beyond high school is simply beyond their means. This legislation will help them save for the cost of higher education. It will increase the annual amount a family can contribute to an educational IRA from $500 to $2,000.

Now, let's look at what that means and the difference that can make. That means if a family were saving the maximum amount of $2,000 each year for 18 years, starting at the child's birth, at a return of about 8 percent per year, they would have about $75,000 to pay for a college education. Now, that contrasts sharply with the $19,000 they would have under current law. That is important because $75,000 is an awful lot closer to the average cost of attending a private college for 4 years than $19,000 would be.

The Affordable Education Act also makes some important changes and improvements in prepaid tuition plans. That is another way we can help American families better afford higher education. Some of the provisions in this bill were originally proposed in legislation I introduced called the Savings For Scholars legislation.

For example, families will be allowed to roll over accounts without incurring tax liability from one prepaid plan to another. So if they move from one State to another with a different variation, they don't lose the benefits of that plan.

The legislation includes first cousins among the family members to whom a plan can be transferred should it not be needed or used by the child who was the original beneficiary. It will provide greater incentives for grandparents to establish prepaid tuition or to participate in prepaid tuition plans.

Another provision of this legislation, which I think is very important, is that it will eliminate the 60-month limit on the deduction of student loan interest. The second bill I introduced as a new Senator in 1997 allowed students to deduct the interest on their student loans. I am very pleased that a version of my legislation—and there were many others supporting that approach as well—was incorporated into the 1997 Tax Relief Act. But we found that there was a 60-month limit put on how long someone could deduct the interest on a student loan. This legislation eliminates that 60-month limit. That is going to be very important to students who attend graduate or professional school or who otherwise have incurred a large debt burden.

The impetus for the legislation I introduced back in 1997 came from my experience while working at a small college in Maine. Most of the students of this college—Husson College in Bangor, ME—were first-generation college students, the first members of their family to attend college. Eighty-five percent of them received some sort of student loan in order to be able to afford college. What I found is that many of them were graduating with a mountain of debt. They were worried about how they were going to be able to pay off those student loans. Allowing them to deduct that interest every month when they write that check, knowing they will be able to deduct that interest, is an enormous help to them. By eliminating that 60-month limit, we will help even more students and help make higher education that much more affordable.

Another important provision of the Affordable Education Act is the provision dealing with the National Health Corps scholarships exclusion. Because Maine is underserved in many of our rural areas for health care providers, this provision is particularly important to our State. What it would do is allow health care providers who had received these National Health Corps scholarships to exclude the cost of that scholarship from their gross income.

I have touched on just some of the very important provisions of this legislation. We know that investing in education and making it easier for families to afford education, whether it is helping at the K through 12 level or making higher education more affordable, is a good investment, that it is the surest and best way for us to build our country's assets for the future. We need to help more American families afford higher education. We need to strengthen our educational system. That is what this legislation will accomplish.

I urge all of my colleagues to join in supporting this legislation, which will

make a real difference to so many American families.

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

The PRESIDING OFFICER (Ms. COLLINS).

Mr. CRAIG. Madam President, thank you very much. I am extremely pleased to be able to come to the floor this afternoon to join my colleague in support of S. 1134, the Affordable Education Act.

A few moments ago, I was in our TV studio cutting a tape, as many of us oftentimes do, to send back to our constituents or to speak out on a given issue in which a group has asked us to become involved. I was cutting a tape on a project that is a nationwide project called Safe Place. You have probably seen that triangular, yellow sign that shows a child inside that is on the glass or door of a small business, a fire station, or a city hall. It says ''Safe Place,'' and designates that particular location as ready to receive a child in crisis, a child who has had a crisis within its home or with its peers in the community and feels at risk and therefore seeks a safe sanctuary, a haven.

I have also asked our colleagues to support the third week of March for the second year in a row as National Safe Place Week.

The reason I say that in the context of the Affordable Education Act is that we Americans recognize the value of our young people. We recognize they are without question our most important asset and that we have a fundamental responsibility to them as a culture and as a society.

When I speak about Safe Place, that is one of the first things we think of as a parent and as a community. Are our children safe within our homes, safe within our suburbs, or safe within our communities? The next thing we begin to think about after their safety is their well-being beyond safety. I think we all recognize that beyond safety comes education as a major part of a child's well-being; therefore, early on as a country we began to establish a general educational system so that all of our young people could be more educated and more prepared than the generation before them.

Education has become a profound part of all levels of our government. While we recognize education is still the primary responsibility of State and local units of government, we have also said the family unit has as its major responsibility not only the haven of safety and security but the responsibility of assuring its young people an education and that we in government would help facilitate that, we would help make that happen. But most important is to empower the parent and the family in a way that allows them to bring on that fundamental and basic responsibility of providing for their children and their education.

S. 1134, the Affordable Education Act, looks at some primary concerns, and it recognizes our Tax Code penalizes the family for saving money to defray a child's educational expenses.

Is it fair to penalize them for wanting a better future for their children as a part of what I think is the fundamental responsibility of a human culture? Of course it is not. By expanding the educational IRA, we are doing something substantive to address a parent's concern about his or her child's education.

Opponents of this bill claim we are not helping education as a whole but only giving a subsidy to private schools. Shame on them. Shame on them for trying to narrow the debate when the fundamental debate is to broaden the issue and to expand the ability of families to provide for their children's education.

It is simply not the case that we offer a subsidy to the private school. The money parents can save with these accounts can be used toward books, supplies, and other ''qualified educational expenses'' at a public or a private school.

Why should we stand in the way of a parent's responsibility, that I think I have appropriately explained, in fulfilling the needs of their child in his or her educational desires?

This bill also benefits public education by changing the formula for local government bonds so more money would go to benefit public school construction. What is wrong with that? We have already heard about a deficit in the safety of some of our old educational structures or the need to expand and improve or to build new educational structures.

It is true, though, that this bill would benefit parents who do not send their children to public schools, as the money from these savings accounts can be used to help defray expenses incurred at a private school or for home schooling. Yes, let me repeat that: Home schooling. What is wrong with allowing and empowering the parent to work for the education of their children?

This again comes down to the issue of fairness. Instead of being selective and saying all children have to march down this single Federal national public tightrope because that is the only way they can get an education, we are saying that is simply not true.

Thousands and thousands of American families today are demonstrating just that. They want the flexibility of choice to send their child where they think that child will receive the best education. Why shouldn't we have the intelligence—maybe there is another word that fits better—to allow that parent to do as he or she wishes and to improve their ability to do so with this kind of law, for these parents to decide if their children would learn better wherever they chose to place them? We in Washington should not penalize them for making every effort to ensure their child receives a quality education.

This bill allows parents, many of whom are of lower or middle class, to use up to $2,000 tax free to help their child learn the way the parent wants them to learn—not a Washington bureaucrat, not a labor union leader, but the parent. That is where the fundamental and primary responsibility lies.

In the end, it comes down to this essential question: Should we be taxing the money parents use to further their child's education or should we give them an opportunity by allowing them to put away a tax-free dollar in that benefit? I, for one, do not believe we should tax in this area. This is the same as levying a punitive tax on education.

We all know the old axiom: When you tax something, you get less of it. It is just very fundamental and very simple to understand. This legislation goes a long way toward offering parents that opportunity to advance their child's education.

I know of no other issue today that is more important than the general issue of education. When I am home in my State of Idaho, holding town meetings or visiting with the citizens of my State, education is the issue. There is no question they express great concern, either about the safety of their schools, the quality of the education being provided, or the expense of a college education today. All Americans hope for a better life for their children than the one they led. They are absolutely sure that better life will come through fulfilling an American dream that offers an optimum educational experience. That is why this legislation, S. 1134, is so important.

The sanctuary of security is our first parental instinct; our second is to try to provide the very best opportunities for our children. Those opportunities will only come and a parent will only be able to provide for the very best if they have the greatest of flexibility to assure that child has the better educational experience. That is what this legislation is about.

I thank my colleague from Georgia for the leadership he has taken in working to empower America's families to put away in a nontaxed environment just a little bit to ensure the opportunity of their children to secure the education of their choice.

I yield the floor.

Mr. COVERDELL. I thank the Senator from Idaho for his support of the legislation, his remarks, and the generous kindness he has extended to me.

Madam President, I think it might be of use to those listening to take just another moment to frame the totality of the legislation, a little bit about who are the sponsors of the legislation, and then to respond to some of the critiques we have heard from the other side of the aisle. I first want to make clear, this is a bipartisan legislative effort. The chief cosponsor of this legislation is Senator TORRICELLI of New Jersey.

When this legislation was before the Senate last, it received 59 favorable votes, Republican and Democrat.

The first point is this is a bipartisan bill. It has received significant passionate and dedicated support from both sides of the aisle. There is no one who has fought harder for the legislation, as I said, than Senator TORRICELLI from New Jersey. He has been rather courageous about it, candidly.

The second point I wish to make is to frame the nature of the overall bill. The component that gets talked about the most is the education savings account, which we know will benefit about half the elementary school population in the United States. Fourteen million families, we estimate, will open an education savings account for their children. They will be the parents of about 20 million kids. That is just under half the entire population going to kindergarten through high school. Over the next 10 years, we are saying to these 14 million families, if you put the money in your savings account, we will not tax the interest buildup. That is not a large sum of money. It is, over 5 years, about $1.3 billion. Over 10 years, it is about $2.4 billion that we would not have taxed out of these savings accounts. We would have left it in the savings accounts.

I have said this many times. It is amazing to me how a small incentive makes Americans do big things. By saying to these families we will not tax the interest in your account, we estimate they will save, over 10 years, $12 billion. I asked a Senator the other day in the debate on how many Federal programs can we get a 10-to-1 return? Not many.

We are forfeiting $2.5 billion in taxes and, in return, we are getting $12 billion voluntarily put forward to help schools all across the land. That would be one of the largest influxes of new resources behind education in the last 10 or 15 years. We have not had to appropriate anything to do it; no Governor did, no local community did. By simply saying we are not going to tax that interest, people step up to the bar.

As has been mentioned in the debate by several Senators, that is a very powerful component of the legislation. But it will also help 1 million employees advance their education because we are allowing the employer a tax incentive, up to $5,200 a year, that can be spent on an employee's continuing education and it would not be taxed. We are helping students who are in prepaid State tuition plans all across the country because we are not going to tax those proceeds. How many? About a million students. A million employees. This is beginning to add up to real numbers in America—14 million families.

On school construction, we are using the proposal of Senator GRAHAM of Florida, on the other side of the aisle, to help local communities with the problems of school construction.

The Senator who is now acting as our Chair talked about the health care benefits that are in the legislation and the fact we are allowing, through the life of a loan, the deductibility of the interest for hundreds of thousands of students who have large debt when they get out of college.

The point I am making is it is a very broad policy, and it is supported strongly by Members of both parties.

In the debate last week, several people who have objected to the legislation did so on the grounds that it would allow a family attending a parochial school or a private school or a home school to use the proceeds of their own account to help pay for that. That is extremely puzzling to me.

Ninety percent of America's students are in public schools. Only 10 percent or less are in private or parochial schools. The major beneficiary of the savings accounts will be families in public schools. Seventy percent of the people who open these accounts will be helping their children who are in public schools. Thirty percent will be helping their children who are in a private, parochial, or home school.

The division of the money being saved is higher for those in a parochial or private school because they know they have an extra burden to bear and they will tend to save a little more. So the distribution of the $12 billion will be about equal—$6 billion to public school students and $6 billion to private and parochial school students.

The comment was made on the other side this past week that somehow the parents or families in parochial or private schools are wealthy and they do not deserve any incentive or public attention. Nothing could be further from the truth.

There is a study out from New York that the demographics of the student body of a parochial or private school are virtually identical to the demographics of the student body in the public system. In parochial schools, about 60 percent of the families make less than $40,000 a year. In private schools, 60 percent make, according to the Census Bureau, less than $50,000 a year.

With regard to private and parochial schools, we have parents who, for whatever reason, have decided they have to make a special effort to deal with the education of their children because, remember, all of these families are paying State taxes and local taxes for their school system. If they have decided to go to another school, they are still paying for the public school system. They have to reach down and pay another bill to get in this other system.

They are not wealthy. I think it was offensive to hear these families described as people driving around in a long limousine dropping Johnny off at the school. We will discuss this more during the course of the debate, but the Chair recognizes that when scholarships have been offered in Washington, DC, or in other parts of the country, the principal applicants are African Americans who are struggling to educate their children. These are not rich families. They should not be characterized as such.

Senator COLLINS and I had a long discussion—not a debate—about whether this is a voucher or not. As was concluded by the Senator from Maine, it is not a voucher. It will help people who have already made a decision. It will help people in public schools, but statistically insignificant is the number of people who might, because they have a savings account, change schools. I am sure it will happen, but it would be insignificant. And when it does happen, who is to say it should not?

In my State, there is a huge debate raging in the general assembly about school accountability. Legislation that is likely to pass, which has been offered by a Democratic Governor, says schools are either making it or not, and if they are not, those children have a right to escape that school.

If that becomes a law in my home State, then I want this kind of tool. It is just a tool to help families deal with that situation. The first thing that comes up is, if the school is not preparing our students and it is closed, who deals with the transportation? There will be all kinds of commensurate costs that occur for the students who have to go somewhere else. This kind of tool will help them deal with that.

This debate is raging across the country. A little earlier, the Senator from North Dakota was complimentary of the public school system and I believe justifiably so. But the fact of life is, as the Senator from Tennessee alluded to, 40 percent of the students coming out of K–12 all across America cannot effectively read. We do have some problems.

This legislation will help a student, whether they are in a public setting or a private setting. Tutors and computers have been mentioned. The poor in our country are shortchanged. The President has alluded to it, and the Vice President alluded to the digital divide, they call it. This helps close the divide because it makes funds available to the family to begin to make high-tech equipment available to their kids, as well as to those in better systems.

I close with a reminder that there is a piece of this legislation for which the reach is almost impossible for any of our estimators to figure. This IRA account is different than others because it allows sponsors. In other words, a child can have an account opened for her or him by a grandmother, a sister, a neighbor, an employer, a benevolent association, a labor organization. There is no limit to it when this becomes law—and it will—and people begin to understand: I can help this child over here; I can help the children of my employees; we can help the children of the people who belong to this union or church.

I used an example in the last debate a couple of years ago about the loss of

a couple of police officers in Atlanta. I thought at the time—because everybody wants to help—if we had been able to open this account for the children of those officers, when they reached high school or junior high or college, the community easily could have provided a benefit of enormous consequences to the families of the fallen officers. I believe we will see that kind of imagination begin to take root.

The value of those contributions are not in any of these numbers. No one knows how many friends and neighbors and organizations and employers will begin to seize on this. I know it will be a lot because this kind of thing is in the American gut. It is a tool that Americans instinctively will use.

I was about a third of the way through this debate last time when I remembered my father and I had opened a savings account for my two sets of twin nieces and nephews. At the time we opened it, we did not have two nickels to rub together. But we would put about $25 a month in it. If this had been the law, we would have had two to three times the amount of resources available when those children began to use it for school. As it was, it was not a lot of money. I think it probably got up to $5,000 to $8,000. But you know what. It made a difference. We did not have much money, but we found a way to put a few dollars away. A lot of other Americans will, too.

With this legislation, no one gets hurt. Everybody gets helped: Public, private, parochial, home, whatever. No one is being gouged. No one is paying a price at the expense of somebody else. As I mentioned a moment ago, in America it is intuitive in our nature to step forward.

The last thing I will say is, the dollars in these savings accounts have a—who knows?—3-to-1 value, 10-to-1 value. I do not know what it is, but these dollars are worth more than public dollars, a lot more, because they are laser-beam managed.

First of all, mom and dad are going to get a statement from whichever savings and loan it is to remind them every month how much money is in that account, which will also remind them of their responsibility for educating those children. It is just an automatic reminder.

The second thing that makes it so valuable is that no one knows the unique need of the child better than the parent or the sponsor of these accounts.

So this money goes right to the target, whether it is a special education need, a medical need, a tutor, a home computer, whatever. Public dollars are hard to direct that way. They build the buildings; they hire the staff; they hire the teachers, and much good is done from it, but it is hard to put them right on the dime. It reminds you of one of these missiles we saw in Kosovo—going right down the chimney. That is exactly where these dollars will go.

As has been said, we already have a savings account for higher education. That is good. This makes that account four times larger. In other words, higher education will benefit from this as well because many families will save for K through 12, and then they will not have to use that money. It will be there for college. But as the Chair noted, $75,000 versus $19,000 is a big difference.

Because there is so much trouble in K through 12, there are families who will have to use it and need it at an earlier time. If that is the case, they should have the ability to do that. It seems illogical to me to try to push away the options and requirements and needs of families, of children who are in kindergarten through high school.

That is where America's problem is right now. We will fix it. I am an optimist about this. I am not a pessimist. We will fix it. But remember, every day we wait on this we leave someone else behind. In my view, in this land of freedom, any child who is denied the fundamental skills of an education means there is one more among us who is not truly free and cannot enjoy the benefits of citizenship in the United States. There is no higher work for us than to keep that from happening every time we can.

Madam President, with that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

AMENDMENT NO. 2854

(Purpose: To amend the Internal Revenue Code of 1986 to eliminate the 2-percent floor on miscellaneous itemized deductions for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials)

Ms. COLLINS. Mr. President, I call up amendment No. 2854 and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for herself, Mr. KYL, and Mr. COVERDELL, proposes an amendment numbered 2854.

Ms. COLLINS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title II, insert:

SEC. . 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT TO APPLY TO QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Section 67(b) (defining miscellaneous itemized deductions) is amended by striking ''and'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', and'', and by adding at the end the following new paragraph:

''(13) any deduction allowable for the qualified professional development expenses paid or incurred by an eligible teacher.''.

(b) DEFINITIONS.—Section 67 (relating to 2-percent floor on miscellaneous itemized deductions) is amended by adding at the end the following new subsection:

''(g) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (b)(13)—

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

''(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses—

''(i) for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction, and

''(ii) with respect to which a deduction is allowable under section 162 (determined without regard to this section).

''(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

''(i) is—

''(I) directly related to the curriculum and academic subjects in which an eligible teacher provides instruction, or

''(II) designed to enhance the ability of an eligible teacher to understand and use State standards for the academic subjects in which such teacher provides instruction,

''(ii) may—

''(I) provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

''(II) provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subclause (I) to learn,

''(iii) is tied to challenging State or local content standards and student performance standards,

''(iv) is tied to strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible teacher,

''(v) is of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible teacher in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this clause shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by an eligible teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the students of the teacher, and the local educational agency involved, and

''(vi) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

''(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this subsection.

''(2) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher in an elementary or secondary school.

''(B) ELEMENTARY OR SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. . CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

''(a) ALLOWANCE OF CREDIT.—In the case of an eligible teacher, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the qualified elementary and secondary education expenses which are paid or incurred by the taxpayer during such taxable year.

''(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $100.

''(c) DEFINITIONS.—

''(1) ELIGIBLE TEACHER.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

''(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible teacher in the classroom.

''(3) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.

''(d) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

''(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

''(B) the tentative minimum tax for the taxable year.

''(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 30B. Credit to elementary and secondary school teachers who provide classroom materials.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Ms. COLLINS. Mr. President, I rise to offer an amendment to the Affordable Education Act on behalf of myself, the Presiding Officer—Senator COVERDELL—and my good friend from Arizona, Senator KYL.

We worked together to craft this amendment to help our public school teachers when they either pursue professional development at their own expense or when they purchase supplies for their classrooms.

Our legislation has two major provisions. First, it will allow teachers to deduct their professional development expenses without subjecting the deduction to the existing 2-percent floor that is in our Tax Code. Second, it will grant teachers a tax credit of up to $100 for books, supplies, and other equipment they purchase for their students. That is very common. As Senator KYL noted earlier today, a study by the National Education Association indicates the average schoolteacher teaching K through the 12th grade spends more than $400 annually on supplies for the classroom.

Our amendment would reward teachers for undertaking these activities that are designed to make them better teachers or to provide better supplies for their students. It is an example of a way that we can say thank you to teachers who do much for our children.

Provisions similar to both of these components of our amendment were included in last year's tax bill. In this amendment, the definition of ''acceptable professional development activities'' has been changed to reflect the definition included in the Teacher Empowerment Act that Senator GREGG of New Hampshire and I introduced last year, and which we expect to be included in the reauthorization of the Elementary and Secondary Education Act, which the Committee on Health, Education, Labor, and Pensions is about to mark up. This definition sets high standards for the quality of professional development activities covered by our amendment, ensuring that such programs will help teachers truly excel in the classroom.

While our amendment provides financial relief for our dedicated teachers, its real beneficiaries are our Nation's students. Other than involved parents, which we all know to be the most important component, a well-qualified and dedicated teacher is the single most important prerequisite for student success. Educational researchers have repeatedly demonstrated the close relationship between qualified teachers and successful students. Moreover, teachers themselves understand how important professional development is to maintaining and expanding their levels of competence. When I meet with teachers from Maine, they always tell me of their need for more professional development and the scarcity of financial support for this very worthy pursuit. The willingness of Maine's teachers to reach deep into their own pockets to fund their own professional development impresses me deeply.

For example, an English teacher in Bangor, who serves on my Educational Policy Advisory Committee, told me of spending her own money to attend a curriculum conference. She then came back and shared that information with all of the English teachers in her department. She is not alone. She is typical of teachers who are willing to pay for their own professional development as well as to purchase supplies and materials to enhance their teaching.

Let me explain how our amendment would work in terms of real dollars when it comes to professional development. In 1997, the average yearly salary for a teacher was about $38,000. Under current law, a teacher earning this amount could not deduct the first $770 in professional development expenses he or she paid for out of pocket. So imagine, you are a teacher who is making about $38,000 a year and you are spending more than $700 in order to take a course to improve your teaching to help you be a better teacher. Yet because you don't reach that 2-percent floor that is in the existing Tax Code, you don't get a tax break for that first $770. You have to spend more than that before you can get the deduction. Our amendment would change that. It would see to it that teachers receive tax relief for all such expenses. Under our amendment, that $770 would be a deduction on the teacher's income tax form.

I greatly admire the many teachers who have voluntarily financed the additional education they need to improve their schools and to serve their students better. I greatly admire those teachers who reach into their own pockets to buy supplies, paints, books, all sorts of materials that are lacking in their classroom. We should reward those teachers. Let us change the Tax Code to recognize and reward their sacrifice and to encourage more teachers to take the courses they need or to help supplement the supplies in their classroom.

I hope these changes in our Tax Code will encourage more teachers to undertake the formal course work in the subject matter they teach, or to complete graduate degrees in either a subject matter or in education, or to attend conferences to give them more ideas for innovative approaches to presenting the course work they teach in perhaps a more challenging manner.

This amendment will reimburse teachers for just a small part of what they invest in our children's future. This money will be money well spent. Investing in education helps us to build one of the most important assets for our country's future; that is, a well-educated population. We need to ensure that our public schools have the very best teachers possible in order to bring out the very best in our students. Adopting this amendment is the first step toward that goal. It will help us in a small way recognize the many sacrifices our teachers make each and every day.

I am very pleased to have had the opportunity to work with the Senator from Georgia and the Senator from Arizona on this amendment. They have

both been great leaders in education and in coming up with innovative ways to use our Tax Code to encourage better teaching. I urge all of my colleagues to join us in support of this modest but important effort.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Ms. COLLINS assumed the Chair.)

Mr. COVERDELL. Madam President, I ask unanimous consent that the order for the quorum be rescinded.

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

MORNING BUSINESS

Mr. COVERDELL. Madam President, I ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

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

BRAD SMITH'S NOMINATION TO THE FEC

Mr. DASCHLE. Madam President, I want to speak briefly on a matter we will probably have the opportunity to discuss in greater detail at a later time. That has to do with the nomination of Bradley Smith to be a Commissioner on the Federal Election Commission.

The President has made this nomination with the greatest reluctance. He delayed it for many months while fending off hard lobbying on behalf of Mr. Smith by my colleagues on the other side of the aisle.

In the end, the President forwarded this nomination to us, acknowledging the Republican leadership's strongly held view that, under standard practice for FEC appointments, each party is entitled to have the President nominate its choice for a Commission seat allocated by law to that party.

I understand the President's decision. He did what he believes that he, as President, was required to do, notwithstanding his concerns about the suitability of Mr. Smith.

Now we, as Senators, must do what we are required to do by the Constitution—to consider this nomination on the merits.

I have examined the candidacy of Mr. Smith carefully, guided by only one question—indeed the only question that should guide us: Is he qualified, as Commissioner of the FEC, to enforce the laws we have passed to control federal campaign fundraising and spending?

In my view, Mr. Smith's complete disdain for federal election law renders him unqualified for the role of an FEC Commissioner, whose principal job is to administer the Federal Election Campaign Act as enacted by Congress and upheld by the courts.

Madan President, the American people must be able to trust that we, as legislators, mean what we say when we write the laws of the land. They should not fear that we are passing laws professing the noblest motives, while actively working against those laws by whatever means we can find.

Nowhere is there a more critical need for this consistency of purpose than in our consideration, enactment and oversight of laws governing campaign finance.

We are, after all, candidates, and also party leaders, directly affected, in our own campaigns and political activities, by the operation of the Federal Election Campaign Act. Few laws that we pass as elected officials more acutely raise the spector of conflict of interest—that we might structure rules and encourage enforcement policies designed more to serve our own interests than the public interest.

Why would the public not be suspicious, observing our failure session-after-session to enact comprehensive campaign finance reform?

Now our Republican colleagues would like the Senate to confirm Mr. Smith. He comes to them highly recommended by those who would oppose meaningful controls on campaign finance. And he has earned the respect of those in the forefront of the fight against reform.

Why? Because he believes that ''the most sensible reform . . . is repeal of the Federal Election Campaign Act.'' Because he believes that most of the problems we have faced in controlling political money have been ''exacerbated or created by the Federal Election Campaign Act.'' Because he believes that the federal election law is ''profoundly undemocratic and profoundly at odds with the First Amendment.'' And because—and I quote again—''people should be allowed to spend whatever they want.''

This is the man our colleagues on the other side of the aisle would like us to seat on the Federal Election Commission, charged with the enforcement of the very laws he believes are undemocratic and should be repealed.

This is not just asking the fox to guard the chicken coop. It is inviting the fox inside and locking the door behind him.

What would be better calculated to promote and spread public cynicism about our commitment to campaign finance reform—indeed, cynicism about our commitment to responsible enforcement of the law already on the books—than confirmation of this nominee?

In considering this nomination, we are bound by the law we passed that speaks specifically to the qualifications required of an FEC Commissioner. That law states that Commissioners should be ''chosen on the basis of their experience, integrity, impartiality and good judgment.''

Certainly a fair, and in my view fatal, objection could be raised to the Smith nomination on the grounds that he lacks the prerequisite quality of ''impartiality.'' He would be asked, as a Commissioner, to apply the law evenhandedly, in accord with our intent, without regard to his own opinions about the wisdom of the legislative choice we have made. Yet Mr. Smith has made his academic and journalistic reputation out of questioning that choice.

How will he reconcile that conflict, between his strongly held views and ours, in the often difficult cases the FEC must decide? When the Commission must enforce our contribution and spending limits, what degree of impartiality can be expected of a Commissioner who believes, in his words, that ''people should be allowed to spend whatever they want on politics''?

I am concerned, too, about the requirement of judgment. For Mr. Smith has insisted for years that the Federal campaign finance laws are an offense against the First Amendment of the Constitution, undemocratic and in need of repeal. The Supreme Court has held in clear terms to the contrary.

Perhaps Mr. Smith imagined that the Court's jurisprudence had changed. If so, he is seriously mistaken, as made plain by the Court's decision only weeks ago in the Shrink Missouri PAC decision effectively to affirm Buckley v. Valeo.

A commissioner who neither understands nor acknowledges the constitutional law of the land is poorly equipped to balance real First Amendment guarantees against real Congressional authority to limit campaign spending in the public interest. This is particularly true where he questions our laws, not merely on constitutional grounds, but on the sweeping claim that they are undemocratic.

Mr. Smith is an energetic advocate for his views. We can respect his wish to express those views, and some indeed may agree with them. But this nomination places at issue whether he is the proper choice to act not as warrior in his own cause, but as agent of the public, as a faithful, impartial administrator of the law.

I must conclude that he is not the right choice, not even close, and so I will oppose that nomination, and I will vote against confirmation.

I yield the floor.

ADVANCE NOTICE OF PROPOSED RULEMAKING

Mr. THURMOND. Mr. President, pursuant to Section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(b)), an advance notice of proposed rulemaking was submitted by the Office of Compliance, U.S. Congress. The notice relates to regulations under the Veterans Employment Opportunities Act of 1998, which affords to covered employees of the legislative branch the rights and protections of selected provisions of veterans' preference law.

Section 304(b) requires this notice to be printed in the CONGRESSIONAL