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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. SALAZAR).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC.
November 9, 2007.

I hereby appoint the Honorable JOHN T. SALAZAR to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, as veteran to all our stories of heroes and as eternal witness to the human depths of their truths, You have asked the ultimate sacrifice of only some. They, more than any others, have followed in the way of Your self-giving and unconditional love.

Others have been called to serve their brothers and sisters of this Nation, living through the years and beyond in the military. The wearing of the uniform alone bears the respect and honor of our people because of their loyalty to their pledge and faithfulness in caring for each other.

In so doing, sometimes their lives have been abruptly altered, always significantly changed because they have lived and served so closely with each other, to accomplish the task at hand, while always upholding the best values held by these United States.

So this weekend, Lord, we stand with, we march alongside, and we pray for, all the veterans who have served this country. As we thank them and their families for their sacrifices, we solemnly ask that You give us a share in the spirit that has guided and upheld them. May we be so committed, unified, and self-giving in our service, now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCDERMOTT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCDERMOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from Illinois (Ms. SCHAKOWSKY) come forward and lead the House in the Pledge of Allegiance.

Ms. SCHAKOWSKY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain five 1-minute speeches per side.

SAVE AMERICAN DEMOCRACY

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, I want to speak directly to my colleagues on both sides of the aisle. The defense authorization conference report today has a section which I think Members need to look at. All of us who are familiar with the 1878, I think it is, Posse Comitatus Act know there was a reason to exclude the military from being involved in civil law enforcement.

I want you to listen to a section that is in this bill today, section 1615. I am going to read part of it. Section 1615 ''Requires the Secretary to: (1) determine the military-unique capabilities needed to be provided by DOD to support civil authorities in an incident of national significance.''

I want people to think about this. We have an administration that has repeatedly violated the Constitution, that has taken this country into war based on lies, that is putting us in hock to China to pay for the wars, and that suborns torture and rendition. And now this. We have to be careful, America. We're losing our democracy. It's time for us to save it.

HONORING JUDGE H. SAMUEL STILWELL

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, long-time friend, Judge Sam Stilwell, a true Southern gentleman, recently retired from the South Carolina Court of Appeals after 11 years on the bench. Judge Stilwell's personal integrity and professionalism have earned him a well-deserved reputation as a fine judge and attorney.

Judge Stilwell graduated from the University of South Carolina Law

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School, served as counsel to the late Senator Strom Thurmond, and was a colleague of mine in the South Carolina State Senate, ably representing Greenville County.

I want to thank his wife Robin and their children and spouses: Rivers and Charlotte, Jason and Amanda, Allison and Bo, and Rob and Charlotte for their years of support. We are all proud that Rob is currently serving with the 218th Brigade Combat Team of the South Carolina Army National Guard in Afghanistan.

South Carolina is grateful for Judge Stilwell's years of dedicated public service to his State and country, and we wish him all the best in his future endeavors.

In conclusion, God bless our troops, and we will never forget September 11th.

STOP OUTSOURCING SECURITY

(Ms. SCHAKOWSKY asked and was given permission to address the House for 1 minute.)

Ms. SCHAKOWSKY. Mr. Speaker, in case there was any doubt that we need to get rid of private security contractors in Iraq, just look at yesterday's headline story in the Washington Post: ''How Blackwater Sniper Fire Felled 3 Iraqi Guards. Witnesses call shooting unprovoked, but State Department cleared its security team after a brief probe.''

That shooting took place February 7, and just yesterday we found out about it. Isn't it obvious that the State Department is unable or unwilling to control these armed mercenaries whose reckless behavior fans the flames of hatred against all Americans, including our young troops in harm's way? Isn't it obvious that for-profit companies like Blackwater who are being paid billions of taxpayer dollars have forfeited their right to work in Iraq? Defense Secretary Robert Gates said they are working ''at cross purposes to our larger mission in Iraq.''

I urge my colleagues to cosponsor the Stop Outsourcing Security Act, H.R. 4102, and begin now to phase out these unaccountable private security contractors before they do any more damage.

CHILD SOLDIERS IN BURMA

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, I rise today to draw attention to a new report by Human Rights Watch detailing the use of child soldiers in Burma, particularly by the brutal dictatorship there.

Past reports have suggested that there are approximately 70,000 child soldiers in Burma, the largest child soldier army in the world. It is difficult to know the exact number. But we do know that not only does the SPDC regime refuse to allow democracy and engages in ethnic cleansing, it also deliberately, as policy, targets children for military recruitment, training, and battle.

Children are targeted simply walking down the street or waiting for a train. If they don't have their ID cards, so-called ''recruiters'' tell the children they will be sent to prison or they can join the army. If the children try to run away, they are severely punished.

Children are also forced by the SPDC to participate in human rights violations such as burning down villages or shooting villagers on sight, women and children included.

Mr. Speaker, the SPDC dictatorship must go. It is time for democracy in Burma.

IRAN WAR GAME

(Mr. MCDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, my concern that the President might launch a military strike against Iran is well known; but my mission here today is not rhetorical. I am here to propose that Members of Congress participate in an Iran war game.

Television could carry the event so the American people can watch it all. We know that the Pentagon has conducted war games to examine the casualties and consequences of a U.S. military strike against Iran. We should, too.

Here are some of the questions that could be answered: Could we use bunker buster bombs? Could a U.S. military strike against Iran result in a wider Middle East war? What provocation would cause the President to provoke such a strike?

A group of retired, high-level CIA agents brought this idea to me. These are patriots whom we trusted with keeping and protecting America's secrets. They and others, including a retired Air Force colonel who conducted war games in the Pentagon, would accurately produce a U.S.-Iran war game just as it is done in the Pentagon. I know because they gave me the plan.

A military strike against Iran would involve life-and-death issues. We need to understand what they would look like. I urge my colleagues and the media to join me in demanding that we publicly conduct a U.S.-Iran war game as soon as possible.

Think what we would have learned if we had done it before Iraq.

FUND OUR VETERANS

(Mrs. DRAKE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. DRAKE. Mr. Speaker, this is day 40. That is 40 days so far that our veterans have not had the use of the increased funding for their benefits and health care. That is $18.5 million a day not able to be used.

One thing that our veterans asked for is that we pass our bill by October 1. This work has been done for months.

With Veterans Day quickly approaching, the Democratic leadership put our veterans aside to consider billions in bloated domestic spending instead of sending a clean veterans bill to the floor.

I'm standing with our veterans, and I call on all Americans to contact their Representatives to tell the Democrat leadership to send a clean veterans appropriation bill to the President now.

MAIN STREET OR WALL STREET?

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Get ready. You're going to hear a lot of fuzzy math, obfuscation and general BS here on the floor today; but there has never been a more clear choice between Main Street and Wall Street America.

On one side, tax relief for 22 million American families, 247,000 families in Oregon, 39,000 in my district, relief from the onerous alternative minimum tax.

On the other side, 50,000 millionaires and billionaires who manage private investment funds and exploit a tax loophole to pay a rate of taxes less than that paid by a teacher or a cop walking the beat. The bill would ask those 50,000 millionaire and billionaire investors to pay their fair share so that 22 million middle-income families can get relief from the alternative minimum tax, a tax originally designed to get at the millionaires and billionaires.

There will be gnashing of teeth because the millionaires and billionaires are very generous come campaign time. But you can't dodge this vote; Main Street or Wall Street?

□ 0915

HONORING TOMMY WIRES

(Mr. BARRETT of South Carolina asked and was given permission to address the House for 1 minute.)

Mr. BARRETT of South Carolina. Mr. Speaker, on Monday, America will pay tribute to tens of thousands of military veteran men and women who have bravely served their country and who have fought to protect our freedom.

I mention one resident from Pickens, South Carolina, Mr. Tommy Wires, who served this country for 9 years in the United States Marine Corps. Tommy joined the Marine Corps in 1959. He served two tours in Vietnam and, while serving with the 26th Marines on his second tour in Vietnam, was wounded.

During his service, he remained devoted to his wife and his two sons.

Tommy is a part of those brave soldiers on this coming Veterans Day who deserve recognition for his sacrifice and love for this country.

He is an American patriot, and while he served as a soldier for America, he demonstrated to his friends, his family and his country the true colors of red, white and blue.

Tommy, thank you for your service. We love you. God bless.

IMPROVE WOMEN'S ACCESS TO HEALTH CARE

(Mrs. CAPPS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CAPPS. Mr. Speaker, I rise today to urge swift action on a measure to improve women's access to health care.

As many of my colleagues are aware, there is a provision in the Deficit Reduction Act which has unfortunately created a situation whereby student health centers and clinics that serve low-income women can no longer access contraceptives at a deeply discounted rate.

Just this week, I was proud to cosponsor a bill introduced by my colleagues JOE CROWLEY and JIM RAMSTAD to correct this inadvertent oversight.

The effects of this Deficit Reduction Act provision are already being felt by women across the country, including college students who are now forced to pay up to 10 times more for birth control pills than they did before.

Unfortunately, there are those who refuse to agree to our proposed correction. So I am standing here today to urge my colleagues to fix this discrepancy that was never intended to exist.

Let's stop the attacks on women's health. Let's guarantee women access to needed health services.

NOVEMBER 11, 1918

(Mr. POE asked and was given permission to address the House for 1 minute.)

Mr. POE. Mr. Speaker, when the ''War to end all Wars''—World War I—concluded on the 11th hour on the 11th day of the 11th month of 1918, it was called Armistice Day. We now refer to it as Veterans Day to honor those that went to war and those of them that returned from war to the vast American landscape.

When the American doughboys landed in Europe in World War I to a deadlocked bloody trench war where millions had already died, their relentless spirit not only stunned our enemy but it revived and surprised our allies, France and England. The American soldier landed 90 years ago this year, singing George M. Cohan's ''Over There,'' and, as the lyrics say, ''They didn't come back till it was over, over there.''

America has gone to war many times since World War I, and America's youth has always answered the call to duty, honor, country.

This Sunday, on the 11th day of the 11th month, America should fly the flag, be proud of our glorious heritage and give praise to veterans who went to places they had never seen and fought for peoples they didn't know to spread the doctrine of liberty and freedom.

And that's just the way it is.

PROVIDING FOR CONSIDERATION OF H.R. 3996, TEMPORARY TAX RELIEF ACT OF 2007

Mr. MCGOVERN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 809 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 809

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3996) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions of the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any amendment thereto, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) an amendment in the nature of a substitute, if offered by Representative McCrery of Louisiana or his designee, which shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 3996 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MCGOVERN. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and insert extraneous materials into the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H. Res. 809 provides for consideration of H.R. 3996, the Temporary Tax Relief Act of 2007, under a structured rule. The rule provides 1 hour of debate controlled by the Committee on Ways and Means. The rule makes in order a substitute amendment to be offered by Representative MCCRERY of Louisiana or his designee. The amendment is debatable for 1 hour.

Mr. Speaker, I rise in strong support of H.R. 3996, the Temporary Tax Relief Act. I want to commend the distinguished chairman of the Ways and Means Committee, Congressman CHARLIE RANGEL, for his usual great work on this bill.

And I want to say a special thank you to my good friend and colleague and neighbor from Massachusetts, Congressman RICHIE NEAL, who has been a champion on the issue of the alternative minimum tax for a long, long time. RICHIE NEAL has been the canary in the coal mine, talking about the AMT when nobody else was, and he deserves an enormous amount of credit for his work.

Mr. Speaker, we all know that the alternative minimum tax was never designed to hit middle-class families, but that's exactly what will happen unless Congress acts.

In my district alone, the numbers are staggering. In 2005, 13,000 families were hit with the AMT. That number will jump to nearly 83,000 in 2007, a 517 percent increase, unless we do something about it.

These middle-class workers are struggling with enough problems, skyrocketing fuel costs, higher tuition, higher property taxes, higher child care costs. And for years, President Bush and his Republican allies in Congress passed huge tax cuts for the wealthy, while doing very little or nothing to help hardworking middle-class families. That has to stop, and we're going to stop it today.

My Republican friends on the Rules Committee often like to talk about how strong the economy is, how GDP is growing at such a rate. Well, I agree to a certain point, Mr. Speaker. Somebody is getting pretty rich in this economy, but I would point out that it usually isn't the workers, and they're the ones that make this country great. Last year, the average CEO made 364 times what the average worker did. Just 25 years ago, CEOs made only 42 times more.

So yes, the people at the top are having a blast, but we need to do more for the people in the middle and for those struggling to get into the middle.

This bill before us today not only spares these hardworking families from the AMT, but it does so in a fiscally responsible way, and that is at the heart of the argument before us today.

Some of my friends on the other side of the aisle believe that we should patch the AMT without paying for it. They believe that we should simply add the cost on to our national debt, a debt, by the way, that has now reached $9 trillion. That's trillion with a ''T.''

Of course, this has been their approach for years. The Iraq War? Not paid for. The Bush tax cuts? Not paid for. The Medicare prescription drug benefit? Not paid for.

But, Mr. Speaker, someday, somebody, somewhere is going to have to pay for all of that debt. It's going to be our children and our grandchildren. It's wrong and it's got to stop.

It makes no sense to cut taxes for today's middle-class families just to raise taxes on future middle-class families, but that's exactly the kind of debt tax that my Republican friends would like to enact.

My friends believe that these tax cuts pay for themselves. They believe that the magic money fairy will drop revenue from the sky with rainbows and butterflies. But in the real world, actions have consequences. The Massachusetts families that I am honored to represent have to make tough choices, and Congress has to make some tough choices, too.

These PAYGO rules that Democrats have enacted are tough. This new fiscal discipline isn't easy, but it's the right thing to do. And rescuing tens of thousands of families in my district from the pain of the AMT is also the right thing to do.

I thank my colleagues for their hard work, and I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I want to thank my friend from Massachusetts (Mr. MCGOVERN) for yielding me the customary 30 minutes, and I yield myself as much time as I may consume.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, the clock is ticking and time is running out. At the end of the year, many of the important tax provisions that have helped our economy grow will expire. Unless Congress acts and gets a bill to the President that he will sign into law, workers, families and small businesses will face a tax increase this year.

Congress can either accomplish this the easy way, by working together in a bipartisan manner, or it can be done the hard way, by dragging out the process, passing a bill in the House that the Senate won't even consider and the President has threatened to veto, only for the Democrats then to rush a bill to the floor at the last minute that no one has had time to read and that should have been considered in the first place.

I'm disappointed that the Democrat majority has chosen the hard way on this and so many other pieces of legislation this year.

The parts of this bill that prevent tax increases are good, and I support most of them, Mr. Speaker. I support ensuring over 20 million Americans are not caught up in paying the AMT. Over the years, this tax burdens more and more middle-income Americans, clearly an unintended consequence of the original bill.

I support extending the State and local sales tax deduction so that taxpayers in my State of Washington and other States without a State income tax will continue to be able to deduct State sales tax from their Federal tax bill.

I support extending tax incentives to enhance the affordability of higher education, which will help more middle-income students access post-secondary education.

I support extending an important above-the-line deduction to help teachers contain the costs of out-of-pocket classroom expenses like books, supplies and computer equipment.

I support, Mr. Speaker, extending the research and experimentation tax credit in order to allow the United States to remain a global competitor.

And I support keeping taxes low for small businesses.

These are reasonable parts of the bill, and I have supported them in the past, I support them being extended this year, and I support seeing that they become made into permanent law.

However, I cannot support a bill that temporarily stops certain tax increases by permanently raising other taxes. Let me repeat that. I cannot support a bill that temporarily stops certain tax increases by permanently raising other taxes. It's not right and it's not fair. But the Democrat majority is using temporary tax relief as an excuse to permanently raise taxes.

Under this bill, you may get to keep one of your hard-earned dollars in your right-hand pocket, but the Federal Government is right there taking a dollar out of your left-hand pocket year after year. This is the wrong approach.

Unfortunately, if Democrats have their way, every American will face a tax increase sooner or later. If not this year, then next. If not next year, then certainly in 3 years when tax relief enacted by the Republican Congress will expire, tax relief that lowers rates for every single taxpayer in America. If these tax cuts expire, taxpayers will be forced to pay $3.5 trillion more to the Federal Government over 10 years, and the Democrats plan to spend every dime of it on more government spending.

But, Mr. Speaker, don't take just my word for it. Look at the budget the Democrats adopted earlier this year. When Democrats were faced with the choice of how best to balance the Federal budget, they flat out rejected the option of spending less and declared their allegiance to raising taxes. The Democrat budget would impose the largest tax increase in American history.

□ 0930

Their budget doesn't extend relief from the marriage tax penalty. It doesn't extend the $1,000 child tax credit, it doesn't end the death tax, it doesn't fix the AMT for middle-class families, it doesn't protect the lowest tax rate, and it will force lower-income Americans who today pay no income tax, thanks to the Republicans' tax relief, to start paying taxes again.

The Democrats will call this tax relief bill a tax relief bill. They will deny that they are raising taxes, but the plain hard facts are this bill that this rule would make in order would raise taxes by over $80 billion.

Congress doesn't need to be raising Americans' taxes to pay for Democrat plans to pay for more and higher government spending. Don't raise taxes; reduce spending.

Several of my Republican colleagues that serve on the Ways and Means Committee submitted amendments to the Rules Committee to make this a better bill, a bill that would pass the House on a strong bipartisan basis, pass the Senate and could be signed into law. Amendments to increase the teacher tax credit from $250 to $400, permanently repeal the alternative minimum tax, or AMT, and strike tax increases from the bill that were denied by the Democrat-controlled Rules Committee.

I am especially troubled that an amendment offered by my colleague from Missouri (Mr. HULSHOF) to strike language in the bill that gives special treatment to State legislatures was not made in order. It is difficult to understand why this Democrat bill would allow State legislators to earn tax-free income.

For example, in my State of Washington, the State legislators in Olympia have increased spending by 33 percent since 2005 and raised taxes by $500 million, not exactly behavior that deserves rewarding them with a special Federal tax break.

A Washington Post article on November 6 says: ''An official of the nonpartisan congressional Committee on Joint Taxation estimated that the yearly deduction could reach $55,000 for a State lawmaker whose legislature declared enough pro forma days.''

Of all the people in America, State legislators are not at the top of my list and probably not at the top of the list for most Americans. But apparently allowing State legislators tax-free income is a top priority of House Democrats.

This provision was slipped into the bill at the last minute, and it only seeks to benefit a few. It will cost American taxpayers an estimated $4 million. It should be removed from this bill.

This is a bad rule that brings a bill to the floor that is bad policy. I urge my colleagues to vote against the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I would like to respond to my colleague from Washington State. He began by saying there is an easy way to do this; there is a way for Washington politicians to do this and that is to provide this relief without paying for it. That is what the Republicans have done while they were in charge here. They have borrowed and spent, borrowed and spent, borrowed and spent; and we have

a debt that is in the trillions and trillions of dollars.

The gentleman from Washington says that some people will have to pay more in order to offset this AMT relief package. Well, 50,000 tax returns will be affected, and that is by closing a loophole that, quite frankly, I think, every sensible person believes should be closed.

But here is the return: by impacting those 50,000 tax returns, we are going to protect 23 million middle-class families from being hit by the alternative minimum tax. We will provide 30 million homeowners with property tax relief. We will help 12 million children by expanding the child tax credit. We will benefit 11 million families through the State and local sales tax deduction. We will help 4.5 million families better afford college with a tuition deduction.

We will save 3.4 million teachers money with a deduction for classroom expenses, and we will provide thousands of American troops in combat with tax relief under the earned income tax credit.

So what we are doing here is providing much-needed relief to middle-income families, and we are doing it in a responsible way, and we are not passing the bill onto our kids and our grandkids like they have done for years and years and years.

Mr. Speaker, I yield 3½ minutes to the gentleman from Oregon of the committee on Ways and Means, Mr. BLUMENAUER.

Mr. BLUMENAUER. I appreciate the gentleman's courtesy, and I couldn't agree with him more. For 12 years, our Republican friends in Congress looked the other way at this looming tax tsunami that was going to engulf every middle-income family in America with two incomes and raising their kids. They watched as the alternative minimum tax enacted in 1969 to deal with less than 200 people who didn't pay any Federal tax at all morphed into a tax which, next year, if we don't pass legislation like this, is going to subject every middle-income family with two earners with children to the alternative minimum tax, penalizing them, not for tax dodges, but for paying their taxes, for investing in retirement and charitable contributions.

We are dealing with this responsibly. Instead of borrowing the money, we are paying for this tax relief. We are doing it, in part, with a tax reform so that people who drive hedge fund managers to work or answer their phones will no longer be paying tax rates twice what the people who are making, not millions, not tens of millions but, in some cases, hundreds of millions of dollars a year.

This is a choice about priorities. My Republican friends for years have chosen to avoid the alternative minimum tax with a wide array of tax breaks. There are a few that they are talking about that we are perfectly willing to work with and extend that deal with the tax needs of working American families. We will extend them without debate, but the more elaborate, the more expensive, the ones that are concentrated for a few are going to be looked at, like carried interest for hedge fund managers.

We are not going to be held hostage to President Bush who used the alternative minimum tax revenues as a way to disguise the true cost of his tax-cut schemes that have helped increase the deficit and are going to be exploding in the years in the future. They had a chance to adjust it, and they didn't. This is a deliberate decision on the part of the Republicans in Congress for the last 12 years to avoid dealing with the consequences of their tax cut proposals.

In fact, they are the ones who scheduled them so they would be expiring at different times over the next few years, in part because the bond markets would have gone crazy if those would have been made permanent at the time and all the revenue lost, so they disguised it. Now they are paying the consequences for their sleight of hand having them go out into the future.

We are going to be looking at each and every one of them: do we have to have tax breaks for Paris Hilton or Warren Buffett that even Warren Buffett doesn't want because he has made billions, in some cases, on money that wasn't taxed in the first place.

This is an opportunity for Congress to start acting responsibly, making some needed tax reform, and to be able to show the American public that we are going to deal with the problems for tens of millions of Americans, and we are not going to continue to do it on the backs of interest that will be paid by our children for decades to come and special preventions for people who frankly should be paying the same tax rates as the rest of us.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 4 minutes to a fellow colleague on the Rules Committee, Mr. SESSIONS from Texas.

Mr. SESSIONS. I appreciate the gentleman from Pasco, Washington, for yielding me the time.

Mr. Speaker, in response to our good friends on the other side, this economy is the greatest economy we have ever had, 130 straight months of economic growth.

I am proud of what we have done. I am proud of what the Republican Party did by cutting taxes. I am proud of what the Republican Party did by making sure this country came back to work. I am proud of the Republican Party for doing the things that President Bush has led us to do.

I know what the Democratic Party is all about. They are all about making sure that we will raise taxes, that we will have more rules and regulations and that we will make sure that we cut off the ability that America has to be competitive with the world. That's what this debate is also about.

I rise with great regret to report to the American people that once again, as I have been forced to do on multiple occasions over the past few months and really during this entire year, to see the Democrat leadership bringing legislation to the House floor that stacks the deck in favor of Big Labor bosses at the American taxpayers' expense to the tune of $2.2 billion, to be exact.

Last night the Democrat Rules Committee voted along party lines to prevent me, a member of the committee, from having the opportunity to raise government revenue while reducing the size of our government by striking a provision unrelated to fixing the AMT. However, it was in the legislation that is before us in the House today.

I find it ironic that as this Congress works to protect American taxpayers from the AMT, a tax that they would pay but were never meant to pay, that the Democrats would include in this bill a provision preventing the IRS from effectively collecting other delinquent taxes, taxes that people were meant to pay but haven't.

In 2004, Congress gave the IRS the ability to utilize the best practices and advantages created by the private sector to address its growing backlog of unpaid debt.

Today, it is estimated that $345 billion of these taxes, unpaid taxes, exist, meaning that every single year the average taxpayer who plays by the rules must pay an average or an extra $2,700 to cover taxes not paid by others.

This new program, which began as a small pilot program that continued to grow and continued to succeed, is estimated to bring in $2.2 billion in the first 10 years alone. Under this agreement, the IRS would get the first 25 cents of every dollar for them to hire new collections professionals, a provision that will have positive compounded effects by helping to bring in even greater amounts of uncollected revenue to the government in the future.

This program, even in its beginning stages and despite numerous attempts by the Democrat majority to kill it before it can succeed, has been a huge success, bringing in over $30 million of uncollected taxes. It has received a 98 percent rating from the IRS for regulatory and procedural accuracy, as well as 100 percent rating for professionalism.

I wish that I could say that I was surprised by the Democrat leadership by allowing politics to triumph over policy or fair procedure. Unfortunately, this is precisely what we have come to expect from the new broken-promises Democrat majority.

I encourage all of my colleagues to vote against this tax increase and this attempt to stack the deck in favor of labor union bosses.

I am opposed to this rule. I am opposed to the underlying legislation.

Mr. MCGOVERN. Mr. Speaker, the previous speaker began by saying he is so proud of this economy and it's doing so well. The thing that he may not know is that he thinks it's doing well,

but the majority of the American people do not think it's doing well. A recent poll showed that over 70 percent of people in this country think we are going in the wrong direction. Maybe he needs to get out of Washington a little bit more, outside the Beltway, talk to real people and understand the struggle people are going through.

The gentleman also knows that tax bills are traditionally considered under a closed or structured process. Under this rule, the minority has the opportunity to offer a substitute as long as it does not violate any House rules. The Rules Committee made this substitute in order sight unseen and this rule gives the minority an opportunity to amend this bill if they choose.

Again, one of the new rules that we are operating under here in the House is that you have to pay for whatever you do. You can't borrow anymore. You can't run up the natural credit card anymore. You can't burden our kids and grandkids anymore. You have to be responsible.

Mr. Speaker, at this time I would like to yield 3 minutes to the gentleman from New York, a member of the Rules Committee, Mr. ARCURI.

□ 0945

Mr. ARCURI. I thank my good friend and colleague from Massachusetts for yielding.

Mr. Speaker, I rise today in strong support of the rule and the Temporary Tax Relief Act of 2007.

I applaud Chairman RANGEL and the House leadership for providing a broad-based tax relief package in a way that promotes fiscal responsibility by complying with pay-as-you-go rules adopted by the House at the beginning of this Congress.

To be honest though, I'm a bit baffled by the comments from some of my colleagues suggesting that they oppose paying for the $50 billion AMT portion of this bill and would rather add it to the national debt, pushing that debt on to our children and our children's children.

Mr. Speaker, it was that sort of fiscal irresponsible behavior that allowed the previous Republican Congresses to erase the budgetary surplus that existed in 1999 and skyrocketed the national debt by more than $1.3 trillion in the course of 6 years.

While I may not agree with 100 percent of all the so-called pay-fors in this bill, I strongly believe that we in Congress must balance our own books just as all taxpayers do with their own finances.

H.R. 3996 contains many important tax cuts for both businesses and individual taxpayers. Far and away, the most important of these would save an estimated 21 million Americans from paying the AMT. In the district I represent in upstate New York, this bill will save over 36,000 people from having to pay higher taxes, nearly 6,000 of whom make less than $75,000 a year and have never had to pay the AMT before. That, Mr. Speaker, is middle-class tax relief.

H.R. 3996 also includes an extension of the research and development tax credit that allows companies a tax credit for a portion of their R&D expenditures. Extending R&D credit is vital to ensuring that America remains on the cutting edge of innovation and keeps our companies competitive.

American companies rely on this credit and upon its continuing to adequately plan their long-term research projects. I support this 1-year extension to provide continuity, and I will continue to work with leaders on the committee and in the body to seek a permanent extension that would eliminate concerns over expirations or lapses.

As I said earlier, I'm not in total agreement with all the revenue raising measures contained in H.R. 3996. I do have some reservations about the so-called ''carried interest'' provisions, especially as it relates to real estate partnerships. Specifically, I'm concerned that reclassification as income of carried interests paid to managers of real estate partnerships may create a disincentive for general partners to manage partnerships that seek to develop higher risk projects in areas that need development or redevelopment.

In spite of these reservations, I will vote for this rule and H.R. 3996. I will continue to work with my colleagues to address these concerns, and I'm confident that together we can find an appropriate and fiscally responsible way of ensuring that development projects in areas that depend on them will continue to attract necessary investment.

I believe we cannot let the perfect be the enemy of the good. The Temporary Tax Relief Act of 2007 is a good bill that brings much-needed tax relief to both America's middle-class families and our businesses, and I'm especially proud that we are doing it in a fiscally responsible way, following the PAYGO provisions adopted by this House in the same way that every household in America does.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3½ minutes to a member of the Ways and Means Committee and a classmate of mine, Mr. ENGLISH.

Mr. ENGLISH of Pennsylvania. I would like to thank the distinguished Member from Washington.

Mr. Speaker, unfortunately, I have to rise in strong opposition to this rule. I wouldn't normally speak out against a rule, but I think these are unique circumstances and they're highlighted by the comments of one of my colleagues on the other side of the aisle who accused Republicans of holding hostages. That's really an extraordinary statement under the circumstances.

After all, it was House Democrats who conspired to preserve the AMT in 1999. It's House Democrats who had talked broadly about repealing the AMT this year. It is House Democrats that passed a budget that used the revenue from applying the AMT to 23 million mostly middle-class taxpayers. And it is, after all, House Democrats who have come forward today with a placebo that doesn't do what they originally said that they were going to do.

I have offered before the Rules Committee and in the Ways and Means Committee an amendment that would have directly addressed the Democrats' promise. Yesterday, an amendment was offered in the Committee on Rules and dismissed out of hand that, by defeating today's rule, may yet be preserved to fulfill the promise of the Democrats to get rid of the AMT. My amendment would have sunset the AMT by a date certain. It would have fully repealed the individual alternative minimum tax. And any vote against this rule, Mr. Speaker, is a vote against an opportunity to ultimately and permanently eliminate the AMT.

The amendment is very simple. The AMT would be repealed and never seen again after 2018. That's far enough in the future that we should be able to plan around it.

As Congress continues to wrestle with the ridiculous notion of how to pay for eliminating a tax that we never intended, this amendment allows us to set a firm horizon on which the AMT will be eliminated and require that our budgets no longer be built on the quicksand of AMT revenue.

And the amendment is fully PAYGO compliant, so there's no reason not to have allowed this amendment to be debated if the majority is, in fact, serious about ensuring that the AMT is eliminated.

Unfortunately, the bottom line is that the majority, in fact, believes that they need the revenue, and they want to continue to do things like they do in today's bill, which is pass permanent tax increases in order to fund temporary tax relief. If the majority, in fact, believes that it will find a way to repeal the AMT before 2018, then this amendment should be allowable. Nothing in this amendment would prevent the Congress from taking up a plan to get rid of the AMT sooner than 2018.

What this amendment does do, though, is let the taxpayer know that the AMT will be history.

As I said, we missed the chance to do that in 1999 because of the position that the other side took. And this amendment would have given Members of this body an up-or-down vote on whether or not to support the repeal of the AMT.

Perhaps this is a true indication of the majority's intent to take this tax monster, harness it, and put it to work to allow with PAYGO rules that every year we churn the Tax Code to raise taxes ever higher. I think the AMT has got to go and that's why I'm offering this amendment if allowed.

I urge the defeat of the rule.

Mr. MCGOVERN. Mr. Speaker, I would just reply to the gentleman that if he has an amendment that is truly

compliant with PAYGO, he can offer it as a substitute. That is allowed under the rule.

At this point, Mr. Speaker, I would like to yield 2½ minutes to the gentleman from Vermont (Mr. WELCH), a member of the Rules Committee.

Mr. WELCH of Vermont. One of the ongoing challenges of democracy is to maintain an economy that creates opportunity for everybody, at the low end of the ladder, as well as at the top.

What our Ways and Means Committee has done, in two areas, is recognize that we have seen our economy start skirting so that the wealthy are doing very well, the middle class are falling behind, and the poor are barely hanging on. And in two areas, trade and taxes, the Ways and Means Committee has brought legislation that basically says we're all in it together.

On trade they want to have a policy that shares the benefits. They aren't just concentrated at the top, and that shares the pain. And on taxes, they're asking the question and giving us the opportunity to present a tax policy that respects work as well as capital, that reduces rather than increases our debt, and accepts the reality that one taxpayer's tax preference is often another taxpayer's tax burden.

What is a fact is that the gap between the wealthy and everyone else is widening. We can ignore that or we can acknowledge it. This legislation is middle-class tax relief. It acknowledges that the middle class has been working harder, paying more in taxes, getting less in government services and falling farther behind.

One of the things that pays for this is by going after a glaring loophole. We've heard people talk about the ''carried interest.'' But there's one other provision in here that is long overdue for remedy. It's how a corporation doing financial advising is treated differently than a partnership.

It was a New York Times story, Mr. Speaker, that spoke about Goldman Sachs that did great work, earnings of $3.4 billion in one quarter. They paid $1.1 billion in taxes. They paid the corporate tax rate. Good corporate citizens. A private equity partnership, the Blackstone Group, doing the same work, had revenues of $1.1 billion. They paid $14 million in taxes, or 1.3 percent.

This tax bill says tax fairness requires that those two entities be treated the same, that they pay their fair share before we start asking middle-class working families to pay more.

Mr. HASTINGS of Washington. Mr. Speaker, how much time on both sides?

The SPEAKER pro tempore. The gentleman from Washington has 15 minutes, and the gentleman from Massachusetts has 14 minutes.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 5 minutes to a member of the Ways and Means Committee, the gentleman from Missouri (Mr. HULSHOF).

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. I thank the gentleman for yielding.

It's Friday. We're about to go home. What have we done this week? Well, we've seen earmarks for golf courses air-dropped into the Defense appropriations conference report. The Woodstock Hippie Museum is now back in play for Federal dollars. Is there any dispute that Congress has earned its 11 percent approval rating.

Today's bridge to nowhere take us to Albany, New York where lawmakers of that State's legislature will enjoy a per diem write-off for days that they are not working in their State capital.

I say to my friend from Washington, imagine if you were an IRS tax compliance officer, probably with an approval rating higher than Congress, and this was the scenario presented to you. A hypothetical State, we'll call it State Y, begins its legislative session in early January and adjourns its legislative calendar at the end of June. Nothing unusual about that. But this particular State legislature extends its session, declares itself to be in session for the remainder of the year, even though no legislative business is conducted. The question before the IRS is, should those lawmakers be entitled to a $150 a day per diem for days that they are not in their State capital?

The IRS ruled, correctly in my view, that they should not be entitled to this special tax break.

Well, notwithstanding that, in this bill, tucked away, is a provision that basically says that this per diem is allowed for all 365 days. And for those of you that are quickly doing the math on the back of your envelope, $150 plus a day equals $55,000 a year. Now, who foots that bill? Taxpayers from Missouri, taxpayers from the State of Washington, taxpayers from Massachusetts.

Now, I will give credit, I see my friend from Oregon is here, who, in committee, voted with us, as well as the gentleman from Texas (Mr. DOGGETT) that this was an inappropriate provision. I applaud the gentlemen for that.

The IRS in its tax policy and priority guidance, in other words, the red flags that the IRS really wanted to take a look at was, in fact, this specific provision. The IRS had raised a red flag. But because of the powerful chairman, I see him on the floor, my good friend from New York, the powerful chairman of the Ways and Means Committee, and the powerful chairman of the Rules Committee, who coincidentally happen to hail from the State in question, instead of a red flag by the IRS, they now have to wave a white flag. And again, taxpayers across the country are on the hook.

I would just say this, and I say this somewhat tongue in cheek.

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When we get to the larger debate about the alternative minimum tax, I think one thing that all of us agree upon, of course, is that with the intent of that tax we have gone far afield. Unfortunately, I suspect we are going to have a lot of finger-pointing and partisanship and Republicans didn't do this and didn't pay attention or whatever. I would simply point out that facts are stubborn things in the fact that in 1969 I think the party in control during that session of Congress creating the tax was then the Democratic majority, and I seem to recall that the Republican Congress sent to a Democratic President a bill that would have completely, finally, permanently repealed the alternative minimum tax; and, unfortunately, the Democratic President vetoed that bill. So I think there is enough blame to go around if that's why you're coming to the floor to assign blame.

But the AMT, as has been pointed out, was originally created by the then-majority to hit about 150-plus wealthy families. This particular provision inserted not an extended, expiring provision, but a brand-new provision, but this brand new provision helps 150 legislators. Of this rifle shot, former chairman of the Ways and Means Committee Rostenkowski would most certainly be proud.

I urge a ''no'' vote on the rule.

Mr. MCGOVERN. Mr. Speaker, before I yield to the next speaker, I just want to respond to something the gentleman said. He questioned whether we did anything of relevance this week. Let me remind him that we did the Defense appropriations bill, which supports our troops. We did the Labor-HHS, which funds, among other things, the National Institutes of Health. We did the Homeowners' Defense bill to deal with natural disasters. There was the Peru Free Trade Agreement. There was the ENDA bill, which ends discrimination against people based on their sexual orientation. We overrode, thankfully, the President's unwarranted veto on WRDA so that we could actually support our infrastructure, which this President and the Republicans in Congress have denied funding for for so many years.

So, Mr. Speaker, I think we had a good week, and I'm proud of what this Democratic Congress is doing.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin, a member of the Ways and Means Committee (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from Massachusetts for yielding.

And to my good friend from Missouri with whom I serve on the Ways and Means Committee, I would hope that as this process moves forward, we can get together and have an honest discussion of what needs to be offset, what should be extended, and how we are going to provide tax relief to 23 million Americans who would otherwise get caught up in the creeping alternative minimum tax.

And that's why today I rise in support of the rule and the underlying bill, and I commend the chairman of the

Ways and Means Committee, Mr. RANGEL, for helping us bring forward a bill that is not only fiscally sound but morally responsible.

There are some elements of common agreement. We all here agree that we want to stop the AMT from hitting 23 million more Americans, 56,000 in my congressional district alone in Wisconsin. The big difference is we pay for it; they don't. We did, as we promised the American people we would do when we became the majority this year, reinstitute pay-as-you-go budgeting rules, something that was in place in the 1990s that gave us 4 years of budget surpluses. We are paying down the national debt rather than adding to it.

But with the expiration of pay-as-you-go budgeting, we've had the fastest and largest accumulation of national debt in our Nation's history under their watch, under their economic plan: Over 3 trillion new dollars added to the national debt, and by the time this President leaves office, it will be 4 trillion. We went over 9 trillion in accumulated debt this week for the first time in our Nation's history, and there are consequences.

Let's make no mistake about this debate today. This bill will be paid for. The question is, is this generation going to have the moral responsibility to pay for it, or are we going to stick it to our children and grandchildren with more deficit financing? They are borrow and spend; we are pay-as-you-go.

And I don't know how many of my colleagues noticed this week, but the dollar went into a free fall. And the main reason that the dollar went into a free fall is because there was a rumor on the market that the Chinese are going to start unloading their high dollar reserves and start buying euros. And the only tools we could possibly have to counter that was in hoping another Chinese official would step up and say, no, that's not true, it's just a rumor. Fortunately, they did; otherwise the Federal Reserve would have to tighten the money supply to prop up the dollar, and we know the consequences to economic activity if that happens.

This is the economic dilemma that they have put us in by saddling us with huge debt. And they can talk all they want about percentage of GDP, but as long as more deficit is being accumulated, China will remain the number one purchaser of our debt today. And that is wrong for the future economic growth of our Nation, and it's especially wrong for our children.

So the question is, do we adhere to pay-as-you-go budgeting? We can have an honest discussion of what appropriate offsets should be in order to pay for the tax relief for 23 million families. But what shouldn't be on the table and what shouldn't be debated today is more deficit financing, which is the easiest thing to do. I'll be curious to see what type of substitute they want to offer, what their plan is, because it has got to be under pay-as-you-go budgeting. And we will see if there are some areas of common agreement with that. But what shouldn't be debated and what shouldn't be open for consideration is pay-as-you-go budgeting so we don't leave a legacy of debt to our children and grandchildren.

I encourage my colleagues to support the rule and the underlying bill.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 30 seconds to the distinguished ranking member of the Rules Committee.

Mr. DREIER. I thank my friend for yielding.

Mr. Speaker, I was simply hoping to engage with the distinguished majority manager of this measure when I was asking him very politely to yield. And I will say for the record I am always happy to yield to him at any time, and now I have had to rely on Mr. HASTINGS to yield me the time.

I simply wanted to say, as my friend was going through that litany of all these great accomplishments, there is one very glaring error, and we are going to have a chance to vote on that for the 10th time when we have an effort that Mr. HASTINGS will be moving to defeat the previous question, to make sure that we go to conference to have the funds necessary for our Nation's courageous veterans.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 5½ minutes to a member of the Ways and Means Committee, the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. I thank the gentleman for yielding.

Mr. Speaker, we're setting a precedent here. This is new policy that we are embarking on here. And let me tell you what this means. We have always in the past done what we call a patch for the AMT. We have always said let's not let the alternative minimum tax hit all these new taxpayers. Let's prevent that tax increase from happening. Well, what is now happening is the majority is saying, instead of having this tax increase, let's have some other tax increase. That's what their PAYGO rule does.

PAYGO does not mean let's live within our means, but let's expand government's growth, let's raise taxes. And 73 percent of all of the pay-fors for the bills that have come to this Congress this year have been paid for with either budget gimmicks or tax increases. That's right. Of all the wish lists of spending that the majority has brought to the floor, 73 percent of those things were either budget gimmicks or tax increases.

This is a tax increase. What this is, is saying you cannot come to the floor of this Congress and prevent this new future tax increase; so we're going to make another tax increase. If you want to stop this tax increase, you've got to raise taxes. You just simply can't stop the tax increase.

Now, why are we doing this? You've got to remember, Mr. Speaker, that the AMT in 1969, when it was written, was to stop 155 multimillionaires from escaping taxes. That was the idea. No one, no one ever intended it to be what it is today. It was a mistake. No one planned the alternative minimum tax to tax 23 million people in the middle class this year. No one said let's tax 30 million people in 3 years, but that's what this does. The majority's budget includes it. The majority's budget plans for it. And more important than that, Mr. Speaker, the majority is saying we may not want the alternative minimum tax, but we want that tax revenue. And that is the dangerous precedent that is being set here.

This chart shows you where the majority is trying to head with taxes in America on families and businesses and entrepreneurs. The blue line shows you our average. For the last 40 years, the Federal Government has had to tax about 18.3 percent of our economy to run the Federal Government. We have had good economic growth. We've been the world's leading economic superpower. We have been the world's superpower. And we have done this by taxing our economy at about 18.3 percent. What the majority is trying to do is take us to an all new high.

There are only three times in our Nation's history where we have ever exceeded taxing our Federal economy by 20 percent. Two of those were during World War II. And the majority wants not only to tax us at 20 percent; they want us to go up to 21 percent and then on up to 24 percent with this tax plan. This is a down payment on the majority's planned and intended and budgeted-for $3.5 trillion tax increase over the next 10 years.

And here is what is wrong with that: not only is it morally wrong to take more and more money out of people's paychecks, by taking more of their freedom and sending it to Washington, but what is really wrong is that it lowers our standard of living. And that is what is at issue here.

For the last 15 years, we have watched Europe go down this dangerous path. If you take a look at the majority's plan to bring us to this ever-higher level of taxation, add the State government, and we are on our way to taxing 35 percent of GDP. That is where the countries of Europe are.

And what did Europe achieve over the last 15 years? Their per capita of GDP, our main measurement of standard of living, is a quarter less than ours. Their standard of living is 25 percent less than the American standard of living. Their unemployment rate averages 9 percent; ours is half that.

So if we want to go down the road of stagnation, of high unemployment, of a lower standard of living, vote for this bill. Put us on this path.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. The gentleman makes a very

important point, Mr. Speaker, and that is this incredible irony that this week we have two European leaders, Angel Merkel, who is today meeting with the President of the United States; and 2 days ago, we had Nicolas Sarkozy, the leader of France, both of whom are working very hard to reverse that trend about which my friend has spoken. And we in the United States of America seem to be following, through the actions of this Congress, the route of the old Europe that Merkel and Sarkozy are seeking to reverse.

Mr. RYAN of Wisconsin. That is exactly the point, Mr. Speaker.

At a time when Europe is telling us don't follow us down this path, look at the unemployment, look at the welfare dependency. We have got to get out of this.

We are following them. We're going into the hole they've dug for themselves that they are trying to get out of. That is the majority's plan. That's a dangerous plan. They are saying you can't even bring a bill to the floor unless it raises taxes. That's what PAYGO means. That's wrong. This is the down payment on a $3.5 trillion tax increase on every American income tax payer. That's wrong.

Mr. Speaker, this is a difference between our two parties. This is a difference between our philosophies. We believe the genius of America is the individual, the family, the entrepreneur, not government, not Washington, not elites here trying to spend your hard-earned tax dollars. That is the difference. We believe we should keep government lean and we should keep government doing what it should be doing and not ever growing its role because when we do that, we sap the strength of the American entrepreneur, of our economy.

We need to give our children the gift that our parents gave us, and that is a higher standard of living. And we are at risk of severing that legacy, Mr. Speaker.

Mr. MCGOVERN. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, in the litany of accomplishments this week, I neglected to say that we also voted on the Military Construction bill, and we will continue to vote on it until it becomes the law of the land.

And speaking of differences between the two parties, under a Democratic Congress, we are going to give our veterans the biggest single-year increase in health care benefits in the history of the Veterans Administration. That is under a Democratic Congress, not under a Republican Congress.

Mr. Speaker, at this time I would like to yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise today in strong support of the Temporary Tax Relief Act.

This is sound legislation. It will provide millions of hardworking middle-class families with the tax cuts that they need. We all know this bill will protect over 23 million middle-class families from the encroaching alternative minimum tax. In my home State of Connecticut, failing to act on the AMT would mean new taxes on almost 400,000 households including 67,000 in my district.

Along with addressing the AMT, I want to commend Chairman RANGEL for including in the bill a long overdue expansion of the child tax credit. Last year minimum-wage families working full-time were not eligible for the tax credit, excluding almost 7 million children, most of them infants and toddlers.

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Military families, fighting and dying for the United States, were not eligible.

With this bill, we get back to the intent of the child tax credit, providing relief to the working-class families that need it most; 2.9 million additional children will be eligible for the tax credit, and the families of 10 million others will receive larger refunds. We have an opportunity today to provide tax relief to 23 million middle-class families. Let us not fail them today, and let us not fail our children.

This bill represents the values of this Nation and its priorities. I urge my colleagues to vote for the rule and pass this legislation.

Mr. HASTINGS of Washington. Mr. Speaker, may I inquire as to how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from Washington has 4½ minutes. The gentleman from Massachusetts has 8½ minutes.

Mr. HASTINGS of Washington. I will reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, at this time I would like to yield 2 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. I thank the gentleman.

Mr. Speaker, today we will hear the good features of this legislation, the 4.5 million families that can afford college better because of tuition deductions, teachers who can get deductions for classroom expenses, the extension of the R&D tax credit, the 11 million families who will benefit from sales tax deduction, and of course the central piece of this, the relief from the alternative minimum tax. In fact, in my own district, which is one of the most hardest hit in the country by the alternative minimum tax, 88,000 of my constituents are unfairly caught in the AMT, and they will find relief in this bill.

I would like to address a feature that I am particularly pleased to see in this legislation. Property taxes are applied locally, as we know, and for some years I've tried to get relief at the Federal level for these local taxes, which have grown far ahead of the rate of inflation. Several years ago, in the previous Congress, I introduced legislation that would provide a standard deduction for homeowners who do not itemize their taxes. Now the Ways and Means Committee, under the new leadership of Chairman RANGEL, and with the strong advocacy of Representative EMANUEL, has included in this legislation such a deduction. Now, more than 30 million homeowners who do not currently itemize their tax deductions and yet still pay high property taxes will find relief in this bill. It will be a standard deduction of $350 for those filing individually, $700 for those filing jointly, and it will be available, I repeat, for something like 30 million Americans, including those in New Jersey who pay the highest property taxes in the country.

So, I thank the chairman and the committee for their wisdom in including this legislation. I urge adoption of the rule and the passage of the underlying bill.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. We are hearing the same old tired Republican borrow-and-spend rhetoric. They're all for our middle class tax relief and extension of important tax incentives; they just don't want to pay for it. They would rather borrow from our grandchildren. ''Borrow it, you'll like it.'' That's the misguided approach we've followed for 7 long years under this Bush administration. And look at the mess it has gotten us into: the dollar going down by the day, the specter of inflation and recession occurring at the same time. And now, because of our Democratic commitment to pay-as-you-go government, what we do in this bill is to reduce the revenues coming in by about $76 billion in mostly middle class tax relief over the next 5 years, and then replace those same revenues with another $76 billion.

It's balance. No new debt. And that is the type of fiscal responsibility that is anathema to our Republican colleagues and this administration. The best that they have been able to do is offer us more empty demands to just cut spending to pay for this legislation. President Bush sent his representative from the Treasury Department to our committee on this very bill, and we said, ''well, what specific spending cuts do you have to pay for this bill if you think that's the way to do it?'' And he scratched his head, and he couldn't think of a single spending cut, nor have our Republican colleagues sought any. Their approach is just more borrow and spend.

Let's be clear about it. Over the last 7 years, no one in this country has spoken louder about fiscal responsibility and cutting spending than President Bush, and no one in this country has done less about it.

Ole Rip Van Bush, he snoozed while the spending soared, and he just borrowed more and more with a happy face toward our children.

Today, we Democrats fulfill our pledge to stop making things worse so we eventually can be able to turn them

around. A vote for this bill today is a vote for middle-class tax relief, and it is also a long overdue vote to repudiate this Republican fantasy.

Mr. HASTINGS of Washington. Mr. Speaker, at this time, I yield 1 minute to the distinguished ranking member of the Rules Committee, Mr. DREIER.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, what absolute lunacy; paying for a tax that was never intended.

I see my friend from New York. In 1969, when this tax was designed to go after 155 millionaires, was it ever anticipated that 23 million middle-income Americans would be shouldering this burden? Absolutely not. So we're supposed to pay for that? Well, the only thing that calls for paying for it is the budget that the new majority put into place.

Mr. Speaker, the American people sent us here to make laws, not to play games. We know that this is not going to become law. So time and time again, whether it's with our veterans, whether it's with children's health, whether it's with the war in Iraq, and now with our attempt to completely repeal the alternative minimum tax, we see nothing but game playing from our colleagues on the other side of the aisle.

We do face economic challenges in this future, we know that. We've got some serious problems ahead. Ensuring that we keep this economy growing is essential. That's why we need to completely repeal the alternative minimum tax.

Mr. MCGOVERN. Mr. Speaker, at this time, it's my honor to yield 2 minutes to the distinguished chairman of the Ways and Means Committee, the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, distinguished members of the Rules Committee, thank you for giving me this opportunity, and thank you for allowing me to follow my friend, Mr. DREIER. I just hope that I don't drink the water on that side of the aisle because it's very difficult for me to follow in the logic.

Let's talk about where we are in complete accord. Whoever thought of this cockamamie idea in 1969 was wrong. And as far as the voters are concerned, you can call yourself Republican or Democrat, who now holds them hostage, but if we don't give them relief, you can bet your life it's going to be the Congress of the United States and this President.

The President realizes we should eliminate this. He hasn't given us a plan, an idea, a thought, just get rid of it. And the Congressional Budget Office says that if we don't get rid of it, that $50 billion will be coming into our budget, we will have $50 billion. Common logic would dictate that if we do get rid of the AMT, which is the right thing to do, that we will lose $50 billion from the budget. What happens at home? What happens with a corporation? What happens with this congressional board of directors if we find with the budget that $50 billion that's missing? One of the things we can do is cut spending, by what? $50 billion. Another thing we could do is say forget about it. We did it before with the tax cut, just borrow the money. Just borrow $50 billion. I guess you can call that repealing. Or we could say the responsible thing to do is raise the additional revenue.

Standing by itself, forgetting the fact that it's a pay-for, who in the world would believe that it's fair for corporations and partnerships to be doing the same work, managing other people's money, being successful, making this great contribution to society, except one group pays 15 percent because they've created the imagination that their work is really capital, when they take no risk, and the others give 35 percent. Fairness dictates this is not a tax increase. This is a closing of a loophole, and you should be proud to participate in that.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, for the past several weeks, my colleagues on the Rules Committee and I have highlighted the need to pass a stand-alone veterans funding bill. Today is our last opportunity to pass a veterans funding bill and get it to the President before Veterans Day.

The veterans funding bill passed this House this summer with over 400 votes and passed the Senate with over 90 votes. A final veterans funding bill is sitting, waiting to be acted on, but Democrat leaders have bent over backwards to prevent Congress from passing the final bill. They have been stalling since September and have ignored the fact that the new spending year began October 1 this year.

Every day the Democrats choose not to act to move this bill forward, our Nations's veterans lose $18.5 billion. Since the fiscal year began 40 days ago, our Nation's veterans are out $740 million. It has now been nearly 150 days since the Veterans funding bill was approved by the House. The Senate passed a similar bill and appointed its conferees 2 months ago. Sadly, the Democratic leadership in the House has refused to name conferees and instead has chosen to put partisanship and politics ahead of ensuring our veterans' needs are met.

Once Democrat leaders appoint conferees, the House can move forward and pass the stand-alone Veterans funding bill. Three weeks ago, Republican Leader BOEHNER took a positive step towards naming House Republican conferees. Now, the Speaker must follow suit.

Therefore, Mr. Speaker, I will be asking my colleagues to vote ''no'' on the previous question so I can amend the rule to allow the House to immediately act to go to conference with the Senate on H.R. 2642, the MilCon and Veterans Affairs funding bill, and appoint conferees.

By defeating the previous question, the House will send a strong message to our veterans that they will have our commitment to providing them the funding increase they need, deserve and were promised.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material inserted into the RECORD prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HASTINGS of Washington. Mr. Speaker, I urge my colleagues to oppose the previous question and the rule.

I yield back the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I urge my colleagues to vote ''yes'' on the previous question, I urge them to vote ''yes'' on the rule, and I urge them to vote ''yes'' on the underlying bill.

Thousands of middle-class families in this country deserve relief from the AMT tax, and that's what this underlying bill is all about. In addition, as we provide relief to these middle-class families, we owe it to our kids not to saddle them with the bill, and that's also the purpose of the underlying bill.

Mr. Speaker, I have two kids, a 9-year-old son and a 6-year-old daughter. I don't want to leave them with a future in which they have to pay for all of the mistakes and all of the mismanagement of my generation.

The Republicans want to have it in a way that they can do things and not pay for anything. We have a war in Iraq. It's not paid for. Doesn't bother them in the least. Their prescription for health care is take two tax breaks and call me in the morning. It doesn't bother them in the least that the bill is going to be paid for by our kids and our grandkids. Tax cuts for the rich. Again, put it on the backs of our kids and our grandkids. Mr. Speaker, that is irresponsible.

Our Nation is currently burdened with over $9 trillion of national debt. The average daily interest accruing on this debt exceeds $1 billion. Each American share of this debt is more than $30,000. We cannot afford to keep taking on this additional debt.

When the Democrats regained control of the Congress, we instituted PAYGO rules, pay as you go. Families in America have to live within their budgets. The United States Congress ought to be able to live within a budget. We need to be fiscally responsible.

So, if you want to give your rich friends a tax cut, then pay for it. If you want to have a war, then pay for it. We need to pay as you go.

Mr. Speaker, this is a good bill. Vote ''yes'' on the previous question and ''yes'' on the rule.

The material previously referred to by Mr. HASTINGS of Washington is as follows:

AMENDMENT TO H. RES. 809 OFFERED BY MR. HASTINGS OF WASHINGTON

At the end of the resolution, add the following:

SEC. 3. The House disagrees to the Senate amendment to the bill, H.R. 2642, making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2008, and for other purposes, and agrees to the conference requested by the Senate thereon. The Speaker shall appoint conferees immediately, but may declare a recess under clause 12(a) of rule I for the purpose of consulting the Minority Leader prior to such appointment. The motion to instruct conferees otherwise in order pending the appointment of conferees instead shall be in order only at a time designated by the Speaker in the legislative schedule within two additional legislative days after adoption of this resolution.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. McGOVERN. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on ordering the previous question will be followed by 5-minute votes on adoption of H. Res. 809, if ordered, and approval of the Journal.

The vote was taken by electronic device, and there were—yeas 215, nays 185, not voting 32, as follows:

[Roll No. 1077]

YEAS—215

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—185

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
Kagen
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Mack
Mahoney (FL)
Manzullo
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Pearce
Pence
Perlmutter
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NOT VOTING—32

Bean
Bishop (UT)
Bonner
Boren
Buyer
Carson
Cleaver
Crenshaw
Cubin
Culberson
Davis, Lincoln
Doolittle

Engel
Everett
Giffords
Gutierrez
Hastert
Hobson
Israel
Jindal
Jones (NC)
Kaptur
LaHood
Lantos
Lungren, Daniel E.
Marchant
McCarthy (NY)
Nunes
Oberstar
Paul
Westmoreland
Young (AK)

□ 1053

Mr. GARRETT of New Jersey changed his vote from ''yea'' to ''nay.''

Ms. McCOLLUM of Minnesota and Mr. BAIRD changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 220, nays 185, not voting 28, as follows:

[Roll No. 1078]

YEAS—220

Abercrombie
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—185

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Mack
Mahoney (FL)
Manzullo
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Taylor
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NOT VOTING—28

Ackerman
Bishop (UT)
Bonner
Boren
Buyer
Carson
Crenshaw
Cubin
Culberson
Davis, Lincoln
Everett
Giffords
Hastert
Hobson
Israel
Jindal
Jones (NC)
Kaptur
LaHood
Lantos
Lungren, Daniel E.
Marchant
McCarthy (NY)
Nunes
Oberstar
Paul
Westmoreland
Young (AK)

□ 1105

Messrs. CUMMINGS, BACA, GRIJALVA, ORTIZ, PASTOR, SERRANO, GUTIERREZ, REYES, BECERRA, Mrs. NAPOLITANO, Ms. SOLIS, Ms. VELÁZQUEZ, and Ms. ROYBAL-ALLARD changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3222) ''An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.''.

THE JOURNAL

The SPEAKER pro tempore (Mr. SALAZAR). Pursuant to clause 8 of rule XX, the unfinished business is the question on agreeing to the Speaker's approval of the Journal, on which the yeas and nays were ordered.

The question is on the Speaker's approval of the Journal.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 221, nays 175, answered ''present'' 2, not voting 34, as follows:

[Roll No. 1079]

YEAS—221

Abercrombie
Allen
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Buchanan
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Castor
Clarke
Clay
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeGette
Dent
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Goodlatte
Graves
Green, Al
Green, Gene
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Heller
Herger
Herseth Sandlin
Higgins
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Kirk
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (CA)
McCaul (TX)
McCollum (MN)
McDermott
McGovern
McIntyre

McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuster
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Sutton
Tanner
Tauscher
Taylor
Thompson (MS)
Tierney
Towns
Tsongas
Udall (NM)
Van Hollen
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—175

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Calvert
Campbell (CA)
Cannon
Cantor
Carney
Carter
Castle
Chabot
Chandler
Coble
Cole (OK)
Conaway
Culberson
Davis (KY)
Davis, David
Deal (GA)
DeFazio
Delahunt
DeLauro
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Goode
Gordon
Granger
Hall (TX)
Hastings (WA)
Hayes
Hensarling
Hill
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kline (MN)
Knollenberg
Lamborn
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Mack
Manzullo
Marshall
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuler
Simpson
Smith (NE)
Smith (NJ)
Souder
Stearns
Stupak
Sullivan
Terry
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Turner
Udall (CO)
Upton
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

ANSWERED ''PRESENT''—2

Gohmert
Tancredo

NOT VOTING—34

Ackerman
Bishop (UT)
Bonner
Boren
Buyer
Camp (MI)
Carson
Cleaver
Crenshaw
Cubin
Davis, Lincoln
Everett
Giffords
Grijalva
Hastert
Hinojosa
Hobson
Israel
Jindal
Jones (NC)
LaHood
Lantos
Lungren, Daniel E.
Marchant
McCarthy (NY)
Nunes
Oberstar
Paul
Pickering
Smith (TX)
Stark
Velázquez
Westmoreland
Young (AK)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in the vote.

□ 1112

So the Journal was approved.

The result of the vote was announced as above recorded.

MOTION TO ADJOURN

Mr. BACA. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. HOLDEN). The question is on the motion to adjourn offered by the gentleman from California.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BACA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 184, nays 204, not voting 44, as follows:

[Roll No. 1080]

YEAS—184

Aderholt
Akin
Alexander
Baca
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Becerra
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Coble
Cole (OK)
Conaway
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellison
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Gutierrez
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hoekstra
Honda
Hulshof
Inglis (SC)
Issa
Johnson (IL)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas
Mack
Manzullo
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Napolitano
Neugebauer
Ortiz
Pastor
Pence
Peterson (PA)
Petri
Pickering
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Salazar
Sali
Saxton
Schmidt
Sensenbrenner
Serrano
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Young (AK)
Young (FL)

NAYS—204

Abercrombie
Allen
Altmire
Andrews
Arcuri
Baird
Baldwin
Barrow
Bean
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Butterfield
Capps
Cardoza
Carney
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinojosa
Hirono
Hodes
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Neal (MA)
Obey
Olver
Pallone
Pascrell
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wynn
Yarmuth

NOT VOTING—44

Ackerman
Bachmann
Bishop (UT)
Bonner
Boren
Brown, Corrine
Buyer
Capuano
Carnahan
Carson
Crenshaw
Cubin
Davis, Lincoln
Delahunt
Emanuel
Everett
Franks (AZ)
Giffords
Hall (TX)
Hastert
Hinchey
Hobson
Hunter
Israel
Jindal
Johnson, Sam
Jones (NC)
Kilpatrick
LaHood
Lantos
Linder
Lungren, Daniel E.
Marchant
McCarthy (NY)
Myrick
Nunes
Oberstar
Paul
Pearce
Pitts
Renzi
Rothman
Weldon (FL)
Westmoreland

□ 1135

Mr. VAN HOLLEN, Ms. RICHARDSON, Ms. JACKSON-LEE of Texas, Messrs. FARR, JOHNSON of Georgia, GONZALEZ, Ms. SOLIS, Ms. VELÁZQUEZ, Messrs. GRIJALVA, CUELLAR, REYES and HINOJOSA changed their vote from ''yea'' to ''nay.''

Messrs. HOEKSTRA, BILIRAKIS, SAXTON, BURGESS, BARTON of Texas, McCOTTER and Ms. GINNY BROWN-WAITE of Florida changed their vote from ''nay'' to ''yea.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

COMMUNICATION FROM THE GENERAL COUNSEL OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the General Counsel of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE GENERAL COUNSEL,
Washington, DC, November 9, 2007.

Hon. NANCY PELOSI,
Speaker,
House of Representatives.

DEAR MADAM SPEAKER: I am writing to tender my resignation as General Counsel to the House of Representatives, effective the close of business on November 12, 2007. It has been an honor and a pleasure to serve under three Speakers, including yourself, for the past twelve years. Over that time, I have tried to maintain a nonpartisan office that, both by reputation and in practice, provides thoughtful and effective legal advice and representation to all Members of the House, without regard to political affiliation, and whose highest obligation is to the long-term interests of the House. I believe the other attorneys in the office and I have succeeded in meeting these objectives. We have worked very closely with Members and staffers from both sides of the aisle on many matters, as well as with the House Officers and the many institutional offices in the legislative branch. I expect that the Office of General Counsel will continue to fulfill this role for the House, and that the Office will maintain the respect and trust it has enjoyed all these years.

I would like to recognize and thank the staff of the Office: first, my very good friend and colleague who came with me to the House over twelve years ago—Deputy General Counsel Kerry Kircher, who will continue in that capacity and provide excellent service to the House as he has always done. I would also like to recognize the other attorneys, Assistant Counsels David Plotinsky, Christine Davenport, and John Filamor, who have all been with the Office for a long time and who are well known to and respected by so many Members, Officers and staff of the House. Finally, I would like to recognize our Office Administrator, Czesia Constantine, who has taken care of every aspect of the office's functions, including watching every penny as though it were her own money. Her service, and that of the many evening law students who have worked as full time law clerks for the Office over those years, have made it possible for the attorneys to provide the quality of service for which the Office is known and appreciated.

I will greatly miss the many friends I have made here. I congratulate my successor, Irv Nathan, on his appointment and wish him every success. Thank you again, Madam Speaker, for the opportunity to serve you.

Sincerely,

GERALDINE R. GENNET,
General Counsel.

PERSONAL EXPLANATION

Mr. MEEKS of New York. Mr. Speaker, I just realized that yesterday on H.R. 3093, rollcall No. 1076, I voted ''aye.'' I meant to vote ''nay'' because as a Democrat, I would never do anything that would inflict harm upon my Hispanic brothers and sisters.

TEMPORARY TAX RELIEF ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to House Resolution 809, I call up the bill (H.R. 3996) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3996

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Temporary Tax Relief Act of 2007''.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title, etc.

TITLE I—AMT RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable personal credits.
Sec. 102. Extension of increased alternative minimum tax exemption amount.

TITLE II—ONE-YEAR EXTENDERS

Subtitle A—Extenders Primarily Affecting Individuals

Sec. 201. Deduction for State and local sales taxes.
Sec. 202. Deduction of qualified tuition and related expenses.
Sec. 203. Treatment of certain dividends of regulated investment companies.
Sec. 204. Parity in the application of certain limits to mental health benefits.
Sec. 205. Qualified conservation contributions.
Sec. 206. Tax-free distributions from individual retirement plans for charitable purposes.
Sec. 207. Deduction for certain expenses of elementary and secondary school teachers.
Sec. 208. Election to include combat pay as earned income for purposes of earned income tax credit.
Sec. 209. Modification of mortgage revenue bonds for veterans.
Sec. 210. Distributions from retirement plans to individuals called to active duty.
Sec. 211. Stock in RIC for purposes of determining estates of nonresidents not citizens.
Sec. 212. Qualified investment entities.
Sec. 213. Refundable child credit.
Sec. 214. State legislators' travel expenses away from home.

Subtitle B—Extenders Primarily Affecting Businesses

Sec. 221. Research credit.
Sec. 222. Indian employment credit.
Sec. 223. New markets tax credit.
Sec. 224. Railroad track maintenance.
Sec. 225. Fifteen-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant property.
Sec. 226. Seven-year cost recovery period for motorsports racing track facility.
Sec. 227. Accelerated depreciation for business property on Indian reservation.
Sec. 228. Expensing of environmental remediation costs.
Sec. 229. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 230. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 231. Extension and modification of credit to holders of qualified zone academy bonds.
Sec. 232. Tax incentives for investment in the District of Columbia.
Sec. 233. Extension of economic development credit for American Samoa.
Sec. 234. Enhanced charitable deduction for contributions of food inventory.
Sec. 235. Enhanced charitable deduction for contributions of book inventory to public schools.
Sec. 236. Enhanced deduction for qualified computer contributions.
Sec. 237. Basis adjustment to stock of S corporations making charitable contributions of property.
Sec. 238. Extension of work opportunity tax credit for Hurricane Katrina employees.

Subtitle C—Other Extenders

Sec. 241. Disclosure for combined employment tax reporting.
Sec. 242. Disclosure of return information to apprise appropriate officials of terrorist activities.
Sec. 243. Disclosure upon request of information relating to terrorist activities.
Sec. 244. Disclosure of return information to carry out income contingent repayment of student loans.
Sec. 245. Authority for undercover operations.
Sec. 246. Increase in limit on cover over of rum excise tax to Puerto Rico and the Virgin Islands.
Sec. 247. Disclosure of return information for certain veterans programs.

TITLE III—MORTGAGE FORGIVENESS DEBT RELIEF

Sec. 301. Discharges of indebtedness on principal residence excluded from gross income.
Sec. 302. Long-term extension of deduction for mortgage insurance premiums.
Sec. 303. Alternative tests for qualifying as cooperative housing corporation.
Sec. 304. Gain from sale of principal residence allocated to nonqualified use not excluded from income.

TITLE IV—ADMINISTRATIVE PROVISIONS

Sec. 401. Repeal of authority to enter into private debt collection contracts.

Sec. 402. Delay of application of withholding requirement on certain governmental payments for goods and services.
Sec. 403. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
Sec. 404. Revision of tax rules on expatriation.
Sec. 405. Repeal of suspension of certain penalties and interest.
Sec. 406. Increase in information return penalties.
Sec. 407. Unused merchandise drawback.

TITLE I—AMT RELIEF

SEC. 101. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) (relating to special rule for taxable years 2000 through 2006) is amended—

(1) by striking ''or 2006'' and inserting ''2006, or 2007'', and

(2) by striking ''2006'' in the heading thereof and inserting ''2007''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 102. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) (relating to exemption amount) is amended—

(1) by striking ''($62,550 in the case of taxable years beginning in 2006)'' in subparagraph (A) and inserting ''($66,250 in the case of taxable years beginning in 2007)'', and

(2) by striking ''($42,500 in the case of taxable years beginning in 2006)'' in subparagraph (B) and inserting ''($44,350 in the case of taxable years beginning in 2007)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

TITLE II—ONE-YEAR EXTENDERS

Subtitle A—Extenders Primarily Affecting Individuals

SEC. 201. DEDUCTION FOR STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 202. DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 203. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) INTEREST-RELATED DIVIDENDS.—Subparagraph (C) of section 871(k)(1) (defining interest-related dividend) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) SHORT-TERM CAPITAL GAIN DIVIDENDS.—Subparagraph (C) of section 871(k)(2) (defining short-term capital gain dividend) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

SEC. 204. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Paragraph (3) of section 9812(f) (relating to application of section) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for services furnished after December 31, 2007.

SEC. 205. QUALIFIED CONSERVATION CONTRIBUTIONS.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

SEC. 206. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2007.

SEC. 207. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) (relating to certain expenses of elementary and secondary school teachers) is amended by striking ''or 2007'' and inserting ''2007, or 2008''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 208. ELECTION TO INCLUDE COMBAT PAY AS EARNED INCOME FOR PURPOSES OF EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Subclause (II) of section 32(c)(2)(B)(vi) (defining earned income) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2007.

SEC. 209. MODIFICATION OF MORTGAGE REVENUE BONDS FOR VETERANS.

(a) QUALIFIED MORTGAGE BONDS USED TO FINANCE RESIDENCES FOR VETERANS WITHOUT REGARD TO FIRST-TIME HOMEBUYER REQUIREMENT.—Subparagraph (D) of section 143(d)(2) (relating to exceptions) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2007.

SEC. 210. DISTRIBUTIONS FROM RETIREMENT PLANS TO INDIVIDUALS CALLED TO ACTIVE DUTY.

(a) IN GENERAL.—Clause (iv) of section 72(t)(2)(G) is amended by striking ''December 31, 2007'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals ordered or called to active duty on or after December 31, 2007.

SEC. 211. STOCK IN RIC FOR PURPOSES OF DETERMINING ESTATES OF NONRESIDENTS NOT CITIZENS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) (relating to stock in a RIC) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to decedents dying after December 31, 2007.

SEC. 212. QUALIFIED INVESTMENT ENTITIES.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2008.

SEC. 213. REFUNDABLE CHILD CREDIT.

(a) MODIFICATION OF THRESHOLD AMOUNT.—Clause (i) of section 24(d)(1)(B) is amended by inserting ''($8,500 in the case of taxable years beginning in 2008)'' after ''$10,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 214. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

(a) IN GENERAL.—Paragraph (2) of section 162(h) (relating to legislative days) is amended by adding at the end the following flush sentence: ''In the case of taxable years beginning in 2008, a legislature shall be treated for purposes of this paragraph as in session on any day in which it is formally called into session without regard to whether legislation was considered on such day.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

Subtitle B—Extenders Primarily Affecting Businesses

SEC. 221. RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) (relating to qualified clinical testing expenses) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2007.

SEC. 222. INDIAN EMPLOYMENT CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 223. NEW MARKETS TAX CREDIT.

Subparagraph (D) of section 45D(f)(1) (relating to national limitation on amount of investments designated) is amended by striking ''and 2008'' and inserting ''2008, and 2009''.

SEC. 224. RAILROAD TRACK MAINTENANCE.

(a) IN GENERAL.—Subsection (f) of section 45G (relating to application of section) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2007.

SEC. 225. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT PROPERTY.

(a) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007.

SEC. 226. SEVEN-YEAR COST RECOVERY PERIOD FOR MOTORSPORTS RACING TRACK FACILITY.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 227. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) (relating to termination) is amended

by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 228. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2007.

SEC. 229. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) (relating to termination) is amended—

(1) by striking ''first 2 taxable years'' and inserting ''first 3 taxable years'', and

(2) by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 230. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2007.

SEC. 231. EXTENSION AND MODIFICATION OF CREDIT TO HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Subsection (e) of section 1397E (relating to limitation on amount of bonds designated) is amended by striking ''1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007'' and inserting ''each of calendar years 1998 through 2008''.

(b) MODIFICATION OF ARBITRAGE RULES.—

(1) IN GENERAL.—Subsection (g) of section 1397E (relating to special rules relating to arbitrage) is amended to read as follows:

''(g) SPECIAL RULES RELATING TO ARBITRAGE.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

''(2) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any investment of available project proceeds during the 5-year period described in subsection (f)(1)(A) (including any extension of such period under subsection (f)(2)).

''(3) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any fund which is expected to be used to repay such issue if—

''(A) such fund is funded at a rate not more rapid than equal annual installments,

''(B) such fund is funded in a manner that such fund will not exceed the amount necessary to repay the issue if invested at the maximum rate permitted under subparagraph (C), and

''(C) the yield on such fund is not greater than the discount rate determined under subsection (d)(3) with respect to the issue.''.

(2) APPLICATION OF AVAILABLE PROJECT PROCEEDS TO OTHER REQUIREMENTS.—Subsections (d)(1)(A), (d)(2)(A), (f)(1)(A), (f)(1)(B), (f)(1)(C), and (f)(3) of section 1397E are each amended by striking ''proceeds'' and inserting ''available project proceeds''

(3) AVAILABLE PROJECT PROCEEDS DEFINED.—Subsection (i) of section 1397E (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) AVAILABLE PROJECT PROCEEDS.—The term 'available project proceeds' means—

''(A) the excess of—

''(i) the proceeds from the sale of an issue, over

''(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

''(B) the proceeds from any investment of the excess described in subparagraph (A).''.

(c) EFFECTIVE DATE.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2007.

(2) MODIFICATION OF ARBITRAGE RULES.—The amendments made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 232. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—

(1) IN GENERAL.—Subsection (f) of section 1400 is amended by striking ''2007'' both places it appears and inserting ''2008''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods beginning after December 31, 2007.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—

(1) IN GENERAL.—Subsection (b) of section 1400A is amended by striking ''2007'' and inserting ''2008''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to bonds issued after December 31, 2007.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking ''2008'' each place it appears and inserting ''2009''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking ''2012'' and inserting ''2013'', and

(ii) by striking ''2012'' in the heading thereof and inserting ''2013''.

(B) Section 1400B(g)(2) is amended by striking ''2012'' and inserting ''2013''.

(C) Section 1400F(d) is amended by striking ''2012'' and inserting ''2013''.

(3) EFFECTIVE DATES.—

(A) EXTENSION.—The amendments made by paragraph (1) shall apply to acquisitions after December 31, 2007.

(B) CONFORMING AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(d) FIRST-TIME HOMEBUYER CREDIT.—

(1) IN GENERAL.—Subsection (i) of section 1400C is amended by striking ''2008'' and inserting ''2009''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property purchased after December 31, 2007.

SEC. 233. EXTENSION OF ECONOMIC DEVELOPMENT CREDIT FOR AMERICAN SAMOA.

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking ''first two taxable years'' and inserting ''first 3 taxable years'', and

(2) by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 234. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 235. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORY TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(D) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 236. ENHANCED DEDUCTION FOR QUALIFIED COMPUTER CONTRIBUTIONS.

(a) IN GENERAL.—Subparagraph (G) of section 170(e)(6) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made during taxable years beginning after December 31, 2007.

SEC. 237. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—The last sentence of section 1367(a)(2) (relating to decreases in basis) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) TECHNICAL AMENDMENT RELATED TO SECTION 1203 OF THE PENSION PROTECTION ACT OF 2006.—Subsection (d) of section 1366 is amended by adding at the end the following new paragraph:

''(4) APPLICATION OF LIMITATION ON CHARITABLE CONTRIBUTIONS.—In the case of any charitable contribution of property to which the second sentence of section 1367(a)(2) applies, paragraph (1) shall not apply to the extent of the excess (if any) of—

''(A) the shareholder's pro rata share of such contribution, over

''(B) the shareholder's pro rata share of the adjusted basis of such property.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

(2) TECHNICAL AMENDMENT.—The amendment made by subsection (b)shall take effect as if included in the provision of the Pension Protection Act of 2006 to which it relates.

SEC. 238. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEES.

(a) IN GENERAL.—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking ''2-year'' and inserting ''3-year''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2007.

Subtitle C—Other Extenders

SEC. 241. DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.

(a) IN GENERAL.—Subparagraph (B) of section 6103(d)(5) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 242. DISCLOSURE OF RETURN INFORMATION TO APPRISE APPROPRIATE OFFICIALS OF TERRORIST ACTIVITIES.

(a) IN GENERAL.—Clause (iv) of section 6103(i)(3)(C) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 243. DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES.

(a) IN GENERAL.—Subparagraph (E) of section 6103(i)(7) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 244. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) IN GENERAL.—Subparagraph (D) of section 6103(l)(13) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after December 31, 2007.

SEC. 245. AUTHORITY FOR UNDERCOVER OPERATIONS.

(a) IN GENERAL.—Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking ''January 1, 2008'' each place it appears and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2008.

SEC. 246. INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAX TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2007.

SEC. 247. DISCLOSURE OF RETURN INFORMATION FOR CERTAIN VETERANS PROGRAMS.

(a) IN GENERAL.—The last sentence of paragraph (7) of section 6103(l) is amended by striking ''September 30, 2008'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests made after September 30, 2008.

TITLE III—MORTGAGE FORGIVENESS DEBT RELIEF

SEC. 301. DISCHARGES OF INDEBTEDNESS ON PRINCIPAL RESIDENCE EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Paragraph (1) of section 108(a) is amended by striking ''or'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', or'', and by inserting after subparagraph (D) the following new subparagraph:

''(E) the indebtedness discharged is qualified principal residence indebtedness.''.

(b) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—Section 108 is amended by adding at the end the following new subsection:

''(h) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—

''(1) BASIS REDUCTION.—The amount excluded from gross income by reason of subsection (a)(1)(E) shall be applied to reduce (but not below zero) the basis of the principal residence of the taxpayer.

''(2) QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—For purposes of this section, the term 'qualified principal residence indebtedness' means acquisition indebtedness (within the meaning of section 163(h)(3)(B), applied by substituting '$2,000,000 ($1,000,000' for '$1,000,000 ($500,000' in clause (ii) thereof) with respect to the principal residence of the taxpayer.

''(3) EXCEPTION FOR CERTAIN DISCHARGES NOT RELATED TO TAXPAYER'S FINANCIAL CONDITION.—Subsection (a)(1)(E) shall not apply to the discharge of a loan if the discharge is on account of services performed for the lender or any other factor not directly related to a decline in the value of the residence or to the financial condition of the taxpayer.

''(4) ORDERING RULE.—If any loan is discharged, in whole or in part, and only a portion of such loan is qualified principal residence indebtedness, subsection (a)(1)(E) shall apply only to so much of the amount discharged as exceeds the amount of the loan (as determined immediately before such discharge) which is not qualified principal residence indebtedness.

''(5) PRINCIPAL RESIDENCE.—For purposes of this subsection, the term 'principal residence' has the same meaning as when used in section 121.''.

(c) COORDINATION.—

(1) Subparagraph (A) of section 108(a)(2) is amended by striking ''and (D)'' and inserting ''(D), and (E)''.

(2) Paragraph (2) of section 108(a) is amended by adding at the end the following new subparagraph:

''(C) PRINCIPAL RESIDENCE EXCLUSION TAKES PRECEDENCE OVER INSOLVENCY EXCLUSION UNLESS ELECTED OTHERWISE.—Paragraph (1)(B) shall not apply to a discharge to which paragraph (1)(E) applies unless the taxpayer elects to apply paragraph (1)(B) in lieu of paragraph (1)(E).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness on or after January 1, 2007.

SEC. 302. LONG-TERM EXTENSION OF DEDUCTION FOR MORTGAGE INSURANCE PREMIUMS.

(a) IN GENERAL.—Subparagraph (E) of section 163(h)(3) (relating to mortgage insurance premiums treated as interest) is amended by striking clauses (iii) and (iv) and inserting the following new clause:

''(iii) APPLICATION.—Clause (i) shall not apply with respect to any mortgage insurance contract issued before January 1, 2007, or after December 31, 2014.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts issued after December 31, 2006.

SEC. 303. ALTERNATIVE TESTS FOR QUALIFYING AS COOPERATIVE HOUSING CORPORATION.

(a) IN GENERAL.—Subparagraph (D) of section 216(b)(1) (defining cooperative housing corporation) is amended to read as follows:

''(D) meeting 1 or more of the following requirements for the taxable year in which the taxes and interest described in subsection (a) are paid or incurred:

''(i) 80 percent or more of the corporation's gross income for such taxable year is derived from tenant-stockholders.

''(ii) At all times during such taxable year, 80 percent or more of the total square footage of the corporation's property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

''(iii) 90 percent or more of the expenditures of the corporation paid or incurred during such taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the corporation's property for the benefit of the tenant-stockholders.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 304. GAIN FROM SALE OF PRINCIPAL RESIDENCE ALLOCATED TO NONQUALIFIED USE NOT EXCLUDED FROM INCOME.

(a) IN GENERAL.—Subsection (b) of section 121 (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) EXCLUSION OF GAIN ALLOCATED TO NONQUALIFIED USE.—

''(A) IN GENERAL.—Subsection (a) shall not apply to so much of the gain from the sale or exchange of property as is allocated to periods of nonqualified use.

''(B) GAIN ALLOCATED TO PERIODS OF NONQUALIFIED USE.—For purposes of subparagraph (A), gain shall be allocated to periods of nonqualified use based on the ratio which—

''(i) the aggregate periods of nonqualified use during the period such property was owned by the taxpayer, bears to

''(ii) the period such property was owned by the taxpayer.

''(C) PERIOD OF NONQUALIFIED USE.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'period of nonqualified use' means any period (other than the portion of any period preceding January 1, 2008) during which the property is not used as the principal residence of the taxpayer or the taxpayer's spouse or former spouse.

''(ii) EXCEPTIONS.—The term 'period of nonqualified use' does not include—

''(I) any portion of the 5-year period described in subsection (a) which is after the last date that such property is used as the principal residence of the taxpayer or the taxpayer's spouse,

''(II) any period (not to exceed an aggregate period of 10 years) during which the taxpayer or the taxpayer's spouse is serving on qualified official extended duty (as defined in subsection (d)(9)(C)) described in clause (i), (ii), or (iii) of subsection (d)(9)(A), and

''(III) any other period of temporary absence (not to exceed an aggregate period of 2 years) due to change of employment, health conditions, or such other unforeseen circumstances as may be specified by the Secretary.

''(D) COORDINATION WITH RECOGNITION OF GAIN ATTRIBUTABLE TO DEPRECIATION.—For purposes of this paragraph—

''(i) subparagraph (A) shall be applied after the application of subsection (d)(6), and

''(ii) subparagraph (B) shall be applied without regard to any gain to which subsection (d)(6) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after December 31, 2007.

TITLE IV—ADMINISTRATIVE PROVISIONS

SEC. 401. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR EXISTING CONTRACTS, ETC.—The amendments made by this section shall not apply to any contract which was entered into before July 18, 2007, and is not renewed or extended on or after such date.

(3) UNAUTHORIZED CONTRACTS AND EXTENSIONS TREATED AS VOID.—Any qualified tax collection contract (as defined in section 6306

of the Internal Revenue Code of 1986, as in effect before its repeal) which is entered into on or after July 18, 2007, and any extension or renewal on or after such date of any qualified tax collection contract (as so defined) shall be void.

SEC. 402. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 403. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in paragraph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to evade tax or otherwise is a willful attempt in any manner to defeat or evade tax.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

SEC. 404. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by $600,000.

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

''(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

''(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

''(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

''(1) any deferred compensation item (as defined in subsection (d)(4)),

''(2) any specified tax deferred account (as defined in subsection (e)(2)), and

''(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

''(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

''(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

''(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

''(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term 'taxable payment' means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

''(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

''(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate's accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

''(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

''(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term 'eligible deferred compensation item' means any deferred compensation item with respect to which—

''(A) the payor of such item is—

''(i) a United States person, or

''(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the payor will meet the requirements of paragraph (1), and

''(B) the covered expatriate—

''(i) notifies the payor of his status as a covered expatriate, and

''(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

''(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term 'deferred compensation item' means—

''(A) any interest in a plan or arrangement described in section 219(g)(5),

''(B) any interest in a foreign pension plan or similar retirement arrangement or program,

''(C) any item of deferred compensation, and

''(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

''(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

''(6) SPECIAL RULES.—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

''(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

''(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

''(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

''(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

''(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

''(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term 'specified tax deferred account' means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

''(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

''(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

''(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

''(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

''(2) TAXABLE PORTION.—For purposes of this subsection, the term 'taxable portion' means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

''(3) NONGRANTOR TRUST.—For purposes of this subsection, the term 'nongrantor trust' means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

''(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (d)(6) shall apply, and

''(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

''(5) APPLICATION.—This subsection shall apply to a nongrantor trust only if the covered expatriate was a beneficiary of the trust on the day before the expatriation date.

''(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

''(1) COVERED EXPATRIATE.—

''(A) IN GENERAL.—The term 'covered expatriate' means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

''(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

''(i) the individual—

''(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(ii)(I) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

''(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such period for purposes of subsections (d)(1) and (f) and section 2801.

''(2) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, and

''(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(3) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(5) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(6) EARLY DISTRIBUTION TAX.—The term 'early distribution tax' means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

''(h) OTHER RULES.—

''(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

''(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

''(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

''CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

''Sec. 2801. Imposition of tax.

''SEC. 2801. IMPOSITION OF TAX.

''(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

''(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

''(2) the value of such covered gift or bequest.

''(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

''(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds $10,000.

''(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection

(a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

''(e) COVERED GIFT OR BEQUEST.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'covered gift or bequest' means—

''(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

''(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

''(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

''(3) TRANSFERS IN TRUST.—

''(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

''(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

''(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

''(B) FOREIGN TRUSTS.—

''(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

''(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

''(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

''(f) COVERED EXPATRIATE.—For purposes of this section, the term 'covered expatriate' has the meaning given to such term by section 877A(g)(1).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

''CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(g)(4).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

''(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.''.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

''An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.''.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting ''or 877A'' after ''section 877(b)'' in subsection (a), and

(2) by inserting ''or 877A'' after ''section 877(a)'' in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SEC. 405. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 406. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking ''$250,000'' and inserting ''$600,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) is amended by striking ''$15'' and inserting ''$25''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking ''$75,000'' and inserting ''$200,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking ''$150,000'' and inserting ''$400,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Paragraph (1) of section 6721(d) is amended—

(1) by striking ''$100,000'' in subparagraph (A) and inserting ''$250,000'',

(2) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(3) by striking ''$50,000'' in subparagraph (C) and inserting ''$150,000''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) is amended by striking ''$100'' and inserting ''$250''.

(f) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Subsection (a) of section 6722 is amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking ''$100,000'' and inserting ''$600,000''.

(3) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (1) of section 6722(c) is amended by striking ''$100'' and inserting ''$250''.

(g) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$100'', and

(2) by striking ''$100,000'' and inserting ''$600,000''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 407. UNUSED MERCHANDISE DRAWBACK.

(a) IN GENERAL.—Section 313(j)(2) of the Tariff Act of 1930 (19 U.S.C. 1313(j)(2)) is amended by adding at the end the following: ''For purposes of subparagraph (A) of this paragraph, wine of the same color shall be deemed to be commercially interchangeable.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 809, the amendment in the nature of a substitute printed in the bill is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3996

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Temporary Tax Relief Act of 2007''.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title, etc.

TITLE I—AMT RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable personal credits.
Sec. 102. Extension of increased alternative minimum tax exemption amount.
Sec. 103. Increase of AMT refundable credit amount for individuals with long-term unused credits for prior year minimum tax liability, etc.

TITLE II—ADDITIONAL INDIVIDUAL TAX RELIEF

Sec. 201. Refundable child credit.
Sec. 202. Additional standard deduction for real property taxes for nonitemizers.

TITLE III—ONE-YEAR EXTENDERS

Subtitle A—Extenders Primarily Affecting Individuals

Sec. 301. Deduction for State and local sales taxes.
Sec. 302. Deduction of qualified tuition and related expenses.
Sec. 303. Treatment of certain dividends of regulated investment companies.
Sec. 304. Parity in the application of certain limits to mental health benefits.
Sec. 305. Qualified conservation contributions.
Sec. 306. Tax-free distributions from individual retirement plans for charitable purposes.
Sec. 307. Deduction for certain expenses of elementary and secondary school teachers.
Sec. 308. Election to include combat pay as earned income for purposes of earned income tax credit.
Sec. 309. Modification of mortgage revenue bonds for veterans.
Sec. 310. Distributions from retirement plans to individuals called to active duty.
Sec. 311. Stock in RIC for purposes of determining estates of nonresidents not citizens.
Sec. 312. Qualified investment entities.
Sec. 313. State legislators' travel expenses away from home.

Subtitle B—Extenders Primarily Affecting Businesses

Sec. 321. Research credit.
Sec. 322. Indian employment credit.
Sec. 323. New markets tax credit.
Sec. 324. Railroad track maintenance.
Sec. 325. Fifteen-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant property.
Sec. 326. Seven-year cost recovery period for motorsports racing track facility.
Sec. 327. Accelerated depreciation for business property on Indian reservation.
Sec. 328. Expensing of environmental remediation costs.
Sec. 329. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 330. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 331. Extension and modification of credit to holders of qualified zone academy bonds.
Sec. 332. Tax incentives for investment in the District of Columbia.
Sec. 333. Extension of economic development credit for American Samoa.
Sec. 334. Enhanced charitable deduction for contributions of food inventory.
Sec. 335. Enhanced charitable deduction for contributions of book inventory to public schools.
Sec. 336. Enhanced deduction for qualified computer contributions.
Sec. 337. Basis adjustment to stock of S corporations making charitable contributions of property.
Sec. 338. Extension of work opportunity tax credit for Hurricane Katrina employees.

Subtitle C—Other Extenders

Sec. 341. Disclosure for combined employment tax reporting.
Sec. 342. Disclosure of return information to apprise appropriate officials of terrorist activities.
Sec. 343. Disclosure upon request of information relating to terrorist activities.
Sec. 344. Disclosure of return information to carry out income contingent repayment of student loans.
Sec. 345. Authority for undercover operations.
Sec. 346. Increase in limit on cover over of rum excise tax to Puerto Rico and the Virgin Islands.
Sec. 347. Disclosure of return information for certain veterans programs.

TITLE IV—MORTGAGE FORGIVENESS DEBT RELIEF

Sec. 401. Discharges of indebtedness on principal residence excluded from gross income.
Sec. 402. Long-term extension of deduction for mortgage insurance premiums.
Sec. 403. Alternative tests for qualifying as cooperative housing corporation.
Sec. 404. Gain from sale of principal residence allocated to nonqualified use not excluded from income.

TITLE V—ADMINISTRATIVE PROVISIONS

Sec. 501. Repeal of authority to enter into private debt collection contracts.
Sec. 502. Delay of application of withholding requirement on certain governmental payments for goods and services.
Sec. 503. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
Sec. 504. Revision of tax rules on expatriation.
Sec. 505. Repeal of suspension of certain penalties and interest.
Sec. 506. Unused merchandise drawback.

TITLE VI—REVENUE PROVISIONS

Subtitle A—Nonqualified Deferred Compensation From Certain Tax Indifferent Parties

Sec. 601. Nonqualified deferred compensation from certain tax indifferent parties.

Subtitle B—Provisions Related to Certain Investment Partnerships

Sec. 611. Income of partners for performing investment management services treated as ordinary income received for performance of services.
Sec. 612. Indebtedness incurred by a partnership in acquiring securities and commodities not treated as acquisition indebtedness for organizations which are partners with limited liability.
Sec. 613. Application to partnership interests and tax sharing agreements of rule treating certain gain on sales between related persons as ordinary income.

Subtitle C—Other Provisions

Sec. 621. Delay in application of worldwide allocation of interest.
Sec. 622. Broker reporting of customer's basis in securities transactions.
Sec. 623. Modification of penalty for failure to file partnership returns.
Sec. 624. Penalty for failure to file S corporation returns.
Sec. 625. Time for payment of corporate estimated taxes.

TITLE I—AMT RELIEF

SEC. 101. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) (relating to special rule for taxable years 2000 through 2006) is amended—

(1) by striking ''or 2006'' and inserting ''2006, or 2007'', and

(2) by striking ''2006'' in the heading thereof and inserting ''2007''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 102. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) (relating to exemption amount) is amended—

(1) by striking ''($62,550 in the case of taxable years beginning in 2006)'' in subparagraph (A) and inserting ''($66,250 in the case of taxable years beginning in 2007)'', and

(2) by striking ''($42,500 in the case of taxable years beginning in 2006)'' in subparagraph (B) and inserting ''($44,350 in the case of taxable years beginning in 2007)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 103. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS FOR PRIOR YEAR MINIMUM TAX LIABILITY, ETC.

(a) IN GENERAL.—Paragraph (2) of section 53(e) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1), the term 'AMT refundable credit amount' means, with respect to any taxable year, the amount (not in excess of the long-term unused minimum tax credit for such taxable year) equal to the greater of—

''(A) 50 percent of the long-term unused minimum tax credit for such taxable year, or

''(B) the amount (if any) of the AMT refundable credit amount determined under this paragraph for the taxpayer's preceding taxable year.''.

(b) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.—Section 53 of such Code is amended by adding at the end the following new subsection:

''(f) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.—

''(1) ABATEMENT.—Any underpayment of tax outstanding on the date of the enactment of this subsection which is attributable to the application of section 56(b)(3) for any taxable year ending before January 1, 2007 (and any interest or penalty with respect to such underpayment which is outstanding on such date of enactment), is hereby abated. No credit shall be allowed under this section with respect to any amount abated under this paragraph.

''(2) INCREASE IN CREDIT FOR CERTAIN INTEREST AND PENALTIES ALREADY PAID.—Any interest or penalty paid before the date of the enactment of this subsection which would (but for such payment) have been abated under paragraph (1) shall be treated for purposes of this section as an amount of adjusted net minimum tax imposed for the taxable year of the underpayment to which such interest or penalty relates.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2006.

(2) ABATEMENT.—Section 53(f)(1) of the Internal Revenue Code of 1986, as added by subsection (b), shall take effect on the date of the enactment of this Act.

TITLE II—ADDITIONAL INDIVIDUAL TAX RELIEF

SEC. 201. REFUNDABLE CHILD CREDIT.

(a) MODIFICATION OF THRESHOLD AMOUNT.—Clause (i) of section 24(d)(1)(B) is amended by inserting ''($8,500 in the case of taxable years beginning in 2008)'' after ''$10,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 202. ADDITIONAL STANDARD DEDUCTION FOR REAL PROPERTY TAXES FOR NONITEMIZERS.

(a) IN GENERAL.—Section 63(c)(1) (defining standard deduction) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) in the case of any taxable year beginning in 2008, the real property tax deduction.''.

(b) DEFINITION.—Section 63(c) is amended by adding at the end the following new paragraph:

''(8) REAL PROPERTY TAX DEDUCTION.—For purposes of paragraph (1), the real property tax deduction is so much of the amount of State and local real property taxes (within the meaning of section 164) paid or accrued by the taxpayer during the taxable year which do not exceed $350 ($700 in the case of a joint return).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

TITLE III—ONE-YEAR EXTENDERS

Subtitle A—Extenders Primarily Affecting Individuals

SEC. 301. DEDUCTION FOR STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 302. DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 303. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) INTEREST-RELATED DIVIDENDS.—Subparagraph (C) of section 871(k)(1) (defining interest-related dividend) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) SHORT-TERM CAPITAL GAIN DIVIDENDS.—Subparagraph (C) of section 871(k)(2) (defining short-term capital gain dividend) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

SEC. 304. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Paragraph (3) of section 9812(f) (relating to application of section) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for services furnished after December 31, 2007.

SEC. 305. QUALIFIED CONSERVATION CONTRIBUTIONS.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

SEC. 306. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2007.

SEC. 307. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) (relating to certain expenses of elementary and secondary school teachers) is amended by striking ''or 2007'' and inserting ''2007, or 2008''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 308. ELECTION TO INCLUDE COMBAT PAY AS EARNED INCOME FOR PURPOSES OF EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Subclause (II) of section 32(c)(2)(B)(vi) (defining earned income) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2007.

SEC. 309. MODIFICATION OF MORTGAGE REVENUE BONDS FOR VETERANS.

(a) QUALIFIED MORTGAGE BONDS USED TO FINANCE RESIDENCES FOR VETERANS WITHOUT REGARD TO FIRST-TIME HOMEBUYER REQUIREMENT.—Subparagraph (D) of section 143(d)(2) (relating to exceptions) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2007.

SEC. 310. DISTRIBUTIONS FROM RETIREMENT PLANS TO INDIVIDUALS CALLED TO ACTIVE DUTY.

(a) IN GENERAL.—Clause (iv) of section 72(t)(2)(G) is amended by striking ''December 31, 2007'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals ordered or called to active duty on or after December 31, 2007.

SEC. 311. STOCK IN RIC FOR PURPOSES OF DETERMINING ESTATES OF NONRESIDENTS NOT CITIZENS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) (relating to stock in a RIC) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to decedents dying after December 31, 2007.

SEC. 312. QUALIFIED INVESTMENT ENTITIES.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2008.

SEC. 313. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

(a) IN GENERAL.—Paragraph (2) of section 162(h) (relating to legislative days) is amended by adding at the end the following flush sentence: ''In the case of taxable years beginning in 2008, a legislature shall be treated for purposes of this paragraph as in session on any day in which it is formally called into session without regard to whether legislation was considered on such day.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

Subtitle B—Extenders Primarily Affecting Businesses

SEC. 321. RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) (relating to qualified clinical testing expenses) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2007.

SEC. 322. INDIAN EMPLOYMENT CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 323. NEW MARKETS TAX CREDIT.

Subparagraph (D) of section 45D(f)(1) (relating to national limitation on amount of investments designated) is amended by striking ''and 2008'' and inserting ''2008, and 2009''.

SEC. 324. RAILROAD TRACK MAINTENANCE.

(a) IN GENERAL.—Subsection (f) of section 45G (relating to application of section) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2007.

SEC. 325. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT PROPERTY.

(a) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007.

SEC. 326. SEVEN-YEAR COST RECOVERY PERIOD FOR MOTORSPORTS RACING TRACK FACILITY.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 327. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 328. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2007.

SEC. 329. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) (relating to termination) is amended—

(1) by striking ''first 2 taxable years'' and inserting ''first 3 taxable years'', and

(2) by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 330. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2007.

SEC. 331. EXTENSION AND MODIFICATION OF CREDIT TO HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Subsection (e) of section 1397E (relating to limitation on amount of bonds designated) is amended by striking ''1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007'' and inserting ''each of calendar years 1998 through 2008''.

(b) MODIFICATION OF ARBITRAGE RULES.—

(1) IN GENERAL.—Subsection (g) of section 1397E (relating to special rules relating to arbitrage) is amended to read as follows:

''(g) SPECIAL RULES RELATING TO ARBITRAGE.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

''(2) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any investment of available project proceeds during the 5-year period described in subsection (f)(1)(A) (including any extension of such period under subsection (f)(2)).

''(3) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any fund which is expected to be used to repay such issue if—

''(A) such fund is funded at a rate not more rapid than equal annual installments,

''(B) such fund is funded in a manner that such fund will not exceed the amount necessary to repay the issue if invested at the maximum rate permitted under subparagraph (C), and

''(C) the yield on such fund is not greater than the discount rate determined under subsection (d)(3) with respect to the issue.''.

(2) APPLICATION OF AVAILABLE PROJECT PROCEEDS TO OTHER REQUIREMENTS.—Subsections (d)(1)(A), (d)(2)(A), (f)(1)(A), (f)(1)(B), (f)(1)(C), and (f)(3) of section 1397E are each amended by striking ''proceeds'' and inserting ''available project proceeds''.

(3) AVAILABLE PROJECT PROCEEDS DEFINED.—Subsection (i) of section 1397E (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) AVAILABLE PROJECT PROCEEDS.—The term 'available project proceeds' means—

''(A) the excess of—

''(i) the proceeds from the sale of an issue, over

''(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

''(B) the proceeds from any investment of the excess described in subparagraph (A).''.

(c) EFFECTIVE DATE.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2007.

(2) MODIFICATION OF ARBITRAGE RULES.—The amendments made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 332. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—

(1) IN GENERAL.—Subsection (f) of section 1400 is amended by striking ''2007'' both places it appears and inserting ''2008''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods beginning after December 31, 2007.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—

(1) IN GENERAL.—Subsection (b) of section 1400A is amended by striking ''2007'' and inserting ''2008''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to bonds issued after December 31, 2007.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking ''2008'' each place it appears and inserting ''2009''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking ''2012'' and inserting ''2013'', and

(ii) by striking ''2012'' in the heading thereof and inserting ''2013''.

(B) Section 1400B(g)(2) is amended by striking ''2012'' and inserting ''2013''.

(C) Section 1400F(d) is amended by striking ''2012'' and inserting ''2013''.

(3) EFFECTIVE DATES.—

(A) EXTENSION.—The amendments made by paragraph (1) shall apply to acquisitions after December 31, 2007.

(B) CONFORMING AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(d) FIRST-TIME HOMEBUYER CREDIT.—

(1) IN GENERAL.—Subsection (i) of section 1400C is amended by striking ''2008'' and inserting ''2009''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property purchased after December 31, 2007.

SEC. 333. EXTENSION OF ECONOMIC DEVELOPMENT CREDIT FOR AMERICAN SAMOA.

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking ''first two taxable years'' and inserting ''first 3 taxable years'', and

(2) by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 334. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 335. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORY TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(D) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 336. ENHANCED DEDUCTION FOR QUALIFIED COMPUTER CONTRIBUTIONS.

(a) IN GENERAL.—Subparagraph (G) of section 170(e)(6) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made during taxable years beginning after December 31, 2007.

SEC. 337. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—The last sentence of section 1367(a)(2) (relating to decreases in basis) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) TECHNICAL AMENDMENT RELATED TO SECTION 1203 OF THE PENSION PROTECTION ACT OF 2006.—Subsection (d) of section 1366 is amended by adding at the end the following new paragraph:

''(4) APPLICATION OF LIMITATION ON CHARITABLE CONTRIBUTIONS.—In the case of any charitable contribution of property to which the second sentence of section 1367(a)(2) applies, paragraph (1) shall not apply to the extent of the excess (if any) of—

''(A) the shareholder's pro rata share of such contribution, over

''(B) the shareholder's pro rata share of the adjusted basis of such property.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

(2) TECHNICAL AMENDMENT.—The amendment made by subsection (b) shall take effect as if included in the provision of the Pension Protection Act of 2006 to which it relates.

SEC. 338. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEES.

(a) IN GENERAL.—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking ''2-year'' and inserting ''3-year''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2007.

Subtitle C—Other Extenders

SEC. 341. DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.

(a) IN GENERAL.—Subparagraph (B) of section 6103(d)(5) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 342. DISCLOSURE OF RETURN INFORMATION TO APPRISE APPROPRIATE OFFICIALS OF TERRORIST ACTIVITIES.

(a) IN GENERAL.—Clause (iv) of section 6103(i)(3)(C) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 343. DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES.

(a) IN GENERAL.—Subparagraph (E) of section 6103(i)(7) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 344. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) IN GENERAL.—Subparagraph (D) of section 6103(l)(13) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after December 31, 2007.

SEC. 345. AUTHORITY FOR UNDERCOVER OPERATIONS.

(a) IN GENERAL.—Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking ''January 1, 2008'' each place it appears and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2008.

SEC. 346. INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAX TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2007.

SEC. 347. DISCLOSURE OF RETURN INFORMATION FOR CERTAIN VETERANS PROGRAMS.

(a) IN GENERAL.—The last sentence of paragraph (7) of section 6103(l) is amended by striking ''September 30, 2008'' and inserting ''December 31, 2008''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests made after September 30, 2008.

TITLE IV—MORTGAGE FORGIVENESS DEBT RELIEF

SEC. 401. DISCHARGES OF INDEBTEDNESS ON PRINCIPAL RESIDENCE EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Paragraph (1) of section 108(a) is amended by striking ''or'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', or'', and by inserting after subparagraph (D) the following new subparagraph:

''(E) the indebtedness discharged is qualified principal residence indebtedness.''.

(b) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—Section 108 is amended by adding at the end the following new subsection:

''(h) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—

''(1) BASIS REDUCTION.—The amount excluded from gross income by reason of subsection (a)(1)(E) shall be applied to reduce (but not below zero) the basis of the principal residence of the taxpayer.

''(2) QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—For purposes of this section, the term 'qualified principal residence indebtedness' means acquisition indebtedness (within the meaning of section 163(h)(3)(B), applied by substituting '$2,000,000 ($1,000,000' for '$1,000,000 ($500,000' in clause (ii) thereof) with respect to the principal residence of the taxpayer.

''(3) EXCEPTION FOR CERTAIN DISCHARGES NOT RELATED TO TAXPAYER'S FINANCIAL CONDITION.—Subsection (a)(1)(E) shall not apply to the discharge of a loan if the discharge is on account of services performed for the lender or any other factor not directly related to a decline in the value of the residence or to the financial condition of the taxpayer.

''(4) ORDERING RULE.—If any loan is discharged, in whole or in part, and only a portion of such loan is qualified principal residence indebtedness, subsection (a)(1)(E) shall apply only to so much of the amount discharged as exceeds the amount of the loan (as determined immediately before such discharge) which is not qualified principal residence indebtedness.

''(5) PRINCIPAL RESIDENCE.—For purposes of this subsection, the term 'principal residence' has the same meaning as when used in section 121.''.

(c) COORDINATION.—

(1) Subparagraph (A) of section 108(a)(2) is amended by striking ''and (D)'' and inserting ''(D), and (E)''.

(2) Paragraph (2) of section 108(a) is amended by adding at the end the following new subparagraph:

''(C) PRINCIPAL RESIDENCE EXCLUSION TAKES PRECEDENCE OVER INSOLVENCY EXCLUSION UNLESS ELECTED OTHERWISE.—Paragraph (1)(B) shall not apply to a discharge to which paragraph (1)(E) applies unless the taxpayer elects to apply paragraph (1)(B) in lieu of paragraph (1)(E).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness on or after January 1, 2007.

SEC. 402. LONG-TERM EXTENSION OF DEDUCTION FOR MORTGAGE INSURANCE PREMIUMS.

(a) IN GENERAL.—Subparagraph (E) of section 163(h)(3) (relating to mortgage insurance premiums treated as interest) is amended by striking clauses (iii) and (iv) and inserting the following new clause:

''(iii) APPLICATION.—Clause (i) shall not apply with respect to any mortgage insurance contract issued before January 1, 2007, or after December 31, 2014.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts issued after December 31, 2006.

SEC. 403. ALTERNATIVE TESTS FOR QUALIFYING AS COOPERATIVE HOUSING CORPORATION.

(a) IN GENERAL.—Subparagraph (D) of section 216(b)(1) (defining cooperative housing corporation) is amended to read as follows:

''(D) meeting 1 or more of the following requirements for the taxable year in which the taxes and interest described in subsection (a) are paid or incurred:

''(i) 80 percent or more of the corporation's gross income for such taxable year is derived from tenant-stockholders.

''(ii) At all times during such taxable year, 80 percent or more of the total square footage of the corporation's property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

''(iii) 90 percent or more of the expenditures of the corporation paid or incurred during such taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the corporation's property for the benefit of the tenant-stockholders.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 404. GAIN FROM SALE OF PRINCIPAL RESIDENCE ALLOCATED TO NONQUALIFIED USE NOT EXCLUDED FROM INCOME.

(a) IN GENERAL.—Subsection (b) of section 121 (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) EXCLUSION OF GAIN ALLOCATED TO NONQUALIFIED USE.—

''(A) IN GENERAL.—Subsection (a) shall not apply to so much of the gain from the sale or exchange of property as is allocated to periods of nonqualified use.

''(B) GAIN ALLOCATED TO PERIODS OF NONQUALIFIED USE.—For purposes of subparagraph (A), gain shall be allocated to periods of nonqualified use based on the ratio which—

''(i) the aggregate periods of nonqualified use during the period such property was owned by the taxpayer, bears to

''(ii) the period such property was owned by the taxpayer.

''(C) PERIOD OF NONQUALIFIED USE.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'period of nonqualified use' means any period (other than the portion of any period preceding January 1, 2008) during which the property is not used as the principal residence of the taxpayer or the taxpayer's spouse or former spouse.

''(ii) EXCEPTIONS.—The term 'period of nonqualified use' does not include—

''(I) any portion of the 5-year period described in subsection (a) which is after the last date that such property is used as the principal residence of the taxpayer or the taxpayer's spouse,

''(II) any period (not to exceed an aggregate period of 10 years) during which the taxpayer or the taxpayer's spouse is serving on qualified official extended duty (as defined in subsection (d)(9)(C)) described in clause (i), (ii), or (iii) of subsection (d)(9)(A), and

''(III) any other period of temporary absence (not to exceed an aggregate period of 2 years) due to change of employment, health conditions, or such other unforeseen circumstances as may be specified by the Secretary.

''(D) COORDINATION WITH RECOGNITION OF GAIN ATTRIBUTABLE TO DEPRECIATION.—For purposes of this paragraph—

''(i) subparagraph (A) shall be applied after the application of subsection (d)(6), and

''(ii) subparagraph (B) shall be applied without regard to any gain to which subsection (d)(6) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after December 31, 2007.

TITLE V—ADMINISTRATIVE PROVISIONS

SEC. 501. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR EXISTING CONTRACTS, ETC.—The amendments made by this section shall not apply to any contract which was entered into before July 18, 2007, and is not renewed or extended on or after such date.

(3) UNAUTHORIZED CONTRACTS AND EXTENSIONS TREATED AS VOID.—Any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986, as in effect before its repeal) which is entered into on or after July 18, 2007, and any extension or renewal on or after such date of any qualified tax collection contract (as so defined) shall be void.

SEC. 502. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 503. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in paragraph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to evade tax or otherwise is a willful attempt in any manner to defeat or evade tax.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

SEC. 504. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by $600,000.

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

''(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

''(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

''(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

''(1) any deferred compensation item (as defined in subsection (d)(4)),

''(2) any specified tax deferred account (as defined in subsection (e)(2)), and

''(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

''(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

''(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

''(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

''(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term 'taxable payment' means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

''(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

''(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate's accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

''(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

''(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term 'eligible deferred compensation item' means any deferred compensation item with respect to which—

''(A) the payor of such item is—

''(i) a United States person, or

''(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the payor will meet the requirements of paragraph (1), and

''(B) the covered expatriate—

''(i) notifies the payor of his status as a covered expatriate, and

''(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

''(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term 'deferred compensation item' means—

''(A) any interest in a plan or arrangement described in section 219(g)(5),

''(B) any interest in a foreign pension plan or similar retirement arrangement or program,

''(C) any item of deferred compensation, and

''(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

''(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

''(6) SPECIAL RULES.—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

''(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

''(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

''(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

''(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

''(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

''(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term 'specified tax deferred account' means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

''(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

''(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

''(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

''(B) if the fair market value of such property exceeds its adjusted basis in the hands of the

trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

''(2) TAXABLE PORTION.—For purposes of this subsection, the term 'taxable portion' means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

''(3) NONGRANTOR TRUST.—For purposes of this subsection, the term 'nongrantor trust' means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

''(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (d)(6) shall apply, and

''(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

''(5) APPLICATION.—This subsection shall apply to a nongrantor trust only if the covered expatriate was a beneficiary of the trust on the day before the expatriation date.

''(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

''(1) COVERED EXPATRIATE.—

''(A) IN GENERAL.—The term 'covered expatriate' means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

''(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

''(i) the individual—

''(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(ii)(I) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

''(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such period for purposes of subsections (d)(1) and (f) and section 2801.

''(2) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, and

''(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(3) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(5) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(6) EARLY DISTRIBUTION TAX.—The term 'early distribution tax' means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

''(h) OTHER RULES.—

''(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

''(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

''(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

''CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

''Sec. 2801. Imposition of tax.

''SEC. 2801. IMPOSITION OF TAX.

''(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

''(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

''(2) the value of such covered gift or bequest.

''(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

''(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds $10,000.

''(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

''(e) COVERED GIFT OR BEQUEST.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'covered gift or bequest' means—

''(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

''(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

''(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

''(3) TRANSFERS IN TRUST.—

''(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

''(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

''(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

''(B) FOREIGN TRUSTS.—

''(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

''(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

''(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

''(f) COVERED EXPATRIATE.—For purposes of this section, the term 'covered expatriate' has the meaning given to such term by section 877A(g)(1).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

''CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(g)(4).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall

not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

''(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.''.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

''An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.''.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting ''or 877A'' after ''section 877(b)'' in subsection (a), and

(2) by inserting ''or 877A'' after ''section 877(a)'' in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SEC. 505. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 506. UNUSED MERCHANDISE DRAWBACK.

(a) IN GENERAL.—Section 313(j)(2) of the Tariff Act of 1930 (19 U.S.C. 1313(j)(2)) is amended by adding at the end the following: ''For purposes of subparagraph (A) of this paragraph, wine of the same color having a price variation not to exceed 50 percent between the imported wine and the exported wine shall be deemed to be commercially interchangeable.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to claims filed for drawback under section 313(j)(2) of the Tariff Act of 1930 on or after the date of the enactment of this Act.

TITLE VI—REVENUE PROVISIONS

Subtitle A—Nonqualified Deferred Compensation From Certain Tax Indifferent Parties

SEC. 601. NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFFERENT PARTIES.

(a) IN GENERAL.—Subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of gross income included) is amended by inserting after section 457 the following new section:

''SEC. 457A. NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFFERENT PARTIES.

''(a) IN GENERAL.—Any compensation which is deferred under a nonqualified deferred compensation plan of a nonqualified entity shall be taken into account for purposes of this chapter when there is no substantial risk of forfeiture of the rights to such compensation.

''(b) NONQUALIFIED ENTITY.—For purposes of this section, the term 'nonqualified entity' means—

''(1) any foreign corporation unless substantially all of such income is—

''(A) effectively connected with the conduct of a trade or business in the United States, or

''(B) subject to a comprehensive foreign income tax, and

''(2) any partnership unless substantially all of such income is allocated to persons other than—

''(A) foreign persons with respect to whom such income is not subject to a comprehensive foreign income tax, and

''(B) organizations which are exempt from tax under this title.

''(c) ASCERTAINABILITY OF AMOUNTS OF COMPENSATION.—

''(1) IN GENERAL.—If the amount of any compensation is not ascertainable at the time that such compensation is otherwise to be taken into account under subsection (a)—

''(A) such amount shall be so taken into account when ascertainable, and

''(B) the tax imposed under this chapter for the taxable year in which such compensation is taken into account under subparagraph (A) shall be increased by the sum of—

''(i) the amount of interest determined under paragraph (2), and

''(ii) an amount equal to 20 percent of the amount of such compensation.

''(2) INTEREST.—For purposes of paragraph (1)(B)(i), the interest determined under this paragraph for any taxable year is the amount of interest at the underpayment rate under section 6621 plus 1 percentage point on the underpayments that would have occurred had the deferred compensation been includible in gross income for the taxable year in which first deferred or, if later, the first taxable year in which such deferred compensation is not subject to a substantial risk of forfeiture.

''(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) SUBSTANTIAL RISK OF FORFEITURE.—The rights of a person to compensation shall be treated as subject to a substantial risk of forfeiture only if such person's rights to such compensation are conditioned upon the future performance of substantial services by any individual.

''(2) COMPREHENSIVE FOREIGN INCOME TAX.—The term 'comprehensive foreign income tax' means, with respect to any foreign person, the income tax of a foreign country if—

''(A) such person is eligible for the benefits of a comprehensive income tax treaty between such foreign country and the United States, or

''(B) such person demonstrates to the satisfaction of the Secretary that such foreign country has a comprehensive income tax.

Such term shall not include any tax unless such tax includes rules for the deductibility of deferred compensation which are similar to the rules of this title.

''(3) NONQUALIFIED DEFERRED COMPENSATION PLAN.—The term 'nonqualified deferred compensation plan' has the meaning given such term under section 409A(d), except that such term shall include any plan that provides a right to compensation based on the appreciation in value of a specified number of equity units of the service recipient.

''(4) APPLICATION OF RULES.—Rules similar to the rules of paragraphs (5) and (6) of section 409A(d) shall apply.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations disregarding a substantial risk of forfeiture in cases where necessary to carry out the purposes of this section.''.

(b) CONFORMING AMENDMENT.—Section 26(b)(2) is amended by striking ''and'' at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting '', and'', and by adding at the end the following new subparagraph:

''(U) section 457A(c)(1)(B) (relating to ascertainability of amounts of compensation).''.

(c) CLERICAL AMENDMENT.—The table of sections of subpart B of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 457 the following new item:

''Sec. 457A. Nonqualified deferred compensation from certain tax indifferent parties.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to amounts deferred which are attributable to services performed after December 31, 2007.

(2) APPLICATION TO EXISTING DEFERRALS.—In the case of any amount deferred to which the amendments made by this section do not apply solely by reason of the fact that the amount is attributable to services performed before January 1, 2008, to the extent such amount is not includible in gross income in a taxable year beginning before 2017, such amounts shall be includible in gross income in the later of—

(A) the last taxable year beginning before 2017, or

(B) the taxable year in which there is no substantial risk of forfeiture of the rights to such compensation (determined in the same manner as determined for purposes of section 457A of the Internal Revenue Code of 1986, as added by this section).

(3) ACCELERATED PAYMENTS.—No later than 60 days after the date of the enactment of this Act, the Secretary shall issue guidance providing a limited period of time during which a nonqualified deferred compensation arrangement attributable to services performed on or before December 31, 2007, may, without violating the requirements of section 409A(a) of the Internal Revenue Code of 1986, be amended to conform the date of distribution to the date the amounts are required to be included in income.

Subtitle B—Provisions Related to Certain Investment Partnerships

SEC. 611. INCOME OF PARTNERS FOR PERFORMING INVESTMENT MANAGEMENT SERVICES TREATED AS ORDINARY INCOME RECEIVED FOR PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Part I of subchapter K of chapter 1 is amended by adding at the end the following new section:

''SEC. 710. SPECIAL RULES FOR PARTNERS PROVIDING INVESTMENT MANAGEMENT SERVICES TO PARTNERSHIP.

''(a) TREATMENT OF DISTRIBUTIVE SHARE OF PARTNERSHIP ITEMS.—For purposes of this title, in the case of an investment services partnership interest—

''(1) IN GENERAL.—Notwithstanding section 702(b)—

''(A) any net income with respect to such interest for any partnership taxable year shall be

treated as ordinary income for the performance of services, and

''(B) any net loss with respect to such interest for such year, to the extent not disallowed under paragraph (2) for such year, shall be treated as an ordinary loss.

''(2) TREATMENT OF LOSSES.—

''(A) LIMITATION.—Any net loss with respect to such interest shall be allowed for any partnership taxable year only to the extent that such loss does not exceed the excess (if any) of—

''(i) the aggregate net income with respect to such interest for all prior partnership taxable years, over

''(ii) the aggregate net loss with respect to such interest not disallowed under this subparagraph for all prior partnership taxable years.

''(B) CARRYFORWARD.—Any net loss for any partnership taxable year which is not allowed by reason of subparagraph (A) shall be treated as an item of loss with respect to such partnership interest for the succeeding partnership taxable year.

''(C) BASIS ADJUSTMENT.—No adjustment to the basis of a partnership interest shall be made on account of any net loss which is not allowed by reason of subparagraph (A).

''(D) EXCEPTION FOR BASIS ATTRIBUTABLE TO PURCHASE OF A PARTNERSHIP INTEREST.—In the case of an investment services partnership interest acquired by purchase, paragraph (1)(B) shall not apply to so much of any net loss with respect to such interest for any taxable year as does not exceed the excess of—

''(i) the basis of such interest immediately after such purchase, over

''(ii) the aggregate net loss with respect to such interest to which paragraph (1)(B) did not apply by reason of this subparagraph for all prior taxable years.

Any net loss to which paragraph (1)(B) does not apply by reason of this subparagraph shall not be taken into account under subparagraph (A).

''(E) PRIOR PARTNERSHIP YEARS.—Any reference in this paragraph to prior partnership taxable years shall only include prior partnership taxable years to which this section applies.

''(3) NET INCOME AND LOSS.—For purposes of this section—

''(A) NET INCOME.—The term 'net income' means, with respect to any investment services partnership interest, for any partnership taxable year, the excess (if any) of—

''(i) all items of income and gain taken into account by the holder of such interest under section 702 with respect to such interest for such year, over

''(ii) all items of deduction and loss so taken into account.

''(B) NET LOSS.—The term 'net loss' means with respect to such interest for such year, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).

''(b) DISPOSITIONS OF PARTNERSHIP INTERESTS.—

''(1) GAIN.—Any gain on the disposition of an investment services partnership interest shall be treated as ordinary income for the performance of services.

''(2) LOSS.—Any loss on the disposition of an investment services partnership interest shall be treated as an ordinary loss to the extent of the excess (if any) of—

''(A) the aggregate net income with respect to such interest for all partnership taxable years, over

''(B) the aggregate net loss with respect to such interest allowed under subsection (a)(2) for all partnership taxable years.

''(3) DISPOSITION OF PORTION OF INTEREST.—In the case of any disposition of an investment services partnership interest, the amount of net loss which otherwise would have (but for subsection (a)(2)(C)) applied to reduce the basis of such interest shall be disregarded for purposes of this section for all succeeding partnership taxable years.

''(4) DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—In the case of any distribution of appreciated property by a partnership with respect to any investment services partnership interest, gain shall be recognized by the partnership in the same manner as if the partnership sold such property at fair market value at the time of the distribution. For purposes of this paragraph, the term 'appreciated property' means any property with respect to which gain would be determined if sold as described in the preceding sentence.

''(5) APPLICATION OF SECTION 751.—In applying section 751(a), an investment services partnership interest shall be treated as an inventory item.

''(c) INVESTMENT SERVICES PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'investment services partnership interest' means any interest in a partnership which is held by any person if such person provides (directly or indirectly) a substantial quantity of any of the following services with respect to the assets of the partnership in the conduct of the trade or business of providing such services:

''(A) Advising as to the advisability of investing in, purchasing, or selling any specified asset.

''(B) Managing, acquiring, or disposing of any specified asset.

''(C) Arranging financing with respect to acquiring specified assets.

''(D) Any activity in support of any service described in subparagraphs (A) through (C).

For purposes of this paragraph, the term 'specified asset' means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), real estate, commodities (as defined in section 475(e)(2))), or options or derivative contracts with respect to securities (as so defined), real estate, or commodities (as so defined).

''(2) EXCEPTION FOR CERTAIN CAPITAL INTERESTS.—

''(A) IN GENERAL.—If—

''(i) a portion of an investment services partnership interest is acquired on account of a contribution of invested capital, and

''(ii) the partnership makes a reasonable allocation of partnership items between the portion of the distributive share that is with respect to invested capital and the portion of such distributive share that is not with respect to invested capital,

then subsection (a) shall not apply to the portion of the distributive share that is with respect to invested capital. An allocation will not be treated as reasonable for purposes of this subparagraph if such allocation would result in the partnership allocating a greater portion of income to invested capital than any other partner not providing services would have been allocated with respect to the same amount of invested capital.

''(B) SPECIAL RULE FOR DISPOSITIONS.—In any case to which subparagraph (A) applies, subsection (b) shall not apply to any gain or loss allocable to invested capital. The portion of any gain or loss attributable to invested capital is the proportion of such gain or loss which is based on the distributive share of gain or loss that would have been allocable to invested capital under subparagraph (A) if the partnership sold all of its assets immediately before the disposition.

''(C) INVESTED CAPITAL.—For purposes of this paragraph, the term 'invested capital' means, the fair market value at the time of contribution of any money or other property contributed to the partnership.

''(D) TREATMENT OF CERTAIN LOANS.—

''(i) PROCEEDS OF PARTNERSHIP LOANS NOT TREATED AS INVESTED CAPITAL OF SERVICE PROVIDING PARTNERS.—For purposes of this paragraph, an investment services partnership interest shall not be treated as acquired on account of a contribution of invested capital to the extent that such capital is attributable to the proceeds of any loan or other advance made or guaranteed, directly or indirectly, by any partner or the partnership.

''(ii) LOANS FROM NONSERVICE PROVIDING PARTNERS TO THE PARTNERSHIP TREATED AS INVESTED CAPITAL.—For purposes of this paragraph, any loan or other advance to the partnership made or guaranteed, directly or indirectly, by a partner not providing services to the partnership shall be treated as invested capital of such partner and amounts of income and loss treated as allocable to invested capital shall be adjusted accordingly.

''(d) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—

''(1) IN GENERAL.—If—

''(A) a person performs (directly or indirectly) investment management services for any entity,

''(B) such person holds a disqualified interest with respect to such entity, and

''(C) the value of such interest (or payments thereunder) is substantially related to the amount of income or gain (whether or not realized) from the assets with respect to which the investment management services are performed, any income or gain with respect to such interest shall be treated as ordinary income for the performance of services. Rules similar to the rules of subsection (c)(2) shall apply where such interest was acquired on account of invested capital in such entity.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) DISQUALIFIED INTEREST.—The term 'disqualified interest' means, with respect to any entity—

''(i) any interest in such entity other than indebtedness,

''(ii) convertible or contingent debt of such entity,

''(iii) any option or other right to acquire property described in clause (i) or (ii), and

''(iv) any derivative instrument entered into (directly or indirectly) with such entity or any investor in such entity.

Such term shall not include a partnership interest and shall not include stock in a taxable corporation.

''(B) TAXABLE CORPORATION.—The term 'taxable corporation' means—

''(i) a domestic C corporation, or

''(ii) a foreign corporation subject to a comprehensive foreign income tax (as defined in section 457A(d)(4)).

''(C) INVESTMENT MANAGEMENT SERVICES.—The term 'investment management services' means a substantial quantity of any of the services described in subsection (c)(1) which are provided in the conduct of the trade or business of providing such services.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary or appropriate to carry out the purposes of this section, including regulations to—

''(1) prevent the avoidance of the purposes of this section, and

''(2) coordinate this section with the other provisions of this subchapter.

''(f) CROSS REFERENCE.—For 40 percent no fault penalty on certain underpayments due to the avoidance of this section, see section 6662.''.

(b) APPLICATION TO REAL ESTATE INVESTMENT TRUSTS.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

''(8) EXCEPTION FROM RECHARACTERIZATION OF INCOME FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS.—

''(A) IN GENERAL.—Paragraphs (2), (3), and (4) shall be applied without regard to section 710 (relating to special rules for partners providing investment management services to partnership).

''(B) SPECIAL RULE FOR PARTNERSHIPS OWNED BY REITS.—Section 7704 shall be applied without regard to section 710 in the case of a partnership which meets each of the following requirements:

''(i) Such partnership is treated as publicly traded under section 7704 solely by reason of interests in such partnership being convertible into interests in a real estate investment trust which is publicly traded.

''(ii) 50 percent or more of the capital and profits interests of such partnership are owned, directly or indirectly, at all times during the taxable year by such real estate investment trust (determined with the application of section 267(c)).

''(iii) Such partnership meets the requirements of paragraphs (2), (3), and (4) (applied without regard to section 710).''.

(c) IMPOSITION OF PENALTY ON UNDERPAYMENTS.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (5) the following new paragraph:

''(6) The application of subsection (d) of section 710 or the regulations prescribed under section 710(e) to prevent the avoidance of the purposes of section 710.''.

(2) AMOUNT OF PENALTY.—

(A) IN GENERAL.—Section 6662 is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF PROPERTY TRANSFERRED FOR INVESTMENT MANAGEMENT SERVICES.—In the case of any portion of an underpayment to which this section applies by reason of subsection (b)(6), subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent'.''.

(B) CONFORMING AMENDMENTS.—Subparagraph (B) of section 6662A(e)(2) is amended—

(i) by striking ''section 6662(h)'' and inserting ''subsection (h) or (i) of section 6662'', and

(ii) by striking ''GROSS VALUATION MISSTATEMENT PENALTY'' in the heading and inserting ''CERTAIN INCREASED UNDERPAYMENT PENALTIES''.

(3) REASONABLE CAUSE EXCEPTION NOT APPLICABLE.—Subsection (c) of section 6664 is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(B) by striking ''paragraph (2)'' in paragraph (4), as so redesignated, and inserting ''paragraph (3)'', and

(C) by inserting after paragraph (1) the following new paragraph:

''(2) EXCEPTION.—Paragraph (1) shall not apply to any portion of an underpayment to which this section applies by reason of subsection (b)(6).''.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 731 is amended by inserting ''section 710(b)(4) (relating to distributions of partnership property),'' before ''section 736''.

(2) Section 741 is amended by inserting ''or section 710 (relating to special rules for partners providing investment management services to partnership)'' before the period at the end.

(3) Paragraph (13) of section 1402(a) is amended—

(A) by striking ''other than guaranteed'' and inserting ''other than—

''(A) guaranteed'',

(B) by striking the semi-colon at the end and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) any income treated as ordinary income under section 710 received by an individual who provides investment management services (as defined in section 710(d)(2));''.

(4) Paragraph (12) of section 211(a) of the Social Security Act is amended—

(A) by striking ''other than guaranteed'' and inserting ''other than—

''(A) guaranteed'',

(B) by striking the semi-colon at the end and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) any income treated as ordinary income under section 710 of the Internal Revenue Code of 1986 received by an individual who provides investment management services (as defined in section 710(d)(2) of such Code);''.

(5) The table of sections for part I of subchapter K of chapter 1 is amended by adding at the end the following new item:

''Sec. 710. Special rules for partners providing investment management services to partnership.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after November 1, 2007.

(2) PARTNERSHIP TAXABLE YEARS WHICH INCLUDE EFFECTIVE DATE.—In applying section 710(a) of the Internal Revenue Code of 1986 (as added by this section) in the case of any partnership taxable year which includes November 1, 2007, the amount of the net income referred to in such section shall be treated as being the lesser of the net income for the entire partnership taxable year or the net income determined by only taking into account items attributable to the portion of the partnership taxable year which is after such date.

(3) DISPOSITIONS OF PARTNERSHIP INTERESTS.—Section 710(b) of the Internal Revenue Code of 1986 (as added by this section) shall apply to dispositions and distributions after November 1, 2007.

(4) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—Section 710(d) of such Code (as added by this section) shall take effect on November 1, 2007.

(5) PUBLICLY TRADED PARTNERSHIPS.—For purposes of applying section 7704, the amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 612. INDEBTEDNESS INCURRED BY A PARTNERSHIP IN ACQUIRING SECURITIES AND COMMODITIES NOT TREATED AS ACQUISITION INDEBTEDNESS FOR ORGANIZATIONS WHICH ARE PARTNERS WITH LIMITED LIABILITY.

(a) IN GENERAL.—Subsection (c) of section 514 (relating to acquisition indebtedness) is amended by adding at the end the following new paragraph:

''(10) SECURITIES AND COMMODITIES ACQUIRED BY PARTNERSHIPS IN WHICH AN ORGANIZATION IS A PARTNER WITH LIMITED LIABILITY.—

''(A) IN GENERAL.—In the case of any organization which is a partner with limited liability in a partnership, the term 'acquisition indebtedness' does not, for purposes of this section, include indebtedness incurred or continued by such partnership in purchasing or carrying any qualified security or commodity.

''(B) QUALIFIED SECURITY OR COMMODITY.—For purposes of this paragraph, the term 'qualified security or commodity' means any security (as defined in section 475(c)(2) without regard to the last sentence thereof), any commodity (as defined in section 475(e)(2)), or any option or derivative contract with respect to such a security or commodity.

''(C) APPLICATION TO TIERED PARTNERSHIPS AND OTHER PASS-THRU ENTITIES.—Rules similar to the rules of subparagraph (A) shall apply in the case of tiered partnerships and other pass-thru entities.

''(D) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the abuse of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 613. APPLICATION TO PARTNERSHIP INTERESTS AND TAX SHARING AGREEMENTS OF RULE TREATING CERTAIN GAIN ON SALES BETWEEN RELATED PERSONS AS ORDINARY INCOME.

(a) PARTNERSHIP INTERESTS.—Subsection (a) of section 1239 is amended to read as follows:

''(a) TREATMENT OF GAIN AS ORDINARY INCOME.—In the case of a sale or exchange of property, directly or indirectly, between related persons, any gain recognized to the transferor shall be treated as ordinary income if—

''(1) such property is, in the hands of the transferee, of a character which is subject to the allowance for depreciation provided in section 167, or

''(2) such property is an interest in a partnership, but only to the extent of gain attributable to unrealized appreciation in property which is of a character subject to the allowance for depreciation provided in section 167.''.

(b) TAX SHARING AGREEMENTS.—Section 1239 (relating to gain from sale of depreciable property between certain related taxpayers) is amended by adding at the end the following new subsection:

''(f) APPLICATION TO TAX SHARING AGREEMENTS.—

''(1) IN GENERAL.—If there is a tax sharing agreement with respect to any sale or exchange, the transferee and the transferor shall be treated as related persons for purposes of this section.

''(2) TAX SHARING AGREEMENT.—For purposes of this subsection, the term 'tax sharing agreement' means any agreement which provides for the payment to the transferor of any amount which is determined by reference to any portion of the tax benefit realized by the transferee with respect to the depreciation (or amortization) of the property transferred.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

(2) EXCEPTION FOR BINDING CONTRACTS.—The amendment made by subsection (b) shall not apply to any sale or exchange pursuant to a written binding contract which includes a tax sharing agreement and which is in effect on November 1, 2007, and not modified thereafter in any material respect.

Subtitle C—Other Provisions

SEC. 621. DELAY IN APPLICATION OF WORLDWIDE ALLOCATION OF INTEREST.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) are each amended by striking ''December 31, 2008'' and inserting ''December 31, 2017''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 622. BROKER REPORTING OF CUSTOMER'S BASIS IN SECURITIES TRANSACTIONS.

(a) IN GENERAL.—

(1) BROKER REPORTING FOR SECURITIES TRANSACTIONS.—Section 6045 (relating to returns of brokers) is amended by adding at the end the following new subsection:

''(g) ADDITIONAL INFORMATION REQUIRED IN THE CASE OF SECURITIES TRANSACTIONS.—

''(1) IN GENERAL.—If a broker is otherwise required to make a return under subsection (a) with respect to the gross proceeds of the sale of a covered security, the broker shall include in such return the information described in paragraph (2).

''(2) ADDITIONAL INFORMATION REQUIRED.—

''(A) IN GENERAL.—The information required under paragraph (1) to be shown on a return with respect to a covered security of a customer shall include the customer's adjusted basis in such security and whether any gain or loss with respect to such security is long-term or short-term (within the meaning of section 1222).

''(B) DETERMINATION OF ADJUSTED BASIS.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The customer's adjusted basis shall be determined—

''(I) in the case of any stock (other than any stock in an open-end fund), in accordance with the first-in first-out method unless the customer

notifies the broker by means of making an adequate identification of the stock sold or transferred,

''(II) in the case of any stock in an open-end fund acquired before January 1, 2011, in accordance with any acceptable method under section 1012 with respect to the account in which such interest is held,

''(III) in the case of any stock in an open-end fund acquired after December 31, 2010, in accordance with the broker's default method unless the customer notifies the broker that he elects another acceptable method under section 1012 with respect to the account in which such interest is held, and

''(IV) in any other case, under the method for making such determination under section 1012.

''(ii) EXCEPTION FOR WASH SALES.—Except as otherwise provided by the Secretary, the customer's adjusted basis shall be determined without regard to section 1091 (relating to loss from wash sales of stock or securities) unless the transactions occur in the same account with respect to identical securities.

''(3) COVERED SECURITY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'covered security' means any specified security acquired on or after the applicable date if such security—

''(i) was acquired through a transaction in the account in which such security is held, or

''(ii) was transferred to such account from an account in which such security was a covered security, but only if the broker received a statement under section 6045A with respect to the transfer.

''(B) SPECIFIED SECURITY.—The term 'specified security' means—

''(i) any share of stock in a corporation,

''(ii) any note, bond, debenture, or other evidence of indebtedness,

''(iii) any commodity, or contract or derivative with respect to such commodity, if the Secretary determines that adjusted basis reporting is appropriate for purposes of this subsection, and

''(iv) any other financial instrument with respect to which the Secretary determines that adjusted basis reporting is appropriate for purposes of this subsection.

''(C) APPLICABLE DATE.—The term 'applicable date' means—

''(i) January 1, 2009, in the case of any specified security which is stock in a corporation, and

''(ii) January 1, 2011, or such later date determined by the Secretary in the case of any other specified security.

''(4) OPEN-END FUND.—For purposes of this subsection, the term 'open-end fund' means a regulated investment company (as defined in section 851) which is offering for sale or has outstanding any redeemable security of which it is the issuer and the shares of which are not traded on an established securities exchange.''.

(2) BROKER INFORMATION REQUIRED WITH RESPECT TO OPTIONS.—Section 6045, as amended by subsection (a), is amended by adding at the end the following new subsection:

''(h) APPLICATION TO OPTIONS ON COVERED SECURITIES.—

''(1) EXERCISE OF OPTION.—For purposes of this section, in the case of any exercise of an option on a covered security where the taxpayer is the grantor of the option and the option was acquired in the same account as the covered security, the amount received for the grant of an option on a covered security shall be treated as an adjustment to gross proceeds or as an adjustment to basis, as the case may be. A similar rule shall apply in the case of the exercise of an option where the taxpayer is not the grantor of the option.

''(2) LAPSE OR CLOSING TRANSACTION.—For purposes of this section, in the case of the lapse (or closing transaction (as defined in section 1234(b)(2)(A))) of an option on a covered security where the taxpayer is the grantor of the option, this section shall apply as if the premium received for such option were gross proceeds received on the date of the lapse or closing transaction, and the cost (if any) of the closing transaction shall be taken into account as adjusted basis. A similar rule shall apply in the case of a lapse or closing transaction where the taxpayer is not the grantor of the option.

''(3) PROSPECTIVE APPLICATION.—Paragraphs (1) and (2) shall not apply to any option which is granted or acquired before January 1, 2011.

''(4) COVERED SECURITY.—For purposes of this subsection, the term 'covered security' shall have the meaning given such term in subsection (g)(3).''.

(3) EXTENSION OF PERIOD FOR STATEMENTS SENT TO CUSTOMERS.—

(A) IN GENERAL.—Subsection (b) of section 6045 is amended by striking ''January 31'' and inserting ''February 15''.

(B) STATEMENTS RELATED TO SUBSTITUTE PAYMENTS.—Subsection (d) of section 6045 is amended—

(i) by striking ''at such time and'', and

(ii) by inserting after ''other item.'' the following new sentence: ''The written statement required under the preceding sentence shall be furnished on or before February 15 of the year following the calendar year during which such payment was made.''.

(C) OTHER STATEMENTS.—Subsection (b) of section 6045 is amended by adding at the end the following: ''In the case of a consolidated reporting statement (as defined in regulations) with respect to any account which includes the statement required by this subsection, any statement which would otherwise be required to be furnished on or before January 31 under section 6042(c), 6049(c)(2)(A), or 6050N(b) with respect to any item in such account shall instead be required to be furnished on or before February 15 if furnished as part of such consolidated reporting statement.''.

(b) DETERMINATION OF BASIS OF CERTAIN SECURITIES ON ACCOUNT BY ACCOUNT METHOD.—Section 1012 (relating to basis of property–cost) is amended—

(1) by striking ''The basis of property'' and inserting the following:

''(a) IN GENERAL.—The basis of property'',

(2) by striking ''The cost of real property'' and inserting the following:

''(b) SPECIAL RULE FOR APPORTIONED REAL ESTATE TAXES.—The cost of real property'', and

(3) by adding at the end the following new subsection:

''(c) DETERMINATIONS BY ACCOUNT.—

''(1) IN GENERAL.—In the case of the sale, exchange, or other disposition of a specified security on or after the applicable date, the conventions prescribed by regulations under this section shall be applied on an account by account basis.

''(2) APPLICATION TO OPEN-END FUNDS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), any stock in an open-end fund acquired before January 1, 2009, shall be treated as a separate account from any such stock acquired on or after such date.

''(B) ELECTION BY OPEN-END FUND FOR TREATMENT AS SINGLE ACCOUNT.—If an open-end fund elects (at such time and in such form and manner as the Secretary may prescribe) to have this subparagraph apply with respect to one or more of its stockholders—

''(i) subparagraph (A) shall not apply with respect to any stock in such fund held by such stockholders, and

''(ii) all stock in such fund which is held by such stockholders shall be treated as covered securities described in section 6045(g)(3) without regard to the date of the acquisition of such stock.

''(3) DEFINITIONS.—For purposes of this section, the terms 'specified security', 'applicable date', and 'open-end fund' shall have the meaning given such terms in section 6045(g).''.

(c) INFORMATION BY TRANSFERORS TO AID BROKERS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6045 the following new section:

''SEC. 6045A. INFORMATION REQUIRED IN CONNECTION WITH TRANSFERS OF COVERED SECURITIES TO BROKERS.

''(a) FURNISHING OF INFORMATION.—Every applicable person which transfers to a broker (as defined in section 6045(c)(1)) a security which is a covered security (as defined in section 6045(g)(3)) in the hands of such applicable person shall furnish to such broker a written statement in such manner and setting forth such information as the Secretary may by regulations prescribe for purposes of enabling such broker to meet the requirements of section 6045(g).

''(b) APPLICABLE PERSON.—For purposes of subsection (a), the term 'applicable person' means—

''(1) any broker (as defined in section 6045(c)(1)), and

''(2) any other person as provided by the Secretary in regulations.

''(c) TIME FOR FURNISHING STATEMENT.—Any statement required by subsection (a) shall be furnished not later than the earlier of—

''(1) 45 days after the date of the transfer described in subsection (a), or

''(2) January 15 of the year following the calendar year during which such transfer occurred.''.

(2) ASSESSABLE PENALTIES.—Paragraph (2) of section 6724(d) (defining payee statement) is amended by redesignating subparagraphs (I) through (CC) as subparagraphs (J) through (DD), respectively, and by inserting after subparagraph (H) the following new subparagraph:

''(I) section 6045A (relating to information required in connection with transfers of covered securities to brokers).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6045 the following new item:

''Sec. 6045A. Information required in connection with transfers of covered securities to brokers.''.

(d) ADDITIONAL ISSUER INFORMATION TO AID BROKERS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986, as amended by subsection (b), is amended by inserting after section 6045A the following new section:

''SEC. 6045B. RETURNS RELATING TO ACTIONS AFFECTING BASIS OF SPECIFIED SECURITIES.

''(a) IN GENERAL.—According to the forms or regulations prescribed by the Secretary, any issuer of a specified security shall make a return setting forth—

''(1) a description of any organizational action which affects the basis of such specified security of such issuer,

''(2) the quantitative effect on the basis of such specified security resulting from such action, and

''(3) such other information as the Secretary may prescribe.

''(b) TIME FOR FILING RETURN.—Any return required by subsection (a) shall be filed not later than the earlier of—

''(1) 45 days after the date of the action described in subsection (a), or

''(2) January 31 of the year following the calendar year during which such action occurred.

''(c) STATEMENTS TO BE FURNISHED TO HOLDERS OF SPECIFIED SECURITIES OR THEIR NOMINEES.—According to the forms or regulations prescribed by the Secretary, every person required to make a return under subsection (a) with respect to a specified security shall furnish to the nominee with respect to the specified security (or certificate holder if there is no nominee) a written statement showing—

''(1) the name, address, and phone number of the information contact of the person required to make such return,

''(2) the information required to be shown on such return with respect to such security, and

''(3) such other information as the Secretary may prescribe.

The written statement required under the preceding sentence shall be furnished to the holder on or before January 31 of the year following the calendar year during which the action described in subsection (a) occurred.

''(d) SPECIFIED SECURITY.—For purposes of this section, the term 'specified security' has the meaning given such term by section 6045(g)(3)(B). No return shall be required under this section with respect to actions described in subsection (a) with respect to a specified security which occur before the applicable date (as defined in section 6045(g)(3)(C) with respect to such security.

''(e) PUBLIC REPORTING IN LIEU OF RETURN.—The Secretary may waive the requirements under subsections (a) and (c) with respect to a specified security, if the person required to make the return under subsection (a) makes publicly available, in such form and manner as the Secretary determines necessary to carry out the purposes of this section—

''(1) the name, address, phone number, and email address of the information contact of such person, and

''(2) the information described in paragraphs (1), (2), and (3) of subsection (a).''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (defining information return) is amended by redesignating clauses (iv) through (xix) as clauses (v) through (xx), respectively, and by inserting after clause (iii) the following new clause:

''(iv) section 6045B(a) (relating to returns relating to actions affecting basis of specified securities),''.

(B) Paragraph (2) of section 6724(d) of such Code (defining payee statement), as amended by subsection (c)(2), is amended by redesignating subparagraphs (J) through (DD) as subparagraphs (K) through (EE), respectively, and by inserting after subparagraph (I) the following new subparagraph:

''(J) subsections (c) and (e) of section 6045B (relating to returns relating to actions affecting basis of specified securities).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code, as amended by subsection (b)(3), is amended by inserting after the item relating to section 6045A the following new item:

''Sec. 6045B. Returns relating to actions affecting basis of specified securities.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2009.

SEC. 623. MODIFICATION OF PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS.

Section 6698 is amended by adding at the end the following new subsection:

''(e) MODIFICATIONS.—In the case of any return required to be filed after the date of the enactment of this subsection—

''(1) the dollar amount in effect under subsection (b)(1) shall be increased by $25, and

''(2) the limitation on the number of months taken into account under subsection (a) shall not be less than 12 months.''.

SEC. 624. PENALTY FOR FAILURE TO FILE S CORPORATION RETURNS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

''SEC. 6699A. FAILURE TO FILE S CORPORATION RETURN.

''(a) GENERAL RULE.—In addition to the penalty imposed by section 7203 (relating to willful failure to file return, supply information, or pay tax), if any S corporation required to file a return under section 6037 for any taxable year—

''(1) fails to file such return at the time prescribed therefor (determined with regard to any extension of time for filing), or

''(2) files a return which fails to show the information required under section 6037,

such S corporation shall be liable for a penalty determined under subsection (b) for each month (or fraction thereof) during which such failure continues (but not to exceed 12 months), unless it is shown that such failure is due to reasonable cause.

''(b) AMOUNT PER MONTH.—For purposes of subsection (a), the amount determined under this subsection for any month is the product of—

''(1) $25, multiplied by

''(2) the number of persons who were shareholders in the S corporation during any part of the taxable year.

''(c) ASSESSMENT OF PENALTY.—The penalty imposed by subsection (a) shall be assessed against the S corporation.

''(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

''Sec. 6699A. Failure to file S corporation return.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after the date of the enactment of this Act.

SEC. 625. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''115 percent'' and inserting ''181 percent''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider an amendment in the nature of a substitute if offered by the gentleman from Louisiana (Mr. MCCRERY) or his designee, which shall be considered read, and shall be debatable for 1 hour, equally divided by the proponent and an opponent.

The gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY) each will control 30 minutes.

The Chair recognizes the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker and my colleagues, I hope that this could be considered the National Lobbyist Day for the middle class, because, certainly, this is what we are trying to do.

Let's talk about the issues that we agree on. The alternative minimum tax was a bad idea when it got started in 1969; it's a worse idea now. If the House and Senate and President fail these taxpayers that are being held hostage for a tax that everyone knows is unfair and inequitable and should never have existed, then it would not be a Republican or Democratic issue; it would be that this country let them down. In doing so, we would have violated the trust that we hope that people would have in the tax system. At the end of the day we are committed to eliminate this tax.

My good friend Mr. MCCRERY and I had agreed early on that the only way you can tackle such a big fiscal problem is through tax reform. So it's clear that we can't do that this year; and so if we do nothing, 23 million hard-working people would be hit with this unfair tax, and we are committed that it's not going to happen. We can talk about that, but I don't think it's necessary.

As far as the extenders are concerned, I really think they speak for themselves. Mr. MCCRERY and I wish we had enough time to really study each and every one of them as well as other parts of the Code to see whether or not it serves any economic function, but time is not our friend, and so we agreed that we would extend these expiring provisions and review them when we have more time next year. So that's not an issue.

The issue has to be how do you pay for it. This is where we are going to have some major fiscal and political problems. Why? Because the Congressional Budget Office would say that if we did nothing and this unfair tax was not changed, that we would raise $50 billion. That means that even though they may think and hope that we don't do this, they haven't scored that we have to recognize that $50 billion is not going to be there and we, abiding by what we think is fiscally sound provisions in PAYGO, have to recognize that if we do the right thing, we'll be $50 billion short.

What are our options? One, to cut spending by $50 billion. Well, theoretically it may be an option, but politically it's not.

The second thing we could do is raise the revenue. Very interesting, because the major part of the debate if we had time would be if you saw the most outrageous abuse of the tax system where someone was getting preferential treatment and that the only reaction would be how could that happen, and you wanted to close it, take my word for it, to the person that you are closing, what they call an incentive will be considered by them as a tax increase.

Even Secretary Paulson, who wants us to dramatically reduce the corporate rate of taxes, I can't wait to hear how he intends to pay for it, because I know he is going to be talking about unfair advantages that's in the Code, and some Democrat is going to call it a tax increase if he closes the loopholes.

It's really a semantic thing; it's a political thing. But I suggest to you that even if we were not looking at this as a revenue raiser, and you take a look at what we are using, how could you possibly call it a tax increase when we are trying to bring some degree of equity to the system?

It's simple: when people are doing their job, and, I might add, a very good job, in managing other people's money, in creating jobs, in making the economy more prosperous, and making hundreds of millions and billions of dollars

because they have earned it the hard way, creative fiscal management.

□ 1145

And they pay 35 percent in taxes because it's their income, the same way you sell a house, it's your income. You have a law case and they give it to you, it's your income and you pay 35 percent income.

Now, we would like to believe that capital gains taxes means that you're special people, you actually are investing capital. My God, you're taking risks, and so we're going to give you a lower tax rate of 15 percent. But if you find someone who would say that, well, I'm not taking risk but I'm a partnership, and I really think that the way they're paying me, even though it's the same as the competitors are being paid, I have decided that this has been a return on a capital investment. Why shouldn't all of the debate today be on the turning point? When two people are doing the same thing equally as well, and really, being rewarded in a very generous way, why should one group be treated differently than the other group? And if you want to call it a tax increase and bringing equity and fairness to the system and making the field even as it relates to the Tax Code, let's talk about this, because I'll bring some arguments and statements for the people doing the same job and paying 35 percent interest, and they're just as creative, just as good, and they ain't thinking about leaving the business. And so that ends the argument, except for the ones that I'm anxious to hear from my dear friends on the other side of the aisle, because they're not just saying that they're going to stick with their buddies with carried interest. They're saying that we really don't have to deal with this at all. And once I'm convinced that they're right, I'm going to try to do this at home, and that is, we expected $50 billion. You're going to have to live without the $50 billion, but you don't have to cut your expenses by $50 billion, nor do you have to raise the revenue for $50 billion. As a matter of fact, you don't have to do anything. Act like it never happened.

This is not a tax cut. This is preventing a tax increase, so therefore, the money that you expected, the $50 billion, you shouldn't have.

Now, on our side of the aisle, we spell that B-O-R-R-O-W-I-N-G, ''borrowing.'' I know that word is so distasteful to you, but where I got it from was Chairman Greenspan. He said, I supported the Bush tax cuts, but I wanted them to really cut spending. And what did they do? B-O-R-R-O-W-I-N-G.

Well, you may not like the word, but at the end of the day, every Congressman's going to tell you, if you expected $50 billion, you thought it was unfair to tax people that, you removed the burden, you've got to do one of three things: pay for it, cut spending, or borrow the money. You've decided to find words to make it more comfortable to borrow the money. And I'm anxious to hear that, because if it works for you, I'm going to try to convince my leadership to have it work for us, because pay-as-you-go may be fiscally sound, but I have so many problems with infrastructure, so many problems with health, so many problems with education, that if I can find a way as great as you have, it may work for all of us. But I really don't think that that is going to fly. The American people deserve help.

I reserve the balance of the time as I anxiously await to hear the minority explain why this is not borrowing.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all Members to direct their remarks to the Chair.

Mr. MCCRERY. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, my good friend, the distinguished chairman of the Ways and Means Committee, Mr. RANGEL, makes a number of points in support of the PAYGO rule, which forms the basis of the requirement in this bill to raise taxes on one set of taxpayers in order to prevent a tax increase on another set of taxpayers. I just want to talk about why this rule, I believe, has been treated in a way that nobody who ever came up with the idea of PAYGO meant for it to be treated.

If we were to go out on the street, Mr. Speaker, and pull aside an average person on the street and say, we're thinking about instituting in Congress a PAYGO rule. And what that means is, if we cut taxes somewhere, we have to pay for that by increasing taxes somewhere else or decreasing spending somewhere else.

Okay. That sounds reasonable.

Well, it also means that if we increase spending in some program, or if we create a new spending program, we either have to decrease spending somewhere else or raise taxes to pay for that increased spending.

Oh, well, yeah, that sounds reasonable.

But, then if you tell that person, and, oh, by the way, we're going to assume that we have more revenue next year, and that revenue is going to be produced by this set of taxpayers. They're not paying it now, but we're going to assume that next year they will pay it. And in order to relieve them of that assumption that they're going to pay for in taxes, we're going to increase taxes on this group of taxpayers over here. How's that sound?

The average person, Mr. Speaker, I would submit, would say that doesn't make much sense. And it doesn't make much sense. In fact, Mr. Speaker, it puts this House and this Congress in a fiscal straitjacket with respect to tax policy and fiscal policy.

Now, the chairman has said himself, this AMT thing is crazy. It was never meant to apply to middle-class taxpayers. It was a mistake. Well, why don't we just admit the mistake and get rid of it? If it was our mistake, let's correct the mistake by getting rid of it. We never meant to collect this level of revenues that are anticipated in the CBO baseline.

I don't want to talk about the CBO baseline because folks in America don't understand the CBO baseline. But that's the genesis of all this tax raising that the majority is about to undertake here. And we ought to stop it today. This is the first step.

I feel like the little boy in Holland sticking his thumb in the dike. If I'm not here today to stick my thumb in the dike and stop this bill from passing and expose the flaws of this PAYGO system, we're going to have a torrent, a flood of tax increases over the next 10 years.

In fact, the CBO, with the assistance of the Joint Tax Committee, has determined that if this PAYGO rule that governs this bill today stays in place, we're going to increase taxes on the American people over the next 10 years $3.5 trillion.

Mr. Speaker, that is the largest tax increase in either nominal terms or real terms in the history of this country. Now, is that what the Democratic majority wants for this country?

Do they want to take a chance on increasing taxes to that extent on the American people at a time when we have a housing crisis, when the dollar's value is dropping? I hope not.

Today is the day we expose this very flawed and dangerous PAYGO policy by defeating this bill today, Mr. Speaker.

Mr. Speaker, although I cannot support this bill, I strongly support extension of the AMT patch and most of the provisions of current law extended in this bill. Congress should protect the 19 million Americans who are at risk of paying the AMT this year. Congress should also extend individual and business tax incentives important to the Nation's economy.

Unfortunately, at its core, this bill is not about the AMT or extenders. It is about the elevation of form over substance and the decision of the Congress to bind itself to the mast of Paygo, wherever it may lead.

While there may be valid reasons to apply the principles of Paygo to spending changes, we think the calculus is far different in the case of tax policy.

As we amply documented during the Ways and Means mark-up of this bill, the majority's budget assumes that the Federal Government will generate revenue from allowing the AMT to continue to plague taxpayers and from allowing the 2001 and 2003 tax cuts to sunset. These budget assumptions will have the effect of raising taxes on the Americans people by $3.5 trillion over the next decade. Paygo forces Congress to decide whether to let those tax increases take place or replace them with other tax hikes.

It is true that under the current iteration of Paygo, tax cuts could be "paid for" by spending cuts, but we have seen no appetite of the current majority for such as sensible approach. For bills both small and large, the Ways and Means Committee has become an ATM for other committees, spitting out tax increases of whatever shape or size is deemed necessary to meet the new majority's appetite for additional spending. Indeed, this House

has already passed over $100 billion in tax increases this year alone.

What Paygo has become, as embodied in this bill, is far more breathtaking. Here, it is being invoked as a reason for Congress to raise taxes in order to prevent a tax increase.

Let me say that again, the majority has created a rule under which Congress must raise taxes in order to prevent a tax increase. Let me give an example utilizing the context of this bill.

If Congress does not enact this legislation, Americans will pay about $70 billion more in taxes next year. If we pass this bill, Americans will pay about $70 billion more in taxes next year. What's wrong with this picture? Either way it's a tax increase.

And let us keep in mind that this bill imposes mostly permanent tax increases to pay for temporary tax cuts. Even if this bill passes, we will be back here again next year struggling to find another $70-plus billion in tax increases to "rent" one more year of expiring provisions.

Unfortunately, this is just a baby step. Under the next President, we seem likely to face large tax increases in order to "prevent" a tax increase on families with children, tax increases on marriage, marginal tax rate increases, or tax increases on estates. And that's before we are asked to enact other tax increases to pay for new tax incentives or new spending programs.

Raising taxes to prevent a tax increase shows the danger of turning a bumper sticker into a budget rule.

According to estimates the Congressional Budget Office and the Joint Tax Committee, Federal revenues in fiscal year 2007 totaled about 18.6 percent of our economy, well above the historical average of 18.2 percent.

The Joint Tax Committee estimates that over the next decade if we continue to operate in this Paygo straitjacket, revenues will reach 20.1 percent of GDP in 2017, a level seen only once since 1962. Think about it—this bill is the first step in endorsing what will be, in both nominal and real terms, the largest tax increase in the history of the United States.

We may well pass this bill today, but what happens next is anyone's guess. The Senate has given us strong and repeated signals that they intend to reject offsets to pay for an AMT patch and the administration has issued a veto threat. This all suggests we will spend more days debating this issue, even as the continued delay threatens to make the coming tax filing season chaotic.

As the Secretary of the Treasury warned us last month, "enactment of a patch in mid-to-late December could delay issuance of approximately $75 billion in refunds to some 50 million taxpayers who are likely to file their returns before March 31, 2008." That would be on top of the confusion it will cause taxpayers and the added costs the Federal Government will pay to print new forms and provide assistance to perplexed taxpayers.

Simply put, we should stop this charade and recognize that we need to promptly pass a patch and extenders package that the Senate can pass and that the President can sign. If we fail to do so today, the cost of delay and inaction on the AMT patch will continue to mount.

I urge defeat of the bill so that the Ways and Means Committee can promptly put together a package that has a chance of making it to the President.

I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, at this time I ask unanimous consent that I be allowed to yield the balance of my time to the chairman of the committee that has really drafted most of this legislation, Congressman NEAL of Massachusetts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts will control the remainder of the time.

Mr. NEAL of Massachusetts. Mr. Speaker, one of the things I'm going to do today after listening to my friend, Mr. MCCRERY, is to go back to my office and call Citigroup, that holds my mortgage, and I'm going to apply that logic when I tell them that I'm no longer going to bother paying the principal, because I just want to forget about the bill; that the bill is just gone. And I expect them to say to me, we're going to use the logic that Congress uses when it comes to paying the Nation's bills.

I'm in full support of this legislation, and I think we need to stand up to theology today and address it with fact. Without the extension of these important tax provisions, there's going to be a real impact back home. Ninety-four thousand Massachusetts teachers who took the deduction for out-of-pocket classroom supplies totaling $23 million in expenditures, they're going to lose that deduction.

Without this bill, 121,000 Massachusetts families who took the tuition deduction for higher education costs, totaling $317 million in expenditures, they're going to lose their incentive for higher learning.

If we don't pass this bill, 1,000 businesses in Massachusetts that took the research and development tax credit totaling $10 million, they're going to lose this credit.

We have to pass that bill so that 192 low-income military families in Massachusetts who claimed the earned income tax credit while in the combat zone, totaling $2 million in earnings, are going to keep that credit.

And further, Massachusetts school districts which receive $6.5 million in bond authority for school construction, they're going to lose their assistance without this bill.

And let me speak briefly to the issue of AMT. For a decade and more, I've been at this issue. The Republicans have said to me time and again, you're absolutely right in what you're trying to do. We're quibbling over the solution today. But there's a reality, and the reality is that if we don't do this, 125,684 taxpayers subject to AMT in Massachusetts will increase to, listen to this number, 770,336 people for the 2007 tax year. This means in my district alone 7,000 families to 67,612 will begin to pay AMT if we don't undertake this action today. And half of those 60,000 paying AMT this year will earn between 100 and $200,000. And another third will earn between 75 and $100,000.

This legislation is middle-class tax relief. These are the people that need our help.

I reserve the balance of my time.

Mr. MCCRERY. Mr. Speaker, I yield 2½ minutes to the distinguished minority whip, Mr. BLUNT of Missouri.

Mr. BLUNT. I thank the gentleman for yielding, I thank you, Mr. Speaker, for the time, and I thank the gentleman for the comments that he's already made.

I certainly agree with the chairman of the committee that in 1969, certainly a long time before I came to Congress, and there are a few Members here who were here then. I think the chairman was here. He said this was a bad idea. It was a bad idea in 1969. It was a bad idea in 1993 when the alternative minimum tax was made worse. It was a really bad decision in 1999 when the Congress voted to eliminate the alternative minimum tax and a Presidential veto prevented that from happening. This is an unfair tax. Everything that's been said about this tax today by both sides I believe is accurate.

□ 1200

Now 23 million more taxpayers are on the edge of this unfair tax and we are figuring out how to tax more people to somehow equal out this unfairness. I think it's clear that a significant majority of this Congress knew last year that we wouldn't have wanted this to happen. But for some reason we still apparently wanted to commit to spend the money that would occur if it did happen.

So we are taking money we don't have today, this $50 billion or $70 billion, I think I am hearing two different numbers here, money we don't have today and assuming that we have got to replace it tomorrow to have not stepped backwards. This is money we did not collect this year. But we are saying we have to have this. This is what I see as a real twisted application of the PAYGO rule.

We are now spending also time we don't have on this issue because our friends on the other side of the building have said they're not going to let the major tax increase here be part of a final solution. So once again we are spending a day we don't have when we could be spending a day doing things like passing the military construction, military families, veterans bill that somehow got lost this week. It got pulled out of a bill by the Senate. We went ahead and passed the Labor-Health and Human Services bill and went to conference on two other appropriations bills, but we chose not to go to conference on the one that would help veterans and help military families and pass that bill today. Instead, we're passing a bill today and I guarantee you we will be back on this floor with a different solution that the Senate and the President will accept and doing this work at a time when this work matters.

I urge my colleagues to vote against this bill. Let's get on with the work of not letting these 23 million new taxpayers be affected, but let's get this done rather than make another effort to just give a speech about how we can raise more taxes.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 15 seconds to the chairman of the Ways and Means Committee, Mr. RANGEL.

Mr. RANGEL. Mr. Speaker, I just hope that the minority leader recognizes that we in the House have a constitutional responsibility to either raise the revenue, notwithstanding what the other body may or may not do, and that should never inhibit us from doing what we consider is the right thing to do, because constitutionally we are right.

Mr. NEAL of Massachusetts. Mr. Speaker, at this time I would like to yield 1½ minutes to the gentleman from California (Mr. STARK).

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. I thank the distinguished chairman of the Revenue Subcommittee for yielding.

Mr. Speaker, I would like to speak just to a couple of things, a couple of errors. First of all, I heard from the other side that today was a getaway day. Now, I think of a getaway day as a day to get home to see our constituents. Not, when you say ''getaway,'' how much unfairness in the Tax Code can you get away with? That's not what today's about.

I commend the chairman for putting forth legislation that will prevent millions of Americans from paying higher taxes. I want to talk specifically about one small part and that's carried interest. Half of the $50 billion that we are raising is coming from people who should not be getting away with a tax loophole. That's not raising taxes. That's just taking these people who are collecting carried interest deductions or switching to capital gains. It's a scam. They should be paying their fair share of taxes like all Americans.

If you look at all of these ''left-wing loonies,'' George Mankiw at Harvard, who was President Bush's chairman of Council of Economic Advisers; Mr. Buffett, the Blackstone Group; Michael Graetz, all of them say it's wrong to let carried interest be taxed at the capital gains rate so that the capital gains of $650 million is the average annual income of the top 20. That's 5.5 million bucks a month. Why should they only pay 15 percent? And the answer is they shouldn't. They should pay 35 percent, and this bill will get us a long way towards fairness.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), member of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, Congress needs to keep the alternative minimum tax from reaching out and ensnaring an additional 19 million new taxpayers, saddling them with an additional $2,000 tax bill.

I have long voted to limit the reach of the AMT. In my Northern California congressional district, 54,000 people will pay the AMT in 2007 if Congress fails to act. But today's bill is in the wrong direction. Tragically, this legislation institutes permanent tax increases to pay for extending temporary tax relief.

The AMT was originally intended to reach 155 of our country's wealthiest Americans who were not paying taxes and compel them to pay at least some level of taxes, but that original intent never included dipping down into the middle class. The AMT now collects taxes it was never intended to collect. It would be absurd to ''pay for'' extending this temporary fix for another year.

Even worse, today's bill sends a clear signal to American families and individuals that the Democrats plan to allow the tax relief of the last 6 years disappear, raising taxes by trillions of dollars on millions of taxpayers. This includes marriage penalty relief, the higher child tax credit, and lower rates on investment income.

The House should reject this Democrat pro-tax increase approach to patching the alternative minimum tax.

Mr. NEAL of Massachusetts. Mr. Speaker, at this time I would like to yield 1 minute to the gentleman from Massachusetts, the chairman of the Financial Services Committee, who has done a terrific job in that short tenure (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, everybody wants to deal with the problem of the AMT, but only some of us are prepared to deal with it responsibly and realistically, namely, by an alternative revenue source.

You look at the taxes that are being reduced here and the offsetting taxes that are being raised, and it is the most extraordinary piece of tax fairness I have ever seen.

The one argument is that we can't afford that fairness because if we raise taxes to the normal level that people pay on income on the wealthiest people in the history of the world that they will stop doing what they do. Now, I do not criticize these people. I think they perform a useful economic function. But they are the wealthiest people in the country and in the history of the world on the whole. The notion that they have to pay somewhat more tax up to the level that most of us pay on income, they will somehow go on an economic strike and stop doing these things is badly flawed.

They are not engaging in this activity as a favor to us so that they can quit if we offend them. They are doing it because it's a way for them to make money, as they have a right to do. They'll still be making enough money to keep doing it.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the distinguished ranking member on the Health Subcommittee of the Ways and Means Committee, Mr. CAMP.

Mr. CAMP of Michigan. I thank the distinguished ranking member for yielding.

Mr. Speaker, the so-called Tax Relief Act before us today gives us little to celebrate. In addition to the normal extension of Republican tax cuts, this bill includes an unprecedented amount of Democrat tax increases on the American public. Worse yet, this bill permanently raises taxes to the tune of $70 billion, all to collect taxes the Federal Government was never intended to get.

Let me repeat that point: this bill raises taxes to generate revenues the Federal Government was never intended to get.

The differences between our parties couldn't be clearer than on this bill. Republicans cut taxes while Democrats raise taxes. Facts are facts; and with this bill, the majority is permanently increasing taxes on Americans and setting the stage for the largest tax increase in history.

I support extending tax provisions like the R & D tax credit, the teacher tax deduction for classroom supplies, and incentives for conservation easements. After all, those are bills I have long supported. I also support shielding over 20 million middle-income Americans from the alternative minimum tax, better described as the mandatory minimum tax. But this is simply the wrong way to do it. Fortunately, the Senate knows and the President knows that. This bill will not pass the Senate and the President will not sign it. I hope my friends on both sides of the aisle will realize this bill is a flawed bill and should be rejected.

This is not the time to be raising taxes. Reject this legislation, and let us vote on a bill that really protects taxpayers from higher taxes.

Mr. NEAL of Massachusetts. Mr. Speaker, the Bush administration has been there for 7 years, and they have not proposed once the elimination of the alternative minimum tax. In including next year's budget projections, they include the numbers from the alternative minimum tax for revenue.

Mr. Speaker, at this time I would like to yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I thank the gentleman for yielding.

Mr. Speaker, I find this debate absolutely incredible. If you pull it up on the Treasury Department's own Web site, the national debt of our Nation this past week went over $9 trillion.

And the bright dividing line between the parties in the debate today is that our friends on the minority side want to drive that debt even deeper and that our friends on the majority side say enough additional debt for our children.

We either find a way to pay for this AMT fix or 23 million people get a tax increase or we pass the debt on to the children. Now, I am glad about the bipartisan agreement that we should do

something to stop the 23 million from getting the AMT tax hit. But we cannot just run that credit card balance even higher, just lay this debt onto our kids.

It's time we face the music and we begin paying for the costs that we are incurring. We have got to put this budget in order, and we need to start with this bill.

Mr. MCCRERY. Mr. Speaker, I yield 1 minute to the gentleman from Texas, the distinguished ranking member of the Social Security Subcommittee (Mr. SAM JOHNSON).

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to oppose the permanent tax hike to pay for a 1-year extension of current law.

The alternative minimum tax is a taxing machine, put into law 40 years ago by a Democrat Congress to tax 155 of the wealthiest families in America.

The AMT patch before the House today will prevent a tax increase on families who make just over $66,000 a year. These aren't the superwealthy. In fact, in my congressional district, a family of four making $66,000 a year is considered a moderate income. Apparently, the Democrats in the House consider the rest of my constituents superwealthy.

Even this paltry relief will be offset with permanent tax increases. The tax increase on real estate partnerships is among the most destructive taxes that could be devised. At a time when most of us in the Congress are concerned about the real estate market, our colleagues who vote for this bill today are waging an attack on free enterprise.

We must vote ''no'' on this huge tax increase.

Mr. NEAL of Massachusetts. Mr. Speaker, I ask unanimous consent to enter into the RECORD a colloquy between myself and Mr. WATT.

The SPEAKER pro tempore. Colloquys may not be entered into the RECORD by unanimous consent; they must be spoken.

Mr. NEAL of Massachusetts. Then I will ask the gentleman from North Carolina to remain here and perhaps we can do it face to face.

Mr. Speaker, at this time I would like to yield 1 minute to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, I rise in strong support of this legislation.

Our colleague ARTUR DAVIS on the committee, in direct inquiry, in talking and eliciting a response, said the following: 138 million Americans will be filing taxes. Under 50,000, under 50,000 of them, will be filing with carried interest. And you know what? They are going to make, I believe, $936 billion. With this act that we are passing today, we are going to impact 23 million people, many of whom are going to be earning as little as $40,000.

□ 1215

Now, here's the deal, the people who earned $936 billion, next year, God forbid, they are going to be making $934 billion. Makes you tremble.

Your party has become part of the Save the Schwarzman Seven instead of looking out for the interests of our people.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the distinguished ranking member of the Select Revenue Measures Subcommittee, in which some of this bill was developed, Mr. ENGLISH.

Mr. ENGLISH of Pennsylvania. I thank the gentleman.

As chairman of the Zero AMT Caucus, I rise to strongly oppose this wrongheaded measure, which instead of offering a prescription for tax relief or tax reform, which they promised at the beginning of the year, it is a placebo that imposes a permanent tax increase in exchange for the false promise of temporary tax relief.

This legislation, as the other side has said, is all about hostages and brinkmanship. Their budget was built on the quicksand of AMT revenues that assumed the revenue from taxing 23 million people under the AMT. Now we have to raise taxes to protect them. They are using this crisis as a locomotive to drive higher taxes.

But those aren't the only hostages, Mr. Speaker. Other taxpayers are being held hostage to delay. Already, this is the longest Congress has gone into the year without dealing with the AMT's reach ever. The IRS and Treasury have indicated that this delay will, at best, cause massive chaos and confusion in the upcoming filing season, but at worst, it is the likely scenario, since this bill was put forward dead on arrival with the Senate and the House, 50 million taxpayers could find their refunds delayed by many weeks.

But that isn't the only hostage. The extenders are being held hostage. Everyone who utilizes the extender deductions on State and local taxes, the tuition deduction, expenses for school teachers, combat pay under the EITC, mortgage bonds for veterans, companies that use the R&D tax credit or certain charitable contributions, these extenders are going to be delayed if it is tied to this dead-on-arrival bill.

Mr. Speaker, this bill does nothing to deal with what they said was their top priority, which is reforming or getting rid of the AMT. It's bad tax policy. It's a large tax increase no matter how they dress it up. And it's a tax increase coming at a time of economic slowdown. Just say ''no.''

Mr. NEAL of Massachusetts. Mr. Speaker, I was with the ranking member of the Rules Committee yesterday, and he said that everything was fine, the economy was doing great.

GENERAL LEAVE

Mr. NEAL of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 3996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NEAL of Massachusetts. Mr. Speaker, at this time, I would like to recognize the gentleman from Illinois (Mr. EMANUEL) for 1 minute.

Mr. EMANUEL. Mr. Speaker, President Kennedy once said, ''to govern is to choose.'' Both parties are presenting different choices: Republicans, another decade of debt and tax breaks for the well off; Democrats, an end to the red ink and middle-class tax cuts.

The Republican Congress and President Bush ran up $4 trillion of new debt in the shortest period of time in American history. All the while, economic insecurity is at an all-time high for the middle class, incomes are stagnating, and homes are losing their value. Since 2000, the cost of health insurance has risen 80 percent, college costs up 44 percent, prices at the pump up 89 percent.

Democrats promised to bring tax fairness to the Tax Code, and we promised to help every American secure the pillars of a middle-class life, raising a family, buying a home, paying for college, and saving for retirement. Today we have a chance to make good on our promises.

This bill protects 23 million families from the AMT, gives 30 million homeowners the ability to deduct property taxes, helps 12 million children with a larger tax credit, and provides 4.5 million families help to pay for rising college costs, all without adding a penny to President Bush's $9 trillion debt.

The choice is clear and the choice is simple.

Mr. MCCRERY. Mr. Speaker, at this time, I yield 2½ minutes to a distinguished member of the Ways and Means Committee, the gentleman from New York (Mr. REYNOLDS).

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks.)

Mr. REYNOLDS. I thank the gentleman from Louisiana.

Mr. Speaker, I listened very carefully to the chairman of the Ways and Means Committee, as he opened up, on what we agreed on and maybe what we disagreed on, and I have listened to a number of speakers. First of all, on the Ways and Means Committee members before me, I want to be associated with the observations and comments that they've brought to the floor today.

We opened this year, as the ranking member of the subcommittee, Mr. ENGLISH, mentioned, with hope and optimism that we were going to repeal AMT; not reform it, not push it around, not raise taxes on it, but repeal it. As time ticked on, we had hearings, and hope faded. Hope then got cloudy, then hope wasn't real.

As we're sitting here in November, the Secretary of Treasury has responded to my letter and letters written by Mr. MCCRERY and Mr. GRASSLEY, and in that, answering the fact

that we have missed some dates, missing one right now on November 6, that the IRS is going to print the 1040 forms, and next week, on November 16, they're going to print all the other forms. Now, I take that a little personal because last year, the 1-year patch, without a tax increase, was passed on an initiative that I introduced and was put into a bill in May, May of last year, without a tax increase. And you know what? This body passed it 414–4; didn't have tax increases, didn't have a lot of gimmicks, just got the job done.

I want to remind my colleagues on the other side of the aisle, you're not just touching 23 million Americans by this delay in the failure and the shortcoming of getting an agreement between the two bodies and the White House; you're making it about 49 million, because the letter also said, from the Secretary, that others are impacted by this needless delay.

Now, I don't mind having a constitutional message about our prerogative in the House to initiate anything we want in Ways and Means relative to taxes, but there comes a time, even for a new majority of the other side, to understand when pragmatism sets in, that we didn't get a permanent fix, we didn't even get a repeal, we didn't even get a 1-year patch, however you wanted it. What we got is, today, a failed approach.

And to the new Members who have never served in this body before on either side of the aisle, you're going to hear ''tax gap,'' ''tax fairness,'' ''tax equity.'' I promise you that results right here in this bill as a tax increase.

Vote ''no'' on this bill, and let's get the work done before we go home for Thanksgiving.

Mr. NEAL of Massachusetts. Let me quickly decipher what my friend the gentleman from New York said. He said, ''Let's borrow the money.''

I yield 1 minute to Mrs. TUBBS JONES, the gentlewoman from Ohio, former District Attorney.

Mrs. JONES of Ohio. I thank my chairman for giving me this opportunity to be heard.

You know, my friend from New York, I tried to feel what he was saying to me. And it was emotional and everything, but it did not speak to the issue that we're talking about.

I went to law school, and I wanted to be a civil rights lawyer. I thought that if I was a great civil rights lawyer, I could really help the people of America, the people that live in my community. But I should have been a tax lawyer, because had I been a tax lawyer, then I would have better understood how I could help middle-class families by fixing the AMT. If I had been a tax lawyer, I would have understood how I could help people purchase homes and get a benefit from it. Had I been a tax lawyer, I would have understood how fairness operates in the United States of America through the Tax Code, because by the Tax Code, poor people might have a chance, working people might have a chance.

I say to my colleagues today, vote for this, vote for this bill. It may not be all that we wanted. And if you think about it, if we hadn't spent so many trillions of dollars in Iraq, maybe there would be a pay-for in this legislation.

Mr. Speaker, I am pleased to see that today, the House is taking up tax relief for the 23 million Americans who otherwise would be saddled with the onerous alternative minimum tax. In addition, we are also providing relief for 7.4 million low-income workers by increasing the Earned Income Tax Credit.

Families across America will this weekend sit down at the dinner table take an accounting of their personal finances and balance their checkbook. The Government is charged with balancing the checkbook of the United States. While I enthusiastically support the efforts of private equity and hedge fund managers, I am very aware that service income is just that and should be taxed that way—at ordinary income rates. It is the responsible thing to do because we must not mortgage our future by continuing to borrow from foreign countries such as China.

We are also, Mr. Speaker, enabling more than 6.5 million working families to use the refundable Child Tax Credit. This is allowing more families to remove themselves from the depths of poverty. This legislation is helping Americans help themselves. It is okay to ask people to pull themselves up by their bootstraps, but if they don't have boots, we are asking too much. H.R. 3996, the Temporary Tax Relief Act is sound legislation, progressive tax policy and the right direction for America.

When a member of Congress hails from one of the poorest congressional districts in America as I do, there is a special responsibility to ensure that the interests of constituents are being addressed. That is why I am pleased to see that while we are pursuing a patch for the AMT, we are also increasing the Earned Income Tax Credit for an additional 7.4 million low-income workers.

The alternative minimum tax is an important issue for the American middle class taxpayer who does not get to take advantage of sophisticated tax planning and legal loopholes in the tax code. It is time that we addressed this issue once and for all to relieve the American taxpayer from the agony and pain that arise from having to figure out their taxes twice in order to come up with their tax liability.

It is particularly ironic that a tax that was meant for a few wealthy individuals has become the bane of existence for millions of American taxpayers, who could be affected. Indeed the AMT has become a menace. Over 7,000 hardworking Ohioans in my district had the grim task of filing a return with AMT implications in the 2005 tax year. Those are families with children, healthcare costs, unemployment issues, housing costs and the other money matters with which American taxpayers must cope. Relief is due.

We should consider alternatives to this alternative that might include a complete repeal. Relief is due. "Taxes are what we pay to live in civilized society," but dealing with the AMT has become a bit uncivil.

On the one hand we have people that have to live paycheck-to-paycheck and on the other hand we have partners in partnerships, whether they be real estate or private equity who sippeth from the public trough. I am cognizant that many of these partners work diligently to bring companies to market and to grease the wheels of capitalism from which we all benefit, from East Cleveland to East L.A. to East Harlem. As I mentioned after the introduction of Representative LEVIN's H.R. 2834, we must applaud the efforts of American capitalists and the strides that they make in fostering growth in our economy and, the global economy to wit. Yet we must also tax compensation income as compensation income and capital gains thusly.

We must also be mindful of the effect that our tax policy has on potential reinvestment in low-income and minority communities. It is important to note that women and minorities are often the last to the table and just when they are getting ready to participate in the large-scale ''financial festival'' that is private equity and hedge funds, etc, the rules appear to be changing. It is incumbent upon members of the aforementioned parties that fair and equitable tax policy should not be confused with the opening up of capital markets and the extension of new opportunity.

The tenets of sound tax policy begin with the notions of equity, efficiency and simplicity. Relying on that traditional framework I am sure that we have come to a rational consensus.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the distinguished member of the Ways and Means Committee, Mr. BRADY from Texas.

Mr. BRADY of Texas. Mr. Speaker, make no mistake, there are good things in this bill.

I think it's important that we address the AMT. It was created in 1969 by a Democrat Congress for the wealthy. Now it's affecting our teachers and our firefighters and just average families.

There is a State and local sales tax deduction in this bill, very important for families because sales taxes really add up fast. But these tax increases are troubling and risky. Like AMT, there are unintended consequences that will damage our economy.

We are launching an assault on the real estate and housing industry, increasing taxes on second homes and leveling a potentially devastating tax increase on real estate partnerships.

Now, these real estate partnerships, there are a lot of them. People say, oh, it's just corporations. There are 1.1 million partnerships who have done nothing wrong in America but build apartments in our communities, shopping centers, office buildings and industrial parks. This tax is seen as the most potentially devastating tax on them since 1986, which launched massive loan defaults and foreclosures. These are traditional real estate partnerships.

And people say, well, we are aiming at Wall Street. Well, they are aiming at Wall Street, but they're going to hit Main Street America, and the result is lower property values, fewer construction jobs, and risky lending in real estate partnerships who have done nothing wrong.

And finally, this bill levies a $2 billion tax increase on families who have

scrimped their whole lives to get a second home. These are not wealthy people. The average income is about $82,000 for those who buy a second time. And 40 percent, four out of 10 sales last year were second home buyers, people who scrimped on their first home so they might have a cabin or a place by a lake or something for their family to retire to. These higher taxes are going to damage their investments. They're going to lower property values. It's going to hurt every community across this country that relies upon these second homes. Whether you're at the lakes, the river, or out in the parks, these tax increases are dangerous.

Mr. NEAL of Massachusetts. There shouldn't be any confusion, Mr. Speaker, this bill cuts taxes for tens of millions of people.

At this time, I yield 1 minute to the gentleman from Washington State (Mr. MCDERMOTT).

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, I just want to say what the real issue here is. The Republicans are willing to say that 50,000 rich fat cats are more important than 21 million middle-class folks in this country.

Now, the people they're defending are people who have an adjusted gross income of $1 million, or more, who knows, and those folks are paying a 15 percent tax rate. That means they have to pay $150,000 in taxes. Oh, my God, they have to get by on $850,000. What we're saying is, let's tax them like the fireman who pays 30 percent. Thirty percent of $1 million is $300,000. Those poor people, they'll only have $700,000 to get by on. That's what it's about, folks.

Congress has an opportunity to demonstrate real leadership today by supporting a visionary proposal put forward by Ways and Means Chairman CHARLES RANGEL of New York.

First, we're going to help millions of middle class Americans by passing the tax extenders that are included in this legislation; without them, 23 million Americans would be harmed by a tax provision called AMT that was never intended to affect and hurt the middle class.

As part of the extensions in the bill, I included a provision that will extend the deduction for payment of local sales tax. Yes, people in my State of Washington will benefit, but so will taxpayers in the eight other States where there is no State income tax.

I am pleased that Mr. BRADY joined me in this important matter. It is another sign that we have produced legislation that is bi-partisan.

This is only a 1-year extension, but I think we will have an opportunity to make it permanent when the House begins considering tax reform, and the visionary proposal put forward by Chairman RANGEL.

Fact is, we are restoring fiscal discipline and so even good proposals that rightly benefit people cannot be fully implemented all at once because of the need to find ways to actually pay for what we propose to spend or return. And that may be the most important point of all.

Chairman RANGEL has produced an honest proposal based on dollars and sense.

What's different today, Mr. Speaker, is that this House has decided to pay for this tax relief.

We are going to save middle America from the alternative minimum tax, and do so by closing the big tax loopholes that billionaires have been driving their Hummers through.

On Wednesday, the Department of the Treasury informed the Nation that we are 9 trillion dollars in debt. Last month President Bush signed the fifth debt-limit increase since the beginning of his term.

He talks about being a fiscal conservative but his Republican Congress emptied your wallets and borrowed astronomical sums of money on credit.

As a result of this fiscal mismanagement, the dollar is on the brink of collapse and the Chinese are suggesting they'd prefer to hold debt in Euros instead of the greenback. It's not just the credit markets on Wall Street that are in trouble. Our public credit market is in jeopardy, too.

So what does the Bush Administration and his rubber-stampers in the minority suggest? They want to extend these tax cuts, but borrow the money to pay for them.

That's not the kind of leadership America needs. I urge support of this bill.

Mr. MCCRERY. Mr. Speaker, may I inquire as to the time remaining for each side.

The SPEAKER pro tempore. The gentleman from Louisiana has 11 minutes remaining. The gentleman from Massachusetts has 9½ minutes remaining.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the distinguished ranking member of the Budget Committee and a member of the Ways and Means Committee, Mr. RYAN from Wisconsin.

Mr. RYAN of Wisconsin. I thank the gentleman for yielding.

You know, I want to clear up a couple of facts. The other side has been saying this provides tax relief, reducing taxes for 10 million, millions of people. No, it's not. People's taxes are not going to go down. If this bill passes, 23 million people will not see lower taxes next year. They may not see a tax increase.

This is not about cutting people's taxes. This does not provide tax relief. This prevents tax increases on some and raises taxes on others. So let's be very clear here; what the majority is trying to do and what their new rules do is they say, if you want to bring a bill to the floor to address the alternative minimum tax, you better raise taxes, because that's the only legislation we'll accept.

What the majority is doing is they're saying, by not raising taxes on people, we're giving them a tax cut. Holy cow. That is new logic. We are simply saying, let's not raise taxes. That's it. Period. End of story.

This tax law was never meant to be. It was never designed to tax all of these people. We all agree on this. And so I find it kind of puzzling that we're bringing this bill to the floor, which we know will not pass law. The other body won't even bring it up for a vote, so it just shows how bound and determined the majority is to raise taxes, how bound and determined they are to put on this new glide path of going to taxing our economy, our society, our workers, our families more than we have in the history of our country.

□ 1230

They are saying, we don't like the alternative minimum tax, but we want those tax revenues. So instead of taxing people this way, we are going to tax people that way and get all this new money into the Federal Government.

Mr. Speaker, the problem in Washington is not revenues; the problem is spending. Both sides could do a better job on spending. I freely admit that. Let's focus on controlling spending and not raise taxes.

Mr. NEAL of Massachusetts. Mr. Speaker, we appreciate that epiphany, that after 6 years of a Republican Congress and a Republican President, they are blaming spending on the Democratic Party.

Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER), a thoughtful member of the Ways and Means Committee.

Mr. BLUMENAUER. Mr. Speaker, my Republican friends are shocked, shocked that a tax that they have ignored for 7 years is suddenly going to come into effect. Mr. NEAL, Mr. RANGEL, and others on our side of the aisle have been claiming this for years. Instead of specious tax cuts for a few, let's deal with the real meaningful problem: they ignored it. The red line that my friend Mr. RYAN had on his chart is the red line that is assumed by the Republican administration to justify their budget.

This proposal is not a tax increase. Over the next 10 years there will be exactly the same amount of money collected by the Federal Government. What is different is that there are three provisions that most Americans would say are modest technical provisions, including adjustments to carried interest rates. In exchange for that we will protect 23 million middle-class families from paying the AMT; provide 30 million homeowners with property tax relief; help 12 million children, by expanding the child tax credit; benefit 11 million families through the State and local tax deduction. That is the difference and that is why you should vote for it.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman's enthusiasm for his point of view doesn't make his point of view correct. In fact, Republicans time and time again protected taxpayers, middle-class taxpayers, from the application of the AMT. That is why there's a patch in place today; that is why last year those 21 million taxpayers didn't pay the AMT. In 1999, I would tell the Speaker to inform the gentleman, the Republican Congress repealed the AMT and, unfortunately, President Clinton vetoed that repeal. So I would take issue

with the gentleman's characterization of the Republican Congress's actions with respect to this issue.

At this time, Mr. Speaker, I yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from Virginia (Mr. CANTOR).

(Mr. CANTOR asked and was given permission to revise and extend his remarks.)

Mr. CANTOR. Mr. Speaker, I rise in opposition to the Democrats' approach to try and patch the AMT, on several grounds. First of all, I want to associate myself with the remarks of the gentleman from Wisconsin to the application of the Democrats' PAYGO rule because it has turned into ''we cannot do anything in this body without raising taxes.'' Someone has likened this approach to tax hikes on speed dial, and I heartily agree.

But I also rise in opposition because I believe that this particular bill in the context of the larger bill being proposed by the chairman of the Ways and Means Committee is nothing but a job-killer. One of the statements made by my colleague on the other side of the aisle was that somehow this tax hike targets only some of the wealthiest individuals in the world. You know, that is probably what the Congress said back in 1969 when they were passing the AMT: we only want to tax the wealthy.

But when you look at it, this provision, the provision of carried interest impacts not just those famed partnerships in the money centers of this country but it impacts the real estate partnerships, the ''mom and pop'' investment partnerships across this country that, frankly, fuel seven out of ten jobs across America. Where in the world do we think these small businesses are going to come up with the money to pay these taxes? They are going to come up with the money by not creating new jobs; they are going to come up with the money by not offering health benefits to their employees. Let's face it, money does not come out of thin air.

The next allegation is no one is going to stop investing in this economy, no one is going on economic strike if we raise the price of investment in this country. Well, have you looked at what is going on in our financial markets today? Look at the announcement from China, shifting $1.4 trillion of their reserves out of the U.S. dollar. Have you looked at the fact that people are not investing in housing any more, the subprime mortgage crunch?

Mr. Speaker, I would say it is an understatement to say that this is a job-killer.

Mr. NEAL of Massachusetts. Mr. Speaker, 94,000 teachers in Virginia are going to benefit from this proposal today and 133,000 families are going to take advantage of the college tuition deduction in the State of Virginia.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. PASCRELL), a member of the Ways and Means Committee.

(Mr. PASCRELL asked and was given permission to revise and extend his remarks.)

Mr. PASCRELL. Mr. Speaker, I want to associate my words with the gentleman, my good friend from Wisconsin, also. You say ''tomato,'' he says ''tomato.'' You call it tax relief; you call it tax cut. You make the choice. You think that the Bush administration and their congressional allies would be in support of this measure. Instead, Republicans are hysterically crying because this bill asks private equity managers to pay the same rate in taxes as most folks in this room. Why should the richest of all Americans pay only 15 percent in taxes when a doctor or lawyer pays 35 percent? Why should the kings of Wall Street only pay 15 percent on their contingency fees when most teachers and police officers pay 25 and 30 percent?

I have heard repeatedly in this debate that private equity managers are involved in a risky business so they should be rewarded with the lowest tax rates around. But the risk they carry is on other peoples' money, not their own. When you want to talk about risk, how about the firefighter that rushes into a burning building? Are Republican priorities so skewed that they will spend all their time and effort ensuring that financiers pay less in taxes than first responders? No way.

It is another day, and another example of prudent, sound, fiscally responsible legislation from the Democratic majority. Unfortunately, it's also another day of cheap rhetoric and skewed facts from the Republican side of the aisle. Indeed, the debate today says a great deal about the misplaced priorities and values of the other side.

Democrats are bringing to the floor a bill that will prevent the Alternative Minimum Tax from hitting 23 million taxpayers this year while also upholding our commitment to fiscal responsibility by complying with Pay-Go rules. You'd think that the Bush Administration and their congressional allies would be in support of such a measure. But no. Instead, Republicans are hysterically crying because this bill asks private equity managers to pay the same rate in taxes as everyone else.

Why should the richest of all Americans pay only 15 percent in taxes when a doctor or lawyer pays 35 percent? Why should the Kings of Wall Street only pay 15 percent on their contingency fees when most teachers and police officers pay 25 to 30 percent?

I've heard repeatedly in this debate that private equity managers are involved in a risky business, so they should be rewarded with the lowest tax rates around. But the risk they carry is on other people's money—not their own.

And you want to talk about risk? How about the firefighter that rushes into a burning building? Are Republican priorities so skewed that they'll spend all their time and effort ensuring that financiers pay less in taxes than first responders?

This legislation is wise and it is fair. It will give tax relief to 23 million hard working Americans while ensuring fairness in the tax code. And if it wasn't for the campaign contributions from Wall Street this bill would pass unanimously.

Mr. MCCRERY. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, this bill is very cleverly entitled the Temporary Tax Relief Act of 2007. But there's no tax relief here; no tax relief at all. All they do is for one year postpone a huge automatic tax increase on some people and they combine that with a $76 billion tax increase on others. So maybe the ''temporary'' is accurate, the ''tax relief'' is not. All they are doing is rearranging the deck chairs on the Titanic tax ship. That is what this bill is all about. AMT ought to stand for ''automatic major taxation.''

When I hear my Democratic friends decry it, they have had opportunity to get rid of this bill in the past, and perhaps there are some freshmen here, if they haven't had an opportunity, I would invite them to cosponsor the Taxpayer Choice Act, which would permanently repeal this huge automatic tax increase.

But, wait, our Democrat friends say, well, you have got to have something that is revenue-neutral. Well, guess what? Fully repealing the AMT is revenue-neutral. It is revenue-neutral to the taxpayer, the one who counts; not revenue-neutral to the Federal Government, but revenue-neutral to the hard-working taxpayer, the teacher, the fireman, the person who's trying to send their kid to college, pay for their mortgage payment. And you take that away. That is wrong. Vote this bill down.

Mr. NEAL of Massachusetts. Mr. Speaker, 284,000 teachers in the State of Texas will benefit from the proposal that is before us today.

Mr. Speaker, I yield 1 minute to the gentlewoman from Nevada (Ms. BERKLEY), another member of the Ways and Means Committee.

Ms. BERKLEY. Mr. Speaker, I rise today in support of this bill that provides tax relief to parents and teachers, college students, homeowners and to millions of other middle-income Americans. If this legislation is not passed, more than 128,000 Nevada taxpayers will be slammed by the alternative minimum tax. This includes more than 30,000 people in my district alone.

I believe the alternative minimum tax should be eliminated, but this bill provides a necessary temporary solution to protect over 20 million Americans who will be hit by the AMT in 2007. Nevada residents will benefit from the extension of the deduction for State and local sales taxes contained in this bill. For homeowners, this bill extends the tax deduction for private mortgage insurance, and it provides relief to those who lose the roof over their heads by eliminating the foreclosure tax.

This bill ensures that more hard-working parents will be able to benefit from the child tax credit. But, most important, the tax relief in this bill is fully offset and will not add a single dollar to the national debt.

Mr. MCCRERY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. Mr. Speaker, earlier we heard from the other side of the aisle that President Kennedy once said: ''To govern is to choose.'' Well, so it is, and we have seen how the Democrat majority of this House has decided to choose when it comes to the issue of tax and spend. They always choose tax.

In the very opening comments from the Democrat chairman of the Ways and Means Committee, he said that one of the options they could have considered was cutting spending in the United States Government for once, but they immediately dismissed that, saying that that was simply politically undoable for the Democrat Caucus.

So instead what they do they do? They raise taxes. Their proposal, they say, is to tax the rich. But really what they are saying is try to rob Peter to pay Paul and then go and try to convince Paul that Peter is paying and convince Peter that Paul is paying. But the American taxpayer knows that all of middle-class America will be paying for this tax increase.

This tax increase, a $76 billion tax increase over 10 years, follows a litany of other tax increases. I was on the floor last night and I went through about a dozen Democrat bills which, combined, totaled about $110 billion in tax increases on top of the largest tax increase in their budget. Vote ''no'' on this.

Mr. NEAL of Massachusetts. Mr. Speaker, 619 businesses in the State of New Jersey will take advantage of the research and development tax credit.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Maryland (Mr. VAN HOLLEN), a member of the Ways and Means Committee.

Mr. VAN HOLLEN. Mr. Speaker, this bill provides tax relief to more than 24 million American families and corrects a huge inequity where many people have been forced to pay taxes on phantom income, income they never earned. Today, we gather to fix two big problems left behind by the Republican Congress under President Bush. One is a huge middle-class tax increase that they left hanging over the heads of the American people, a tsunami, that if we don't act today, will crash down on 124 million American taxpayers.

The Republican Congress under President Bush could have addressed this problem. They chose not to. It just was not a priority for them. They instead spent their time providing tax increases that went to the very wealthiest Americans and left the rest of the country holding the bag of $9 trillion debt, a debt that costs the American taxpayer $3,300 each year to pay the service on that debt, the debt that they ran up.

Mr. Speaker, today we can pass tax relief in a fiscally responsible manner. Let's get it done.

Mr. MCCRERY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL of California. Mr. Speaker, let's look at what this bill does. It basically leaves the alternative minimum tax the same as it is now. That is not a tax cut. But to ''pay'' for leaving some taxpayers' taxes alone, they are going to raise other people's taxes. Now, I'm sure that in a moment the gentleman from Massachusetts will give some number of taxpayers in California he says will benefit from this. Those taxpayers will benefit from having their taxes the same as they are now. What the gentleman will not say is the number of taxpayers in California whose taxes will be increased by this bill, and there will be many. So some people's taxes stay the same and others go up.

Mr. Speaker, this bill is a straight-up, direct, unadulterated tax increase. It will not be the last straight-up tax increase brought to you by this Congress.

Mr. NEAL of Massachusetts. Once again, what the gentleman said is we should borrow the money.

Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. DAVIS), a distinguished member of the Ways and Means Committee.

Mr. DAVIS of Alabama. Mr. Speaker, my colleague from California and my friend from Texas are right, this bill is not burden-free. This is who bears the burden: 36,000 to 50,000 individuals who took a deduction for carried interest, less than two-hundredths of a percent of the taxpaying population, and what was their combined income in the last year? Mr. Speaker, it was $935 billion. That is who will bear the burden.

When Mr. VAN HOLLEN and I came to the Congress, here's who bore the burden every time they brought tax bills to the floor: college students who were pushed into paying higher loans, families on Medicaid who were pushed into paying higher premiums, people who were pushed into having their benefits taken away when they need them, and soldiers who lost the earned income tax credit for some of their families.

□ 1245

Under this majority, the people who bear the burden when we have to make difficult choices will not be the people who are working and sustaining this country day in and day out. Yes, someone will bear the burden; a very, small narrow category of the super-rich.

Mr. MCCRERY. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. I thank the gentleman for yielding. It is great, because in other countries, sometimes opposition candidates get put under house arrest. Here in this great institution we have the debate in plain view. And as has been mentioned repeatedly, there is just a clear distinction on how to solve this problem.

Personally, I think I speak for many, the AMT is a problem, and it is a problem for 52,000 people living in Staten Island and Brooklyn, many of whom, by the way, are small business owners, are those firemen and police officers and teachers who are working sometimes two, three and four jobs to put food on the table. We should abolish it. Abolish it once and for all, as has been suggested.

Put simply, this is a wolf in sheep's clothing. We know what it will do. This is the first installment on what will be the largest tax increase in American history. My concern is more than just being an American citizen here. My equal concern is what will it do to New York's economy.

People talk about how we are going to pay for firefighters and police officers. We know that this bill will punish investment, punish capital, kill jobs that in large part go to fund the salaries of those firefighters and police officers and teachers who do a great job every day. It is a clear distinction, a clear disagreement on where we are going. Kill this bill.

Mr. NEAL of Massachusetts. Mr. Speaker, there are 1,462 businesses in the State of New York who will take advantage of the research and development tax credit that we extend today.

Mr. Speaker, with that, I yield 1 minute to the gentleman from Maryland (Mr. HOYER), the distinguished majority leader.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Speaker, this debate must be somewhat confusing for the American public. First of all, almost every one of us stands and says that we want the alternative minimum tax fixed. We want it fixed because of the presumption of the alternative minimum tax, which I support and which I will not vote to repeal unless we pay for it. I want you to know that I speak as the father of three daughters, as the grandfather of three grandchildren, and as the great-grandfather of one great-granddaughter. I have listened to this debate. I am going to speak about this debate, and I am going to refer to history. My friend Mr. RYAN knows what I am going to say because I have said it before, but I believe the American people need to know this.

Let me place it in context. I have served in this body for 26 years. During that time, Republican Presidents have served for 18 of those years. A Democratic President, President Clinton, served for 8 of those years. During the Presidencies of President Reagan, President George Bush and the present President Bush, we have accumulated deficits in America of $4.1 trillion of deficit spending.

Now, there is only one person in America who can stop spending in its tracks. Just one. Not me, not anybody on this floor. We need 217 other people to do that with us. But one person can stop spending in its tracks. And in the 26 years that I have been in the Congress of the United States, no President has had a veto of a spending bill

that spent too much overridden. Not one.

This President has vetoed no spending bills under Republican Congresses. Not one. No matter how much they spent. And, by the way, ladies and gentlemen of this House, they spent at twice the rate of growth that the Democrats under President Clinton spent.

Now, Republicans were in charge of Congress, but they were in charge of everything during the first 6 years of this century. Everything. House, Senate, Presidency.

My friend made the observation that neither side had done too well. I would suggest my side has done a lot better. Because under my side in those 8 years of the Clinton administration, we had a $62.9 billion net surplus after 8 years, and we didn't have to raise the national debt one time in the last 4 years after we got the deficits created under the Reagan administration and the first Bush administration down, from a $292 billion operating deficit when we took over to surpluses during the last 4 years, and a straight line of reduction every one of the first 4 years of the Clinton administration.

Why? Because we Democrats believe in spend and pay. You simply believe in spend and borrow. You believe that it is a politically wise policy to pursue that ''don't tax the voters, tax the children.'' Tax the children. Delay the ramifications of spending until tomorrow and tomorrow and tomorrow, when the children will have to pay the bill, because, after all, they are not voting.

I have heard a lot of wringing of hands about PAYGO. I know you are all waiting to hear me read a quote, so I will read it to you. ''With the other body unable to pass even a budget this year,'' that was referring to a Republican Senate, by the way, ''we were obviously unable to reach an agreement on legislation to extend PAYGO and other budget rules. It is my hope that this can be done next year as part of a normal budget process. I would close by reminding our colleagues and Members that the PAYGO rule contributed to taming of deficits over the past seven years, and it is my hope that a successor to PAYGO can be developed and coupled with caps on discretionary appropriations.'' That quote, of course, comes from Jim Nussle.

As a matter of fact, President Bush's administration also said that they were for PAYGO, until they found out that PAYGO applied to cutting revenues. And because they didn't want to stop buying, I say to my friends on the Republican side of the aisle, and you knew that you would be constrained in buying if PAYGO applied to your tax cuts, which I supported for the middle-class but not for the skewing of taxes that I saw in your proposals, that you would have to stop spending, because you couldn't pay for it. So you jettisoned PAYGO, a premise that was overwhelmingly adopted by Republicans and I voted for in the 1997 Budget Act, because I believe in balancing our budget.

I have served in legislative bodies for almost 40 years, and I have found people who like to vote for spending but don't like to vote for paying. It takes no courage whatsoever, I tell my friends, to take my credit card out of my pocket and put it in there, sign the little slip and think I will never have to pay for it, because, by the way, I will be dead and gone by then and my children will have to pay the debt. That has been referred to by Mr. Portman as an immoral policy, Rob Portman, the former Director of the OMB, a former member of the Ways and Means Committee.

Mr. Speaker, I rise in very, very strong support in favor of this tax cut for millions of Americans. Will there be an offset? There will be. And, as I said, I will not vote to fix the AMT unless we pay for it. Because if we fix the AMT without paying for it, what we will say to people like STENY HOYER and every Member of this House, maybe we have a conflict of interest, because every Member of this House is going to be affected by this if we don't repeal the AMT, for those of us at this income level.

So maybe we have a conflict of interest. Maybe we want to save ourselves a little money, but we don't want to pay for it, because raising revenues takes political courage. There is no courage whatsoever in plunging our country into debt, spending and not paying. It is, as Rob Portman said, an immoral policy, lacking in courage and lacking in fiscal responsibility.

My friends, we need to pass this bill and give millions of Americans a tax cut and ensure that millions of Americans will not get a tax increase. PAYGO is a policy that demands responsibility.

Many of you voted for the bankruptcy bill, as I did. I was criticized by some because we thought that individuals ought to exercise fiscal responsibility in the managing of their finances. I think corporately as a government we ought to do the same.

Mr. Speaker, let no one be mistaken. This is precisely what this legislation offered by Chairman RANGEL was designed to do, give a tax cut to millions of Americans and preclude millions of Americans from paying more, and asking other Americans to pay their fair share so those at the bottom of the rung don't have to pay more to defend our country, to educate our children, to keep our families healthy.

Mr. Speaker, this tax cut will provide 30 million homeowners with property tax relief. It will help 12 million children by expanding the child tax credit. It will help 4.5 million families better afford college with tuition deductions. It will save 3.4 million teachers money with deductions for classroom expenses.

My wife was a teacher. She died 10½ years ago. She was one of the best people that I have ever met in my life, if not the best. Every year, we would spend a couple of hundred dollars, and we could afford it, maybe even a little more than that, to make sure that her kids in her classroom had things that they needed but were not provided. We are going to give teachers a tax cut to do that. Our children will be served and our teachers will be served.

In short, this bill will extend tax credits and deductions that will benefit a wide array of Americans and the American economy. And, yes, this legislation helps to restore tax fairness and once again demonstrates that this Democratic majority is committed to fiscal responsibility.

Let me restate that figure: 18 years of Republican Presidents, $4.1 trillion of deficit spending. Under Bill Clinton, 8 years, $62.9 billion net surplus. No indebtedness. No indebtedness in the last 4 years.

We are now over $9 trillion in debt. This administration has gone from $5.7 trillion to over $9 trillion. Republicans were in control of everything, and spending escalated at twice the rate it did when Bill Clinton was President.

My friends, this bill is a fair bill. This bill is responsible. This bill gives tax cuts to millions of Americans and asks some few Americans to pay their fair share. Vote for this bill. It is good for America, it is good for our people, it is the right, and as Rob Portman said, the moral thing to do.

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Mr. MCCRERY. Mr. Speaker, I yield myself 1 minute.

There has been a lot said here on the floor today and a lot of it is one person or one party's spin on the facts or on history. The distinguished majority leader put his spin on history. I would just like to point out to the House that for the last 6 years of the Clinton administration, which was bragged about so by the majority leader, there was a Republican-controlled Congress. Under the Constitution, the Congress controls the purse strings of the country and develops fiscal policy. And under our fiscal policy, we balanced the budget and created a surplus.

Then when President Bush came into office, he inherited a recession, a short-lived recession, admittedly, but still a recession. And then we had 9/11 which was a shock to the economy and then we had war. Every time in this Nation's history that we have had either a recession or a war, we have had a deficit. This time is no different. But, under our policies, we are producing this year 18.6 percent of GDP for Federal revenues and that is above the historic average. Why do we need more, Mr. Speaker? This bill would add to that. We don't need to.

Mr. NEAL of Massachusetts. Mr. Speaker, we are not surprised that the Wall Street Journal reported 3 weeks ago that the American people, with a two-thirds majority, give Bill Clinton high marks for his Presidency.

With that, I yield 1 minute to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, I stand in strong support of this most important piece of legislation. This is the most important piece of legislation to stimulate our economy in this entire session.

What we have before us in this House today is a choice: Will you stand with the few, as my friends on the right are doing? Will you stand with the few multibillionaires who are not paying their fair share while the rest of America is paying a 35 percent rate on their income? Will you stand over there on that side with multibillionaires who are paying just 15 percent? Will you stand with 30 million American families who will get property tax relief? Or will you stand with those who have not, who are hiding behind capital gains, when they know very well that they are not putting capital in. That's why we have capital gains at 15 percent. But these fund managers are not. They are being compensated for ordinary income. Why should they be different than the housewife and the fireman?

Make the right choice today. Stand with America and let's vote for this bill.

Mr. MCCRERY. Mr. Speaker, to close the debate for our side, I recognize for the remaining time the gentleman from Ohio (Mr. BOEHNER), the distinguished minority leader.

Mr. BOEHNER. Let me thank my colleague from Louisiana for yielding.

Let me say with all the gratitude I have, I love the chairman of the Ways and Means Committee. He knows I do. I think he and the gentleman from Louisiana, the ranking Republican on the committee, do a marvelous job together. But as much as I love our chairman, there is one thing about his chairmanship that we have a big disagreement over, and that is the issue of raising taxes.

So far this year we have had $100 billion of new tax increases that have been passed by this House. Thankfully, none of them have become law. And, hopefully, none of them will become law. This is $81 billion in another tax increase. This is a warmup for the $3.5 trillion tax increase that is coming that was introduced this last week. And so, Mr. RANGEL, as much as I love you and think the world of you, when it comes to the issue of taxes, I am opposed.

I came to Washington because I thought government was too big, it spent too much, and took too much out of the pockets of the American people. So I don't vote for tax increases. I think it is wrong. If you look at what has happened in our economy over the last 4 years, think about this: we cut tax rates in 2001, we cut tax rates in 2003. And what has happened in the last 4 years, Federal revenues, total revenues to the Federal Government have increased at over 10 percent per year in each of the last 4 years. As a matter of fact, it is over 11 percent in each of the last 4 years. This year we expect Federal revenues to rise another 7 or 8 percent.

So anybody who believes that we have a revenue problem I think is mistaken. We have a spending problem, and we will not stand up and take on the spending challenges that we have. We all know we have to step up and do it, we just can't quite find the courage to get it done.

What is even more irritating about the bill that is on the floor today is that it is a temporary tax patch to prevent a tax increase from going into effect for 1 year, paid for by a permanent tax increase. I am sure that the chairman of the committee would rather not do it this way, but that's what this bill does. All we are doing again is putting a permanent tax increase into law.

Now this law and this bill that we are debating is never going to become law. It is never going to become law because the Senate has made it pretty clear they are not going to do this bill this way. They are not going to have this tax increase in this bill. The White House has made it clear that they are not going to sign a bill that raises taxes.

So here we are playing political games once again and running out the clock. Running out the clock on whom? Running out the clock on the IRS and running out the clock on those 50 million Americans who are going to get a refund next year because, as we all know, this bill will probably not be done until Christmas. And the confusion that is going to reign next January, February, and March as people are trying to fill out their taxes, not knowing whether the alternative minimum tax is going to apply to them, is going to be confusion enough.

And it gets worse because what is going to happen is that the refunds that Americans, 50 million of them, are going to expect, are going to show up 2 or 3 months later than what they expect. And at a time when our economy is slowing and people are trying to hold onto their homes, a delay in their refund is going to put a real crimp on American families.

Now why are we having this big disagreement? This whole issue of PAYGO, how is it that we are going to extend the current tax rates, the current tax system for another year, and yet we have to have an $81 billion tax increase to pay for it?

The tax system we have today is going to be the same tax system we have next year, and yet we have to find some way under these crazy rules to pay for it.

Now, this is nothing more than a tax increase. For those who believe bigger government and higher taxes and believe government is the answer to virtually everything, I can understand why you want to raise taxes. But I don't believe the American people want their taxes increased.

At the end of the day what I am really confused about is if the Senate is not going to have this tax increase, and the White House is not going to sign it and it is not going to become law, why do you want to take your Members and walk them out on this plank only so it can be sawed off behind them? I wouldn't do that to my Members; I would hope you wouldn't do it to your Members.

American middle-class families are already under the gun. They are paying higher energy costs and higher health care costs, higher gasoline prices at a time when their incomes are not rising. The last thing they need is another tax increase from Washington, DC.

I would hope my colleagues would join me in voting ''no'' on this bill, making it clear to the American people that we understand the pain that they are dealing with and we should be here to help them, not to hurt them with higher taxes.

Mr. NEAL of Massachusetts. Mr. Speaker, we hold the same regard for the distinguished minority leader on this side that they hold for Chairman RANGEL, as well. But the difference is essentially this: the Republican Party once again proposes to borrow the money to pay for tax relief. We intend to pay for tax relief.

With that, it is an honor for me to recognize the gentlewoman from California, the distinguished Speaker of the House, Ms. PELOSI, for the balance of my time.

Ms. PELOSI. I thank the gentleman for his leadership on the Ways and Means Committee. I commend the distinguished chairman of the Ways and Means Committee, and respect the leadership also of the distinguished ranking member of that committee.

Thank you, Mr. RANGEL, for your leadership in bringing this important legislation to the floor. It enables us as Members of Congress to plant a flag for fiscal responsibility, to plant a flag for the middle class in our country, and to plant a flag for competitiveness, to keep America number one.

Mr. Speaker, this legislation is important because it provides long overdue middle-class tax relief, preventing a tax increase that will fall upon the middle class come this next year. The bill is about tax fairness; it is about fiscal responsibility; and, again, it is about keeping America competitive.

When we talk about fiscal responsibility, unfortunately, it always seems necessary, after listening to my Republican colleagues, to set the record straight.

The Democratic Party is the party of fiscal responsibility. When President Clinton was President, his four final budgets were in surplus. He left office with our budget on a trajectory of $5.6 trillion in surplus. Sadly, the Bush administration reversed that taking us to over $3 trillion in deficit, a swing. Now we are at a swing of about $10 trillion, a swing that is greater than anyone has ever seen in history in terms of fiscal irresponsibility.

And what did the Congressional Budget Office under the Republican

leadership say was the leading cause for that? Tax cuts for the wealthy. Don't blame it on the war; don't blame it on anything other than what it really was: tax cuts for the wealthy.

And so today we see a change. Tax cuts for the wealthy under the Bush administration and a Republican Congress paid for by the middle class. Today we reverse that: tax cuts for the middle class, paid for by the wealthiest people in our country.

And as we give this tax break, who is getting it? Think of it, 23 million middle-class families are protected from higher taxes due to the alternative minimum tax. Thirty million homeowners will receive property tax relief. Twelve million children will benefit from the expanded child tax credit, and 4.5 million families will get help affording college education. This is in addition to our earlier investment of the largest expansion of college affordability since the GI Bill in 1944. Thousands of our men and women in uniform will receive tax relief under the earned income tax credit. They were prohibited from qualifying for that because our Republican colleagues would not disregard combat pay in that consideration.

So fiscal responsibility, tax cuts for the middle class, and competitiveness for our country. This weekend as we go into observing Veterans Day, we all know the great debt of gratitude we owe our veterans for their service to our country, their sacrifice, their patriotism and the sacrifices they and their families are willing to make.

What veterans have done over the generations is to protect our democracy. Essential to the success of a democracy, though, is a thriving middle class, in our country and in countries throughout the world, a thriving middle class. And this legislation is in furtherance of supporting that middle class and therefore supporting our democracy.

In keeping with our pay-as-you-go rules with no new deficit spending, this legislation will ensure that our children will not inherit a legacy of debt. In terms of competitiveness, this legislation extends the R&D tax credit and new markets tax credits, among other things; but I mention those two because they are directly related to our Innovation Agenda, our commitment to competitiveness to keep America number one.

So, again: fiscal responsibility, favoring the middle class, keeping America competitive and number one. Democrats are committed to putting middle-class families first. The choice is simple: tax relief for millions of middle-class families or protecting tax loopholes, the Wall Street loophole, that allows a privileged few to pay a lower rate than America's teachers, firefighters, nurses, doctors, police, and our men and women in uniform fighting in Iraq and Afghanistan. It is about the people who are the backbone of America.

The choice is a simple one. Today we Democrats say join us in voting in favor of America's middle class.

I urge the passage of this legislation and again commend the distinguished chairman and distinguished Chair of the subcommittee, Mr. NEAL, for their leadership.

I am proud of the courage that my colleagues have shown to protect our middle class and to do so in a fiscally sound way and in a way that, again, keeps America competitive, honoring the service of our men and women in uniform, to build a future worthy of their sacrifice.

Mr. LANGEVIN. Mr. Speaker, I rise today to voice my strong support for the Temporary Tax Relief Act, H.R. 3996. This comprehensive legislation will provide fiscally responsible tax relief for hard-working, middle-class Americans, help stimulate our Nation's small businesses and provide financial support to public servants nationwide.

The Temporary Tax Relief Act represents a new direction in tax policy that will offer assistance to thousands of Rhode Island middle-class families. I am particularly pleased that this legislation includes a 1-year patch to keep millions of hard-working, middle-class Americans outside the ever-widening net of the alternative minimum tax, AMT. Congress first enacted the AMT in 1969 to ensure that 155 wealthy taxpayers paid their fair share of the Federal income tax, but because they neglected to index the tax for inflation, it has since become outdated and unfair. If left unfixed, this year over 23 million Americans—and 75,000 Rhode Islanders—will be forced to pay nearly $2,000 in additional taxes.

The bill before us will also expand the refundable child tax credit by reducing the minimum income eligibility level from $11,000 to $8,500, thereby allowing more Rhode Island families to take advantage of this important credit. In addition, this legislation will help stem the rising cost of higher education by extending the above-the-line tax deduction for qualified education expenses up to $4,000. H.R. 3996 also provides much-needed tax relief to homeowners who do not itemize their deductions by permitting married couples to deduct up to $500, and single taxpayers to deduct up to $250, in property taxes, in addition to their standard deductions.

It's not just middle-class taxpayers who will reap the benefits of this bill. The Temporary Tax Relief Act contains a number of provisions that will help stimulate our Nation's small businesses, including a 1-year extension of the Research and Development, R&D, tax credit, which will keep American companies competitive and spur businesses to invest in the future and create jobs. Also included is a provision that will grant small businesses a tax incentive for committing to invest in local community development.

Finally, H.R. 3996 directs well-deserved financial assistance to our Nation's public servants. Under this legislation, more than 3 million teachers will be able to deduct out-of-pocket expenses, including books and other school supplies, for their classrooms.

I am also proud to support a provision to provide tax relief for thousands of American troops in combat under the Earned Income Tax Credit.

Perhaps most importantly, this measure is fully paid for and will not add a penny to our national debt. We made a commitment to the American people to abide by pay-as-you-go rules so that our children and grandchildren will not bear the cost of the decisions we make. Today we reaffirm our commitment to fiscal responsibility, while maintaining our promise to helping middle-class families and small businesses nationwide. I would like to thank Chairman RANGEL for his leadership in crafting a balanced, responsible and urgently needed bill, and I urge my colleagues to join me in supporting this important legislation.

Mr. CONYERS. Mr. Speaker, the middle class is the economic backbone of America. But they are increasingly under pressure due to rising costs in housing, healthcare, and education. To make matters worse, the Alternative Minimum Tax, AMT, will reach a significant percentage of them this coming fiscal year. The Congress needs to act. Today, we will vote on H.R. 3996, the Temporary Tax Relief Act of 2007, which would ensure that no additional taxpayers pay the AMT this year while also extending popular tax credits and deductions that expire at the end of the year.

The Congress created the AMT in 1969 to ensure that the wealthiest were not finding loopholes in the tax code and thus avoiding paying any taxes at all. However, because the AMT was not adjusted for inflation and the tax itself has significantly grown in recent years, it will affect a large percentage of the middle class. Unless the bill is enacted, 23 million middle income Americans, who were never intended to be subjected to this tax, will be taxed at a higher rate than before.

I am pleased to support my friend, Representative CHARLES RANGEL, who wrote this revenue neutral bill. H.R. 3996 will extend and expand many popular tax credits and deductions such as the mortgage insurance deduction, the child tax credit, small business investment write-offs, a deduction for teachers who use their own money to buy classroom materials, and the additional property tax deduction, which will benefit at least 30 million Americans. Furthermore, it will exclude phantom income deduction from discharged home mortgages, and will also prevent the Internal Revenue Service from entering into private debt collection contracts.

Of course, any large tax reform necessarily entails some hard choices. Recent economic growth has been enjoyed disproportionately by the top one percent of Americans, who also continue to benefit from loopholes in the tax code. This bill will take a step towards ensuring that the wealthy pay their fair share by increasing taxes on private equity managers, who actually pay lower taxes on carried interest, and on multinational corporations who offshore their businesses for the express purpose of tax avoidance.

It is simply unfair for 23 million hard-working middle income Americans to pay additional taxes while many wealthy private equity and hedge fund managers enjoy a much lower rate of taxation. H.R. 3996, restores America's tradition of progressive taxation. What we are doing here today is a fair and reasonable tax increase on the highest income earners in the country, who can easily afford it, to benefit millions of working families.

Ms. HIRONO. Mr. Speaker, I rise in strong support of H.R. 3996, the Temporary Tax Relief Act.

This bill will provide 23 million American middle-class families—including more than

90,000 families in Hawai'i—with tax relief totaling $50 billion. Without this legislation, these families will end up paying higher taxes under the alternative minimum tax, AMT.

Our middle-class families are struggling with higher health care costs, higher college costs, higher energy costs and higher housing costs and, basically, have not been helped by the 7 years of the Bush administration. Passing this bill will provide some welcome relief for our middle class.

This legislation is important in promoting fairness and justice in the tax system. Why should the richest of the rich avoid among us paying their fair share in taxes? Today with this bill we are saying that individuals who earn millions of dollars on Wall Street should pay their fair share in taxes so that hard-working middle-class Americans including teachers, police officers and firefighters, won't have to pay more than their fair share.

The bottom line is, without this bill, 23 million families will have a tax increase. With this bill, they will be spared from paying more under the AMT.

I am proud that the Democratic majority is supporting our middle-class families with this tax relief, and I urge my colleagues to support this legislation.

Mr. FALEOMAVAEGA. Mr. Speaker, given that American Samoa's private-sector economy is more than 80 percent open dependent either directly or indirectly on the U.S. tuna processing and fishing industries, I rise in support of H.R. 3996 which includes a provision to extend IRS 30A tax credits to American Samoa.

While I asked for a 10-year extension of our tax credits, I understand that all tax extenders included in this bill received the same extension of 1-year only. Chairman RANGEL has also promised to continuing to work with me on a more permanent solution for American Samoa once our local canneries agree on what incentives work best for them.

It is unfortunate that StarKist and Chicken of the Sea could not reach agreement in a timely manner regarding whether or not 30A is the best option for them to remain and invest in American Samoa. Earlier this year, both canneries agreed that 30A was the way forward. By mid-year, our canneries were at odds.

Our canneries have also been unable to provide Chairman RANGEL with a clear indication of whether or not they will stay in American Samoa if they are provided with tax credits. During last Congress, our canneries also failed to provide Chairman THOMAS of the Ways and Means Committee with assurances of their commitment to American Samoa.

Regardless, I still support 30A tax credits for American Samoa, and especially for our tuna fishing and processing industries. I also support opening up 30A for new investors, too, and I will continue to work with Chairman RANGEL to make this, or a similar initiative happen.

In the interim, I appreciate Chairman RANGEL's support in extending tax credits for American Samoa for an additional year while our canneries go back to the drawing board in an effort to reach agreement.

Mr. MORAN of Virginia. Mr. Speaker, I rise today in strong support of H.R. 3996, the Temporary Tax Relief Act of 2007. This bill will bring relief to tens of millions of hardworking American families, including nearly 100,000 in my district alone.

It makes responsible, sensible changes to the tax code to make it more efficient and more equitable, changes that are sound both morally and economically. Most importantly, H.R. 3996 will be the first tax relief bill of this millennium that did not increase the deficit.

This bill would lower the tax burden on 95 percent of the people affected by it—which is about as close to perfect as we're able to get with the tax code. I'd like to commend Chairman RANGEL and his staff for their work on this excellent bill, which I am proud to support today.

Mr. Speaker, we are at something of an impasse. The President's budget assumes the revenue next year from a vast expansion of the AMT, and the President has offered no alternative to either eliminate the AMT or patch it, likely in recognition of the immense cost to the treasury. Yet nearly everyone agrees that we must pass some form of AMT relief this year and that we must do it soon. The Congressional Budget Office and Joint Committee on Taxation have spelled out specifically what the cost of a one-year AMT patch would be. It cannot, whatever tooth fairies we might wish to believe in, be accomplished for free.

What we seem to disagree on is how to reconcile these two truths. We don't have many choices, Mr. Speaker, and other Members are correct in pointing out that many of them are difficult. The consequences of choosing wrong, however, are far too drastic for us to avoid confronting the problem head on.

If we are to pass an AMT "patch," we can do one of three things: we can cut benefits in Social Security and Medicare to comply with Pay-Go, we can raise additional revenue to comply with Pay-Go, or we can waive Pay-Go and continue financing tax cuts by increasing the federal deficit and the national debt. That is, we can just irresponsibly pass the buck to our children and grandchildren.

Mr. Speaker, I do not think it would be possible for me to oppose waiving Pay-Go in sufficiently strong terms. As the gentleman from Massachusetts, Mr. CAPUANO, told us yesterday, this Administration has increased U.S. government debt by an average of $15,644.93 per second since they took office.

Pretending that sexual activity among teenagers does not exist will not reduce the number of new sexually transmitted infections; it will not reduce the number of teenage girls who become pregnant; and it will not reduce the number of abortions performed every year.

I want to thank Chairman OBEY for including language in this Conference Report to ensure that programs will not be funded that are medically inaccurate. I hope that in the future, we can continue to work together to ensure that our children receive high quality, science-based, age-appropriate sex education that is medically sound and free from ideological or religious bias. Despite my concerns about this program, Mr. Speaker, I am proud to support this important bill and urge my colleagues to do the same, so that we can get needed funds to these critical programs as soon as possible.

Mr. SPRATT. Mr. Speaker, three times in recent months, officials of the Bush administration have come before our committee, and when asked about the AMT and its impact on middle-income Americans, for whom it was never intended, they have insisted that they could fix the AMT with changes in the tax code, such that there would be no change in revenues.

In February 2006, Josh Bolten was the Director of OMB. He told the Budget Committee that the AMT could be "corrected in the context of overall revenue-neutral tax reform."

In February 2007, Rob Portman was the Director of OMB. He told the Budget Committee that "our budget assumes that we will have a revenue-neutral correction to the AMT."

Rob Portman was followed by Hank Paulson, Secretary of the Treasury, and he said essentially the same thing.

The difference between these officials and Chairman RANGEL is that CHARLIE RANGEL has delivered. Mr. RANGEL has put a revenue-neutral bill on the table, and to boot, extended a few popular tax concessions about to expire, such as the R & E tax credit, while adding few new ones, such as the exclusion of gains on the foreclosure of taxpayers' homes.

Mr. RANGEL and his committee deserve credit for bringing this bill to the floor, and for preventing the AMT from coming down on 23 million taxpayers, mostly middle-income; and they deserve credit also for sticking to the pay-go principles that we have steadfastly applied for the last 9 to 10 months.

Our Republican colleagues ask why we have to fix the AMT in way that is compliant with our pay-go rule. If you really need an answer to that question, consider these facts: The Bush administration inherited a $236 billion surplus and by the year 2004, turned it into a $413 billion deficit. As a result, the national debt of the United States reached $9 trillion last week. $3.2 trillion of that debt has been incurred on the watch of this administration, and by the time it leaves office, the total debt accumulated will hit $4 trillion.

That's why we apply pay-go and require offsets: it's one way to slow down the build-up of debt while working off enormous deficits.

So, this bill is fiscally responsible, and fair for two reasons: it brings tax relief to middle-income Americans, and it does not pass the tab on to our children and grandchildren as a mountain of debt.

So, vote responsibly. Vote Rangel.

Mr. POMEROY. Mr. Speaker, I rise today to support this responsible tax relief package.

The bill before us today:

protects 23 million middle-class tax payers from the Alternative Minimum Tax, including nearly 35,000 North Dakotans.

provides tax relief for millions more American families who want a better life for their families by putting more money in their pockets, and

protects future generations from tax increases by not adding to our national debt.

The president and my colleagues across the aisle say we should not have to pay for this package of tax relief. They are still acting as though they're living in a mythical Alice in Wonderland—in an America where borrowing $9 trillion in debt and running record budget deficits for years doesn't matter.

But deficits and debt do matter because every dollar we borrow places a "debt tax" on future generations who will have to pay for the decisions we make today. At $9 trillion, each of our children will be responsible for paying $30,000 of that debt, and that is before interest gets added on.

We crossed that 9 trillion dollar mark in the amount of outstanding public debt owed by this Treasury just earlier this week.

We saw that anxiety over that level of debt can have a short-term impact in the markets on Wednesday when a low level Chinese official suggested that the government may slow

purchasing Treasury bonds. In reaction, the dollar fell sharply and the stock market plummeted by 361 points. That is one day.

A huge persistent debt has greater cost for the economy. So, the moral issue today is passing a fiscally responsible bill that protects future generations by not asking them to finance current tax cuts. Each day the average daily interest payment on the debt adds more than $1 billion to the tab we leave behind.

My colleagues across the aisle would rather we pay for today's tax relief—tomorrow. Would that leave the cost to our children, who might just end up having to repay the Chinese holders of U.S. Treasury Notes with EUROs?

I try to teach my two kids important values. Among those values is teaching them that things worth doing are worth paying for.

That same core principle is behind PAYGO. Not paying for this important tax relief signals high disregard for this basic principle that we teach our kids and that motivated Congress to reinstate PAYGO rules.

With the massive fiscal challenges the Nation faces in coming decades, it is irresponsible to foist the cost of tax relief today on future taxpayers. Today, this Congress again should face up to that challenge and pay the cost now.

Reverse years of failed Republican policies that have mortgaged our grandchildren's future with additional foreign-owned debt.

Let's set an example for our kids—we do not let them eat dessert before they eat all their vegetables. Congress should not rush to dessert either.

I urge my colleagues to responsibly pay for middle-class tax relief.

I also want to express my appreciation to Chairman RANGEL of several important provisions in H.R. 3996 that provide millions of American families tax relief and business in our rural communities.

The bill helps 4.5 million taxpayers to meet the cost of paying for their children to get the ticket to a better future—a college education. We extend the tax deduction for the cost of college tuition for another year.

Also this bill extends for one year the current-law provision that allows taxpayers over age 70 and a half to make tax-free distributions from their individual retirement accounts (IRAs) for gifts to charities. In the few short months when senior citizens could use these Charitable IRA rollovers to donate nearly $112 million to help the work of worthy charities it is important that this tool for giving, mostly in small amounts of a few thousand dollars or less, remains available to taxpayers.

The bill extends for one year an important tax credit that allows: short line railroads that serve many of our rural communities to upgrade the track on these important links that get our products to the marketplace.

Unfortunately, fiscal constraint embodied in H.R. 3996 only allowed us to consider extending these expiring tax provisions generally in their current form. We were not able to make these important tax provisions permanent and make needed improvements.

For example, the Public Good IRA Rollover Act (H.R. 1419), which I introduced and which has 90 cosponsors, would broaden the charitable IRA rollover to allow younger retirees to get a lifetime income and provided for charities and to allow distributions to donor-advised funds and would strengthen other aspects of the present-law provision.

I remain committed to the enactment of these improvements and would urge my colleagues to work with me in that regard.

I urge my colleagues to pass this bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in strong support of H.R. 3996, the Temporary Tax Relief Act of 2007, introduced by my distinguished colleague from New York, Representative CHARLES RANGEL. I would like to thank Chairman RANGEL for his extraordinary leadership on the Ways and Means Committee and for introducing this important legislation that promotes tax fairness and fiscal responsibility, a new fiscal direction that the American people have demanded and deserve.

Mr. Speaker, the Bush administration has not done an adequate job in allocating this country's resources. However, this Congress remains committed to providing a fiscal new direction for the American people. This important legislation will protect some 23 million Americans from the Alternative Minimum Tax and will extend tax credits to those who need it most, our Nation's students, teachers, children and homeowners. The Alternative Minimum Tax is currently riddled with loopholes, and this legislation is a fiscally responsible alternative to the practice of borrowing tens of billions of dollars each year, in which the GOP has engaged. It closes the legislative loophole that has allowed a privileged few exceptions at the expense of other Americans.

As Chair of the Congressional Children's Caucus, I particularly welcome this legislation for the assistance it will provide to our Nation's children. Today's bill will increase eligibility for the child tax credit, consequently helping an additional 12 million children in low-income families. This bill will lower the eligibility threshold in 2008 to $8,500. The National Women's Law Center recently released a statement detailing the organization's sincere support for this legislation, commenting that ''For a single mother working fulltime in a minimum wage job, the bill would mean a difference between a child tax credit of just $35 and a credit of $568.'' We must work to ensure that all of our Nation's children are provided for, and I feel this legislation is an important step toward reaching this crucial goal.

In addition, Mr. Speaker, this legislation will benefit our Nation's teachers and students. It will help 3.4 million teachers by allowing them to save money through deductions for classroom expenses. It will further ensure that the future leaders of America will receive the education they deserve, by helping 4.5 million families afford college through tuition deductions. It will help our Nation's families by providing 30 million homeowners with property tax relief and benefit approximately 11 million families through State and local sales tax reduction. Mr. Speaker, these benefits cannot be ignored and this legislation would help those who truly deserve it.

Furthermore, this fiscally-responsible bill will not cost American taxpayers any additional money. The Alternate Minimum Tax was established in 1969, and it has since then been used to exempt an exceptionally wealthy few from paying their share of this Nation's taxes. Instead of costing America additional funds to mend this antiquated tax, or borrowing heavily and exponentially increasing the national debt as my Republican colleagues have done, this legislation seeks to restore tax fairness. Instead of merely circumscribing the problem and providing a ''quick fix,'' this legislation will close tax loopholes that have persisted in allowing an extremely wealthy privileged few to pay a lower tax rate on their income than the billions of hard-working Americans who are just trying to get by. This legislation protects our future generations by not asking them to pay for the proposed tax cuts.

This legislation goes beyond simply ensuring that future generations will not be forced to finance tax reductions today. This legislation will actually help the American economy grow. It will extend the R&D tax credit to promote innovation and high-paying jobs that make America one the world's leaders in innovation and technological progress. It will also ensure long-term economic growth by adhering to the ''pay-as-you-go'' budget rules that helped produce the record budget surpluses and robust economy of the 1990s by mandating no new deficit spending.

Mr. Speaker, the American people elected this Congress because they wanted to see a new direction and a meaningful change. This legislation does precisely that and helps the most deserving American people while causing our economy to grow and breaking our reliance on deficit spending. It will ease the burden felt by millions of middle-class families, through tax cuts, while helping our economy grow without increasing the national debt. The benefits of the Temporary Tax Relief Act will be felt immediately by the 23 million middle-class families, who will be saved from paying higher taxes in April. It also closes unfair tax loopholes, requiring Wall Street millionaires to pay their share of taxes.

I strongly urge my colleagues to join me in supporting this extremely important legislation.

Mr. UDALL of Colorado. Mr. Speaker, I will vote for this bill because of the urgent need to protect middle-income families from a massive tax increase that will hit them if we do not act to adjust the Alternative Minimum Tax, or AMT.

In technical terms, the bill would extend for one year AMT relief for nonrefundable personal credits and increase the AMT exemption amount to $66,250 for joint filers and $44,350 for individuals.

In real-world terms, that means it will prevent a tax increase for more than 302,600 Colorado households that otherwise would be required to pay more in Federal income tax when returns are due next year.

In addition, it will let taxpayers who do not itemize deductions take advantage of an additional standard deduction of up to $700 (for couples who file jointly) for State and local real property taxes—something that will greatly help many thousands of Coloradans affected by those property taxes. And it also will increase the eligibility for the refundable child tax credit.

Further, the bill will extend many important tax-law provisions scheduled to expire this year.

These include an extension of the deductibility of certain tuition and related expenses, which helps many to gain an education, and an extension of the ability of teachers to deduct the money they spend from their own pockets for supplies used in their classrooms.

The bill will help our men and women in uniform and our veterans in several ways, including extension of the ability of those receiving combat pay to count it for purposes of the earned income credit; extension of the special

rules that help veterans qualify for State-operated, tax-exempt mortgage revenue bond programs for access to low-interest mortgages; and the extension of rules that allow reservists called to active duty to make penalty-free withdrawals from their retirement plans if they need to do so.

Other important provisions will allow people to continue to make charitable contributions from their individual retirement accounts, IRAs, without incurring tax penalties and will allow Colorado ranchers and other landowners to benefit from favorable tax treatment of their actions to protect open space through conservation easements.

The bill also will delay implementation of a requirement, passed when our friends on the other side of the aisle were in the majority, that requires local governments (and others) to assume the burden of withholding part of the money going to those under contract to provide goods and services. This requirement is strongly opposed by county commissioners and other local officials across Colorado as well as by many companies that build roads or do other work under contracts with our State and local governments.

In addition, the bill includes provisions to directly address the problems facing many people affected by the problems besetting the housing market. One of these is a permanent repeal of the current law's requirement that people pay income tax on the phantom ''income'' they supposedly receive when they are no longer required to pay on a mortgage because they have lost their homes to foreclosure or they are able to work out arrangements to avoid that result. Another will extend through 2014 the current ability of people to deduct the part of their mortgage payment that pays for mortgage insurance.

The bill also extends provisions that encourage research and development activities that are crucial to our country's economic future. It will allow restaurants and other small businesses to continue to take advantage of a realistic write-off period for improvements to their facilities. And it will retain the current law that encourages restaurants and other companies to donate unused food from their inventories to help feed people who need that assistance.

Mr. Speaker, all these are good provisions, and the bill overall is properly focused on tax relief for middle class families—a goal I strongly support.

But I do have some reservations about how the bill seeks to provide that relief without making our Federal deficit worse.

The bill's authors propose to pay for these provisions with a change in the current law that gives a substantial tax break to some investment fund managers by letting them treat part of their overall compensation as if were a capital gain on an investment. Another is a change to delay further a provision currently scheduled to take in effect next year regarding the rules for allocating certain expenses of companies that operate overseas. And a third is a change in the rules about taxation of deferred compensation.

Since this bill was introduced, there has been considerable debate about these provisions. I am not convinced that these provisions are the best or only way to offset the revenue costs of providing a temporary fix to the AMT—but the bill's opponents have suggested no alternative except to cut unspecified amounts of spending in unspecified parts of the budget or to further add to the ''debt tax'' that has already been imposed on our children (and their children) by the irresponsible policies of the last seven years.

The Senate will have to consider the legislation further, and if it makes changes a conference will have to resolve differences between their version and the bill now before us. So, it is possible that these provisions will be revised.

Mr. Speaker, I must note that I do not believe that it is wise to include in this bill, designed to address the AMT problem and to extend expiring tax-law provisions, such an unrelated matter as a restriction on Internal Revenue Service (IRS) audits of individuals living in the Virgin Islands. I think that if that issue is to be addressed, it should be done separately, perhaps in connection with a review of how IRS audits are conducted in Colorado and other locations as well. I will not oppose the legislation before us on that ground alone, but I think we do a disservice to the public debate on AMT reform by attempting to attach such a provision, and in any event I am not convinced it is wise to interfere with the IRS auditing process.

But, finally, the bottom line is that today we have the opportunity to provide tax relief to hundreds of thousands of middle-class families in Colorado. I think that is something I think the House can and should do without delay, and that is why I am voting for this bill.

Mr. BACA. Mr. Speaker, I ask for unanimous consent to revise and extend my remarks.

I rise today to voice my strong support for H.R. 3996, the Temporary Tax Relief Act.

This bill provides much needed tax relief to 23 million middle class families across the Nation, including over 20,000 families in my own Congressional district.

Families in California and throughout the United States have seen the cost of health care, gasoline and a college education soar—while at the same time their homes have lost value.

They deserve a helping hand. This legislation protects them from being hit by the Alternative Minimum Tax.

The bill also gives tax relief to working families by providing 30 million homeowners with property tax relief, and expanding the child tax credit for 12 million children.

Instead of tax breaks for the wealthiest few, Democrats are restoring fiscal sanity and giving the hard-working men and women of America the relief they deserve.

I urge my colleagues to cast a vote for economic fairness and equality, and to support H.R. 3996.

Mr. VAN HOLLEN. Mr. Speaker, this bill provides tax relief for more than 24 million middle-income families. It also corrects a huge inequity where many people were forced to pay taxes on phantom income—income they never had.

Today, we must fix two big messes the Republican leadership left behind when they were voted out last November. One is the huge middle class tax increase the Republicans left hanging over millions of unsuspecting Americans. This Republican tax tsunami will crash down on top of 24 million Americans if we don't take action today.

The Republicans could have stopped this middle class tax hit on their watch. Instead, for 6 years with President Bush, they spent their time and energy giving tax cuts to the very wealthiest Americans. On their watch, the wealthiest 1 percent of Americans got more than half the Bush tax cuts. That was their priority, and they left the rest of the American taxpayers holding the bag of a mushrooming national debt—a $9 trillion debt that costs every taxpayer $3,300 per year. That is the debt tax American taxpayers are paying to service the debt President Bush and the Republicans have run up on our national credit card.

Today, Republicans are proposing to increase the debt tax—to make Americans pay more in the end. Once again, they are willing to require our children to pay more debt tax in order to protect special shelters for about 50,000 of the wealthiest Americans.

Let's provide middle class Americans with tax relief in a fiscally responsible way. Let's pass this bill.

Mr. GOODLATTE. Mr. Speaker, our current tax system has spiraled out of control. Today's tax code is unfair, discourages savings and investment, and is impossibly complex. There is no part of the tax code that demonstrates this more than the Alternative Minimum Tax (AMT). The AMT is a nefarious policy enacted to prevent a small number of wealthy taxpayers from using legitimate deductions to reduce their taxes, and thus taxing them at a higher rate. However, the AMT was never indexed to inflation, and without reform, it threatens to ensnarl middle class taxpayers.

When the AMT was first created, it affected fewer than 20,000 taxpayers. Today it affects 4.2 million, and this number could rise. Without action by Congress, 20 million more taxpayers would be forced to pay on average $3,000 more in taxes, this year alone. In my district this egregious tax would engulf more than 55,000 taxpayers.

Congress must find a permanent solution to this offensive tax; in fact, a solution is long overdue. However, what we are presented with today is not a permanent solution or even a solution. This ill-conceived legislation puts in place permanent tax increases, on some of the driving forces of our economy, to pay for a temporary patch to the AMT.

It is wrong for AMT relief to be subject to Pay-Go rules. The AMT was never intended to affect this many people and is working as a massive tax increase each year. The $50.6 billion that could be paid, without relief, because of the ever encroaching AMT was never intended to be collected. Yet, this bill seeks to collect this $50.6 billion in new taxes, and it collects it by raising taxes on investors in our economy. For Democrats the AMT simply serves their purpose of bait and switch on the American taxpayer.

The permanent tax increases in this bill include job-killing tax hikes on entrepreneurs and risk-takers who invest and create jobs for working families. While these tax increases were written in a way to seemingly affect only wealthy hedge fund executives, much like the ill-conceived AMT, these tax increases would reach much further. The taxes would affect real estate, venture capital, private equity, and retail. Penalizing these industries with higher taxes will dampen investment, constrict money needed for small-business ventures, and cost American jobs. While these taxes are egregious on their own, they are even more egregious in that they would be permanent while the relief they provide is temporary.

It was a mistake on the part of Congress to not index the original AMT to inflation. It is a mistake that Congress must fix in order to prevent the AMT from engulfing millions of more taxpayers. We must work to find a permanent solution to this nefarious tax. I urge my colleagues to reject this ill-conceived plan, and let's work together to find a real solution for the American people.

Mr. KAGEN. Mr. Speaker, whose side are we on? The Hard Working people in northeast Wisconsin want to know.

This measure is not difficult to understand—someone has to pay the bills, and democrats believe in paying-as-we-go, and we do want to pass off our bills to the next generation.

The democratic leadership of the house has promised to keep their word to the American people by remaining fiscally responsible and socially progressive.

All of us should play by the same rules, and that means everyone should pay their fair share, including hedge fund managers—who have managed to pass the buck to the middle class time and time again.

Enough is enough. Let's just tell it like it is.

This bill cuts taxes for the middle class: property tax relief for Wisconsin homeowners; tax deductions of $4,000 for college tuition; helps small businesses by continuing the tax credits for research and development.

People in northeast Wisconsin need to hear that this bill will benefit 62,000 households who would otherwise if fall into the AMT tax trap.

This bill delivers. It finally gives the American middle class a tax cut.

My friends, whose side are you on?

I urge you to join me by standing up for taxpayers in the middle class, not only in Wisconsin, but across America.

It is time we deliver tax cuts to the little guys.

Ms. WOOLSEY. Mr. Speaker, it's clear that the Alternative Minimum Tax, AMT, needs to be fixed. Year after year, we play this game of ''chicken'' with the end of the year, leaving millions of hard working American families fearful that they will be captured in a tax that was never meant to touch them. The good news is that the difference between this year's AMT patch and the ones that we did under the previous majority is that this time we are actually going to pay for it.

In my district alone, H.R. 3996 will save over 59,000 taxpayers from being subject to the AMT and it's my hope that this will be a first step to a responsible solution to permanently fixing this tax policy.

Also included in this bill is an extension and expansion of the Child Tax Credit, CTC, refund-ability. With economic disparity at its highest level since the Great Depression, expansion of this tax credit will help low-income families raise their children and help them get ahead. Finally, we are addressing the growing problem of the increasing gap between the wealthiest and the rest of America through a more equitable tax code. Thank you to Chairman RANGEL and Chairman NEAL for all of their hard work on this bill, closing loopholes, extending essential tax credits, and balancing the tax code.

Ms. SCHWARTZ. Mr. Speaker, I want to thank Chairman RANGEL for his leadership on this bill, and I rise today in support of tax relief for hard-working American families.

This Congress is committed to moving our country in a new direction. We recognize that families across this country are struggling with everyday living expenses, and with this bill we are going to help millions of Americans get tax relief.

Our work will protect 23 million Americans—including over 60,000 of my constituents—from the unexpected and difficult cost of the Alternative Minimum Tax.

The Alternative Minimum Tax, the AMT, was originally intended to ensure that the very wealthiest taxpayers pay their fair share of taxes. But the AMT is increasingly being paid by middle-income families, and in fact, next year tens of millions of these hard-working taxpayers will be engulfed by the AMT if this Congress does not act.

This bill provides tens of millions of middle-income homeowners with immediate property tax relief.

It expands the child tax deduction, helping millions of families.

And it ensures that parents, who often work tirelessly to send their children to college, will get tax deductions for college tuition.

This middle-class tax relief is based on the principle of tax fairness. And it is paid for. Unlike tax efforts under the Republican Congress, our bill will not add to the national debt. It will not leave debt to be paid for by our children and grandchildren. It will not add to the debt that weakens the dollar and undermines our economy.

The Democratic majority is unambiguous. We are committed to fiscal responsibility, to paying as we go, to making the tough decisions required to refocus national priorities, and to giving middle-income families the break they deserve.

A vote for this bill is a vote for tax relief and tax fairness. It is a vote for economic growth. And it is a vote for honest budgeting.

Mr. Speaker—our constituents didn't send us here to make easy decisions—they sent us here to make responsible ones.

And today, the Democratic majority will make the responsible decision of providing tax relief to millions of working families.

Mr. LEVIN. Mr. Speaker, this legislation reflects the priorities of the new majority in Congress: middle-class tax relief, fiscal discipline, and tax equity.

Income inequality is dramatically increasing in our country. Between 2004 and 2005, the average annual income of the top 1 percent increased by $120,000, while the average income for all the other 90 percent of households increased by just $550.

In the face of this, we need to be able to look our constituents in the eye and tell them we are working to make the Tax Code fair and equitable.

The principle in taxing private investment fund managers or ''carried interest'' is basic.

If you are investing your own money, you should receive the capital gains tax rate; if you are providing the service of managing other people's money, you should pay the ordinary income tax rate.

Some argue that fund managers deserve capital gains treatment to align their interests with investors or because ''carried interest'' is risky. Many other forms of compensation are risky, and they are taxed at the ordinary income tax rate. When a company gives its CEO stock options, he or she pays ordinary income tax rates when they exercise those options. Real estate agents only make money if they actually sell a house. Authors receive a portion of their book's profits. Waiters get tips based on the quality of the service they provide. All of these people pay ordinary income tax rates on their compensation.

Estimates are that there is currently around $130 billion in carried interest at stake. Investment managers currently take home $110 billion and when we close the tax advantage, they will take home $85 billion—a pretty significant reward for their services.

A fund manager's paying a more appropriate tax rate will not curtail economic activity, innovation, or real estate development. Since investors are not affected, there is no reason to believe that the amount of capital available for investments in real estate development or start-up companies would be reduced.

This bill has the right priorities: It brings tax relief to tens of millions of middle-class families, it's paid for, and it makes our Tax Code more equitable. I urge my colleagues to support it.

Mr. KIND. Mr. Speaker, I rise today in support of H.R. 3996, the Temporary Tax Relief Act of 2007. As a member of the Ways and Means Committee, I am proud to have helped craft this very important tax bill that will give much needed relief to millions of American taxpayers.

Unfortunately, over the last several years we have seen tax bills pushed through Congress and signed by the President under the guise of ''relief' for the middle class and the poorest in the country. I think many in this chamber have now come to recognize that many of these measures presented as tax relief for the middle class were in fact more tax breaks for the richest in society. Today we finally have before us a bill that will give real relief to millions of taxpayers, many of whom are hard-working middle-class families.

Specifically, H.R. 3996 provides for a 1-year patch for the Alternative Minimum Tax, AMT. The AMT was developed in the 1970s to ensure that America's wealthiest could not take advantage of the tax code in a way that would allow them to avoid paying taxes altogether. The AMT was not indexed for inflation, however, and without this legislation it will reach into the pocketbooks of middle-class families it was never intended to hit. In my district alone, the AMT could affect 50,000 additional western Wisconsin families this year, many of whom have no idea they face a tax increase. Without this legislation, it is estimated that the AMT will hit an additional 437,000 taxpayers in Wisconsin and 23 million nationally. It is hard for me to think of something more important than protecting 23 million Americans from a tax that was never intended for them.

Additionally, this bill extends several popular expiring tax provisions. In particular, the bill will provide property tax relief for 30 million Americans, help for more than 12 million children through an expanded child tax credit, tax relief for more than 11 million families through state and local sales tax deduction, help for more than 4.5 million families to cover the cost of education through the tuition deduction, and relief for more than 3.5 million teachers who will be reimbursed for out-of-pocket expenses for their classrooms.

Finally, and most importantly, this bill is fully offset and complies with pay-go rules that the Democratic majority restored at the beginning of this Congress. The tax benefits provided are fully paid for by closing loopholes and eliminating narrowly-targeted tax breaks for

corporations. These changes establish fairness in the tax code and show that we can provide tax relief without sending the debt on to our children. After 6 years of fiscal recklessness—deficit-financed tax cuts for the wealthy and out-of-control government spending—this bill sets a precedent of fiscally responsible tax reform.

Again, Mr. Speaker, I am happy to support this sensible and fair tax bill before us today. Protecting millions of taxpayers from being caught by the AMT is of the utmost importance. I urge my colleagues to support H.R. 3996.

Mr. MORAN of Virginia. Mr. Speaker, this bill will bring relief to tens of millions of hard-working American families, including nearly 100,000 in my district alone.

It makes the tax code more efficient and more equitable, changes that are sound both morally and economically. Most importantly, H.R. 3996 will be the first tax relief bill of this millennium that did not increase the deficit.

This will would lower the tax burden on 95 percent of the people affected by it—which is about as close to perfect as we're able to get with the tax code. I'd like to commend Chairman RANGEL and Mr. NEAL and their staff for their work on this excellent bill, which I am proud to support today.

Mr. Speaker, the President's budget assumes the revenue next year from a vast expansion of the AMT, and the President has offered no alternative to either eliminate the AMT or patch it, likely in recognition of the immense cost to the Treasury. Yet nearly everyone agrees that we must pass some form of AMT relief this year, and that we must do it soon. The Congressional Budget Office and Joint Committee on Taxation have spelled out specifically what the cost of a 1-year AMT patch would be. It cannot be accomplished for free.

If we are to pass an AMT "patch," we can do one of three things: we can cut benefits in Social Security and Medicare to comply with PAYGO, we can raise additional revenue to comply with PAYGO, or we can waive PAYGO as the Republican party has done for the last 7 years and continue financing tax cuts by increasing the Federal deficit and the national debt. That is, we can continue to irresponsibly pass the buck to our children and grandchildren.

Mr. Speaker, as the gentleman from Massachusetts, Mr. CAPUANO, told us yesterday, this administration has increased U.S. Government debt by an average of $15,644.93 per second since they took office.

This money does not exist merely on paper; it is real money, which we are borrowing from countries whose interests are contrary to our own, countries like China that have accumulated sovereign wealth funds at alarming rates over the past 6 years. And we are leaving this legacy of fiscal wreckage to our children, and our children's children, mortgaging away their future at a rate of more than $15,000 per second.

Since 2001, China's accumulation of foreign reserves, mostly U.S. dollars, have increased from $46.6 billion to $1.066 trillion—that is, every new dollar we borrow makes us ever more dependent on China—which has profoundly different strategic aims than we do.

The idea that we should not pay for this AMT fix is unconscionable. The idea that we should sacrifice the futures of our children and our grandchildren in order to have our cake and eat it too, to continue giving enormous tax preferences to the richest of the rich in this country is morally bankrupt and fiscally unsound.

Mr. Speaker, even if we accept that there should be a distinction between the taxation of labor and capital income, income received as payment for the service of investing other people's money is not capital income under even the loosest of possible understandings. The idea that a hedge fund manager earning $500 million a year should be taxed at a lower rate than his secretary, who earns $40,000 a year is preposterous in both moral and economic terms and should embarrass us all.

This bill is about making a choice between what is right and what is easy. I applaud Chairman RANGEL for standing firm in the face of overwhelming pressure to do the easy thing, for demanding that we pass a bill which is true to our principles. We were not elected to make easy choices—we were elected to do right by our constituents, their children, and their children's children. I am proud to support this bill today, and I urge my colleagues to do the same.

□ 1315

The SPEAKER pro tempore. All time for debate on the bill has expired.

Pursuant to House Resolution 809, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCCRERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 216, nays 193, not voting 24, as follows:

[Roll No. 1081]

YEAS—216

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Marshall
Matsui
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—193

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Cooper
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Mack
Mahoney (FL)
Manzullo
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich

Ramstad	Sensenbrenner	Tiahrt
Regula	Sessions	Tiberi
Rehberg	Shadegg	Turner
Reichert	Shays	Upton
Renzi	Shimkus	Walberg
Reynolds	Shuster	Walden (OR)
Rogers (AL)	Simpson	Walsh (NY)
Rogers (KY)	Smith (NE)	Wamp
Rogers (MI)	Smith (NJ)	Weldon (FL)
Rohrabacher	Smith (TX)	Weller
Ros-Lehtinen	Souder	Whitfield
Roskam	Stearns	Wicker
Royce	Sullivan	Wilson (NM)
Ryan (WI)	Tancredo	Wilson (SC)
Sali	Taylor	Wolf
Saxton	Terry	Young (AK)
Schmidt	Thornberry	Young (FL)

NOT VOTING—24

Bishop (UT)	Hastert	Marchant
Boren	Hobson	McCarthy (NY)
Buyer	Israel	McCollum (MN)
Carson	Jindal	Nunes
Crenshaw	Jones (NC)	Oberstar
Cubin	LaHood	Paul
Davis, Lincoln	Lantos	Westmoreland
Everett	Lungren, Daniel E.	
Giffords		

□ 1344

Mr. BUCHANAN changed his vote from ''yea'' to ''nay.''

Ms. WATERS changed her vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. NUNES. Mr. Speaker, on the legislative day of Friday, November 9, 2007, I was unavoidably detained and was unable to cast a vote on a number of rollcall votes. Had I been present, I would have voted:

Rollcall 1077—''nay''; rollcall 1078—''nay''; rollcall 1079—''nay''; rollcall 1080—''yea''; rollcall 1081—''nay.''

CONFERENCE REPORT ON H.R. 1429, IMPROVING HEAD START FOR SCHOOL READINESS ACT OF 2007

Mr. KILDEE (during consideration of H.R. 3996) submitted the following conference report and statement on the bill (H.R. 1429) to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes:

CONFERENCE REPORT (H. REPT. 110–439)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1429), to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Improving Head Start for School Readiness Act of 2007''.

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

Sec. 1. Short title.
Sec. 2. Statement of purpose.
Sec. 3. Definitions.
Sec. 4. Financial assistance for Head Start programs.
Sec. 5. Authorization of appropriations.
Sec. 6. Allotment of funds; limitations on assistance.
Sec. 7. Designation of Head Start agencies.
Sec. 8. Standards; monitoring of Head Start agencies and programs.
Sec. 9. Powers and functions of Head Start agencies.
Sec. 10. Head start transition and alignment with K–12 education.
Sec. 11. Early childhood education, coordination, and improvement.
Sec. 12. Submission of plans.
Sec. 13. Administrative requirements and standards.
Sec. 14. Participation in Head Start programs.
Sec. 15. Early Head Start programs.
Sec. 16. Appeals, notice, and hearing.
Sec. 17. Records and audits.
Sec. 18. Technical assistance and training.
Sec. 19. Staff qualifications and development.
Sec. 20. Research, demonstrations, and evaluation.
Sec. 21. Reports.
Sec. 22. Comparability of wages.
Sec. 23. Limitation with respect to certain unlawful activities.
Sec. 24. Political activities.
Sec. 25. Parental consent requirement for health services.
Sec. 26. Centers of Excellence in Early Childhood.
Sec. 27. General provisions.
Sec. 28. Compliance with Improper Payments Information Act of 2002.
Sec. 29. References in other Acts.

SEC. 2. STATEMENT OF PURPOSE.

Section 636 of the Head Start Act (42 U.S.C. 9831) is amended to read as follows:

''SEC. 636. STATEMENT OF PURPOSE.

''It is the purpose of this subchapter to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development—

''(1) in a learning environment that supports children's growth in language, literacy, mathematics, science, social and emotional functioning, creative arts, physical skills, and approaches to learning; and

''(2) through the provision to low-income children and their families of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary.''.

SEC. 3. DEFINITIONS.

(a) IN GENERAL.—Section 637 of the Head Start Act (42 U.S.C. 9832) is amended—

(1) in paragraph (2), by inserting ''(including a community-based organization, as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801))'' after ''nonprofit'';

(2) in paragraph (3)(C), by inserting '', and financial literacy.'' after ''self-sufficiency'';

(3) in paragraph (12), by striking ''migrant and seasonal Head Start program'' and inserting ''migrant or seasonal Head Start program'';

(4) by striking paragraph (17) and inserting the following:

''(17) The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands. The term includes the Republic of Palau for fiscal years 2008 and 2009, and (if the legislation described in section 640(a)(2)(B)(v) has not been enacted by September 30, 2009) for fiscal years 2010 through 2012.''; and

(5) by adding at the end the following:

''(18) The term 'deficiency' means—

''(A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves—

''(i) a threat to the health, safety, or civil rights of children or staff;

''(ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations;

''(iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;

''(iv) the misuse of funds received under this subchapter;

''(v) loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or

''(vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;

''(B) systemic or material failure of the governing body of an agency to fully exercise its legal and fiduciary responsibilities; or

''(C) an unresolved area of noncompliance.

''(19) The term 'homeless children' has the meaning given the term 'homeless children and youths' in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)).

''(20) The term 'institution of higher education' has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

''(21) The term 'interrater reliability' means the extent to which 2 or more independent raters or observers consistently obtain the same result when using the same assessment tool.

''(22) The term 'limited English proficient', used with respect to a child, means a child—

''(A)(i) who was not born in the United States or whose native language is a language other than English;

''(ii)(I) who is a Native American (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)), an Alaska Native, or a native resident of an outlying area (as defined in such section 9101); and

''(II) who comes from an environment where a language other than English has had a significant impact on the child's level of English language proficiency; or

''(iii) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

''(B) whose difficulties in speaking or understanding the English language may be sufficient to deny such child—

''(i) the ability to successfully achieve in a classroom in which the language of instruction is English; or

''(ii) the opportunity to participate fully in society.

''(23) The term 'principles of scientific research' means principles of research that—

''(A) apply rigorous, systematic, and objective methodology to obtain reliable and valid knowledge relevant to education activities and programs;

''(B) present findings and make claims that are appropriate to and supported by methods that have been employed; and

''(C) include, as appropriate to the research being conducted—

''(i) use of systematic, empirical methods that draw on observation or experiment;

''(ii) use of data analyses that are adequate to support the general findings;

''(iii) reliance on measurements or observational methods that provide reliable and generalizable findings;

''(iv) strong claims of causal relationships, only with research designs that eliminate plausible competing explanations for observed results, such as, but not limited to, random assignment experiments;

''(v) presentation of studies and methods in sufficient detail and clarity to allow for replication or, at a minimum, to offer the opportunity to build systematically on the findings of the research;

''(vi) acceptance by a peer-reviewed journal or critique by a panel of independent experts through a comparably rigorous, objective, and scientific review; and

''(vii) consistency of findings across multiple studies or sites to support the generality of results and conclusions.

''(24) The term 'professional development' means high-quality activities that will improve the knowledge and skills of Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that improves service delivery to enrolled children and their families, including activities that—

''(A) are part of a sustained effort to improve overall program quality and outcomes for enrolled children and their families;

''(B) are developed or selected with extensive participation of administrators and teachers from Head Start programs;

''(C) are developmentally appropriate for the children being served;

''(D) include instruction in ways that Head Start teachers and staff may work more effectively with parents, as appropriate;

''(E) are designed to give Head Start teachers and staff the knowledge and skills to provide instruction and appropriate support services to children of diverse backgrounds, as appropriate;

''(F) may include a 1-day or short-term workshop or conference, if the workshop or conference is consistent with the goals in the professional development plan described in section 648A(f) and will be delivered by an institution of higher education or other entity, with expertise in delivering training in early childhood development, training in family support, and other assistance designed to improve the delivery of Head Start services; and

''(G) in the case of teachers, assist teachers with—

''(i) the acquisition of the content knowledge and teaching strategies needed to provide effective instruction and other school readiness services regarding early language and literacy, early mathematics, early science, cognitive skills, approaches to learning, creative arts, physical health and development, and social and emotional development linked to school readiness;

''(ii) meeting the requirements in paragraphs (1) and (2) of section 648A(a), as appropriate;

''(iii) improving classroom management skills, as appropriate;

''(iv) advancing their understanding of effective instructional strategies that are—

''(I) based on scientifically valid research; and

''(II) aligned with—

''(aa) the Head Start Child Outcomes Framework developed by the Secretary and, as appropriate, State early learning standards; and

''(bb) curricula, ongoing assessments, and other instruction and services, designed to help meet the standards described in section 641A(a)(1);

''(v) acquiring the knowledge and skills to provide instruction and appropriate language and support services to increase the English language skills of limited English proficient children, as appropriate; or

''(vi) methods of teaching children with disabilities, as appropriate.

''(25) The term 'scientifically valid research' includes applied research, basic research, and field-initiated research in which the rationale, design, and interpretation are soundly developed in accordance with principles of scientific research.

''(26) The term 'unresolved area of noncompliance' means failure to correct a noncompliance item within 120 days, or within such additional time (if any) as is authorized by the Secretary, after receiving from the Secretary notice of such noncompliance item, pursuant to section 641A(c).''.

(b) REDESIGNATION AND REORDERING OF DEFINITIONS.—Section 637 of such Act is amended—

(1) by redesignating paragraphs (1) through (23) as paragraphs (1), (3), (4), (5), (6), (7), (8), (9), (10), (12), (16), (17), (18), (19), (22), (24), (25), (2), (11), (13), (14), (15), (20), (21), (23), and (26), respectively; and

(2) so that paragraphs (1) through (26), as so redesignated in paragraph (1), appear in numerical order.

SEC. 4. FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS.

Section 638 of the Head Start Act (42 U.S.C. 9833) is amended by inserting ''for a period of 5 years'' after ''provide financial assistance to such agency''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended to read as follows:

''SEC. 639. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subchapter (other than section 657B) $7,350,000,000 for fiscal year 2008, $7,650,000,000 for fiscal year 2009, $7,995,000,000 for fiscal year 2010, and such sums as may be necessary for each of fiscal years 2011 and 2012.''.

SEC. 6. ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE.

(a) ALLOTMENT OF FUNDS.—Section 640(a) of the Head Start Act (42 U.S.C. 9835(a)) is amended to read as follows:

''(a)(1) Using the sums appropriated pursuant to section 639 for a fiscal year, the Secretary shall allocate such sums in accordance with paragraphs (2) through (5).

''(2)(A) The Secretary shall determine an amount for each fiscal year for each State that is equal to the amount received through base grants for the prior fiscal year by the Head Start agencies (including Early Head Start agencies) in the State that are not described in clause (ii) or (iii) of subparagraph (B).

''(B) The Secretary shall reserve for each fiscal year such sums as are necessary—

''(i) to provide each amount determined for a State under subparagraph (A) to the Head Start agencies (including Early Head Start agencies) in the State that are not described in clause (ii) or (iii), by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year;

''(ii) to provide an amount for the Indian Head Start programs that is equal to the amount provided for base grants for such programs under this subchapter for the prior fiscal year, by allotting to each Head Start agency (including each Early Head Start agency) administering an Indian Head Start program an amount equal to that agency's base grant for the prior fiscal year;

''(iii) to provide an amount for the migrant and seasonal Head Start programs, on a nationwide basis, that is equal to the amount provided nationwide for base grants for such programs under this subchapter for the prior fiscal year, by allotting to each Head Start agency administering a migrant or seasonal Head Start program an amount equal to that agency's base grant for the prior fiscal year;

''(iv) to provide an amount for each of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands of the United States (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year;

''(v) to provide an amount for the Republic of Palau (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) for each of fiscal years 2008 and 2009, and (if legislation approving a new agreement regarding United States assistance for the Republic of Palau has not been enacted by September 30, 2009) for each of fiscal years 2010 through 2012, that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year; and

''(vi) to provide an amount for a collaboration grant under section 642B(a) for each State, for the Indian Head Start programs, and for the migrant and seasonal Head Start programs, in the same amount as the corresponding collaboration grant provided under this subchapter for fiscal year 2007.

''(C)(i) The Secretary shall reserve for each fiscal year an amount that is not less than 2.5 percent and not more than 3 percent of the sums appropriated pursuant to section 639 for that fiscal year, to fund training and technical assistance activities, from which reserved amount—

''(I) the Secretary shall set aside a portion, but not less than 20 percent, to be used to fund training and technical assistance activities for Early Head Start programs, in accordance with section 645A(g)(2); and

''(II) the Secretary shall set aside a portion, equal to the rest of the reserved amount, to fund training and technical assistance activities for other Head Start programs, in accordance with section 648, of which portion—

''(aa) not less than 50 percent shall be made available to Head Start agencies to use directly, which may include at their discretion the establishment of local or regional agreements with community experts, institutions of higher education, or private consultants, to make program improvements identified by such agencies, by carrying out the training and technical assistance activities described in section 648(d);

''(bb) not less than 25 percent shall be available to the Secretary to support a State-based training and technical assistance system, or a national system, described in section 648(e) for supporting program quality; and

''(cc) the remainder of the portion set aside under this subclause shall be available to the Secretary to assist Head Start agencies in meeting and exceeding the standards described in section 641A(a)(1) by carrying out activities described in subsections (a), (b), (c), (f), and (g) of section 648, including helping Head Start programs address weaknesses identified by monitoring activities conducted by the Secretary under section 641A(c), except that not less than $3,000,000 of the remainder shall be made available to carry out activities described in section 648(a)(3)(B)(ii).

''(ii) In determining the portion set aside under clause (i)(I) and the amount reserved under this subparagraph, the Secretary shall consider the number of Early Head Start programs newly funded for that fiscal year.

''(D) The Secretary shall reserve not more than $20,000,000 to fund research, demonstration, and evaluation activities under section 649, of which not more than $7,000,000 for each of fiscal years 2008 through 2012 shall be available to carry out impact studies under section 649(g).

''(E) The Secretary shall reserve not more than $42,000,000 for discretionary payments by the Secretary, including payments for all costs (other than compensation of Federal employees) for activities carried out under subsection (c) or (e) of section 641A.

''(F) If the sums appropriated under section 639 are not sufficient to provide the amounts required to be reserved under subparagraphs (B) through (E), the amounts shall be reduced proportionately.

''(G) Nothing in this section shall be construed to deny the Secretary the authority, consistent with sections 641, 641A, and 646 to terminate, suspend, or reduce funding to a Head Start agency.

''(3)(A) From any amount remaining for a fiscal year after the Secretary carries out paragraph (2) (referred to in this paragraph as the 'remaining amount'), the Secretary shall—

''(i) subject to clause (ii)—

''(I) provide a cost of living increase for each Head Start agency (including each Early Head Start agency) funded under this subchapter for that fiscal year, to maintain the level of services provided during the prior year; and

''(II) subject to subparagraph (B), provide $10,000,000 for Indian Head Start programs (including Early Head Start programs), and $10,000,000 for migrant and seasonal Head Start programs, to increase enrollment in the programs involved;

''(ii) subject to clause (iii), if the remaining amount is not sufficient to carry out clause (i)—

''(I) for each of fiscal years 2008, 2009, and 2010—

''(aa) subject to subparagraph (B), provide 5 percent of that amount for Indian Head Start programs (including Early Head Start programs), and 5 percent of that amount for migrant and seasonal Head Start programs, to increase enrollment in the programs involved; and

''(bb) use 90 percent of that amount to provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the same percentage (but not less than 50 percent) of the cost of living increase described in clause (i); and

''(II) for fiscal year 2011 and each subsequent fiscal year—

''(aa) provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the cost of living increase described in clause (i); and

''(bb) subject to subparagraph (B), with any portion of the remaining amount that is not used under item (aa), provide equal amounts for Indian Head Start programs (including Early Head Start programs), and for migrant and seasonal Head Start programs, to increase enrollment in the programs involved; and

''(iii) if the remaining amount is not sufficient to carry out clause (ii) for the fiscal year involved, use that amount to provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the same percentage of the cost of living increase described in clause (i).

''(B)(i) Notwithstanding any other provision of this paragraph, the Indian Head Start programs shall not receive more than a total cumulative amount of $50,000,000 for all fiscal years, and the migrant and seasonal Head Start programs shall not receive more than a total cumulative amount of $50,000,000 for all fiscal years, under clause (i)(II), and subclauses (I)(aa) and (II)(bb) of clause (ii), of subparagraph (A) (referred to in this subsection as the 'special expansion provisions'), to increase enrollment in the programs involved.

''(ii)(I) Funds that are appropriated under section 639 for a fiscal year, and made available to Indian Head Start programs or migrant or seasonal Head Start programs under the special expansion provisions, shall remain available until the end of the following fiscal year.

''(II) For purposes of subclause (I)—

''(aa) if no portion is reallocated under clause (iii), those funds shall remain available to the programs involved; or

''(bb) if a portion is reallocated under clause (iii), the portion shall remain available to the recipients of the portion.

''(iii) Of the funds made available as described in clause (ii), the Secretary shall reallocate the portion that the Secretary determines is unobligated 18 months after the funds are made available. The Secretary shall add that portion to the balance described in paragraph (4), and reallocate the portion in accordance with paragraph (4), for the following fiscal year referred to in clause (ii).

''(4)(A) Except as provided in subparagraph (B), from any amount remaining for a fiscal year after the Secretary carries out paragraphs (2) and (3) (referred to in this paragraph as the 'balance'), the Secretary shall—

''(i) reserve 40 percent to carry out subparagraph (C) and paragraph (5);

''(ii) reserve 45 percent to carry out subparagraph (D); and

''(iii) reserve 15 percent (which shall remain available through the end of fiscal year 2012) to provide funds for carrying out section 642B(b)(2).

''(B)(i) Under the circumstances described in clause (ii), from the balance, the Secretary shall—

''(I) reserve 45 percent to carry out subparagraph (C) and paragraph (5); and

''(II) reserve 55 percent to carry out subparagraph (D).

''(ii) The Secretary shall make the reservations described in clause (i) for a fiscal year if—

''(I) the total cumulative amount reserved under subparagraph (A)(iii) for all preceding fiscal years equals $100,000,000; or

''(II) in the 2-year period preceding such fiscal year, funds were reserved under subparagraph (A)(iii) in an amount that totals not less than $15,000,000 and the Secretary received no approvable applications for such funds.

''(iii) The total cumulative amount reserved under subparagraph (A)(iii) for all fiscal years may not be greater than $100,000,000.

''(C) The Secretary shall fund the quality improvement activities described in paragraph (5) using the amount reserved under subparagraph (A)(i) or subparagraph (B)(i)(I), as appropriate, of which—

''(i) a portion that is less than 10 percent may be reserved by the Secretary to provide funding to Head Start agencies (including Early Head Start agencies) that demonstrate the greatest need for additional funding for such activities, as determined by the Secretary; and

''(ii) a portion that is not less than 90 percent shall be reserved by the Secretary to allot, to each Head Start agency (including each Early Head Start agency), an amount that bears the same ratio to such portion as the number of enrolled children served by the agency involved bears to the number of enrolled children served by all the Head Start agencies (including Early Head Start agencies), except that the Secretary shall account for the additional costs of serving children in Early Head Start programs and may consider whether an agency is providing a full-day program or whether an agency is providing a full-year program.

''(D) The Secretary shall fund expansion of Head Start programs (including Early Head Start programs) using the amount reserved under subparagraph (A)(ii) or subparagraph (B)(i)(II), as appropriate, of which the Secretary shall—

''(i) use 0.2 percent for Head Start programs funded under clause (iv) or (v) of paragraph (2)(B) (other than Early Head Start programs);

''(ii) for any fiscal year after the last fiscal year for which Indian Head Start programs receive funds under the special expansion provisions, use 3 percent for Head Start programs funded under paragraph (2)(B)(ii) (other than Early Head Start programs), except that the Secretary may increase that percentage if the Secretary determines that the results of the study conducted under section 649(k) indicate that the percentage should be increased;

''(iii) for any fiscal year after the last fiscal year for which migrant or seasonal Head Start programs receive funds under the special expansion provisions, use 4.5 percent for Head Start programs funded under paragraph (2)(B)(iii) (other than Early Head Start programs), except that the Secretary may increase that percentage if the Secretary determines that the results of the study conducted under section 649(l) indicate that the percentage should be increased; and

''(iv) from the remainder of the reserved amount—

''(I) use 50 percent for Head Start programs funded under paragraph (2)(B)(i) (other than Early Head Start programs), of which—

''(aa) the covered percentage shall be allocated among the States serving less than 60 percent (as determined by the Secretary) of children who are 3 or 4 years of age from families whose income is below the poverty line, by allocating to each of those States an amount that bears the same relationship to that covered percentage as the number of children who are less than 5 years of age from families whose income is below the poverty line (referred to in this subclause as 'young low-income children') in that State bears to the number of young low-income children in all those States; and

''(bb) the remainder shall be allocated proportionately among the States on the basis of the number of young low-income children; and

''(II) use 50 percent for Early Head Start programs.

''(E) In this paragraph, the term 'covered percentage' means—

''(i) for fiscal year 2008, 30 percent;

''(ii) for fiscal year 2009, 40 percent;

''(iii) for fiscal year 2010, 50 percent;

''(iv) for fiscal year 2011, 55 percent; and

''(v) for fiscal year 2012, 55 percent.

''(5)(A) Not less than 50 percent of the amount reserved under subparagraph (A)(i) or subparagraph (B)(i)(I), as appropriate, of paragraph (4) to carry out quality improvement activities under paragraph (4)(C) and this paragraph shall be used to improve the compensation (including benefits) of educational personnel, family service workers, and child counselors, as described in sections 644(a) and 653, in the manner determined by the Head Start agencies (including Early Head Start agencies) involved, to—

''(i) ensure that compensation is adequate to attract and retain qualified staff for the programs involved in order to enhance program quality;

''(ii) improve staff qualifications and assist with the implementation of career development programs for staff that support ongoing improvement of their skills and expertise; and

''(iii) provide education and professional development to enable teachers to be fully competent to meet the professional standards established under section 648A(a)(1), including—

''(I) providing assistance to complete postsecondary course work;

''(II) improving the qualifications and skills of educational personnel to become certified and licensed as bilingual education teachers, or as teachers of English as a second language; and

''(III) improving the qualifications and skills of educational personnel to teach and provide services to children with disabilities.

''(B) Any remaining funds from the reserved amount described in subparagraph (A) shall be used to carry out any of the following activities:

''(i) Supporting staff training, child counseling, and other services, necessary to address the challenges of children from immigrant, refugee, and asylee families, homeless children, children in foster care, limited English proficient children, children of migrant or seasonal farmworker families, children from families in crisis, children referred to Head Start programs (including Early Head Start programs) by child welfare agencies, and children who are exposed to chronic violence or substance abuse.

''(ii) Ensuring that the physical environments of Head Start programs are conducive to providing effective program services to children and families, and are accessible to children with disabilities and other individuals with disabilities.

''(iii) Employing additional qualified classroom staff to reduce the child-to-teacher ratio in the classroom and additional qualified family service workers to reduce the family-to-staff ratio for those workers.

''(iv) Ensuring that Head Start programs have qualified staff that promote the language skills and literacy growth of children and that provide children with a variety of skills that have been identified, through scientifically based reading research, as predictive of later reading achievement.

''(v) Increasing hours of program operation, including—

''(I) conversion of part-day programs to full-working-day programs; and

''(II) increasing the number of weeks of operation in a calendar year.

''(vi) Improving communitywide strategic planning and needs assessments for Head Start programs and collaboration efforts for such programs, including outreach to children described in clause (i).

''(vii) Transporting children in Head Start programs safely, except that not more than 10 percent of funds made available to carry out this paragraph may be used for such purposes.

''(viii) Improving the compensation and benefits of staff of Head Start agencies, in order to improve the quality of Head Start programs.

''(6) No sums appropriated under this subchapter may be combined with funds appropriated under any provision other than this subchapter if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such sums appropriated under this subchapter are separately identified in such grant or payment and are used for the purposes of this subchapter.

''(7) In this subsection:

''(A) The term 'base grant', used with respect to a fiscal year, means the amount of permanent ongoing funding (other than funding described in sections 645A(g)(2)(A)(i) and paragraph (2)(C)(i)(II)(aa)) provided to a Head Start agency (including an Early Head Start agency) under this subchapter for that fiscal year.

''(B) The term 'cost-of-living increase', used with respect to an agency for a fiscal year, means an increase in the funding for that agency, based on the percentage change in the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the prior fiscal year, calculated on the amount of the base grant for that agency for the prior fiscal year.

''(C) For the purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.''.

(b) MINIMUM ENROLLMENT REQUIREMENT FOR CHILDREN WITH DISABILITIES.—Section 640(d) of the Head Start Act (42 U.S.C. 9835(d)) is amended to read as follows:

''(d)(1) The Secretary shall establish policies and procedures to assure that, for fiscal year 2009 and thereafter, not less than 10 percent of the total number of children actually enrolled by each Head Start agency and each delegate agency will be children with disabilities who are determined to be eligible for special education and related services, or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), by the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.).

''(2) Such policies and procedures shall ensure the provision of early intervening services, such as educational and behavioral services and supports, to meet the needs of children with disabilities, prior to an eligibility determination under the Individuals with Disabilities Education Act.

''(3) Such policies and procedures shall require Head Start agencies to provide timely referral to and collaborate with the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act to ensure the provision of special education and related services and early intervention services, and the coordination of programmatic efforts, to meet the special needs of such children.

''(4) The Secretary shall establish policies and procedures to provide Head Start agencies with waivers of the requirements of paragraph (1) for not more than 3 years. Such policies and procedures shall require Head Start agencies, in order to receive such waivers, to provide evidence demonstrating that the Head Start agencies are making reasonable efforts on an annual basis to comply with the requirements of that paragraph.

''(5) Nothing in this subsection shall be construed to limit or create a right to a free appropriate public education under the Individuals with Disabilities Education Act.''.

(c) SERVICE DELIVERY MODELS.—Section 640(f) of the Head Start Act (42 U.S.C. 9835(f)) is amended—

(1) by striking ''(f) The'' and inserting ''(f)(1) Not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the'';

(2) by striking ''needs.'' and inserting ''needs, including models that leverage the capacity and capabilities of the delivery system of early childhood education and development services or programs.''; and

(3) by adding at the end the following:

''(2) In establishing the procedures the Secretary shall establish procedures to provide for—

''(A) the conversion of part-day programs to full-working-day programs or part-day slots to full-working-day slots; and

''(B) serving additional infants and toddlers pursuant to section 645(a)(5).''.

(d) ADDITIONAL FUNDS.—Section 640(g) of the Head Start Act (42 U.S.C. 9835(g)) is amended—

(1) by striking paragraphs (1), (3), and (4);

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking '', in allocating funds to an applicant within a State, from amounts allotted to a State pursuant to subsection (a)(4),'';

(B) in subparagraph (A), by striking ''performance standards'' and inserting ''standards described in section 641A(a)(1)'';

(C) by striking subparagraph (C) and inserting the following:

''(C) the extent to which the applicant has undertaken a communitywide strategic planning and needs assessment involving other entities, including community organizations, and Federal, State, and local public agencies (including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii))), that provide services to children and families, such as—

''(i) family support services;

''(ii) child abuse prevention services;

''(iii) protective services;

''(iv) foster care;

''(v) services for families in whose homes English is not the language customarily spoken;

''(vi) services for children with disabilities; and

''(vii) services for homeless children;'';

(D) in subparagraph (D)—

(i) by striking ''family and community needs assessment'' and inserting ''family needs assessment and communitywide strategic planning and needs assessment'';

(ii) by striking ''reflects'' and inserting ''reflect''; and

(iii) by striking ''other local'' and inserting ''the State and local'';

(E) by striking subparagraph (E) and inserting the following:

''(E) the number of eligible children, as described in clause (i) or (ii) of section 645(a)(1)(B), in each community who are not participating in a Head Start program or any other publicly funded early childhood education and development program;'';

(F) by striking subparagraphs (G) and (H) and inserting the following:

''(G) the extent to which the applicant proposes to foster partnerships with other service providers in a manner that will leverage the existing delivery systems of such services and enhance the resource capacity of the applicant; and

''(H) the extent to which the applicant, in providing services, successfully coordinated activities with the local educational agency serving the community involved (including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii))), and with schools in which children participating in such applicant's program will enroll following such program, with respect to such services and the education services provided by such local educational agency.'';

(3) by redesignating paragraph (2) as paragraph (1); and

(4) by adding at the end the following:

''(2) Notwithstanding paragraph (1), in using funds made available for expansion under subsection (a)(4)(D), the Secretary shall first allocate the funds to qualified applicants proposing to use such funds to serve children from families with incomes below the poverty line. Agencies that receive such funds are subject to the eligibility and enrollment requirements under section 645(a)(1).

''(3)(A) In the event that the amount appropriated to carry out the program under this subchapter for a fiscal year does not exceed the amount appropriated for the prior fiscal year, or is not sufficient to maintain services comparable to the services provided under this subchapter during the prior fiscal year, a Head Start agency may negotiate with the Secretary a reduced funded enrollment level without a reduction in the amount of the grant received by the agency under this subchapter, if such agency can reasonably demonstrate that such reduced funded enrollment level is necessary to maintain the quality of services.

''(B) In accordance with this paragraph, the Secretary shall set up a process for Head Start agencies to negotiate the reduced funded enrollment levels referred to in subparagraph (A) for the fiscal year involved.

''(C) In the event described in subparagraph (A), the Secretary shall be required to notify Head Start agencies of their ability to negotiate the reduced funded enrollment levels if such an agency can reasonably demonstrate that such reduced funded enrollment level is necessary to maintain the quality of services.''.

(e) VEHICLE SAFETY REQUIREMENTS.—Section 640(i) of the Head Start Act (42 U.S.C. 9835(i)) is amended by adding at the end the following: ''The regulations shall also establish requirements to ensure the appropriate supervision of, and appropriate background checks for, individuals with whom the agencies contract to transport those children.''.

(f) MIGRANT AND SEASONAL HEAD START PROGRAMS.—Section 640(l) of the Head Start Act (42 U.S.C. 9835(l)) is amended—

(1) in paragraph (1)—

(A) by striking ''With funds'' and all that follows through ''programs,'' and inserting ''With funds made available under this subchapter to expand migrant and seasonal Head Start programs,''; and

(B) by striking ''children of migrant and seasonal farmworker families'' and inserting ''children of migrant or seasonal farmworker families'';

(2) in paragraph (2)—

(A) by striking ''For'' and all that follows through ''in determining'' and inserting ''In determining'';

(B) by striking ''children of migrant farmworkers'' and inserting ''children of migrant farmworker families'';

(C) by striking ''under such subsection'' and inserting ''under this subchapter'';

(D) by striking ''children of seasonal farmworkers'' each place it appears and inserting ''children of seasonal farmworker families''; and

(E) by striking ''children of such farmworkers'' and inserting ''children of such farmworker families''; and

(3) by striking paragraph (3) and inserting the following:

''(3) In carrying out this subchapter, the Secretary shall continue the administrative arrangement at the national level for meeting the

needs of Indian children and children of migrant and seasonal farmworker families and shall ensure—

''(A) the provision of training and technical assistance by staff with knowledge of and experience in working with such populations; and

''(B) the appointment of a national Indian Head Start collaboration director and a national migrant and seasonal Head Start collaboration director.

''(4)(A) For the purposes of paragraph (3), the Secretary shall conduct an annual consultation in each affected Head Start region, with tribal governments operating Head Start (including Early Head Start) programs.

''(B) The consultations shall be for the purpose of better meeting the needs of Indian, including Alaska Native, children and their families, in accordance with this subchapter, taking into consideration funding allocations, distribution formulas, and other issues affecting the delivery of Head Start services in their geographic locations.

''(C) The Secretary shall publish a notification of the consultations in the Federal Register before conducting the consultations.

''(D) The Secretary shall ensure that a detailed report of each consultation shall be prepared and made available, within 90 days after the consultation, to all tribal governments receiving funds under this subchapter.''.

(g) ENROLLMENT OF HOMELESS CHILDREN; RULE OF CONSTRUCTION; MATERIALS.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

''(m) The Secretary shall issue rules to establish policies and procedures to remove barriers to the enrollment and participation of homeless children in Head Start programs. Such rules shall require Head Start agencies—

''(1) to implement policies and procedures to ensure that homeless children, along with children from other special populations, are identified and prioritized for enrollment;

''(2) to allow families of homeless children to apply to, enroll in, and attend Head Start programs while required documents, such as proof of residency, immunization and other medical records, birth certificates, and other documents, are obtained within a reasonable time frame; and

''(3) to coordinate individual Head Start programs with efforts to implement subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

''(n) Nothing in this subchapter shall be construed to require a State to establish a publicly funded program of early childhood education and development, or to require any child to participate in such a publicly funded program, including a State-funded preschool program, or to participate in any initial screening before participating in a publicly funded program of early childhood education and development, except as provided under sections 612(a)(3) and 635(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(3), 1435(a)(5)).

''(o) All curricula funded under this subchapter shall be based on scientifically valid research, and be age and developmentally appropriate. The curricula shall reflect all areas of child development and learning and be aligned with the Head Start Child Outcomes Framework. Parents shall have the opportunity to examine any such curricula or instructional materials funded under this subchapter.''.

SEC. 7. DESIGNATION OF HEAD START AGENCIES.

Section 641 of the Head Start Act (42 U.S.C. 9836) is amended to read as follows:

''SEC. 641. DESIGNATION OF HEAD START AGENCIES.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—The Secretary is authorized to designate as a Head Start agency any local public or private nonprofit agency, including community-based and faith-based organizations, or for-profit agency, within a community, pursuant to the requirements of this section.

''(2) INTERIM POLICY.—Notwithstanding paragraph (1), until such time as the Secretary develops and implements the system for designation renewal under this section, the Secretary is authorized to designate as a Head Start agency, any local public or private nonprofit agency, including community-based and faith-based organizations, or for-profit agency, within a community, in the manner and process utilized by the Secretary prior to the enactment of the Improving Head Start for School Readiness Act of 2007.

''(b) APPLICATION FOR DESIGNATION RENEWAL.—To be considered for designation renewal, an entity shall submit an application to the Secretary, at such time and in such manner as the Secretary may require.

''(c) SYSTEM FOR DESIGNATION RENEWAL.—

''(1) IN GENERAL.—The Secretary shall develop a system for designation renewal that integrates the recommendations of the expert panel convened under paragraph (2) to determine if a Head Start agency is delivering a high-quality and comprehensive Head Start program that meets the educational, health, nutritional, and social needs of the children and families it serves, and meets program and financial management requirements and standards described in section 641A(a)(1), based on—

''(A) annual budget and fiscal management data;

''(B) program reviews conducted under section 641A(c);

''(C) annual audits required under section 647;

''(D) classroom quality as measured under section 641A(c)(2)(F); and

''(E) Program Information Reports.

''(2) EXPERT PANEL.—Not later than 3 months after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall convene an expert panel of 7 members to make recommendations to the Secretary on the development of a transparent, reliable, and valid system for designation renewal.

''(3) COMPOSITION OF EXPERT PANEL.—The Secretary, in convening such panel, shall appoint the following:

''(A)(i) One member, who has demonstrated competency, as evidenced by training, expertise, and experience, in early childhood program accreditation.

''(ii) One member, who has demonstrated competency (as so evidenced) in research on early childhood development.

''(iii) One member, who has demonstrated competency (as so evidenced) in governance and finance of nonprofit organizations.

''(iv) One member, who has demonstrated competency (as so evidenced) in delivery of services to populations of children with special needs and their families.

''(v) One member, who has demonstrated competency (as so evidenced) in assessment and evaluation of programs serving young children.

''(B) An employee from the Office of Head Start.

''(C) An executive director of a Head Start agency.

''(4) EXPERT PANEL REPORT.—Within 9 months after being convened by the Secretary, the expert panel shall issue a report to the Secretary that provides recommendations on a proposed system for designation renewal that takes into account the criteria in subparagraphs (A) through (E) of paragraph (1) to evaluate whether a Head Start agency is fulfilling its mission to deliver a high-quality and comprehensive Head Start program, including adequately meeting its governance, legal, and financial management requirements.

''(5) PUBLIC COMMENT AND CONSIDERATION.—Not later than 3 months after receiving the report described in paragraph (4), the Secretary shall publish a notice describing a proposed system for designation renewal in the Federal Register, including a proposal for the transition to such system, providing at least 90 days for public comment. The Secretary shall review and consider public comments prior to finalizing the system for designation renewal described in this subsection.

''(6) DESIGNATION RENEWAL SYSTEM.—Not later than 12 months after publishing a notice describing the proposed system under paragraph (5), the Secretary shall implement the system for designation renewal and use that system to determine—

''(A) whether a Head Start grantee is successfully delivering a high-quality and comprehensive Head Start program; and

''(B) whether the grantee has any unresolved deficiencies found during the last triennial review under section 641A(c).

''(7) IMPLEMENTATION OF THE DESIGNATION RENEWAL SYSTEM.—

''(A) IN GENERAL.—A grantee who is determined under such system—

''(i) to be delivering a high-quality and comprehensive Head Start program shall be designated (consistent with section 643) as a Head Start agency for the period of 5 years described in section 638;

''(ii) to not be delivering a high-quality and comprehensive Head Start program shall be subject to an open competition as described in subsection (d); and

''(iii) in the case of an Indian Head Start agency, to not be delivering a high-quality and comprehensive Head Start program shall (notwithstanding clause (ii)) be subject to the requirements of subparagraph (B).

''(B) TRIBAL GOVERNMENT CONSULTATION AND REEVALUATION.—On making a determination described in subparagraph (A)(iii), the Secretary shall engage in government-to-government consultation with the appropriate tribal government or governments for the purpose of establishing a plan to improve the quality of Head Start programs operated by the Indian Head Start agency. Such plan shall be established and implemented within 6 months after the Secretary's determination. Not more than 6 months after the implementation of that plan, the Secretary shall reevaluate the performance of the Indian Head Start agency. If the Indian Head Start agency is still not delivering a high-quality and comprehensive Head Start program, the Secretary shall conduct an open competition as described in subsection (d), subject to the limitations described in subsection (e).

''(8) TRANSPARENCY, RELIABILITY, AND VALIDITY.—The Secretary shall ensure the system for designation renewal is fair, consistent, and transparent and is applied in a manner that renews designations, in a timely manner, grantees as Head Start agencies for periods of 5 years if such grantees are delivering high-quality and comprehensive Head Start programs. The Secretary shall periodically evaluate whether the criteria of the system are being applied in a manner that is transparent, reliable, and valid.

''(9) TRANSITION.—

''(A) IN GENERAL.—Each Head Start agency shall be reviewed under the system for designation renewal described in paragraph (6), not later than 3 years after the implementation of such system.

''(B) LIMITATION.—A Head Start agency shall not be subject to the requirements of the system for designation renewal prior to 18 months after the date of enactment of the Improving Head Start for School Readiness Act of 2007.

''(C) SCHEDULE.—The Secretary shall establish and implement a schedule for reviewing each Head Start agency under the system for designation renewal described in paragraph (6), consistent with subparagraphs (A) and (B).

''(10) REPORTS TO CONGRESS.—The Secretary shall—

''(A) make available to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate the report described in paragraph (4);

''(B) concurrently with publishing a notice in the Federal Register as described in paragraph

(5), provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate that provides a detailed description of the proposed system described in paragraph (5), including a clear rationale for any differences between the proposed system and the recommendations of the expert panel, if any such differences exist; and

''(C) prior to implementing the system for designation renewal, provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate—

''(i) summarizing the public comment on the proposed system and the Secretary's response to such comment; and

''(ii) describing the final system for designation renewal and the plans for implementation of such system.

''(d) DESIGNATION WHEN NO ENTITY IS RENEWED.—

''(1) IN GENERAL.—If no entity in a community is determined to be successfully delivering a high-quality and comprehensive Head Start program, as specified in subsection (c), the Secretary shall, after conducting an open competition, designate for a 5-year period a Head Start agency from among qualified applicants in such community.

''(2) CONSIDERATIONS FOR DESIGNATION.—In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall consider the effectiveness of each such applicant to provide Head Start services, based on—

''(A) any past performance of such applicant in providing services comparable to Head Start services, including how effectively such applicant provided such comparable services;

''(B) the plan of such applicant to provide comprehensive health, educational, nutritional, social, and other services needed to aid participating children in attaining their full potential, and to prepare children to succeed in school;

''(C) the plan of such applicant to attract and retain qualified staff capable of delivering, including implementing, a high-quality and comprehensive program, including the ability to carry out a research based curriculum aligned with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(D) the ability of such applicant to maintain child-to-teacher ratios and family service worker caseloads that reflect best practices and are tied to high-quality service delivery;

''(E) the capacity of such applicant to serve eligible children with—

''(i) curricula that are based on scientifically valid research, that are developmentally appropriate, and that promote the school readiness of children participating in the program involved; and

''(ii) teaching practices that are based, as appropriate, on scientifically valid research, that are developmentally appropriate, and that promote the school readiness of children participating in the program involved;

''(F) the plan of such applicant to meet standards described in section 641A(a)(1), with particular attention to the standards described in subparagraphs (A) and (B) of such section;

''(G) the proposed budget of the applicant and plan of such applicant to maintain strong fiscal controls and cost-effective fiscal management;

''(H) the plan of such applicant to coordinate and collaborate with other public or private entities providing early childhood education and development programs and services for young children in the community involved, including—

''(i) programs implementing grant agreements under the Early Reading First and Even Start programs under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(ii) other preschool programs under title I of that Act (20 U.S.C. 6301 et seq.);

''(iii) programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(iv) State prekindergarten programs;

''(v) child care programs;

''(vi) the educational programs that the children in the Head Start program involved will enter at the age of compulsory school attendance; and

''(vii) local entities, such as a public or school library, for—

''(I) conducting reading readiness programs;

''(II) developing innovative programs to excite children about the world of books, including providing fresh books in the Head Start classroom;

''(III) assisting in literacy training for Head Start teachers; or

''(IV) supporting parents and other caregivers in literacy efforts;

''(I) the plan of such applicant to coordinate the Head Start program that the applicant proposes to carry out, with public and private entities that are willing to commit resources to assist the Head Start program in meeting its program needs;

''(J) the plan of such applicant—

''(i) to facilitate the involvement of parents (including grandparents and kinship caregivers, as appropriate) of children participating in the proposed Head Start program, in activities (at home and, if practicable, at the location of the Head Start program) designed to help such parents become full partners in the education of their children;

''(ii) to afford such parents the opportunity to participate in the development and overall conduct of the program at the local level, including transportation assistance, as appropriate;

''(iii) to offer (directly or through referral to local entities, such as entities carrying out Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), public and school libraries, and entities carrying out family support programs) to such parents—

''(I) family literacy services; and

''(II) parenting skills training;

''(iv) to offer to parents of participating children substance abuse counseling (either directly or through referral to local entities), if needed, including information on the effect of drug exposure on infants and fetal alcohol syndrome;

''(v) at the option of such applicant, to offer (directly or through referral to local entities) to such parents—

''(I) training in basic child development (including cognitive, social, and emotional development);

''(II) assistance in developing literacy and communication skills;

''(III) opportunities to share experiences with other parents (including parent-mentor relationships);

''(IV) regular in-home visitation;

''(V) health services, including information on maternal depression; or

''(VI) any other activity designed to help such parents become full partners in the education of their children;

''(vi) to provide, with respect to each participating family, a family needs assessment that includes consultation with such parents (including foster parents, grandparents, and kinship caregivers, where applicable), in a manner and language that such parents can understand, to the extent practicable, about the benefits of parent involvement and about the activities described in this subparagraph in which such parents may choose to become involved (taking into consideration their specific family needs, work schedules, and other responsibilities); and

''(vii) to extend outreach to fathers (including father figures), in appropriate cases, in order to strengthen the role of those fathers in families, in the education of young children, and in the Head Start program, by working directly with the fathers through activities such as—

''(I) in appropriate cases, including the fathers in home visits and providing opportunities for direct father-child interactions; and

''(II) targeting increased male participation in the conduct of the program;

''(K) the plan of such applicant to meet the needs of limited English proficient children and their families, including procedures to identify such children, plans to provide trained personnel, and plans to provide services to assist the children in making progress toward the acquisition of the English language, while making meaningful progress in attaining the knowledge, skills, abilities, and development described in section 641A(a)(1)(B);

''(L) the plan of such applicant to meet the diverse needs of the population served;

''(M) the plan of such applicant who chooses to assist younger siblings of children who will participate in the Head Start program to obtain health services from other sources;

''(N) the plan of such applicant to meet the needs of children with disabilities, including procedures to identify such children, procedures for referral of such children for evaluation to State or local agencies providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), and plans for collaboration with those State or local agencies;

''(O) the plan of such applicant to meet the needs of homeless children, including transportation needs, and the needs of children in foster care; and

''(P) other factors related to the requirements of this subchapter.

''(3) PRIORITY.—In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall give priority to applicants that have demonstrated capacity in providing effective, comprehensive, and well-coordinated early childhood education and development services and programs to children and their families.

''(e) PROHIBITION AGAINST NON-INDIAN HEAD START AGENCY RECEIVING A GRANT FOR AN INDIAN HEAD START PROGRAM.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, except as provided in paragraph (2), under no condition may a non-Indian Head Start agency receive a grant to carry out an Indian Head Start program.

''(2) EXCEPTION.—In a community in which there is no Indian Head Start agency available for designation to carry out an Indian Head Start program, a non-Indian Head Start agency may receive a grant to carry out an Indian Head Start program but only until such time as an Indian Head Start agency in such community becomes available and is designated pursuant to this section.

''(f) INTERIM PROVIDER.—If no agency in a community is designated under subsection (d), and there is no qualified applicant in the community, the Secretary shall designate a qualified agency to carry out the Head Start program in the community on an interim basis until a qualified applicant from the community is designated under subsection (d).

''(g) PARENT AND COMMUNITY PARTICIPATION.—The Secretary shall require that the practice of significantly involving parents and community residents in the area affected by the program involved, in the selection of Head Start agencies, be continued.

''(h) COMMUNITY.—For purposes of this subchapter, a community may be a city, county, or multicity or multicounty unit within a State, an Indian reservation (including Indians in any off-reservation area designated by an appropriate tribal government in consultation with the Secretary), or a neighborhood or other area (irrespective of boundaries or political subdivisions) that provides a suitable organizational base and possesses the commonality of interest needed to operate a Head Start program.''.

SEC. 8. STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS.

Section 641A of the Head Start Act (42 U.S.C. 9836a) is amended to read as follows:

"SEC. 641A. STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS.

''(a) STANDARDS.—

''(1) CONTENT OF STANDARDS.—The Secretary shall modify, as necessary, program performance standards by regulation applicable to Head Start agencies and programs under this subchapter, including—

''(A) performance standards with respect to services required to be provided, including health, parental involvement, nutritional, and social services, transition activities described in section 642A, and other services;

''(B) scientifically based and developmentally appropriate education performance standards related to school readiness that are based on the Head Start Child Outcomes Framework to ensure that the children participating in the program, at a minimum, develop and demonstrate—

''(i) language knowledge and skills, including oral language and listening comprehension;

''(ii) literacy knowledge and skills, including phonological awareness, print awareness and skills, and alphabetic knowledge;

''(iii) mathematics knowledge and skills;

''(iv) science knowledge and skills;

''(v) cognitive abilities related to academic achievement and child development;

''(vi) approaches to learning related to child development and early learning;

''(vii) social and emotional development related to early learning, school success, and social problemsolving;

''(viii) abilities in creative arts;

''(ix) physical development; and

''(x) in the case of limited English proficient children, progress toward acquisition of the English language while making meaningful progress in attaining the knowledge, skills, abilities, and development described in clauses (i) through (ix), including progress made through the use of culturally and linguistically appropriate instructional services;

''(C) administrative and financial management standards;

''(D) standards relating to the condition and location of facilities (including indoor air quality assessment standards, where appropriate) for such agencies, and programs, including regulations that require that the facilities used by Head Start agencies (including Early Head Start agencies and any delegate agencies) for regularly scheduled center-based and combination program option classroom activities—

''(i) shall meet or exceed State and local requirements concerning licensing for such facilities; and

''(ii) shall be accessible by State and local authorities for purposes of monitoring and ensuring compliance, unless State or local laws prohibit such access; and

''(E) such other standards as the Secretary finds to be appropriate.

''(2) CONSIDERATIONS REGARDING STANDARDS.—In developing any modifications to standards required under paragraph (1), the Secretary shall—

''(A) consult with experts in the fields of child development, early childhood education, child health care, family services (including linguistically and culturally appropriate services to non-English speaking children and their families), administration, and financial management, and with persons with experience in the operation of Head Start programs;

''(B) take into consideration—

''(i) past experience with use of the standards in effect under this subchapter on the date of enactment of the Improving Head Start for School Readiness Act of 2007;

''(ii) changes over the period since October 27, 1998, in the circumstances and problems typically facing children and families served by Head Start agencies;

''(iii) recommendations from the study on Developmental Outcomes and Assessments for Young Children by the National Academy of Sciences, consistent with section 649(j);

''(iv) developments concerning research-based practices with respect to early childhood education and development, children with disabilities, homeless children, children in foster care, and family services, and best practices with respect to program administration and financial management;

''(v) projected needs of an expanding Head Start program;

''(vi) guidelines and standards that promote child health services and physical development, including participation in outdoor activity that supports children's motor development and overall health and nutrition;

''(vii) changes in the characteristics of the population of children who are eligible to participate in Head Start programs, including country of origin, language background, and family structure of such children, and changes in the population and number of such children who are in foster care or are homeless children;

''(viii) mechanisms to ensure that children participating in Head Start programs make a successful transition to the schools that the children will be attending;

''(ix) the need for Head Start agencies to maintain regular communications with parents, including conducting periodic meetings to discuss the progress of individual children in Head Start programs; and

''(x) the unique challenges faced by individual programs, including those programs that are seasonal or short term and those programs that serve rural populations;

''(C)(i) review and revise as necessary the standards in effect under this subsection; and

''(ii) ensure that any such revisions in the standards will not result in the elimination of or any reduction in quality, scope, or types of health, educational, parental involvement, nutritional, social, or other services required to be provided under such standards as in effect on the date of enactment of the Improving Head Start for School Readiness Act of 2007; and

''(D) consult with Indian tribes, including Alaska Natives, experts in Indian, including Alaska Native, early childhood education and development, linguists, and the National Indian Head Start Directors Association on the review and promulgation of standards under paragraph (1) (including standards for language acquisition and school readiness).

''(3) STANDARDS RELATING TO OBLIGATIONS TO DELEGATE AGENCIES.—In developing any modifications to standards under paragraph (1), the Secretary shall describe the obligations of a Head Start agency to a delegate agency to which the Head Start agency has delegated responsibility for providing services under this subchapter.

''(b) MEASURES.—

''(1) IN GENERAL.—The Secretary, in consultation with representatives of Head Start agencies and with experts in the fields of early childhood education and development, family services, and program management, shall use the study on Developmental Outcomes and Assessments for Young Children by the National Academy of Sciences and other relevant research to inform, revise, and provide guidance to Head Start agencies for utilizing, scientifically based measures that support, as appropriate—

''(A) classroom instructional practices;

''(B) identification of children with special needs;

''(C) program evaluation; and

''(D) administrative and financial management practices.

''(2) CHARACTERISTICS OF MEASURES.—The measures under this subsection shall—

''(A) be developmentally, linguistically, and culturally appropriate for the population served;

''(B) be reviewed periodically, based on advances in the science of early childhood development;

''(C) be consistent with relevant, nationally recognized professional and technical standards related to the assessment of young children;

''(D) be valid and reliable in the language in which they are administered;

''(E) be administered by staff with appropriate training for such administration;

''(F) provide for appropriate accommodations for children with disabilities and children who are limited English proficient;

''(G) be high-quality research-based measures that have been demonstrated to assist with the purposes for which they were devised; and

''(H) be adaptable, as appropriate, for use in the self-assessment of Head Start agencies, including in the evaluation of administrative and financial management practices.

''(3) USE OF MEASURES; LIMITATIONS ON USE.—

''(A) USE.—The measures shall be designed, as appropriate, for the purpose of—

''(i) helping to develop the skills, knowledge, abilities, and development described in subsection (a)(1)(B) of children participating in Head Start programs, with an emphasis on measuring skills that scientifically valid research has demonstrated are related to children's school readiness and later success in school;

''(ii) improving classroom practices, including reviewing children's strengths and weaknesses and individualizing instruction to better meet the needs of the children involved;

''(iii) identifying the special needs of children; and

''(iv) improving overall program performance in order to help programs identify problem areas that may require additional training and technical assistance resources.

''(B) LIMITATIONS.—Such measures shall not be used to exclude children from Head Start programs.

''(4) CONFIDENTIALITY.—

''(A) IN GENERAL.—The Secretary, through regulation, shall ensure the confidentiality of any personally identifiable data, information, and records collected or maintained under this subchapter by the Secretary and any Head Start agency. Such regulations shall provide the policies, protections, and rights equivalent to those provided to a parent, student, or educational agency or institution under section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(B) PROHIBITION ON NATIONWIDE DATABASE.—Nothing in this subsection shall be construed to authorize the development of a nationwide database of personally identifiable data, information, or records on children resulting from the use of measures under this subsection.

''(5) SPECIAL RULE.—

''(A) PROHIBITION.—The use of assessment items and data on any assessment authorized under this subchapter by any agent of the Federal Government is prohibited for the purposes of—

''(i) ranking, comparing, or otherwise evaluating individual children for purposes other than research, training, or technical assistance; and

''(ii) providing rewards or sanctions for individual children or teachers.

''(B) RESULTS.—The Secretary shall not use the results of a single assessment as the sole method for assessing program effectiveness or making agency funding determinations at the national, regional, or local level under this subchapter.

''(c) MONITORING OF LOCAL AGENCIES AND PROGRAMS.—

''(1) IN GENERAL.—To determine whether Head Start agencies meet standards described in subsection (a)(1) established under this subchapter with respect to program, administrative, financial management, and other requirements, and in order to help the programs identify areas for improvement and areas of strength as part of their ongoing self-assessment process, the Secretary shall conduct the following reviews of

Head Start agencies, including the Head Start programs operated by such agencies:

''(A) A full review, including the use of a risk-based assessment approach, of each such agency at least once during each 3-year period.

''(B) A review of each newly designated Head Start agency immediately after the completion of the first year such agency carries out a Head Start program.

''(C) Followup reviews, including—

''(i) return visits to Head Start agencies with 1 or more findings of deficiencies, not later than 6 months after the Secretary provides notification of such findings, or not later than 12 months after such notification if the Secretary determines that additional time is necessary for an agency to address such a deficiency prior to the review; and

''(ii) a review of Head Start agencies with significant areas of noncompliance.

''(D) Other reviews, including unannounced site inspections of Head Start centers, as appropriate.

''(2) CONDUCT OF REVIEWS.—The Secretary shall ensure that reviews described in subparagraphs (A) through (C) of paragraph (1)—

''(A) are conducted by review teams that—

''(i) include individuals who are knowledgeable about Head Start programs and, to the maximum extent practicable, individuals who are knowledgeable about—

''(I) other early childhood education and development programs, personnel management, financial accountability, and systems development and monitoring; and

''(II) the diverse (including linguistic and cultural) needs of eligible children (including children with disabilities, homeless children, children in foster care, and limited English proficient children) and their families;

''(ii) include, to the maximum extent practicable, current or former employees of the Department of Health and Human Services who are knowledgeable about Head Start programs; and

''(iii) shall receive periodic training to ensure quality and consistency across reviews;

''(B) include as part of the reviews, a review and assessment of program strengths and areas in need of improvement;

''(C) include as part of the reviews, a review and assessment of whether programs have adequately addressed population and community needs (including those of limited English proficient children and children of migrant or seasonal farmworker families);

''(D) include as part of the reviews, an assessment of the extent to which the programs address the communitywide strategic planning and needs assessment described in section 640(g)(1)(C);

''(E) include information on the innovative and effective efforts of the Head Start agencies to collaborate with the entities providing early childhood and development services or programs in the community and any barriers to such collaboration that the agencies encounter;

''(F) include as part of the reviews, a valid and reliable research-based observational instrument, implemented by qualified individuals with demonstrated reliability, that assesses classroom quality, including assessing multiple dimensions of teacher-child interactions that are linked to positive child development and later achievement;

''(G) are conducted in a manner that evaluates program performance, quality, and overall operations with consistency and objectivity, are based on a transparent and reliable system of review, and are conducted in a manner that includes periodic interrater reliability checks, to ensure quality and consistency, across and within regions, of the reviews and of noncompliance and deficiency determinations;

''(H) in the case of reviews of Early Head Start agencies and programs, are conducted by a review team that includes individuals who are knowledgeable about the development of infants and toddlers;

''(I) include as part of the reviews a protocol for fiscal management that shall be used to assess compliance with program requirements for—

''(i) using Federal funds appropriately;

''(ii) using Federal funds specifically to purchase property (consistent with section 644(f)) and to compensate personnel;

''(iii) securing and using qualified financial officer support; and

''(iv) reporting financial information and implementing appropriate internal controls to safeguard Federal funds;

''(J) include as part of the reviews of the programs, a review and assessment of whether the programs are in conformity with the eligibility requirements under section 645(a)(1), including regulations promulgated under such section and whether the programs have met the requirements for the outreach and enrollment policies and procedures, and selection criteria, in such section, for the participation of children in programs assisted under this subchapter;

''(K) include as part of the reviews, a review and assessment of whether agencies have adequately addressed the needs of children with disabilities, including whether the agencies involved have met the 10 percent minimum enrollment requirement specified in section 640(d) and whether the agencies have made sufficient efforts to collaborate with State and local agencies providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.); and

''(L) include as part of the reviews, a review and assessment of child outcomes and performance as they relate to agency-determined school readiness goals described in subsection (g)(2), consistent with subsection (b)(5).

''(3) STANDARDS RELATING TO OBLIGATIONS TO DELEGATE AGENCIES.—In conducting a review described in paragraph (1)(A) of a Head Start agency, the Secretary shall determine whether the agency complies with the obligations described in subsection (a)(3). The Secretary shall consider such compliance in determining whether to renew financial assistance to the Head Start agency under this subchapter.

''(4) USE OF REVIEW FINDINGS.—The findings of a review described in paragraph (1) of a Head Start agency shall, at a minimum—

''(A) be presented to the agency in a timely, transparent, and uniform manner that conveys information of program strengths and weaknesses and assists with program improvement; and

''(B) be used by the agency to inform the development and implementation of its plan for training and technical assistance.

''(d) EVALUATIONS AND CORRECTIVE ACTION FOR DELEGATE AGENCIES.—

''(1) PROCEDURES.—Each Head Start agency shall establish, subject to paragraph (4), procedures relating to its delegate agencies, including—

''(A) procedures for evaluating delegate agencies;

''(B) procedures for defunding delegate agencies; and

''(C) procedures for a delegate agency to appeal a defunding decision.

''(2) EVALUATION.—Each Head Start agency—

''(A) shall evaluate its delegate agencies using the procedures established under this subsection; and

''(B) shall inform the delegate agencies of the deficiencies identified through the evaluation that are required to be corrected.

''(3) REMEDIES TO ENSURE CORRECTIVE ACTIONS.—In the event that the Head Start agency identifies a deficiency for a delegate agency through the evaluation, the Head Start agency shall take action, which may include—

''(A) initiating procedures to terminate the designation of the agency unless the agency corrects the deficiency;

''(B) conducting monthly monitoring visits to such delegate agency until all deficiencies are corrected or the Head Start agency decides to defund such delegate agency; and

''(C) releasing funds to such delegate agency—

''(i) only as reimbursements except that, upon receiving a request from the delegate agency accompanied by assurances satisfactory to the Head Start agency that the funds will be appropriately safeguarded, the Head Start agency shall provide to the delegate agency a working capital advance in an amount sufficient to cover the estimated expenses involved during an agreed upon disbursing cycle; and

''(ii) only if there is continuity of services.

''(4) TERMINATION.—The Head Start agency may not terminate a delegate agency's contract or reduce a delegate agency's service area without showing cause or demonstrating the cost-effectiveness of such a decision.

''(5) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the powers, duties, or functions of the Secretary with respect to Head Start agencies or delegate agencies that receive financial assistance under this subchapter.

''(e) CORRECTIVE ACTION FOR HEAD START AGENCIES.—

''(1) DETERMINATION.—If the Secretary determines, on the basis of a review pursuant to subsection (c), that a Head Start agency designated pursuant to this subchapter fails to meet the standards described in subsection (a)(1) or fails to address the communitywide strategic planning and needs assessment, the Secretary shall—

''(A) inform the agency of the deficiencies that shall be corrected and identify the assistance to be provided consistent with paragraph (3);

''(B) with respect to each identified deficiency, require the agency—

''(i) to correct the deficiency immediately, if the Secretary finds that the deficiency threatens the health or safety of staff or program participants or poses a threat to the integrity of Federal funds;

''(ii) to correct the deficiency not later than 90 days after the identification of the deficiency if the Secretary finds, in the discretion of the Secretary, that such a 90-day period is reasonable, in light of the nature and magnitude of the deficiency; or

''(iii) in the discretion of the Secretary (taking into consideration the seriousness of the deficiency and the time reasonably required to correct the deficiency), to comply with the requirements of paragraph (2) concerning a quality improvement plan; and

''(C) initiate proceedings to terminate the designation of the agency unless the agency corrects the deficiency.

''(2) QUALITY IMPROVEMENT PLAN.—

''(A) AGENCY AND PROGRAM RESPONSIBILITIES.—To retain a designation as a Head Start agency under this subchapter, or in the case of a Head Start program to continue to receive funds from such agency, a Head Start agency that is the subject of a determination described in paragraph (1), or a Head Start program that is determined to have a deficiency under subsection (d)(2) (excluding an agency required to correct a deficiency immediately or during a 90-day period under clause (i) or (ii) of paragraph (1)(B)) shall—

''(i) develop in a timely manner, a quality improvement plan that shall be subject to the approval of the Secretary, or in the case of a program, the sponsoring agency, and that shall specify—

''(I) the deficiencies to be corrected;

''(II) the actions to be taken to correct such deficiencies; and

''(III) the timetable for accomplishment of the corrective actions specified; and

''(ii) correct each deficiency identified, not later than the date for correction of such deficiency specified in such plan (which shall not be later than 1 year after the date the agency or Head Start program that is determined to have a deficiency received notice of the determination and of the specific deficiency to be corrected).

''(B) SECRETARIAL RESPONSIBILITY.—Not later than 30 days after receiving from a Head Start agency a proposed quality improvement plan pursuant to subparagraph (A), the Secretary shall either approve such proposed plan or specify the reasons why the proposed plan cannot be approved.

''(C) AGENCY RESPONSIBILITY.—Not later than 30 days after receiving from a Head Start program a proposed quality improvement plan pursuant to subparagraph (A), the Head Start agency involved shall either approve such proposed plan or specify the reasons why the proposed plan cannot be approved.

''(3) TRAINING AND TECHNICAL ASSISTANCE.—The Secretary shall provide training and technical assistance to Head Start agencies and programs with respect to the development or implementation of such quality improvement plans to the extent the Secretary finds such provision to be feasible and appropriate given available funding and other statutory responsibilities.

''(f) SUMMARIES OF MONITORING OUTCOMES.—

''(1) IN GENERAL.—Not later than 120 days after the end of each fiscal year, the Secretary shall publish a summary report on the findings of reviews conducted under subsection (c) and on the outcomes of quality improvement plans implemented under subsection (e), during such fiscal year.

''(2) REPORT AVAILABILITY.—Such report shall be made widely available to—

''(A) parents with children receiving assistance under this subchapter—

''(i) in an understandable and uniform format; and

''(ii) to the extent practicable, in a language that the parents understand; and

''(B) the public through means such as—

''(i) distribution through public agencies; and

''(ii) posting such information on the Internet.

''(3) REPORT INFORMATION.—Such report shall contain detailed data—

''(A) on compliance with specific standards and measures; and

''(B) sufficient to allow Head Start agencies to use such data to improve the quality of their programs.

''(g) SELF-ASSESSMENTS.—

''(1) IN GENERAL.—Not less frequently than once each program year, with the consultation and participation of policy councils and, as applicable, policy committees and, as appropriate, other community members, each Head Start agency, and each delegate agency, that receives financial assistance under this subchapter shall conduct a comprehensive self-assessment of its effectiveness and progress in meeting program goals and objectives and in implementing and complying with standards described in subsection (a)(1).

''(2) GOALS, REPORTS, AND IMPROVEMENT PLANS.—

''(A) GOALS.—An agency conducting a self-assessment shall establish agency-determined program goals for improving the school readiness of children participating in a program under this subchapter, including school readiness goals that are aligned with the Head Start Child Outcomes Framework, State early learning standards as appropriate, and requirements and expectations of the schools the children will be attending.

''(B) IMPROVEMENT PLAN.—The agency shall develop, and submit to the Secretary a report containing, an improvement plan approved by the governing body of the agency to strengthen any areas identified in the self-assessment as weaknesses or in need of improvement.

''(3) ONGOING MONITORING.—Each Head Start agency (including each Early Head Start agency) and each delegate agency shall establish and implement procedures for the ongoing monitoring of their respective programs, to ensure that the operations of the programs work toward meeting program goals and objectives and standards described in subsection (a)(1).

''(h) REDUCTION OF GRANTS AND REDISTRIBUTION OF FUNDS IN CASES OF UNDERENROLLMENT.—

''(1) DEFINITIONS.—In this subsection:

''(A) ACTUAL ENROLLMENT.—The term 'actual enrollment' means, with respect to the program of a Head Start agency, the actual number of children enrolled in such program and reported by the agency (as required in paragraph (2)) in a given month.

''(B) BASE GRANT.—The term 'base grant' has the meaning given the term in section 640(a)(7).

''(C) FUNDED ENROLLMENT.—The term 'funded enrollment' means, with respect to the program of a Head Start agency in a fiscal year, the number of children that the agency is funded to serve through a grant for the program during such fiscal year, as indicated in the grant agreement.

''(2) ENROLLMENT REPORTING REQUIREMENT.—Each entity carrying out a Head Start program shall report on a monthly basis to the Secretary and the relevant Head Start agency—

''(A) the actual enrollment in such program; and

''(B) if such actual enrollment is less than the funded enrollment, any apparent reason for such enrollment shortfall.

''(3) SECRETARIAL REVIEW AND PLAN.—The Secretary shall—

''(A) on a semiannual basis, determine which Head Start agencies are operating with an actual enrollment that is less than the funded enrollment based on not less than 4 consecutive months of data;

''(B) for each such Head Start agency operating a program with an actual enrollment that is less than its funded enrollment, as determined under subparagraph (A), develop, in collaboration with such agency, a plan and timetable for reducing or eliminating underenrollment taking into consideration—

''(i) the quality and extent of the outreach, recruitment, and communitywide strategic planning and needs assessment conducted by such agency;

''(ii) changing demographics, mobility of populations, and the identification of new underserved low-income populations;

''(iii) facilities-related issues that may impact enrollment;

''(iv) the ability to provide full-working-day programs, where needed, through funds made available under this subchapter or through collaboration with entities carrying out other early childhood education and development programs, or programs with other funding sources (where available);

''(v) the availability and use by families of other early childhood education and development options in the community served; and

''(vi) agency management procedures that may impact enrollment; and

''(C) provide timely and ongoing technical assistance to each agency described in subparagraph (B) for the purpose of assisting the Head Start agency to implement the plan described in such subparagraph.

''(4) IMPLEMENTATION.—Upon receipt of the technical assistance described in paragraph (3)(C), a Head Start agency shall immediately implement the plan described in paragraph (3)(B). The Secretary shall, where determined appropriate, continue to provide technical assistance to such agency.

''(5) SECRETARIAL REVIEW AND ADJUSTMENT FOR CHRONIC UNDERENROLLMENT.—

''(A) IN GENERAL.—If, after receiving technical assistance and developing and implementing the plan as described in paragraphs (3) and (4) for 12 months, a Head Start agency is operating a program with an actual enrollment that is less than 97 percent of its funded enrollment, the Secretary may—

''(i) designate such agency as chronically underenrolled; and

''(ii) recapture, withhold, or reduce the base grant for the program by a percentage equal to the percentage difference between funded enrollment and actual enrollment for the program for the most recent year for which the agency is determined to be underenrolled under paragraph (3)(A).

''(B) WAIVER OR LIMITATION OF REDUCTIONS.—The Secretary may, as appropriate, waive or reduce the percentage recapturing, withholding, or reduction otherwise required by subparagraph (A), if, after the implementation of the plan described in paragraph (3)(B), the Secretary finds that—

''(i) the causes of the enrollment shortfall, or a portion of the shortfall, are related to the agency's serving significant numbers of highly mobile children, or are other significant causes as determined by the Secretary;

''(ii) the shortfall can reasonably be expected to be temporary; or

''(iii) the number of slots allotted to the agency is small enough that underenrollment does not create a significant shortfall.

''(6) REDISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—Funds held by the Secretary as a result of recapturing, withholding, or reducing a base grant in a fiscal year shall be redistributed by the end of the following fiscal year as follows:

''(i) INDIAN HEAD START PROGRAMS.—If such funds are derived from an Indian Head Start program, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Indian Head Start programs.

''(ii) MIGRANT AND SEASONAL HEAD START PROGRAMS.—If such funds are derived from a migrant or seasonal Head Start program, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more programs of the type from which such funds are derived.

''(iii) EARLY HEAD START PROGRAMS.—If such funds are derived from an Early Head Start program in a State, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Early Head Start programs in that State. If such funds are derived from an Indian Early Head Start program, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Indian Early Head Start programs.

''(iv) OTHER HEAD START PROGRAMS.—If such funds are derived from a Head Start program in a State (excluding programs described in clauses (i) through (iii)), then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Head Start programs (excluding programs described in clauses (i) through (iii)) that are carried out in such State.

''(B) ADJUSTMENT TO FUNDED ENROLLMENT.—The Secretary shall adjust as necessary the requirements relating to funded enrollment indicated in the grant agreement of a Head Start agency receiving redistributed funds under this paragraph.''.

SEC. 9. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 642 of the Head Start Act (42 U.S.C. 9837) is amended to read as follows:

''SEC. 642. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

''(a) AUTHORITY.—To be designated as a Head Start agency under this subchapter, an agency shall have authority under its charter or applicable law to receive and administer funds under this subchapter, funds and contributions from private or local public sources that may be used in support of a Head Start program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit or for-profit agency (as the case may be) organized in accordance with this subchapter, could act as grantee, contractor, or sponsor of projects appropriate for inclusion in a Head Start program. Such an agency shall also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program

responsibilities. The power to transfer funds and delegate powers shall include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

''(b) FAMILY AND COMMUNITY INVOLVEMENT; FAMILY SERVICES.—To be so designated, a Head Start agency shall, at a minimum, do all the following to involve and serve families and communities:

''(1) Provide for the regular and direct participation of parents and community residents in the implementation of the Head Start program, including decisions that influence the character of such program, consistent with paragraphs (2)(D) and (3)(C) of subsection (c).

''(2) Seek the involvement of parents, community residents, and local business in the design and implementation of the program.

''(3) Establish effective procedures—

''(A) to facilitate and seek the involvement of parents of participating children in activities designed to help such parents become full partners in the education of their children; and

''(B) to afford such parents the opportunity to participate in the development and overall conduct of the program at the local level, including transportation assistance as appropriate.

''(4) Offer (directly or through referral to local entities, such as entities carrying out Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), public and school libraries, and entities carrying out family support programs) to such parents—

''(A) family literacy services; and

''(B) parenting skills training.

''(5) Offer to parents of participating children substance abuse counseling (either directly or through referral to local entities), if needed, including information on the effect of drug exposure on infants and fetal alcohol syndrome.

''(6) At the option of such agency, offer (directly or through referral to local entities) to such parents—

''(A) training in basic child development (including cognitive, social, and emotional development);

''(B) assistance in developing literacy and communication skills;

''(C) opportunities to share experiences with other parents (including parent-mentor relationships);

''(D) health services, including information on maternal depression;

''(E) regular in-home visitation; or

''(F) any other activity designed to help such parents become full partners in the education of their children.

''(7) Provide, with respect to each participating family, a family needs assessment that includes consultation with such parents (including foster parents, grandparents, and kinship caregivers, where applicable), in a manner and language that such parents can understand (to the extent practicable), about the benefits of parent involvement and about the activities described in this subsection in which such parents may choose to be involved (taking into consideration their specific family needs, work schedules, and other responsibilities).

''(8) Consider providing services to assist younger siblings of children participating in its Head Start program to obtain health services from other sources.

''(9) Perform community outreach to encourage individuals previously unaffiliated with Head Start programs to participate in its Head Start program as volunteers.

''(10)(A) Inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subchapter about the availability of child support services for purposes of establishing paternity and acquiring child support.

''(B) Refer eligible parents to the child support offices of State and local governments.

''(11) Provide to parents of limited English proficient children outreach and information, in an understandable and uniform format and, to the extent practicable, in a language that the parents can understand.

''(12) Provide technical and other support needed to enable parents and community residents to secure, on their own behalf, available assistance from public and private sources.

''(13) Promote the continued involvement of the parents (including foster parents, grandparents, and kinship caregivers, as appropriate) of children that participate in Head Start programs in the education of their children upon transition of their children to school, by working with the local educational agency—

''(A) to provide training to the parents—

''(i) to inform the parents about their rights and responsibilities concerning the education of their children; and

''(ii) to enable the parents—

''(I) to understand and work with schools in order to communicate with teachers and other school personnel;

''(II) to support the schoolwork of their children; and

''(III) to participate as appropriate in decisions relating to the education of their children; and

''(B) to take other actions, as appropriate and feasible, to support the active involvement of the parents with schools, school personnel, and school-related organizations.

''(14) Establish effective procedures for timely referral of children with disabilities to the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), and collaboration with that agency, consistent with section 640(d)(3).

''(15) Establish effective procedures for providing necessary early intervening services to children with disabilities prior to an eligibility determination by the State or local agency responsible for providing services under section 619 or part C of such Act, consistent with section 640(d)(2).

''(16) At the option of the Head Start agency, partner with an institution of higher education and a nonprofit organization to provide college students with the opportunity to serve as mentors or reading partners for Head Start participants.

''(c) PROGRAM GOVERNANCE.—Upon receiving designation as a Head Start agency, the agency shall establish and maintain a formal structure for program governance, for the oversight of quality services for Head Start children and families and for making decisions related to program design and implementation. Such structure shall include the following:

''(1) GOVERNING BODY.—

''(A) IN GENERAL.—The governing body shall have legal and fiscal responsibility for the Head Start agency.

''(B) COMPOSITION.—The governing body shall be composed as follows:

''(i) Not less than 1 member shall have a background and expertise in fiscal management or accounting.

''(ii) Not less than 1 member shall have a background and expertise in early childhood education and development.

''(iii) Not less than 1 member shall be a licensed attorney familiar with issues that come before the governing body.

''(iv) Additional members shall—

''(I) reflect the community to be served and include parents of children who are currently, or were formerly, enrolled in Head Start programs; and

''(II) are selected for their expertise in education, business administration, or community affairs.

''(v) Exceptions shall be made to the requirements of clauses (i) through (iv) for members of a governing body when those members oversee a public entity and are selected to their positions with the public entity by public election or political appointment.

''(vi) If a person described in clause (i), (ii), or (iii) is not available to serve as a member of the governing body, the governing body shall use a consultant, or an other individual with relevant expertise, with the qualifications described in that clause, who shall work directly with the governing body.

''(C) CONFLICT OF INTEREST.—Members of the governing body shall—

''(i) not have a financial conflict of interest with the Head Start agency (including any delegate agency);

''(ii) not receive compensation for serving on the governing body or for providing services to the Head Start agency;

''(iii) not be employed, nor shall members of their immediate family be employed, by the Head Start agency (including any delegate agency); and

''(iv) operate as an entity independent of staff employed by the Head Start agency.

''(D) EXCEPTION.—If an individual holds a position as a result of public election or political appointment, and such position carries with it a concurrent appointment to serve as a member of a Head Start agency governing body, and such individual has any conflict of interest described in clause (ii) or (iii) of subparagraph (C)—

''(i) such individual shall not be prohibited from serving on such body and the Head Start agency shall report such conflict to the Secretary; and

''(ii) if the position held as a result of public election or political appointment provides compensation, such individual shall not be prohibited from receiving such compensation.

''(E) RESPONSIBILITIES.—The governing body shall—

''(i) have legal and fiscal responsibility for administering and overseeing programs under this subchapter, including the safeguarding of Federal funds;

''(ii) adopt practices that assure active, independent, and informed governance of the Head Start agency, including practices consistent with subsection (d)(1), and fully participate in the development, planning, and evaluation of the Head Start programs involved;

''(iii) be responsible for ensuring compliance with Federal laws (including regulations) and applicable State, tribal, and local laws (including regulations); and

''(iv) be responsible for other activities, including—

''(I) selecting delegate agencies and the service areas for such agencies;

''(II) establishing procedures and criteria for recruitment, selection, and enrollment of children;

''(III) reviewing all applications for funding and amendments to applications for funding for programs under this subchapter;

''(IV) establishing procedures and guidelines for accessing and collecting information described in subsection (d)(2);

''(V) reviewing and approving all major policies of the agency, including—

''(aa) the annual self-assessment and financial audit;

''(bb) such agency's progress in carrying out the programmatic and fiscal provisions in such agency's grant application, including implementation of corrective actions; and

''(cc) personnel policies of such agencies regarding the hiring, evaluation, termination, and compensation of agency employees;

''(VI) developing procedures for how members of the policy council are selected, consistent with paragraph (2)(B);

''(VII) approving financial management, accounting, and reporting policies, and compliance with laws and regulations related to financial statements, including the—

''(aa) approval of all major financial expenditures of the agency;

''(bb) annual approval of the operating budget of the agency;

''(cc) selection (except when a financial auditor is assigned by the State under State law or is assigned under local law) of independent financial auditors who shall report all critical accounting policies and practices to the governing body; and

''(dd) monitoring of the agency's actions to correct any audit findings and of other action necessary to comply with applicable laws (including regulations) governing financial statement and accounting practices;

''(VIII) reviewing results from monitoring conducted under section 641A(c), including appropriate followup activities;

''(IX) approving personnel policies and procedures, including policies and procedures regarding the hiring, evaluation, compensation, and termination of the Executive Director, Head Start Director, Director of Human Resources, Chief Fiscal Officer, and any other person in an equivalent position with the agency;

''(X) establishing, adopting, and periodically updating written standards of conduct that establish standards and formal procedures for disclosing, addressing, and resolving—

''(aa) any conflict of interest, and any appearance of a conflict of interest, by members of the governing body, officers and employees of the Head Start agency, and consultants and agents who provide services or furnish goods to the Head Start agency; and

''(bb) complaints, including investigations, when appropriate; and

''(XI) to the extent practicable and appropriate, at the discretion of the governing body, establishing advisory committees to oversee key responsibilities related to program governance and improvement of the Head Start program involved.

''(2) POLICY COUNCIL.—

''(A) IN GENERAL.—Consistent with paragraph (1)(E), each Head Start agency shall have a policy council responsible for the direction of the Head Start program, including program design and operation, and long- and short-term planning goals and objectives, taking into account the annual communitywide strategic planning and needs assessment and self-assessment.

''(B) COMPOSITION AND SELECTION.—

''(i) The policy council shall be elected by the parents of children who are currently enrolled in the Head Start program of the Head Start agency.

''(ii) The policy council shall be composed of—

''(I) parents of children who are currently enrolled in the Head Start program of the Head Start agency (including any delegate agency), who shall constitute a majority of the members of the policy council; and

''(II) members at large of the community served by the Head Start agency (including any delegate agency), who may include parents of children who were formerly enrolled in the Head Start program of the agency.

''(C) CONFLICT OF INTEREST.—Members of the policy council shall—

''(i) not have a conflict of interest with the Head Start agency (including any delegate agency); and

''(ii) not receive compensation for serving on the policy council or for providing services to the Head Start agency.

''(D) RESPONSIBILITIES.—The policy council shall approve and submit to the governing body decisions about each of the following activities:

''(i) Activities to support the active involvement of parents in supporting program operations, including policies to ensure that the Head Start agency is responsive to community and parent needs.

''(ii) Program recruitment, selection, and enrollment priorities.

''(iii) Applications for funding and amendments to applications for funding for programs under this subchapter, prior to submission of applications described in this clause.

''(iv) Budget planning for program expenditures, including policies for reimbursement and participation in policy council activities.

''(v) Bylaws for the operation of the policy council.

''(vi) Program personnel policies and decisions regarding the employment of program staff, consistent with paragraph (1)(E)(iv)(IX), including standards of conduct for program staff, contractors, and volunteers and criteria for the employment and dismissal of program staff.

''(vii) Developing procedures for how members of the policy council of the Head Start agency will be elected.

''(viii) Recommendations on the selection of delegate agencies and the service areas for such agencies.

''(3) POLICY COMMITTEES.—Each delegate agency shall create a policy committee, which shall—

''(A) be elected and composed of members, consistent with paragraph (2)(B) (with respect to delegate agencies);

''(B) follow procedures to prohibit conflict of interest, consistent with clauses (i) and (ii) of paragraph (2)(C) (with respect to delegate agencies); and

''(C) be responsible for approval and submission of decisions about activities as they relate to the delegate agency, consistent with paragraph (2)(D) (with respect to delegate agencies).

''(d) PROGRAM GOVERNANCE ADMINISTRATION.—

''(1) IMPASSE POLICIES.—The Secretary shall develop policies, procedures, and guidance for Head Start agencies concerning—

''(A) the resolution of internal disputes, including any impasse in the governance of Head Start programs; and

''(B) the facilitation of meaningful consultation and collaboration about decisions of the governing body and policy council.

''(2) CONDUCT OF RESPONSIBILITIES.—Each Head Start agency shall ensure the sharing of accurate and regular information for use by the governing body and the policy council, about program planning, policies, and Head Start agency operations, including—

''(A) monthly financial statements, including credit card expenditures;

''(B) monthly program information summaries;

''(C) program enrollment reports, including attendance reports for children whose care is partially subsidized by another public agency;

''(D) monthly reports of meals and snacks provided through programs of the Department of Agriculture;

''(E) the financial audit;

''(F) the annual self-assessment, including any findings related to such assessment;

''(G) the communitywide strategic planning and needs assessment of the Head Start agency, including any applicable updates;

''(H) communication and guidance from the Secretary; and

''(I) the program information reports.

''(3) TRAINING AND TECHNICAL ASSISTANCE.—Appropriate training and technical assistance shall be provided to the members of the governing body and the policy council to ensure that the members understand the information the members receive and can effectively oversee and participate in the programs of the Head Start agency.

''(e) COLLABORATION AND COORDINATION.—To be so designated, a Head Start agency shall collaborate and coordinate with public and private entities, to the maximum extent practicable, to improve the availability and quality of services to Head Start children and families, including carrying out the following activities:

''(1) Conduct outreach to schools in which children participating in the Head Start program will enroll following the program, local educational agencies, the local business community, community-based organizations, faith-based organizations, museums, and libraries to generate support and leverage the resources of the entire local community in order to improve school readiness.

''(2)(A) In communities where both a public prekindergarten program and a Head Start program operate, collaborate and coordinate activities with the local educational agency or other public agency responsible for the operation of the prekindergarten program and providers of prekindergarten, including outreach activities to identify eligible children.

''(B) With the permission of the parents of children enrolled in the Head Start program, regularly communicate with the schools in which the children will enroll following the program, to—

''(i) share information about such children;

''(ii) collaborate with the teachers in such schools regarding professional development and instructional strategies, as appropriate; and

''(iii) ensure a smooth transition to school for such children.

''(3) Coordinate activities and collaborate with programs under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a) and parts B and E of title IV of the Social Security Act (42 U.S.C. 621 et seq., 670 et seq.), programs under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), and other entities providing early childhood education and development programs or services, serving the children and families served by the Head Start agency.

''(4) Take steps to coordinate activities with the local educational agency serving the community involved and with schools in which children participating in the Head Start program will enroll following the program, including—

''(A) collaborating on the shared use of transportation and facilities, in appropriate cases;

''(B) collaborating to reduce the duplication and enhance the efficiency of services while increasing the program participation of underserved populations of eligible children; and

''(C) exchanging information on the provision of noneducational services to such children.

''(5) Enter into a memorandum of understanding, not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007, with the appropriate local entity responsible for managing publicly funded preschool programs in the service area of the Head Start agency, that shall—

''(A)(i) provide for a review of each of the activities described in clause (ii); and

''(ii) include plans to coordinate, as appropriate, activities regarding—

''(I) educational activities, curricular objectives, and instruction;

''(II) public information dissemination and access to programs for families contacting the Head Start program or any of the preschool programs;

''(III) selection priorities for eligible children to be served by programs;

''(IV) service areas;

''(V) staff training, including opportunities for joint staff training on topics such as academic content standards, instructional methods, curricula, and social and emotional development;

''(VI) program technical assistance;

''(VII) provision of additional services to meet the needs of working parents, as applicable;

''(VIII) communications and parent outreach for smooth transitions to kindergarten as required in paragraphs (3) and (6) of section 642A(a);

''(IX) provision and use of facilities, transportation, and other program elements; and

''(X) other elements mutually agreed to by the parties to such memorandum;

''(B) be submitted to the Secretary and the State Director of Head Start Collaboration not

later than 30 days after the parties enter into such memorandum, except that—

''(i) where there is an absence of publicly funded preschool programs in the service area of a Head Start agency, this paragraph shall not apply; or

''(ii) where the appropriate local entity responsible for managing the publicly funded preschool programs is unable or unwilling to enter into such a memorandum, this paragraph shall not apply and the Head Start agency shall inform the Secretary and the State Director of Head Start Collaboration of such inability or unwillingness; and

''(C) be revised periodically and renewed biennially by the parties to such memorandum, in alignment with the beginning of the school year.

''(f) QUALITY STANDARDS, CURRICULA, AND ASSESSMENT.—To be so designated, each Head Start agency shall—

''(1) take steps to ensure, to the maximum extent practicable, that children maintain the developmental and educational gains achieved in Head Start programs and build upon such gains in further schooling;

''(2) establish a program with the standards set forth in section 641A(a)(1), with particular attention to the standards set forth in subparagraphs (A) and (B) of such section;

''(3) implement a research-based early childhood curriculum that—

''(A) promotes young children's school readiness in the areas of language and cognitive development, early reading and mathematics skills, socio-emotional development, physical development, and approaches to learning;

''(B) is based on scientifically valid research and has standardized training procedures and curriculum materials to support implementation;

''(C) is comprehensive and linked to ongoing assessment, with developmental and learning goals and measurable objectives;

''(D) is focused on improving the learning environment, teaching practices, family involvement, and child outcomes across all areas of development; and

''(E) is aligned with the Head Start Child Outcomes Framework developed by the Secretary and, as appropriate, State early learning standards;

''(4) implement effective interventions and support services that help promote the school readiness of children participating in the program;

''(5) use research-based assessment methods that reflect the characteristics described in section 641A(b)(2) in order to support the educational instruction and school readiness of children in the program;

''(6) use research-based developmental screening tools that have been demonstrated to be standardized, reliable, valid, and accurate for the child being assessed, to the maximum extent practicable, for the purpose of meeting the relevant standards described in section 641A(a)(1);

''(7) adopt, in consultation with experts in child development and with classroom teachers, an evaluation to assess whether classroom teachers have mastered the functions discussed in section 648A(a)(1);

''(8) use the information provided from the assessment conducted under section 641A(c)(2)(F) to inform professional development plans, as appropriate, that lead to improved teacher effectiveness;

''(9) establish goals and measurable objectives for the provision of health, educational, nutritional, and social services provided under this subchapter and related to the program mission and to promote school readiness; and

''(10) develop procedures for identifying children who are limited English proficient, and informing the parents of such children about the instructional services used to help children make progress towards acquiring the knowledge and skills described in section 641A(a)(1)(B) and acquisition of the English language.

''(g) FUNDED ENROLLMENT; WAITING LIST.—Each Head Start agency shall enroll 100 percent of its funded enrollment and maintain an active waiting list at all times with ongoing outreach to the community and activities to identify underserved populations.

''(h) TECHNICAL ASSISTANCE AND TRAINING PLAN.—In order to receive funds under this subchapter, a Head Start agency shall develop an annual technical assistance and training plan. Such plan shall be based on the agency's self-assessment, the communitywide strategic planning and needs assessment, the needs of parents and children to be served by such agency, and the results of the reviews conducted under section 641A(c).

''(i) FINANCIAL MANAGEMENT.—In order to receive funds under this subchapter, a Head Start agency shall document strong fiscal controls, including the employment of well-qualified fiscal staff with a history of successful management of a public or private organization.''.

SEC. 10. HEAD START TRANSITION AND ALIGNMENT WITH K–12 EDUCATION.

Section 642A of the Head Start Act (42 U.S.C. 9837a) is amended to read as follows:

''SEC. 642A. HEAD START TRANSITION AND ALIGNMENT WITH K–12 EDUCATION.

''(a) IN GENERAL.—Each Head Start agency shall take steps to coordinate with the local educational agency serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program to promote continuity of services and effective transitions, including—

''(1) developing and implementing a systematic procedure for transferring, with parental consent, Head Start program records for each participating child to the school in which such child will enroll;

''(2) establishing ongoing channels of communication between Head Start staff and their counterparts in the schools (including teachers, social workers, local educational agency liaisons designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)), and health staff) to facilitate coordination of programs;

''(3) establishing ongoing communications between the Head Start agency and local educational agency for developing continuity of developmentally appropriate curricular objectives (which for the purpose of the Head Start program shall be aligned with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards) and for shared expectations for children's learning and development as the children transition to school;

''(4) organizing and participating in joint training, including transition-related training for school staff and Head Start staff;

''(5) establishing comprehensive transition policies and procedures that support children transitioning to school, including by engaging the local educational agency in the establishment of such policies;

''(6) conducting outreach to parents and elementary school (such as kindergarten) teachers to discuss the educational, developmental, and other needs of individual children;

''(7) helping parents of limited English proficient children understand—

''(A) the instructional and other services provided by the school in which such child will enroll after participation in Head Start; and

''(B) as appropriate, the information provided to parents of limited English proficient children under section 3302 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7012);

''(8) developing and implementing a family outreach and support program, in cooperation with entities carrying out parental involvement efforts under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), and family outreach and support efforts under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), taking into consideration the language needs of parents of limited English proficient children;

''(9) assisting families, administrators, and teachers in enhancing educational and developmental continuity and continuity of parental involvement in activities between Head Start services and elementary school classes;

''(10) linking the services provided in such Head Start program with educational services, including services relating to language, literacy, and numeracy, provided by such local educational agency;

''(11) helping parents (including grandparents and kinship caregivers, as appropriate) to understand the importance of parental involvement in a child's academic success while teaching them strategies for maintaining parental involvement as their child moves from Head Start to elementary school;

''(12) helping parents understand the instructional and other services provided by the school in which their child will enroll after participation in the Head Start program;

''(13) developing and implementing a system to increase program participation of underserved populations of eligible children; and

''(14) coordinating activities and collaborating to ensure that curricula used in the Head Start program are aligned with—

''(A) the Head Start Child Outcomes Framework, as developed by the Secretary; and

''(B) State early learning standards, as appropriate, with regard to cognitive, social, emotional, and physical competencies that children entering kindergarten are expected to demonstrate.

''(b) CONSTRUCTION.—In this section, a reference to a Head Start agency, or its program, services, facility, or personnel, shall not be construed to be a reference to an Early Head Start agency, or its program, services, facility, or personnel.

''(c) DISSEMINATION AND TECHNICAL ASSISTANCE.—The Secretary, in consultation with the Secretary of Education, shall—

''(1) disseminate to Head Start agencies information on effective policies and activities relating to the transition of children from Head Start programs to public schools; and

''(2) provide technical assistance to such agencies to promote and assist such agencies to adopt and implement such effective policies and activities.''.

SEC. 11. EARLY CHILDHOOD EDUCATION, COORDINATION, AND IMPROVEMENT.

(a) HEAD START COLLABORATION.—The Head Start Act (42 U.S.C. 9831 et seq.) is amended by inserting after section 642A the following:

''HEAD START COLLABORATION; STATE EARLY EDUCATION AND CARE

''SEC. 642B. (a)(1) From amounts made available under section 640(a)(2)(B)(vi), the Secretary shall award the collaboration grants described in paragraphs (2), (3), and (4).

''(2)(A) The Secretary shall award, upon submission of a written request, a collaboration grant to each State and to each national administrative office serving Indian Head Start programs and migrant or seasonal Head Start programs to facilitate collaboration among Head Start agencies (including Early Head Start agencies) and entities that carry out activities designed to benefit low-income children from birth to school entry, and their families. The national administrative offices shall use the funds made available through the grants to carry out the authorities and responsibilities described in subparagraph (B) and paragraphs (3) and (4), as appropriate.

''(B) Grants described in subparagraph (A) shall be used to—

''(i) assist Head Start agencies to collaborate with entities involved in State and local planning processes to better meet the needs of low-income children from birth to school entry, and their families;

''(ii) assist Head Start agencies to coordinate activities with the State agency responsible for

administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and entities providing resource and referral services in the State, to make full-working-day and full calendar year services available to children;

''(iii) promote alignment of curricula used in Head Start programs and continuity of services with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(iv) promote better linkages between Head Start agencies and other child and family agencies, including agencies that provide health, mental health, or family services, or other child or family supportive services, such as services provided under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.); and

''(v) carry out the activities of the State Director of Head Start Collaboration authorized in paragraph (4).

''(3) In order to improve coordination and delivery of early childhood education and development to children in the State, a State that receives a collaboration grant under paragraph (2) shall—

''(A) appoint or designate an individual to serve as, or carry out the responsibilities of, the State Director of Head Start Collaboration;

''(B) ensure that the State Director of Head Start Collaboration holds a position with sufficient authority and access to ensure that the collaboration described in paragraph (2) is effective and involves a range of State agencies; and

''(C) involve the State Head Start Association in the selection of the Director and involve the Association in determinations relating to the ongoing direction of the collaboration office involved.

''(4) The State Director of Head Start Collaboration shall—

''(A) not later than 1 year after the State receives a collaboration grant under paragraph (2), conduct an assessment that—

''(i) addresses the needs of Head Start agencies in the State with respect to collaboration, coordination and alignment of services, and alignment of curricula and assessments used in Head Start programs with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(ii) shall be updated on an annual basis; and

''(iii) shall be made available to the general public within the State;

''(B) develop a strategic plan that is based on the assessment described in subparagraph (A) that will—

''(i) enhance collaboration and coordination of Head Start services by Head Start agencies with other entities providing early childhood education and development (such as child care or services offered by museums), health care, mental health care, welfare, child protective services, education and community service activities, family literacy services, reading readiness programs (including such programs offered by public and school libraries), services relating to children with disabilities, other early childhood education and development for limited English proficient children and homeless children, and services provided for children in foster care and children referred to Head Start programs by child welfare agencies, including agencies and State officials responsible for services described in this clause;

''(ii) assist Head Start agencies to develop a plan for the provision of full working-day, full calendar year services for children enrolled in Head Start programs who need such services;

''(iii) assist Head Start agencies to align curricula and assessments used in Head Start programs with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards; and

''(iv) enable Head Start agencies to better access professional development opportunities for Head Start staff, such as by working with Head Start agencies to enable the agencies to meet the degree requirements described in section 648A(a)(2)(A), including providing distance learning opportunities for Head Start staff, where needed to make higher education more accessible to Head Start staff; and

''(v) enable the Head Start agencies to better conduct outreach to eligible families;

''(C) promote partnerships between Head Start agencies, State and local governments, and the private sector to help ensure that children from low-income families, who are in Head Start programs or are preschool age, are receiving comprehensive services to prepare the children for elementary school;

''(D) consult with the chief State school officer, local educational agencies, and providers of early childhood education and development, at both the State and local levels;

''(E) promote partnerships between Head Start agencies, schools, law enforcement, relevant community-based organizations, and substance abuse and mental health treatment agencies to strengthen family and community environments and to reduce the impact on child development of substance abuse, child abuse, domestic violence, and other high-risk behaviors that compromise healthy development;

''(F) promote partnerships between Head Start agencies and other organizations in order to enhance Head Start program quality, including partnerships to promote inclusion of more books in Head Start classrooms;

''(G) identify other resources and organizations (both public and private) for the provision of in-kind services to Head Start agencies in the State; and

''(H) serve on the State Advisory Council in order to assist the efforts of Head Start agencies to engage in effective coordination and collaboration.''.

(b) STATE EARLY EDUCATION AND CARE.—Section 642B of the Head Start Act, as added by subsection (a), is amended by adding at the end the following:

''(b)(1)(A) The Governor of the State shall—

''(i) designate or establish a council to serve as the State Advisory Council on Early Childhood Education and Care for children from birth to school entry (in this subchapter referred to as the 'State Advisory Council'); and

''(ii) designate an individual to coordinate activities of the State Advisory Council, as described in subparagraph (D)(i).

''(B) The Governor may designate an existing entity in the State to serve as the State Advisory Council, and shall appoint representatives to the State Advisory Council at the Governor's discretion. In designating an existing entity, the Governor shall take steps to ensure that its membership includes, to the extent possible, representatives consistent with subparagraph (C).

''(C) Members of the State Advisory Council shall include, to the maximum extent possible—

''(i) a representative of the State agency responsible for child care;

''(ii) a representative of the State educational agency;

''(iii) a representative of local educational agencies;

''(iv) a representative of institutions of higher education in the State;

''(v) a representative of local providers of early childhood education and development services;

''(vi) a representative from Head Start agencies located in the State, including migrant and seasonal Head Start programs and Indian Head Start programs;

''(vii) the State Director of Head Start Collaboration;

''(viii) a representative of the State agency responsible for programs under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(ix) a representative of the State agency responsible for health or mental health care; and

''(x) representatives of other entities determined to be relevant by the Governor of the State.

''(D)(i) The State Advisory Council shall, in addition to any responsibilities assigned to the Council by the Governor of the State—

''(I) conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and development programs and services for children from birth to school entry, including an assessment of the availability of high-quality pre-kindergarten services for low-income children in the State;

''(II) identify opportunities for, and barriers to, collaboration and coordination among Federally-funded and State-funded child development, child care, and early childhood education programs and services, including collaboration and coordination among State agencies responsible for administering such programs;

''(III) develop recommendations for increasing the overall participation of children in existing Federal, State, and local child care and early childhood education programs, including outreach to underrepresented and special populations;

''(IV) develop recommendations regarding the establishment of a unified data collection system for public early childhood education and development programs and services throughout the State;

''(V) develop recommendations regarding statewide professional development and career advancement plans for early childhood educators in the State;

''(VI) assess the capacity and effectiveness of 2- and 4-year public and private institutions of higher education in the State toward supporting the development of early childhood educators, including the extent to which such institutions have in place articulation agreements, professional development and career advancement plans, and practice or internships for students to spend time in a Head Start or prekindergarten program; and

''(VII) make recommendations for improvements in State early learning standards and undertake efforts to develop high-quality comprehensive early learning standards, as appropriate.

''(ii) The State Advisory Council shall hold public hearings and provide an opportunity for public comment on the activities described in clause (i). The State Advisory Council shall submit a statewide strategic report addressing the activities described in clause (i) to the State Director of Head Start Collaboration and the Governor of the State.

''(iii) After submission of a statewide strategic report under clause (ii), the State Advisory Council shall meet periodically to review any implementation of the recommendations in such report and any changes in State and local needs.

''(2)(A) The Secretary shall use the portion reserved under section 640(a)(4)(A)(iii) to award, on a competitive basis, one-time startup grants of not less than $500,000 to eligible States to enable such States to pay for the Federal share of developing and implementing a plan pursuant to the responsibilities included under paragraph (1)(D)(i). A State that receives funds under this paragraph shall use such funds to facilitate the development or enhancement of high-quality systems of early childhood education and care designed to improve school preparedness through one or more of the following activities—

''(i) promoting school preparedness of children from birth through school entry, including activities to encourage families and caregivers to engage in highly interactive, developmentally and age-appropriate activities to improve children's early social, emotional, and cognitive development, support the transition of young children to school, and foster parental and family involvement in the early education of young children;

''(ii) supporting professional development, recruitment, and retention initiatives for early childhood educators;

''(iii) enhancing existing early childhood education and development programs and services

(in existence on the date on which the grant involved is awarded), including quality improvement activities authorized under the Child Care and Development Block Grant Act of 1990; and

''(iv) carrying out other activities consistent with the State's plan and application, pursuant to subparagraph (B).

''(B) To be eligible to receive a grant under this paragraph, a State shall prepare and submit to the Secretary a plan and application, for a 3-year period, at such time, in such manner, and containing such information as the Secretary shall require, including—

''(i) the statewide strategic report described in paragraph (1)(D)(ii), including a description of the State Advisory Council's responsibilities under paragraph (1)(D)(i);

''(ii) a description, for each fiscal year, of how the State will make effective use of funds available under this paragraph, with funds described in subparagraph (C), to create an early childhood education and care system, by developing or enhancing programs and activities consistent with the statewide strategic report described in paragraph (1)(D)(i);

''(iii) a description of the State early learning standards and the State's goals for increasing the number of children entering kindergarten ready to learn;

''(iv) information identifying the agency or joint interagency office, and individual, designated to carry out the activities under this paragraph, which may be the individual designated under paragraph (1)(A)(ii); and

''(v) a description of how the State plans to sustain activities under this paragraph beyond the grant period.

''(C) The Federal share of the cost of activities proposed to be conducted under subparagraph (A) shall be 30 percent, and the State shall provide the non-Federal share.

''(D) Funds made available under this paragraph shall be used to supplement, and not supplant, other Federal, State, and local funds expended to carry out activities related to early childhood education and care in the State.

''(E) Not later than 18 months after the date a State receives a grant under this paragraph, the State shall submit an interim report to the Secretary. A State that receives a grant under this paragraph shall submit a final report to the Secretary at the end of the grant period. Each report shall include—

''(i) a description of the activities and services carried out under the grant, including the outcomes of such activities and services in meeting the needs described in the periodic needs assessment and statewide strategic report;

''(ii) information about how the State used such funds to meet the goals of this subsection through activities to develop or enhance high-quality systems of early childhood education and care, increase effectiveness of delivery systems and use of funds, and enhance existing programs and services;

''(iii) information regarding the remaining needs described in the periodic statewide needs assessment and statewide strategic report that have not yet been addressed by the State; and

''(iv) any other information that the Secretary may require.

''(F) Nothing in this subsection shall be construed to provide the State Advisory Council with authority to modify, supersede, or negate the requirements of this subchapter.''.

SEC. 12. SUBMISSION OF PLANS.

Section 643 of the Head Start Act (42 U.S.C. 9838) is amended by adding at the end the following: ''This section shall not apply to contracts, agreements, grants, loans, or other assistance for Indian Head Start programs or migrant or seasonal Head Start programs.''

SEC. 13. ADMINISTRATIVE REQUIREMENTS AND STANDARDS.

Section 644 of the Head Start Act (42 U.S.C. 9839) is amended—

(1) by striking subsection (a) and inserting the following:

''(a)(1) Each Head Start agency shall observe standards of organization, management, and administration that will ensure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this subchapter and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each agency shall also provide for reasonable public access to information, including public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible.

''(2) Each Head Start agency shall make available to the public a report published at least once in each fiscal year that discloses the following information from the most recently concluded fiscal year, except that reporting such information shall not reveal personally identifiable information about an individual child or parent:

''(A) The total amount of public and private funds received and the amount from each source.

''(B) An explanation of budgetary expenditures and proposed budget for the fiscal year.

''(C) The total number of children and families served, the average monthly enrollment (as a percentage of funded enrollment), and the percentage of eligible children served.

''(D) The results of the most recent review by the Secretary and the financial audit.

''(E) The percentage of enrolled children that received medical and dental exams.

''(F) Information about parent involvement activities.

''(G) The agency's efforts to prepare children for kindergarten.

''(H) Any other information required by the Secretary.

''(3) Each such agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to—

''(A) establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits;

''(B) assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness;

''(C) guard against personal or financial conflicts of interest; and

''(D) define employee duties in an appropriate manner that will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action that is in violation of law.''; and

(2) in subsection (f)—

(A) in paragraph (2)—

(i) by redesignating subparagraphs (A) through (E) as subparagraphs (B) through (F), respectively; and

(ii) by inserting before subparagraph (B), as redesignated by clause (i), the following:

''(A) a description of the efforts by the agency to coordinate or collaborate with other providers in the community to seek assistance, including financial assistance, prior to the use of funds under this section;''; and

(B) in paragraph (3), by striking '', from the amount reserved under section 640(a)(2)(A),''.

SEC. 14. PARTICIPATION IN HEAD START PROGRAMS.

Section 645 of the Head Start Act (42 U.S.C. 9840) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following:

''(a)(1)(A) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this subchapter.

''(B) Except as provided in paragraph (2), such regulation shall provide—

''(i) that children from low-income families shall be eligible for participation in programs assisted under this subchapter if their families' incomes are below the poverty line, or if their families are eligible or, in the absence of child care, would potentially be eligible for public assistance;

''(ii) that homeless children shall be deemed to be eligible for such participation;

''(iii) that programs assisted under this subchapter may include—

''(I) to a reasonable extent (but not to exceed 10 percent of participants), participation of children in the area served who would benefit from such programs but who are not eligible under clause (i) or (ii); and

''(II) from the area served, an additional 35 percent of participants who are not eligible under clause (i) or (ii) and whose families have incomes below 130 percent of the poverty line, if—

''(aa) the Head Start agency involved establishes and implements outreach and enrollment policies and procedures that ensure such agency is meeting the needs of children eligible under clause (i) or (ii) (or subclause (I) if the child involved has a disability) prior to meeting the needs of children eligible under this subclause; and

''(bb) in prioritizing the selection of children to be served, the Head Start agency establishes criteria that provide that the agency will serve children eligible under clause (i) or (ii) prior to serving the children eligible under this subclause;

''(iv) that any Head Start agency serving children eligible under clause (iii)(II) shall report annually to the Secretary information on—

''(I) how such agency is meeting the needs of children eligible under clause (i) or (ii), in the area served, including local demographic data on families of children eligible under clause (i) or (ii);

''(II) the outreach and enrollment policies and procedures established by the agency that ensure the agency is meeting the needs of children eligible under clause (i) or (ii) (or clause (iii)(I) if the child involved has a disability) prior to meeting the needs of children eligible under clause (iii)(II);

''(III) the efforts, including outreach efforts (that are appropriate to the community involved), of such agency to be fully enrolled with children eligible under clause (i) or (ii);

''(IV) the policies, procedures, and selection criteria such agency is implementing to serve eligible children, consistent with clause (iii)(II);

''(V) the agency's enrollment level, and enrollment level over the fiscal year prior to the fiscal year in which the report is submitted;

''(VI) the number of children served by the agency, disaggregated by whether such children are eligible under clause (i), clause (ii), clause (iii)(I), or clause (iii)(II); and

''(VII) the eligibility criteria category of the children on the agency's waiting list;

''(v) that a child who has been determined to meet the eligibility criteria described in this subparagraph and who is participating in a Head Start program in a program year shall be considered to continue to meet the eligibility criteria through the end of the succeeding program year.

''(C) In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the eligibility criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the

needs of the family at the time of application.''; and

(B) by adding at the end the following:

''(3)(A) In this paragraph:

''(i) The term 'dependent' has the meaning given the term in paragraphs (2)(A) and (4)(A)(i) of section 401(a) of title 37, United States Code.

''(ii) The terms 'member' and 'uniformed services' have the meanings given the terms in paragraphs (23) and (3), respectively, of section 101 of title 37, United States Code.

''(B) The following amounts of pay and allowance of a member of the uniformed services shall not be considered to be income for purposes of determining the eligibility of a dependent of such member for programs funded under this subchapter:

''(i) The amount of any special pay payable under section 310 of title 37, United States Code, relating to duty subject to hostile fire or imminent danger.

''(ii) The amount of basic allowance payable under section 403 of such title, including any such amount that is provided on behalf of the member for housing that is acquired or constructed under the alternative authority for the acquisition and improvement of military housing under subchapter IV of chapter 169 of title 10, United States Code, or any other related provision of law.

''(4) After demonstrating a need through a communitywide strategic planning and needs assessment, a Head Start agency may apply to the Secretary to convert part-day sessions, particularly consecutive part-day sessions, into full-working-day sessions.

''(5)(A) Upon written request and pursuant to the requirements of this paragraph, a Head Start agency may use funds that were awarded under this subchapter to serve children age 3 to compulsory school age, in order to serve infants and toddlers if the agency submits an application to the Secretary containing, as specified in rules issued by the Secretary, all of the following information:

''(i) The amount of such funds that are proposed to be used in accordance with section 645A(b).

''(ii) A communitywide strategic planning and needs assessment demonstrating how the use of such funds would best meet the needs of the community.

''(iii) A description of how the needs of pregnant women, and of infants and toddlers, will be addressed in accordance with section 645A(b), and with regulations prescribed by the Secretary pursuant to section 641A in areas including the agency's approach to child development and provision of health services, approach to family and community partnerships, and approach to program design and management.

''(iv) A description of how the needs of eligible children will be met in the community.

''(v) Assurances that the agency will participate in technical assistance activities (including planning, start-up site visits, and national training activities) in the same manner as recipients of grants under section 645A.

''(vi) Evidence that the agency meets the same eligibility criteria as recipients of grants under section 645A.

''(B) An application that satisfies the requirements specified in subparagraph (A) shall be approved by the Secretary unless the Secretary finds that—

''(i) the agency lacks adequate capacity and capability to carry out an effective Early Head Start program; or

''(ii) the information provided under subparagraph (A) is inadequate.

''(C) In approving such applications, the Secretary shall take into account the costs of serving persons under section 645A.

''(D) Any Head Start agency with an application approved under subparagraph (B) shall be considered to be an Early Head Start agency and shall be subject to the same rules, regulations, and conditions as apply to recipients of grants under section 645A, with respect to activities carried out under this paragraph.'';

(2) in the first sentence of subsection (c), by striking ''(age 3 to compulsory school attendance)''; and

(3) in subsection (d)—

(A) by striking paragraph (3); and

(B) by adding at the end the following:

''(3) Notwithstanding any other provision of this Act, an Indian tribe or tribes that operates both an Early Head Start program under section 645A and a Head Start program may, at its discretion, at any time during the grant period involved, reallocate funds between the Early Head Start program and the Head Start program in order to address fluctuations in client populations, including pregnant women and children from birth to compulsory school age. The reallocation of such funds between programs by an Indian tribe or tribes during a year shall not serve as the basis for the Secretary to reduce a base grant (as defined in section 640(a)(7)) for either program in succeeding years.''.

SEC. 15. EARLY HEAD START PROGRAMS.

Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 645A. EARLY HEAD START PROGRAMS.";

(2) in subsection (a) by striking ''The Secretary'' and all that follows through ''for programs'' and inserting ''The Secretary shall make grants to entities (referred to in this subchapter as 'Early Head Start agencies') in accordance with this section for programs (referred to in this subchapter as 'Early Head Start programs')'';

(3) in subsection (b)—

(A) by striking paragraph (4) and inserting the following:

''(4) provide services to parents to support their role as parents (including parenting skills training and training in basic child development) and services to help the families move toward self-sufficiency (including educational and employment services, as appropriate);'';

(B) by striking paragraph (5) and inserting the following:

''(5) coordinate services with services provided by programs in the State (including home-based services) and programs in the community (including programs for infants and toddlers with disabilities and programs for homeless infants and toddlers) to ensure a comprehensive array of services (such as health and mental health services and family support services);'';

(C) by redesignating paragraphs (6), (7), (8), and (9), as paragraphs (7), (10), (11), and (12), respectively;

(D) by inserting after paragraph (5) the following:

''(6) ensure that children with documented behavioral problems, including problems involving behavior related to prior or existing trauma, receive appropriate screening and referral;'';

(E) by inserting after paragraph (7), as redesignated by subparagraph (C), the following:

''(8) develop and implement a systematic procedure for transitioning children and parents from an Early Head Start program to a Head Start program or other local early childhood education and development program;

''(9) establish channels of communication between staff of the Early Head Start program, and staff of a Head Start program or other local providers of early childhood education and development programs, to facilitate the coordination of programs;''; and

(F) by striking paragraph (11), as redesignated by subparagraph (C), and inserting the following:

''(11) ensure formal linkages with providers of early intervention services for infants and toddlers with disabilities under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), with the State interagency coordinating council, as established in part C of the Individuals with Disabilities Education Act (20 U.S.C. 1431 et seq.), and with the agency responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a);'';

(4) in subsection (c), by striking ''income criteria specified for families in section 645(a)(1)'' and inserting ''eligibility criteria specified in section 645(a)(1), including the criteria specified in section 645(a)(1)(B)(ii)'';

(5) in subsection (d), by striking paragraphs (1) and (2) and inserting the following:

''(1) entities operating Head Start programs under this subchapter;

''(2) entities operating Indian Head Start programs or migrant or seasonal Head Start programs; and

''(3) other public entities, and nonprofit or for-profit private entities, including community-based and faith-based organizations, capable of providing child and family services that meet the standards for participation in programs under this subchapter and meet such other appropriate requirements relating to the activities under this section as the Secretary may establish.'';

(6) in subsection (e), by striking ''From'' and all that follows through ''under this subsection'' and inserting ''The Secretary shall award grants under this section'';

(7) by striking subsection (g) and inserting the following:

''(g) MONITORING, TRAINING, TECHNICAL ASSISTANCE, AND EVALUATION.—

''(1) REQUIREMENT.—In order to ensure the successful operation of programs assisted under this section, the Secretary shall use funds made available under section 640(a)(2)(E) to monitor the operation of such programs, and funds made available under section 640(a)(2)(C)(i)(I) to provide training and technical assistance tailored to the particular needs of such programs, consistent with section 640(c).

''(2) TRAINING AND TECHNICAL ASSISTANCE.—

''(A) ACTIVITIES.—Of the portion set aside under section 640(a)(2)(C)(i)(I)—

''(i) not less than 50 percent shall be made available to Early Head Start agencies to use directly, which may include, at their discretion, the establishment of local or regional agreements with community experts, institutions of higher education, or private consultants, for training and technical assistance activities in order to make program improvements identified by such agencies;

''(ii) not less than 25 percent shall be available to the Secretary to support a State-based training and technical assistance system, or a national system, described in section 648(e), including infant and toddler specialists, to support Early Head Start agencies, consistent with subparagraph (B); and

''(iii) the remainder of such amount shall be made available to the Secretary to assist Early Head Start agencies in meeting and exceeding the standards described in section 641A(a)(1) (directly, or through grants, contracts, or other agreements or arrangements with an entity with demonstrated expertise relating to infants, toddlers, and families) by—

''(I) providing ongoing training and technical assistance to Early Head Start agencies, including developing training and technical assistance materials and resources to support program development and improvement and best practices in providing services to children and families served by Early Head Start programs;

''(II) supporting a national network of infant and toddler specialists designed to improve the quality of Early Head Start programs;

''(III) providing ongoing training and technical assistance on Early Head Start program development and improvement for regional staff charged with monitoring and overseeing the administration of the program carried out under this section; and

''(IV) if funds remain after the activities described in subclauses (I), (II), and (III) are carried out, carry out 1 or more of the following activities:

''(aa) Providing support and program planning and implementation assistance for new Early Head Start agencies, including for agencies who want to use funds as described in section 645(a)(5) to serve infants and toddlers.

''(bb) Creating special training and technical assistance initiatives targeted to serving high-risk populations, such as children in the child welfare system and homeless children.

''(cc) Providing professional development designed to increase program participation for underserved populations of eligible children.

''(B) CONTRACTS.—For the purposes of supporting a State-based system, as described in subparagraph (A)(ii), that will meet the needs of Early Head Start agencies and provide high-quality, sustained, and intensive training and technical assistance on programming for infants and toddlers to Early Head Start agencies, and in order to help such agencies meet or exceed the standards described in section 641A(a)(1), the Secretary shall—

''(i) use funds reserved under subparagraph (A)(ii) in combination with funds reserved under section 640(a)(2)(C)(i)(II)(bb) to ensure the contracts described in section 648(e)(1) provide for a minimum of 1 full-time specialist with demonstrated expertise in the development of infants and toddlers; and

''(ii) ensure that such contracts and the services provided in the contracts are integrated with and augment the contracts awarded and services provided under section 648(e);''; and

(8) by adding at the end the following:

''(h) CENTER-BASED STAFF.—The Secretary shall—

''(1) ensure that, not later than September 30, 2010, all teachers providing direct services to children and families participating in Early Head Start programs located in Early Head Start centers, have a minimum of a child development associate credential, and have been trained (or have equivalent coursework) in early childhood development; and

''(2) establish staff qualification goals to ensure that not later than September 30, 2012, all such teachers have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development.

''(i) STAFF QUALIFICATIONS AND DEVELOPMENT.—

''(1) HOME VISITOR STAFF STANDARDS.—In order to further enhance the quality of home visiting services provided to families of children participating in home-based, center-based, or combination program options under this subchapter, the Secretary shall establish standards for training, qualifications, and the conduct of home visits for home visitor staff in Early Head Start programs.

''(2) CONTENTS OF STANDARDS.—The standards for training, qualifications, and the conduct of home visits shall include content related to—

''(A) structured child-focused home visiting that promotes parents' ability to support the child's cognitive, social, emotional, and physical development;

''(B) effective strengths-based parent education, including methods to encourage parents as their child's first teachers;

''(C) early childhood development with respect to children from birth through age 3;

''(D) methods to help parents promote emergent literacy in their children from birth through age 3, including use of research-based strategies to support the development of literacy and language skills for children who are limited English proficient;

''(E) ascertaining what health and developmental services the family receives and working with providers of these services to eliminate gaps in service by offering annual health, vision, hearing, and developmental screening for children from birth to entry into kindergarten, when needed;

''(F) strategies for helping families coping with crisis; and

''(G) the relationship of health and well-being of pregnant women to prenatal and early child development.''.

SEC. 16. APPEALS, NOTICE, AND HEARING.

Section 646(a) of the Head Start Act (42 U.S.C. 9841(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''procedures to assure that'';

(2) in paragraphs (1) and (2), by inserting ''procedures to assure that'' after the paragraph designation;

(3) by striking paragraphs (3) and (4) and inserting the following:

''(3) procedures to assure that financial assistance under this subchapter may be terminated or reduced, and an application for refunding may be denied, after the recipient has been afforded reasonable notice and opportunity for a full and fair hearing, including—

''(A) a right to file a notice of appeal of a decision not later than 30 days after notice of the decision from the Secretary; and

''(B) access to a full and fair hearing of the appeal, not later than 120 days after receipt by the Secretary of the notice of appeal;

''(4) procedures (including mediation procedures) are developed and published, to be used in order to—

''(A) resolve in a timely manner conflicts potentially leading to an adverse action between—

''(i) recipients of financial assistance under this subchapter; and

''(ii) delegate agencies, or policy councils of Head Start agencies;

''(B) avoid the need for an administrative hearing on an adverse action; and

''(C) prohibit a Head Start agency from expending financial assistance awarded under this subchapter for the purpose of paying legal fees, or other costs incurred, pursuant to an appeal under paragraph (3);

''(5) procedures to assure that the Secretary may suspend financial assistance to a recipient under this subchapter—

''(A) except as provided in subparagraph (B), for not more than 30 days; or

''(B) in the case of a recipient under this subchapter that has multiple and recurring deficiencies for 180 days or more and has not made substantial and significant progress toward meeting the goals of the grantee's quality improvement plan or eliminating all deficiencies identified by the Secretary, during the hearing of an appeal described in paragraph (3), for any amount of time; and

''(6) procedures to assure that in cases where a Head Start agency prevails in a decision under paragraph (4), the Secretary may determine and provide a reimbursement to the Head Start agency for fees deemed reasonable and customary.''.

SEC. 17. RECORDS AND AUDITS.

Section 647 of the Head Start Act (42 U.S.C. 9842) is amended by adding at the end the following:

''(c) Each recipient of financial assistance under this subchapter shall—

''(1) maintain, and annually submit to the Secretary, a complete accounting of the recipient's administrative expenses (including a detailed statement identifying the amount of financial assistance provided under this subchapter used to pay expenses for salaries and compensation and the amount (if any) of other funds used to pay such expenses);

''(2) not later than 30 days after the date of completion of an audit conducted in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the 'Single Audit Act of 1984'), submit to the Secretary a copy of the audit management letter and of any audit findings as they relate to the Head Start program; and

''(3) provide such additional documentation as the Secretary may require.''.

SEC. 18. TECHNICAL ASSISTANCE AND TRAINING.

Section 648 of the of the Head Start Act (42 U.S.C. 9843) is amended to read as follows:

''SEC. 648. TECHNICAL ASSISTANCE AND TRAINING.

''(a) SECRETARIAL TRAINING AND TECHNICAL ASSISTANCE.—

''(1) AUTHORITY.—From the funds provided under section 640(a)(2)(C)(i), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for Head Start programs for the purposes of improving program quality and helping prepare children to succeed in school.

''(2) PROCESS.—The process for determining the technical assistance and training activities to be carried out under this section shall—

''(A) ensure that the needs of local Head Start agencies and programs relating to improving program quality and to program expansion are addressed to the maximum extent practicable; and

''(B) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the individuals and agencies carrying out Head Start programs.

''(3) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance under this section, the Secretary shall—

''(A) give priority consideration to—

''(i) activities to correct program and management deficiencies identified through reviews carried out pursuant to section 641A(c) (including the provision of assistance to local programs in the development of quality improvement plans under section 641A(d)(2));

''(ii) assisting Head Start agencies in ensuring the school readiness of children; and

''(iii) activities that supplement those funded with amounts provided under section 640(a)(5)(B) to address the training and career development needs of classroom staff (including instruction for providing services to children with disabilities, and for activities described in section 1222(d) of the Elementary and Secondary Education Act of 1965), and non-classroom staff, including home visitors and other staff working directly with families, including training relating to increasing parent involvement and services designed to increase family literacy and improve parenting skills; and

''(B) to the maximum extent practicable—

''(i) assist Head Start agencies in the development of collaborative initiatives with States and other entities within the States, to foster effective professional development systems for early childhood education and development services;

''(ii) provide technical assistance and training, either directly or through a grant, contract, or cooperative agreement with an entity that has experience in the development and operation of successful family literacy services programs, for the purpose of—

''(I) assisting Head Start agencies providing family literacy services, in order to improve the quality of such family literacy services; and

''(II) enabling those Head Start agencies that demonstrate effective provision of family literacy services, based on improved outcomes for children and their parents, to provide technical assistance and training to other Head Start agencies and to service providers that work in collaboration with such agencies to provide family literacy services;

''(iii) assist Head Start agencies and programs in conducting and participating in community-wide strategic planning and needs assessments, including the needs of homeless children and their families, and in conducting self-assessments;

''(iv) assist Head Start agencies and programs in developing and implementing full-working-

day and full calendar year programs where community need is clearly identified and making the transition to such programs, with particular attention to involving parents and programming for children throughout the day, and assist the agencies and programs in expediting the sharing of information about innovative models for providing full-working-day, full calendar year services for children;

''(v) assist Head Start agencies in better serving the needs of families with very young children, including providing support and program planning and implementation assistance for Head Start agencies that apply to serve or are serving additional infants and toddlers, in accordance with section 645(a)(5);

''(vi) assist Head Start agencies and programs in the development of sound management practices, including financial management procedures;

''(vii) assist in efforts to secure and maintain adequate facilities for Head Start programs;

''(viii) assist Head Start agencies in developing innovative program models, including mobile and home-based programs;

''(ix) provide support for Head Start agencies (including policy councils and policy committees) that meet the standards described in section 641A(a) but that have, as documented by the Secretary through reviews conducted pursuant to section 641A(c), programmatic, quality, and fiscal issues to address;

''(x) assist Head Start agencies and programs in improving outreach to, increasing program participation of, and improving the quality of services available to meet the unique needs of—

''(I) homeless children;

''(II) limited English proficient children and their families, particularly in communities that have experienced a large percentage increase in the population of limited English proficient individuals, as measured by the Bureau of the Census; and

''(III) children with disabilities, particularly if such program's enrollment opportunities or funded enrollment for children with disabilities is less than 10 percent;

''(xi) assist Head Start agencies and programs to increase the capacity of classroom staff to meet the needs of eligible children in Head Start classrooms that are serving both children with disabilities and children without disabilities;

''(xii) assist Head Start agencies and programs to address the unique needs of programs located in rural communities, including—

''(I) removing barriers related to the recruitment and retention of Head Start teachers in rural communities;

''(II) developing innovative and effective models of professional development for improving staff qualifications and skills for staff living in rural communities;

''(III) removing barriers related to outreach efforts to eligible families in rural communities;

''(IV) removing barriers to parent involvement in Head Start programs in rural communities;

''(V) removing barriers to providing home visiting services in rural communities; and

''(VI) removing barriers to obtaining health screenings for Head Start participants in rural communities;

''(xiii) provide training and technical assistance to members of governing bodies, policy councils, and, as appropriate, policy committees, to ensure that the members can fulfill their functions;

''(xiv) provide activities that help ensure that Head Start programs have qualified staff who can promote prevention of childhood obesity by integrating developmentally appropriate research-based initiatives that stress the importance of physical activity and healthy, nutritional choices in daily classroom and family routines;

''(xv) assist Indian Head Start agencies to provide on-site and off-site training to staff, using approaches that identify and enhance the positive resources and strengths of Indian children and families, to improve parent and family engagement and staff development, particularly with regard to child and family development; and

''(xvi) assisting Head Start agencies in selecting and using the measures described in section 641A(b).

''(b) ADDITIONAL SUPPORT.—The Secretary shall provide, either directly or through grants, contracts or other arrangements, funds from section 640(a)(2)(C)(i)(II)(cc) to—

''(1) support an organization to administer a centralized child development and national assessment program leading to recognized credentials for personnel working in early childhood education and development programs; and

''(2) support training for personnel—

''(A) providing services to limited English proficient children and their families (including services to promote the acquisition of the English language);

''(B) providing services to children determined to be abused or neglected or children referred by or receiving child welfare services;

''(C) in helping children cope with community violence;

''(D) to recognize common health, including mental health, problems in children for appropriate referral;

''(E) to address the needs of children with disabilities and their families;

''(F) to address the needs of migrant and seasonal farmworker families; and

''(G) to address the needs of homeless families.

''(c) OUTREACH.—The Secretary shall develop and implement a program of outreach to recruit and train professionals from diverse backgrounds to become Head Start teachers in order to reflect the communities in which Head Start children live and to increase the provision of quality services and instruction to children with diverse backgrounds.

''(d) FUNDS TO AGENCIES.—Funds made available under section 640(a)(2)(C)(i)(II)(aa) shall be used by a Head Start agency to provide high-quality, sustained, and intensive training and technical assistance as follows:

''(1) For 1 or more of the following:

''(A) Activities that ensure that Head Start programs meet or exceed the standards described in section 641A(a)(1).

''(B) Activities that ensure that Head Start programs have adequate numbers of trained, qualified staff who have skills in working with children and families, including children and families who are limited English proficient and children with disabilities and their families.

''(C) Activities to improve the management and implementation of Head Start services and systems, including direct training for expert consultants working with staff.

''(D) Activities that help ensure that Head Start programs have qualified staff who can promote language skills and literacy growth of children and who can provide children with a variety of skills that have been identified as predictive of later reading achievement, school success, and the skills, knowledge, abilities, development, and progress described in section 641A(a)(1)(B)(ii).

''(E) Activities to improve staff qualifications and to assist with the implementation of career development programs and to encourage the staff to continually improve their skills and expertise, including developing partnerships with programs that recruit, train, place, and support college students in Head Start centers to deliver an innovative early learning program to preschool children.

''(F) Activities that help local programs ensure that the arrangement, condition, and implementation of the learning environments in Head Start programs are conducive to providing effective program services to children and families.

''(G) Activities to provide training necessary to improve the qualifications of Head Start staff and to support staff training, child counseling, health services, and other services necessary to address the needs of children enrolled in Head Start programs, including children from families in crises, children who experience chronic violence or homelessness, children who experience substance abuse in their families, and children under 3 years of age, where applicable.

''(H) Activities to provide classes or in-service-type programs to improve or enhance parenting skills, job skills, and adult and family literacy, including financial literacy, or training to become a classroom aide or bus driver in a Head Start program.

''(I) Additional activities deemed appropriate to the improvement of Head Start programs, as determined by the technical assistance and training plans of the Head Start agencies.

''(2) To support enhanced early language and literacy development of children in Head Start programs, and to provide the children with high-quality oral language skills and with environments that are rich in literature in which to acquire language and early literacy skills. Each Head Start agency, in consultation with the State-based training and technical assistance system, as appropriate, shall ensure that—

''(A) all of the agency's Head Start teachers receive ongoing training in language and emergent literacy (referred to in this subsection as 'literacy training'), including appropriate curricula and assessment to improve instruction and learning;

''(B) such literacy training shall include training in methods to promote vocabulary development and phonological awareness (including phonemic awareness) in a developmentally, culturally, and linguistically appropriate manner and support children's development in their native language;

''(C) the literacy training shall include training in how to work with parents to enhance positive language and early literacy development at home;

''(D) the literacy training shall include specific methods to best address the needs of children who are limited English proficient;

''(E) the literacy training shall include training on how to best address the language and literacy needs of children with disabilities, including training on how to work with specialists in language development; and

''(F) the literacy training shall be tailored to the early childhood literacy background and experience of the teachers involved;

except that funds made available under section 640(a)(2)(C)(i) shall not be used for long-distance travel expenses for training activities available locally or regionally or for training activities substantially similar to locally or regionally available training activities.

''(e) STATE-BASED TRAINING AND TECHNICAL ASSISTANCE SYSTEM.—For the purposes of delivering a State-based training and technical assistance system (which may include a consortium of 2 or more States within a region) or a national system in the case of migrant or seasonal Head Start and Indian Head Start programs, as described in section 640(a)(2)(C)(i)(II)(bb), that will meet the needs of local grantees, as determined by such grantees, and provide high-quality, sustained, and intensive training and technical assistance to Head Start agencies and programs in order to improve their capacity to deliver services that meet or exceed the standards described in section 641A(a)(1), the Secretary shall—

''(1) enter into contracts in each State with 1 or more entities that have a demonstrated expertise in supporting the delivery of high-quality early childhood education and development programs, except that contracts for a consortium of 2 or more States within a geographic region may be entered into if such a system is more appropriate to better meet the needs of local grantees within a region, as determined by such grantees;

''(2) ensure that the entities described in subparagraph (1) determine the types of services to be provided through consultation with—

''(A) local Head Start agencies (including Indian Head Start agencies and migrant or seasonal Head Start agencies, as appropriate);

''(B) the State Head Start collaboration office; and

''(C) the State Head Start Association;

''(3) encourage States to supplement the funds authorized in section 640(a)(2)(C)(i)(II)(bb) with Federal, State, or local funds other than funds made available under this subchapter, to expand training and technical assistance activities beyond Head Start agencies to include other providers of other early childhood education and development programs within a State;

''(4) provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate, not later than 90 days after the end of the fiscal year, summarizing the funding for such contracts and the activities carried out thereunder;

''(5) periodically evaluate the effectiveness of the delivery of services in each State in promoting program quality; and

''(6) ensure that in entering into such contracts as described in paragraph (1), such entities will address the needs of grantees in both urban and rural communities.

''(f) INDOOR AIR QUALITY.—The Secretary shall consult with appropriate Federal agencies and other experts, as appropriate, on issues of air quality related to children's health and inform Head Start agencies of existing programs or combination of programs that provide methods for improving indoor air quality.

''(g) CAREER ADVANCEMENT PARTNERSHIP PROGRAM.—

''(1) AUTHORITY.—From amounts allocated under section 640(a)(2)(C) the Secretary is authorized to award demonstration grants, for a period of not less than 5 years, to historically Black colleges and universities, Hispanic-serving institutions, and Tribal Colleges and Universities—

''(A) to implement education programs that increase the number of associate, baccalaureate, and graduate degrees in early childhood education and related fields that are earned by Head Start agency staff members, parents of children served by such agencies, and members of the communities involved;

''(B) to provide assistance for stipends and costs related to tuition, fees, and books for enrolling Head Start agency staff members, parents of children served by such an agency, and members of the communities involved in courses required to complete the degree and certification requirement to become teachers in early childhood education and related fields;

''(C) to develop program curricula to promote high-quality services and instruction to children with diverse backgrounds, including—

''(i) in the case of historically Black colleges and universities, to help Head Start Agency staff members develop skills and expertise needed to teach in programs serving large numbers of African American children;

''(ii) in the case of Hispanic-serving institutions, programs to help Head Start Agency staff members develop skills and expertise needed to teach in programs serving large numbers of Hispanic children, including programs to develop the linguistic skills and expertise needed to teach in programs serving a large number of children with limited English proficiency; and

''(iii) in the case of Tribal Colleges and Universities, to help Head Start Agency staff members develop skills and expertise needed to teach in programs serving large numbers of Indian children, including programs concerning tribal culture and language;

''(D) to provide other activities to upgrade the skills and qualifications of educational personnel to meet the professional standards in subsection (a) to better promote high-quality services and instruction to children and parents from populations served by historically Black colleges and universities, Hispanic-serving institutions, or Tribal Colleges and Universities;

''(E) to provide technology literacy programs for Indian Head Start agency staff members and families of children served by such agency; and

''(F) to develop and implement the programs described under subparagraph (A) in technology-mediated formats, including through such means as distance learning and use of advanced technology, as appropriate.

''(2) OTHER ASSISTANCE.—The Secretary shall, using resources within the Department of Health and Human Services—

''(A) provide appropriate technical assistance to historically Black colleges and universities, Hispanic-serving institutions, and Tribal Colleges and Universities receiving grants under this section, including coordinating with the White House Initiative on historically Black colleges and universities; and

''(B) ensure that the American Indian Programs Branch of the Office of Head Start of the Administration for Children and Families of the Department of Health and Human Services can effectively administer the programs under this section and provide appropriate technical assistance to Tribal Colleges and Universities under this section.

''(3) APPLICATION.—Each historically Black college or university, Hispanic-serving institution, or Tribal College or University desiring a grant under this section shall submit an application, in partnership with at least 1 Head Start agency enrolling large numbers of students from the populations served by historically Black colleges and universities, Hispanic-serving institutions, or Tribal Colleges and Universities, to the Secretary, at such time, in such manner, and containing such information as the Secretary may require, including a certification that the institution of higher education has established a formal partnership with 1 or more Head Start agencies for the purposes of conducting the activities described in paragraph (1).

''(4) DEFINITIONS.—In this subsection:

''(A) The term 'Hispanic-serving institution' has the meaning given such term in section 502 of the Higher Education Act of 1965 (20 U.S.C. 1101a).

''(B) The term 'historically Black college or university' has the meaning given the term 'part B institution' in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

''(C) The term 'Tribal College or University' has the meaning given such term in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)).

''(5) TEACHING REQUIREMENT.—A student at an institution receiving a grant under this subsection who receives assistance under a program funded under this subsection shall teach in a center-based Head Start program for a period of time equivalent to the period for which they received assistance or shall repay such assistance.''.

SEC. 19. STAFF QUALIFICATIONS AND DEVELOPMENT.

Section 648A of the Head Start Act (42 U.S.C. 9843a) is amended—

(1) by amending subsection (a) to read as follows:

''(a) CLASSROOM TEACHERS.—

''(1) PROFESSIONAL REQUIREMENTS.—The Secretary shall ensure that each Head Start classroom in a center-based program is assigned 1 teacher who has demonstrated competency to perform functions that include—

''(A) planning and implementing learning experiences that advance the intellectual and physical development of children, including improving the readiness of children for school by developing their literacy, phonemic, and print awareness, their understanding and use of language, their understanding and use of increasingly complex and varied vocabulary, their appreciation of books, their understanding of early math and early science, their problem-solving abilities, and their approaches to learning;

''(B) establishing and maintaining a safe, healthy learning environment;

''(C) supporting the social and emotional development of children; and

''(D) encouraging the involvement of the families of the children in a Head Start program and supporting the development of relationships between children and their families.

''(2) DEGREE REQUIREMENTS.—

''(A) HEAD START TEACHERS.—The Secretary shall ensure that not later than September 30, 2013, at least 50 percent of Head Start teachers nationwide in center-based programs have—

''(i) a baccalaureate or advanced degree in early childhood education; or

''(ii) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children.

''(B) ADDITIONAL STAFF.—The Secretary shall ensure that, not later than September 30, 2013, all—

''(i) Head Start education coordinators, including those that serve as curriculum specialists, nationwide in center-based programs—

''(I) have the capacity to offer assistance to other teachers in the implementation and adaptation of curricula to the group and individual needs of children in a Head Start classroom; and

''(II) have—

''(aa) a baccalaureate or advanced degree in early childhood education; or

''(bb) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; and

''(ii) Head Start teaching assistants nationwide in center-based programs have—

''(I) at least a child development associate credential;

''(II) enrolled in a program leading to an associate or baccalaureate degree; or

''(III) enrolled in a child development associate credential program to be completed within 2 years.

''(C) PROGRESS.—

''(i) IMPLEMENTATION.—The Secretary shall—

''(I) require Head Start agencies to—

''(aa) describe continuing progress each year toward achieving the goals described in subparagraphs (A) and (B); and

''(bb) annually submit to the Secretary a report indicating the number and percentage of classroom personnel described in subparagraphs (A) and (B) in center-based programs with child development associate credentials or associate, baccalaureate, or advanced degrees;

''(II) compile and submit a summary of all program reports described in subclause (I)(bb) to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate; and

''(III) not impose any penalties or sanctions on any individual Head Start agency, program, or staff in the monitoring of local agencies and programs under this subchapter not meeting the requirements of subparagraph (A) or (B).

''(D) CONSTRUCTION.—In this paragraph a reference to a Head Start agency, or its program, services, facility, or personnel, shall not be considered to be a reference to an Early Head Start agency, or its program, services, facility, or personnel.

''(3) ALTERNATIVE CREDENTIALING AND DEGREE REQUIREMENTS.—The Secretary shall ensure that, for center-based programs, each Head Start classroom that does not have a teacher who meets the qualifications described in clause (i) or (ii) of paragraph (2)(A) is assigned one teacher who has the following during the period specified:

''(A) Through September 30, 2011—

''(i) a child development associate credential that is appropriate to the age of children being served in center-based programs;

''(ii) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential;

''(iii) an associate degree in early childhood education;

''(iv) an associate degree in a related field and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; or

''(v) a baccalaureate degree and has been admitted into the Teach For America program, passed a rigorous early childhood content exam, such as the Praxis II, participated in a Teach For America summer training institute that includes teaching preschool children, and is receiving ongoing professional development and support from Teach For America's professional staff.

''(B) As of October 1, 2011—

''(i) an associate degree in early childhood education;

''(ii) an associate degree in a related field and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; or

''(iii) a baccalaureate degree and has been admitted into the Teach For America program, passed a rigorous early childhood content exam, such as the Praxis II, participated in a Teach For America summer training institute that includes teaching preschool children, and is receiving ongoing professional development and support from Teach For America's professional staff.

''(4) WAIVER.—On request, the Secretary shall grant—

''(A) through September 30, 2011, a 180-day waiver ending on or before September 30, 2011, of the requirements of paragraph (3)(A) for a Head Start agency that can demonstrate that the agency has attempted unsuccessfully to recruit an individual who has the qualifications described in any of clauses (i) through (iv) of paragraph (3)(A) with respect to an individual who—

''(i) is enrolled in a program that grants a credential, certificate, or degree described in clauses (i) through (iv) of paragraph (3)(A); and

''(ii) will receive such credential, certificate, or degree under the terms of such program not later than 180 days after beginning employment as a teacher with such agency; and

''(B) as of October 1, 2011, a 3-year waiver of the requirements of paragraph (3)(B) for a Head Start agency that can demonstrate that—

''(i) the agency has attempted unsuccessfully to recruit an individual who has the qualifications described in clause (i) or (ii) of such paragraph, with respect to an individual who is enrolled in a program that grants a degree described in clause (i) or (ii) of such paragraph and will receive such degree in a reasonable time; and

''(ii) each Head Start classroom has a teacher who has, at a minimum—

''(I) a child development associate credential that is appropriate to the age of children being served in center-based programs; or

''(II) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential.

''(5) TEACHER IN-SERVICE REQUIREMENT.—Each Head Start teacher shall attend not less than 15 clock hours of professional development per year. Such professional development shall be high-quality, sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction and the teacher's performance in the classroom, and regularly evaluated by the program for effectiveness.

''(6) SERVICE REQUIREMENTS.—The Secretary shall establish requirements to ensure that, in order to enable Head Start agencies to comply with the requirements of paragraph (2)(A), individuals who receive financial assistance under this subchapter to pursue a degree described in paragraph (2)(A) shall—

''(A) teach or work in a Head Start program for a minimum of 3 years after receiving the degree; or

''(B) repay the total or a prorated amount of the financial assistance received based on the length of service completed after receiving the degree.

''(7) USE OF FUNDS.—The Secretary shall require that any Federal funds provided directly or indirectly to comply with paragraph (2)(A) shall be used toward degrees awarded by an institution of higher education, as defined by section 101 or 102 of the Higher Education Act of 1965 (20 U.S.C. 1001, 1002).'';

(2) by amending subsection (c) to read as follows:

''(c) FAMILY SERVICE WORKERS.—To improve the quality and effectiveness of staff providing in-home and other services (including needs assessment, development of service plans, family advocacy, and coordination of service delivery) to families of children participating in Head Start programs, the Secretary, in coordination with concerned public and private agencies and organizations examining the issues of standards and training for family service workers, shall—

''(1) review and, as necessary, revise or develop new qualification standards for Head Start staff providing such services;

''(2) review, and as necessary, revise or develop maximum caseload requirements, as suggested by best practices;

''(3) promote the development of model curricula (on subjects including parenting training and family literacy) designed to ensure the attainment of appropriate competencies by individuals working or planning to work in the field of early childhood and family services;

''(4) promote the establishment of a credential that indicates attainment of the competencies and that is accepted nationwide; and

''(5) promote the use of appropriate strategies to meet the needs of special populations (including populations of limited English proficient children).'';

(3) in subsection (d)—

(A) in paragraph (3)(C), by inserting ''(including a center)'' after ''agency''; and

(B) in paragraph (6), by striking ''amounts appropriated under this subchapter and allotted under section 640(a)(2)(D)'' and inserting ''amounts made available under section 640(a)(2)(E)''; and

(4) by adding at the end the following:

''(f) PROFESSIONAL DEVELOPMENT PLANS.—Each Head Start agency and program shall create, in consultation with an employee, a professional development plan for all full-time Head Start employees who provide direct services to children and shall ensure that such plans are regularly evaluated for their impact on teacher and staff effectiveness. The agency and the employee shall implement the plan to the extent feasible and practicable.

''(g) STAFF RECRUITMENT AND SELECTION PROCEDURES.—Before a Head Start agency employs an individual, such agency shall—

''(1) conduct an interview of such individual;

''(2) verify the personal and employment references provided by such individual; and

''(3) obtain—

''(A) a State, tribal, or Federal criminal record check covering all jurisdictions where the grantee provides Head Start services to children;

''(B) a State, tribal, or Federal criminal record check as required by the law of the jurisdiction where the grantee provides Head Start services; or

''(C) a criminal record check as otherwise required by Federal law.''.

SEC. 20. RESEARCH, DEMONSTRATIONS, AND EVALUATION.

Section 649 of the Head Start Act (42 U.S.C. 9844) is amended—

(1) by amending subsection (a)(1)(B) to read as follows:

''(B) use the Head Start programs to develop, test, and disseminate new ideas based on existing scientifically valid research, for addressing the needs of low-income preschool children (including children with disabilities, homeless children, children who have been abused or neglected, and children in foster care) and their families and communities (including demonstrations of innovative non-center-based program models such as home-based and mobile programs), and otherwise to further the purposes of this subchapter.'';

(2) in subsection (d)—

(A) in paragraph (8), by adding ''and'' at the end;

(B) by striking paragraphs (9) and (10), and inserting the following:

''(10)(A) contribute to understanding the impact of Head Start services delivered in classrooms which include both children with disabilities and children without disabilities, on all of the children; and

''(B) disseminate promising practices for increasing the availability and quality of such services and such classrooms.'';

(C) in paragraph (5), by striking ''early childhood education, or child development services'' and inserting ''early childhood education and development or services programs'';

(D) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively;

(E) by inserting after paragraph (4) the following:

''(5)(A) identify successful strategies that promote good oral health and provide effective linkages to quality dental services through pediatric dental referral networks, for infants and toddlers participating in Early Head Start programs and children participating in other Head Start programs; and

''(B) identify successful strategies that promote good vision health through vision screenings for such infants, toddlers, and children, and referrals for appropriate followup care for those identified as having a vision problem;''; and

(F) by striking the last sentence; and

(3) in subsection (e)(3), by striking ''child care, early childhood education, or child development services'' and inserting ''early childhood education and development services or programs'';

(4) in subsection (g) by amending paragraph (7)(C) to read as follows:

''(C) TRANSMITTAL OF REPORT TO CONGRESS.—Not later than September 30, 2009, the Secretary shall transmit the final report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.''; and

(5) by striking subsection (h) and inserting the following:

''(h) LIMITED ENGLISH PROFICIENT CHILDREN.—

''(1) STUDY.—Not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall conduct a study on the status of limited English proficient children and their families participating in Head Start programs (including Early Head Start programs).

''(2) REPORT.—The Secretary shall prepare and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate, not later than September 30, 2010, a report containing the results of the study, including information on—

''(A) the demographics of limited English proficient children from birth through age 5, including the number of such children receiving Head Start services and Early Head Start services, and the geographic distribution of children described in this subparagraph;

''(B) the nature of the Head Start services and of the Early Head Start services provided to limited English proficient children and their families, including the types, content, duration, intensity, and costs of family services, language assistance, and educational services;

''(C) procedures in Head Start programs and Early Head Start programs for the assessment of language needs and the transition of limited English proficient children to kindergarten, including the extent to which such programs meet

the requirements of section 642A for limited English proficient children;

''(D) the qualifications and training provided to Head Start teachers and Early Head Start teachers who serve limited English proficient children and their families;

''(E) the languages in which Head Start teachers and Early Head Start teachers are fluent, in relation to the population, and instructional needs, of the children served;

''(F) the rate of progress made by limited English proficient children and their families in Head Start programs and in Early Head Start programs, including—

''(i) the rate of progress made by limited English proficient children toward meeting the additional educational standards described in section 641A(a)(1)(B)(ii) while enrolled in such programs;

''(ii) a description of the type of assessment or assessments used to determine the rate of progress made by limited English proficient children;

''(iii) the correlation between such progress and the type and quality of instruction and educational programs provided to limited English proficient children; and

''(iv) the correlation between such progress and the health and family services provided by such programs to limited English proficient children and their families; and

''(G) the extent to which Head Start programs and Early Head Start programs make use of funds under section 640(a)(2)(D) to improve the quality of such services provided to limited English proficient children and their families.

''(i) RESEARCH AND EVALUATION ACTIVITIES RELEVANT TO DIVERSE COMMUNITIES.—For purposes of conducting the study described in subsection (h), activities described in section 640(l)(5)(A), and other research and evaluation activities relevant to limited English proficient children and their families, migrant and seasonal farmworker families, and other families from diverse populations served by Head Start programs, the Secretary shall award, on a competitive basis, funds from amounts made available under section 640(a)(2)(D) to 1 or more organizations with a demonstrated capacity for serving and studying the populations involved.

''(j) REVIEW OF ASSESSMENTS.—

''(1) APPLICATION OF STUDY.—When the study on Developmental Outcomes and Assessments for Young Children by the National Academy of Sciences is made available to the Secretary, the Secretary shall—

''(A) integrate the results of the study, as appropriate and in accordance with paragraphs (2) and (3), into each assessment used in Head Start programs; and

''(B) use the results of the study to develop, inform, and revise as appropriate the standards and measures described in section 641A, consistent with section 641A(a)(2)(C)(ii).

''(2) INFORM AND REVISE.—In informing and revising any assessment used in the Head Start programs, the Secretary shall—

''(A) receive recommendations from the Panel on Developmental Outcomes and Assessments for Young Children of the National Academy of Sciences; and

''(B) with respect to the development or refinement of such assessment, ensure—

''(i) consistency with relevant, nationally recognized professional and technical standards;

''(ii) validity and reliability for all purposes for which assessments under this subchapter are designed and used;

''(iii) developmental and linguistic appropriateness of such assessments for children assessed, including children who are limited English proficient; and

''(iv) that the results can be used to improve the quality of, accountability of, and training and technical assistance in, Head Start programs.

''(3) ADDITIONAL REQUIREMENTS.—The Secretary, in carrying out the process described in paragraph (2), shall ensure that—

''(A) staff administering any assessments under this subchapter have received appropriate training to administer such assessments;

''(B) appropriate accommodations for children with disabilities and children who are limited English proficient are made;

''(C) the English and Spanish (and any other language, as appropriate) forms of such assessments are valid and reliable in the languages in which they are administered; and

''(D) such assessments are not used to exclude children from Head Start programs.

''(4) SUSPENDED IMPLEMENTATION OF NATIONAL REPORTING SYSTEM.—The Secretary shall suspend implementation and terminate further development and use of the National Reporting System.

''(k) INDIAN HEAD START STUDY.—The Secretary shall—

''(1) work in collaboration with the Head Start agencies that carry out Indian Head Start programs, the Indian Head Start collaboration director, and other appropriate entities, including tribal governments and the National Indian Head Start Directors Association—

''(A) to undertake a study or set of studies designed to focus on the American Indian and Alaska Native Head Start-eligible population, with a focus on issues such as curriculum development, availability and need for services, appropriate research methodologies and measures for these populations, and best practices for teaching and educating American Indian and Alaska Native Head Start Children;

''(B) to accurately determine the number of children nationwide who are eligible to participate in Indian Head Start programs each year;

''(C) to document how many of these children are receiving Head Start services each year;

''(D) to the extent practicable, to ensure that access to Indian Head Start programs for eligible children is comparable to access to other Head Start programs for other eligible children; and

''(E) to make the funding decisions required in section 640(a)(4)(D)(ii), after completion of the studies required in that section, taking into account:

''(i) the Federal government's unique trust responsibility to American Indians and Alaska Natives;

''(ii) limitations faced by tribal communities in accessing non-Federal sources of funding to supplement Federal funding for early childhood programs; and

''(iii) other factors that uniquely and adversely impact children in American Indian and Alaska Native communities such as highly elevated poverty, unemployment and violent crime rates, as well as depressed levels of educational achievement and limited access to non-Federal health, social and educational resources;

''(2) in carrying out paragraph (1), consult with the Secretary of Education about the Department of Education's systems for collecting and reporting data about, and maintaining records on, American Indian and Alaska Native students;

''(3) not later than 9 months after the effective date of this subsection, publish in the Federal Register a notice of how the Secretary plans to carry out paragraph (1) and shall provide a period for public comment. To the extent practicable, the Secretary shall consider comments received before submitting a report to the Congress;

''(4) not later than 1 year after the effective date of this subsection, submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate, detailing how the Department of Health and Human Services plans to carry out paragraph (1);

''(5) through regulation, ensure the confidentiality of any personally identifiable data, information, and records collected or maintained by the Secretary, by Head Start agencies that carry out Indian Head Start programs, and by State Directors of Head Start Collaboration, by the Indian Head Start Collaboration Project Director and by other appropriate entities pursuant to this subsection (such regulations shall provide the policies, protections, and rights equivalent to those provided a parent, student, or educational agency or institution under section 444 of the General Education Provisions Act.); and

''(6) ensure that nothing in this subsection shall be construed to authorize the development of a nationwide database of personally identifiable information on individuals involved in studies or other collections of data under this subsection.

''(l) MIGRANT AND SEASONAL HEAD START PROGRAM STUDY.—

''(1) DATA.—In order to increase access to Head Start services for children of migrant and seasonal farmworkers, the Secretary shall work in collaboration with providers of migrant and seasonal Head Start programs, the Secretary of Agriculture, the Secretary of Labor, the Bureau of Migrant Health, and the Secretary of Education to—

''(A) collect, report, and share data, within a coordinated system, on children of migrant and seasonal farmworkers and their families, including health records and educational documents of such children, in order to adequately account for the number of children of migrant and seasonal farmworkers who are eligible for Head Start services and determine how many of such children receive the services; and

''(B) identify barriers that prevent children of migrant and seasonal farmworkers who are eligible for Head Start services from accessing Head Start services, and develop a plan for eliminating such barriers, including certain requirements relating to tracking, health records, and educational documents, and increasing enrollment.

''(2) PUBLICATION OF PLAN.—Not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall publish in the Federal Register a notice about how the Secretary plans to implement the activities identified in paragraph (1) and shall provide a period for public comment. To the extent practicable, the Secretary shall consider comments received before implementing any of the activities identified in paragraph (1).

''(3) REPORT.—Not later than 18 months after the date of enactment of the Improving Head Start for School Readiness Act of 2007, and annually thereafter, the Secretary shall submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate detailing how the Secretary plans to implement the activities identified in paragraph (1), including the progress made in reaching out to and serving eligible children of migrant and seasonal farmworkers, and information on States where such children are still underserved.

''(4) PROTECTION OF CONFIDENTIALITY.—The Secretary shall, through regulation, ensure the protection of the confidentiality of any personally identifiable data, information, and records collected or maintained by the Secretary, by Head Start agencies that carry out migrant or seasonal Head Start programs, by the State director of Head Start Collaboration, and by the Migrant and Seasonal Farmworker Collaboration project Director (such regulations shall provide the policies, protections, and rights equivalent to those provided a parent, student, or educational agency or institution under section 444 of the General Education Provisions Act (20 U.S.C. 1232g)).

''(5) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the development of a nationwide database of personally identifiable data, information, or records on individuals involved in studies or other collections of data under this subsection.

''(m) PROGRAM EMERGENCY PREPAREDNESS.—

''(1) PURPOSE.—The purpose of this subsection is to evaluate the emergency preparedness of the Head Start programs, including Early Head Start programs, and make recommendations for how Head Start shall enhance its readiness to respond to an emergency.

''(2) STUDY.—The Secretary shall evaluate the Federal, State, and local preparedness of Head Start programs, including Early Head Start programs, to respond appropriately in the event of a large-scale emergency, such as the hurricanes Katrina, Rita, and Wilma, the terrorist attacks of September 11, 2001, or other incidents where assistance may be warranted under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(3) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall prepare and submit to Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report containing the results of the evaluation required under paragraph (2), including—

''(A) recommendations for improvements to Federal, State, and local preparedness and response capabilities to large-scale emergencies, including those that were developed in response to hurricanes Katrina, Rita, and Wilma, as they relate to Head Start programs, including Early Head Start programs, and the Secretary's plan to implement such recommendations;

''(B) an evaluation of the procedures for informing families of children in Head Start programs about the program protocols for response to a large-scale emergency, including procedures for communicating with such families in the event of a large-scale emergency;

''(C) an evaluation of such procedures for staff training on State and local evacuation and emergency protocols; and

''(D) an evaluation of procedures for Head Start agencies and the Secretary to coordinate with appropriate Federal, State, and local emergency management agencies in the event of a large scale emergency and recommendations to improve such procedures.''.

SEC. 21. REPORTS.

Section 650 of the Head Start Act (42 U.S.C. 9846) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Education and the Workforce'' and inserting ''Education and Labor'';

(ii) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(iii) by striking ''(including disabled and non-English language background children)'' and inserting ''(including children with disabilities, limited English proficient children, homeless children, children in foster care, and children participating in Indian Head Start programs and migrant or seasonal Head Start programs)'';

(B) in paragraph (2), by inserting before the semicolon the following: '', and information on the number of children served under this subsection, disaggregated by type of eligibility criterion'';

(C) in paragraph (3), by striking ''funds expended'' and all that follows through ''640(a)(3),'' and inserting ''funds made available under section 640(a)'';

(D) in paragraph (8), by inserting ''homelessness, whether the child is in foster care or was referred by a child welfare agency,'' after ''background,'';

(E) in paragraph (12), by inserting ''vision care,'' after ''dental care,'';

(F) in paragraph (14)—

(i) by striking ''Alaskan Natives'' and inserting ''Alaska Natives''; and

(ii) by striking ''seasonal farmworkers'' and inserting ''seasonal farmworker families''; and

(G) in the flush matter at the end—

(i) by striking ''Education and the Workforce'' and inserting ''Education and Labor''; and

(ii) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions'';

(2) in subsection (b)—

(A) by striking ''Education and the Workforce'' and inserting ''Education and Labor'';

(B) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(C) by striking ''Native Alaskan'' and inserting ''Alaska Native''; and

(3) by adding at the end the following:

''(c) FISCAL PROTOCOL.—

''(1) IN GENERAL.—The Secretary shall conduct an annual review to assess whether the design and implementation of the triennial reviews described in section 641A(c) include compliance procedures that provide reasonable assurances that Head Start agencies are complying with applicable fiscal laws and regulations.

''(2) REPORT.—Not later than 30 days after the date the Secretary completes the annual review under paragraph (1), the Secretary shall report the findings and conclusions of the annual review to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

''(d) DISABILITY-RELATED SERVICES.—

''(1) IN GENERAL.—The Secretary shall track the provision of disability-related services for children, in order to—

''(A) determine whether Head Start agencies are making timely referrals to the State or local agency responsible for providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(B) identify barriers to timely evaluations and eligibility determinations by the State or local agency responsible for providing services under section 619 or part C of the Individuals with Disabilities Education Act; and

''(C) determine under what circumstances and for what length of time Head Start agencies are providing disability-related services for children who have not been determined under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) to be children with disabilities.

''(2) REPORT.—Not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate on the activities described in paragraph (1).

''(e) EVALUATION AND RECOMMENDATIONS REGARDING OBESITY PREVENTION.—Not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007 the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report on the Secretary's progress in assisting program efforts to prevent and reduce obesity in children who participate in Head Start programs, including progress on implementing initiatives within the Head Start program to prevent and reduce obesity in such children.''.

SEC. 22. COMPARABILITY OF WAGES.

Section 653 of the Head Start Act (42 U.S.C. 9848) is amended—

(1) by striking ''The Secretary shall take'' and inserting ''(a) COMPARABILITY OF WAGES.—The Secretary shall take''; and

(2) by adding at the end the following:

''(b) LIMITATION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, no Federal funds may be used to pay any part of the compensation of an individual employed by a Head Start agency, if such compensation, including non-Federal funds, exceeds an amount equal to the rate payable for level II of the Executive Schedule under section 5313 of title 5, United States Code.

''(2) COMPENSATION.—In this subsection, the term 'compensation'—

''(A) includes salary, bonuses, periodic payments, severance pay, the value of any vacation time, the value of a compensatory or paid leave benefit not excluded by subparagraph (B), and the fair market value of any employee perquisite or benefit not excluded by subparagraph (B); and

''(B) excludes any Head Start agency expenditure for a health, medical, life insurance, disability, retirement, or any other employee welfare or pension benefit.''.

SEC. 23. LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES.

Section 655 of the Head Start Act (42 U.S.C. 9850) is amended by inserting ''or in'' after ''assigned by''.

SEC. 24. POLITICAL ACTIVITIES.

Section 656 of the Head Start Act (42 U.S.C. 9851) is amended—

(1) by striking all that precedes ''chapter 15'' and inserting the following:

''SEC. 656. POLITICAL ACTIVITIES.

''(a) STATE OR LOCAL AGENCY.—For purposes of''; and

(2) by striking subsection (b) and inserting the following:

''(b) RESTRICTIONS.—

''(1) IN GENERAL.—A program assisted under this subchapter, and any individual employed by, or assigned to or in, a program assisted under this subchapter (during the hours in which such individual is working on behalf of such program), shall not engage in—

''(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

''(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election.

''(2) REGISTRATION.—No funds appropriated under this subchapter may be used to conduct voter registration activities. Nothing in this subchapter prohibits the availability of Head Start facilities during hours of operation for the use of any nonpartisan organization to increase the number of eligible citizens who register to vote in elections for Federal office.

''(3) RULES AND REGULATIONS.—The Secretary, after consultation with the Director of the Office of Personnel Management, may issue rules and regulations to provide for the enforcement of this section, which may include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.''.

SEC. 25. PARENTAL CONSENT REQUIREMENT FOR HEALTH SERVICES.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended by adding at the end the following:

''SEC. 657A. PARENTAL CONSENT REQUIREMENT FOR NONEMERGENCY INTRUSIVE PHYSICAL EXAMINATIONS.

''(a) DEFINITION.—The term 'nonemergency intrusive physical examination' means, with respect to a child, a physical examination that—

''(1) is not immediately necessary to protect the health or safety of the child involved or the health or safety of another individual; and

''(2) requires incision or is otherwise invasive, or involves exposure of private body parts.

''(b) REQUIREMENT.—A Head Start agency shall obtain written parental consent before administration of any nonemergency intrusive physical examination of a child in connection with participation in a program under this subchapter.

''(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit agencies

from using established methods, for handling cases of suspected or known child abuse and neglect, that are in compliance with applicable Federal, State, or tribal law.''.

SEC. 26. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

The Head Start Act (42 U.S.C. 9831 et seq.), as amended by section 25, is further amended by adding at the end the following:

''SEC. 657B. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

''(a) DEFINITION.—In this section, the term 'center of excellence' means a Center of Excellence in Early Childhood designated under subsection (b).

''(b) DESIGNATION AND BONUS GRANTS.—The Secretary shall, subject to the availability of funds under this section, establish a program under which the Secretary shall—

''(1) designate not more than 200 exemplary Head Start agencies (including Early Head Start agencies, Indian Head Start agencies, and migrant and seasonal Head Start agencies) as Centers of Excellence in Early Childhood; and

''(2) make bonus grants to the centers of excellence to carry out the activities described in subsection (d).

''(c) APPLICATION AND DESIGNATION.—

''(1) APPLICATION.—

''(A) NOMINATION AND SUBMISSION.—

''(i) IN GENERAL.—To be eligible to receive a designation as a center of excellence under subsection (b), except as provided in clause (ii), a Head Start agency in a State shall be nominated by the Governor of the State, after selection for nomination by such Governor through a competitive process, and shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(ii) INDIAN AND MIGRANT AND SEASONAL HEAD START PROGRAMS.—In the case of an Indian Head Start agency or a migrant or seasonal Head Start agency, to be eligible to receive a designation as a center of excellence under subsection (b), such an agency shall be nominated by the head of the appropriate regional office of the Department of Health and Human Services and shall submit an application to the Secretary in accordance with clause (i).

''(B) CONTENTS.—At a minimum, the application shall include—

''(i) evidence that the Head Start program carried out by the agency involved has significantly improved the school readiness of children who have participated in the program;

''(ii) evidence that the program meets or exceeds standards described in section 641A(a)(1), as evidenced by the results of monitoring reviews described in section 641A(c), and has no findings of deficiencies in the preceding 3 years;

''(iii) evidence that the program is making progress toward meeting the requirements described in section 648A;

''(iv) an assurance that the Head Start agency will develop a collaborative partnership with the State (or a State agency) and other providers of early childhood education and development programs and services in the local community involved to conduct activities under subsection (d);

''(v) a nomination letter from the Governor, or appropriate regional office, demonstrating the agency's ability to provide the coordination, transition, and training services of the program to be carried out under the bonus grant involved, including coordination of activities with State and local agencies that provide early childhood education and development to children and families in the community served by the agency, and carry out the activities described under subsection (d)(1); and

''(vi) a description of how the center involved, in order to expand accessibility and continuity of quality early childhood education and development services and programs, will coordinate activities, as appropriate, assisted under this section with—

''(I) programs carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(II) the Early Head Start programs carried out under section 645A;

''(III) Early Reading First and Even Start programs carried out under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(IV) other preschool programs carried out under title I of that Act (20 U.S.C. 6301 et seq.);

''(V) programs carried out under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(VI) State prekindergarten programs; and

''(VII) other programs of early childhood education and development.

''(2) SELECTION.—In selecting agencies to designate as centers of excellence under subsection (b), the Secretary shall designate not less than 1 from each of the 50 States, the District of Columbia, an Indian Head Start program, a migrant or seasonal Head Start program, and the Commonwealth of Puerto Rico.

''(3) PRIORITY.—In making bonus grant determinations under this section, the Secretary shall give priority to agencies that, through their applications, demonstrate that their programs are of exceptional quality and would serve as exemplary models for programs in the same geographic region. The Secretary may also consider the populations served by the applicants, such as agencies that serve large proportions of families of limited English proficient children or other underserved populations, and may make bonus grants to agencies that do an exceptional job meeting the needs of children in such populations.

''(4) TERM OF DESIGNATION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall designate a Head Start agency as a center of excellence for a 5-year term. During the period of that designation, subject to the availability of appropriations, the agency shall be eligible to receive a bonus grant under subsection (b).

''(B) REVOCATION.—The Secretary may revoke an agency's designation under subsection (b) if the Secretary determines that the agency is not demonstrating adequate performance or has had findings of deficiencies described in paragraph (1)(B)(ii).

''(5) AMOUNT OF BONUS GRANT.—The Secretary shall base the amount of funding provided through a bonus grant made under subsection (b) to a center of excellence on the number of children eligible for Head Start services in the community involved. The Secretary shall, subject to the availability of funding, make such a bonus grant in an amount of not less than $200,000 per year.

''(d) USE OF FUNDS.—A center of excellence that receives a bonus grant under subsection (b)—

''(1) shall use not less than 15 percent of the funds made available through the bonus grant to disseminate to other Head Start agencies in the State involved, best practices for achieving early academic success, including—

''(A) best practices for achieving school readiness, including developing early literacy and mathematics skills, for children at risk for school difficulties;

''(B) best practices for achieving the acquisition of the English language for limited English proficient children, if appropriate to the population served; and

''(C) best practices for providing high-quality comprehensive services for eligible children and their families;

''(2) may use the funds made available through the bonus grant—

''(A) to provide Head Start services to additional eligible children;

''(B) to better meet the needs of working families in the community served by the center by serving more children in existing Early Head Start programs (existing as of the date the center is designated under this section) or in full-working-day, full calendar year Head Start programs;

''(C) to further coordinate early childhood education and development programs and services and social services available in the community served by the center for at-risk children (birth through age 8), their families, and pregnant women;

''(D) to provide professional development for Head Start teachers and staff, including joint training for Head Start teachers and staff, child care providers, public and private preschool and elementary school teachers, and other providers of early childhood education and development programs;

''(E) to provide effective transitions between Head Start programs and elementary schools and to facilitate ongoing communication between Head Start and elementary school teachers concerning children receiving Head Start services to improve the teachers' ability to work effectively with low-income, at-risk children and their families;

''(F) to develop or maintain partnerships with institutions of higher education and nonprofit organizations, including community-based organizations, that recruit, train, place, and support college students to serve as mentors and reading partners to preschool children in Head Start programs; and

''(G) to carry out other activities determined by the center to improve the overall quality of the Head Start program carried out by the agency and the program carried out under the bonus grant involved.

''(e) RESEARCH AND REPORTS.—

''(1) RESEARCH.—The Secretary shall, subject to the availability of funds to carry out this subsection, award a grant or contract to an independent organization to conduct research on the ability of the centers of excellence to use the funds received under this section to improve the school readiness of children receiving Head Start services, and to positively impact school results in the earliest grades. The organization shall also conduct research to measure the success of the centers of excellence at encouraging the center's delegate agencies, additional Head Start agencies, and other providers of early childhood education and development programs in the communities involved to meet measurable improvement goals, particularly in the area of school readiness.

''(2) RESEARCH REPORT.—Not later than 48 months after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the organization shall prepare and submit to the Secretary and Congress a report containing the results of the research described in paragraph (1).

''(3) REPORTS TO THE SECRETARY.—Each center of excellence shall submit an annual report to the Secretary, at such time and in such manner as the Secretary may require, that contains a description of the activities the center carried out with funds received under this section, including a description of how such funds improved services for children and families.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 2008 through 2012 to make bonus grants to centers of excellence under subsection (b) to carry out activities described in subsection (d) and research and report activities described in subsection (e).''.

SEC. 27. GENERAL PROVISIONS.

The Head Start Act (42 U.S.C. 9831 et seq.), as amended by section 26, is further amended by adding at the end the following:

''SEC. 657C. GENERAL PROVISIONS.

''(a) LIMITATION.—Nothing in this subchapter shall be construed to authorize or permit the Secretary or any employee or contractor of the Department of Health and Human Services to

mandate, direct, or control, the selection of a curriculum, a program of instruction, or instructional materials, for a Head Start program.

''(b) SPECIAL RULE.—Nothing in this subchapter shall be construed to authorize a Head Start program or a local educational agency to require the other to select or implement a specific curriculum or program of instruction.

''(c) DEFINITION.—In this subchapter, the term 'health', when used to refer to services or care provided to enrolled children, their parents, or their siblings, shall be interpreted to refer to both physical and mental health.''.

SEC. 28. COMPLIANCE WITH IMPROPER PAYMENTS INFORMATION ACT OF 2002.

(a) DEFINITIONS.—In this section, the term—

(1) ''appropriate committees'' means—

(A) the Committee on Health, Education, Labor, and Pensions of the Senate; and

(B) the Committee on Education and Labor of the House of Representatives; and

(2) ''improper payment'' has the meaning given that term under section 2(d)(2) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note).

(b) REQUIREMENT FOR COMPLIANCE CERTIFICATION AND REPORT.—The Secretary of Health and Human Services shall submit a report to the appropriate committees that—

(1) contains a certification that the Department of Health and Human Services has, for each program and activity of the Administration for Children and Families, performed and completed a risk assessment to determine programs and activities that are at significant risk of making improper payments; and

(2) describes the actions to be taken to reduce improper payments for the programs and activities determined to be at significant risk of making improper payments.

SEC. 29. REFERENCES IN OTHER ACTS.

(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 1112(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6312(c)) is amended—

(1) in paragraph (1)(G), by striking ''performance standards established under section 641A(a) of the Head Start Act'' and inserting ''education performance standards in effect under section 641A(a)(1)(B) of the Head Start Act''; and

(2) in paragraph (2)(B), by striking ''Head Start performance standards as in effect under section 641A(a) of the Head Start Act'' and inserting ''education performance standards in effect under section 641A(a)(1)(B) of the Head Start Act''.

(b) EARLY LEARNING OPPORTUNITIES ACT.—Section 810(b)(1) of the Early Learning Opportunities Act (20 U.S.C. 9409(b)(1)) is amended by striking ''entities funded under section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5))'' and inserting ''entities funded under section 640(a)(2)(B)(vi) of the Head Start Act (42 U.S.C. 9835(a)(2)(B)(vi))''.

(c) RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT.—

(1) Section 9(b)(12)(A)(iii) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(12)(A)(iii)) is amended by striking ''the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A))'' and inserting ''the child meets the eligibility criteria prescribed under section 645(a)(1)(B) of the Head Start Act (42 U.S.C. 9840(a)(1)(B))''.

(2) Section 17(c)(5) of such Act (42 U.S.C. 1766(c)(5)) is amended by striking ''the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A))'' and inserting ''the child meets the eligibility criteria prescribed under section 645(a)(1)(B) of the Head Start Act (42 U.S.C. 9840(a)(1)(B))''.

And the Senate agree to the same.

GEORGE MILLER,
DALE E. KILDEE,
LYNN WOOLSEY,
DANNY K. DAVIS,
RAÚL M. GRIJALVA,
LINDA T. SÁNCHEZ,
JOHN P. SARBANES,
JOE SESTAK,
DAVID LOEBSACK,
MAZIE K. HIRONO,
CAROL SHEA-PORTER,
HOWARD ''BUCK'' MCKEON,
MICHAEL N. CASTLE,
LUIS FORTUÑO,
RIC KELLER,
JOE WILSON,
C. W. BOUSTANY,
DEAN HELLER,
Managers on the Part of the House.

TED KENNEDY,
CHRIS DODD,
TOM HARKIN,
BARBARA A. MIKULSKI,
JEFF BINGAMAN,
PATTY MURRAY,
JACK REED,
HILLARY RODHAM CLINTON,
BARACK OBAMA,
BERNARD SANDERS,
SHERROD BROWN,
MICHAEL B. ENZI,
JUDD GREGG,
LAMAR ALEXANDER,
RICHARD BURR,
JOHNNY ISAKSON,
LISA MURKOWSKI,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1429), to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the Conferees, and minor drafting and clarifying changes.

Section 1. Short title

I. The House bill and the Senate amendment have different titles.

House recedes/Senate recedes with an amendment to insert ''Improving Head Start for School Readiness Act of 2007''.

2. The House bill and Senate amendment contain similar tables of contents.

House recedes/Senate recedes.

3. The House bill includes a Sense of Congress. The Senate amendment does not contain a similar provision.

House recedes.

Section 2. Statement of purpose

4. The House bill and the Senate amendment contain similar provisions. The Senate amendment refers to enhancing children's cognitive and social development in the lead-in and the House references cognitive, social and emotional development in note 5.

House recedes with an amendment to strike ''and social'' and insert ''social, and emotional''.

5. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to strike ''by enhancing their cognitive, social, and emotional development'' and insert ''creative arts'' before ''physical''.

6. The House bill and the Senate amendment contain identical provisions.

Section 3. Definitions

7. The Senate amendment makes changes to ''delegate agency'' definition. The House bill maintains current law.

House recedes

8. The Senate amendment makes changes to ''family literacy services'' definition. The House bill maintains current law.

House recedes with an amendment to insert ''and financial literacy.'' after ''self sufficiency'' in subparagraph (C).

9. The House bill uses ''significant''. The Senate amendment uses ''substantial''.

House recedes.

10. The House bill references ''program governance''. The Senate amendment references ''program operations''.

House recedes.

11. The House bill references sections with additional performance standards.

House recedes with an amendment to insert ''(as determined by the Secretary)'' after ''status''.

12. The Senate amendment adds additional clarification.

House recedes.

13. The House bill uses ''material failure''. The Senate amendment uses ''systemic failure''

House recedes with an amendment to insert ''or material'' after ''systematic''.

14. The Senate amendment has additional provisions (C), (D), (E).

House recedes with an amendment to insert ''or;'' after ''responsibilities'' in (B) and to strike subparagraphs (C) and (D), and to strike ''having'' in part (E).

15. The House bill and the Senate amendment contain similar provisions. The House bill defines

''homeless children''. The Senate amendment defines ''homeless child''.

Senate recedes.

16. The House bill defines homeless family. The Senate amendment refers to families of homeless children, but does not contain a similar provision.

House recedes.

17. The House bill defines inclusive classroom. The Senate amendment does not contain a similar provision.

House recedes.

18. The Senate amendment defines institution of higher education. The House bill does not contain a similar provision.

House recedes.

19. The Senate amendment defines interrater reliability. The House bill does not contain a similar provision.

House recedes.

20. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike subparagraph ''(A)''.

21. The Senate amendment defines unresolved area of noncompliance. The House bill does not include a similar provision.

House recedes.

22. The House bill defines professional development. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to strike ''scientifically-based research'' and insert ''scientifically valid research''.

23. The House bill defines scientifically based research. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to strike and insert—

''(23) The term 'principles of scientific research' means principles of research that—

''(A) applies rigorous, systematic, and objective methodology to obtain reliable and valid knowledge relevant to education activities and programs;

''(B) presents findings and makes claims that are appropriate to and supported by methods that have been employed; and

''(C) includes, appropriate to the research being conducted—

''(i) use of systematic, empirical methods that draw on observation or experiment;

''(ii) use of data analyses that are adequate to support the general findings;

''(iii) reliance on measurements or observational methods that provide reliable and generalizable findings;

''(iv) strong claims of causal relationships only with research designs that eliminate plausible competing explanations for observed results, such as but not limited to random assignment experiments;

''(v) presentation of studies and methods in sufficient detail and clarity to allow for replication or at a minimum, to offer the opportunity to build systematically on the findings of the research;

''(vi) acceptance by a peer-reviewed journal or critique by a panel of independent experts through a comparably rigorous, objective, and scientific review; and

''(vii) consistency of findings across multiple studies or sites to support the generality of results and conclusions.

''(25) The term 'scientifically valid research' includes applied research, basic research, and field-initiated research in which the rationale, design, and interpretation are soundly developed in accordance with principles of scientific research.''

24. The House bill and Senate amendment make similar changes to the definition of a State.

Senate recedes.

Section 4. Financial assistance for Head Start programs

25. The Senate amendment requires grants terms continue for a period of 5 years. The House bill does not contain a similar provision in section 638 but makes a similar change in section 641.

House recedes.

Section 5. Authorization of appropriations

26. The House bill and the Senate amendment contain different amounts authorized to be appropriated for Head Start.

House recedes

27. The House bill and the Senate amendment contain identical language except the House bill uses parenthesis.

House recedes.

Section 6. Allotment of funds; limitations on assistance

28. The House bill and the Senate amendment contain similar provisions. The House bill adds a heading and strikes a date from current law. The Senate amendment maintains current law.

House recedes/Senate recedes with an amendment to strike subsection (a) and insert—

''(a) Allotment of Funds.—Section 640(a) of the Head Start Act (42 U.S.C. 9835(a)) is amended to read as follows:

''(a)(1) Using the sums appropriated pursuant to section 639 for a fiscal year, the Secretary shall allocate such sums in accordance with paragraphs (2) through (5).

''(2)(A) The Secretary shall determine an amount for each fiscal year for each State that is equal to the amount received through base grants for the prior fiscal year by the Head Start agencies (including Early Head Start agencies) in the State that are not described in clause (ii) or (iii) of subparagraph (B).

''(B) The Secretary shall reserve for each fiscal year such sums as are necessary—

''(i) to provide each amount determined for a State under subparagraph (A) to the Head Start agencies (including Early Head Start agencies) in the State that are not described in clause (ii) or (iii), by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year;

''(ii) to provide an amount for the Indian Head Start programs that is equal to the amount provided for base grants for such programs under this subchapter for the prior fiscal year, by allotting to each Head Start agency (including each Early Head Start agency) administering an Indian Head Start program an amount equal to that agency's base grant for the prior fiscal year;

''(iii) to provide an amount for the migrant and seasonal Head Start programs on a nationwide basis that is equal to the amount provided for base grants for such programs nationwide under this subchapter for the prior fiscal year, by allotting to each Head Start agency administering a migrant or seasonal Head Start program an amount equal to that agency's base grant for the prior fiscal year;

''(iv) to provide an amount for each of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands of the United States (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year;

''(v) to provide an amount for the Republic of Palau (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) for each of fiscal years 2008 and 2009, and (if legislation approving a new agreement regarding United States assistance for the Republic of Palau has not been enacted by September 30, 2009) for each of fiscal years 2010 through 2012, that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year; and

''(vi) to provide an amount for a collaboration grant under 642(B)(a) for each State, for the Indian Head Start programs, and for the migrant and seasonal Head Start programs, in the same amount as the corresponding collaboration grant provided under this subchapter for fiscal year 2007.

''(C)(i) The Secretary shall reserve for each fiscal year an amount that is not less than 2.5 percent and not more than 3 percent of the sums appropriated pursuant to section 639 for that fiscal year, to fund training and technical assistance activities, from which reserved amount—

''(I) the Secretary shall set aside a portion, but not less than 20 percent, to be used to fund training and technical assistance activities for Early Head Start programs, in accordance with section 645A(g)(2); and

''(II) the Secretary shall set aside a portion, equal to the rest of the reserved amount, to fund training and technical assistance activities for other Head Start programs, in accordance with section 648, of which portion—

''(aa) not less than 50 percent shall be made available to Head Start agencies to use directly, which may include at their discretion the establishment of local or regional agreements with community experts, institutions of higher education, or private consultants, to make program improvements identified by such agencies, by carrying out the training and technical assistance activities described in section 648(d);

''(bb) not less than 25 percent shall be available to the Secretary to support a State- based training and technical assistance system, or a national system of training and technical assistance in the case of Indian Head Start programs and migrant and seasonal Head Start programs, as described in section 648(e) for supporting program quality; and

''(cc) the remainder of the portion set aside under this subclause shall be available to the Secretary to assist Head Start agencies in meeting and exceeding the standards described in section 641A(a)(1) by carrying out activities described in subsections (a), (b), (c), (f), and (g) of section 648, including helping Head Start programs address weaknesses identified by monitoring activities conducted by the Secretary under section 641A(c), except that not less than $3,000,000 of the remainder shall be made available to carry out activities described in section 648(a)(3)(B)(ii).

''(ii) In determining the portion set aside under clause (i)(I) and the amount reserved under this subparagraph, the Secretary shall consider the number of Early Head Start programs newly funded for that fiscal year.

''(D) The Secretary shall reserve not more than $20,000,000 to fund research, demonstration, and evaluation activities under section 649.

''(E) The Secretary shall reserve not more than $42,000,000 for discretionary payments by the Secretary, including payments for all costs (other than compensation of Federal employees) for activities carried out under subsection (c) or (e) of section 641A.

''(F) If the sums appropriated under section 639 are not sufficient to provide the amounts required to be reserved under subparagraphs (B) through (E), the amounts shall be reduced proportionately.

(G) Nothing in this section shall be construed to deny the Secretary the authority, consistent with sections 641, 641A, and 646 to terminate, suspend, or reduce funding to a Head Start agency.

''(3)(A) From any amount remaining for a fiscal year after the Secretary carries out paragraph (2) (referred to in this paragraph as the 'remaining amount'), the Secretary shall—

''(i) subject to clause (ii)—

''(I) provide a cost of living increase for each Head Start agency (including each Early Head Start agency) funded under this subchapter for that fiscal year, to maintain the level of services provided during the prior year; and

''(II) subject to subparagraph (B), provide $10,000,000 for Indian Head Start programs (including Early Head Start programs) and $10,000,000 for migrant and seasonal Head Start programs, to increase enrollment in the programs involved;

''(ii) subject to clause (iii), if the remaining amount is not sufficient to carry out clause (i)—

''(I) for each of fiscal years 2008, 2009, and 2010—

''(aa) subject to subparagraph (B), provide 5 percent of that amount for Indian Head Start programs (including Early Head Start programs), and 5 percent of that amount for migrant and seasonal Head Start programs, to increase enrollment in the programs involved; and

''(bb) use 90 percent of that amount to provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(1), the same percentage

(but not less than 50 percent) of the cost of living increase described in clause (i); and

''(II) for fiscal year 2011 and each subsequent fiscal year—

''(aa) provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the cost of living increase described in clause (i); and

''(bb) subject to subparagraph (B), with any portion of the remaining amount that is not used under item (aa), provide equal amounts for Indian Head Start programs, and for migrant and seasonal Head Start programs, to increase enrollment in the programs involved (including Early Head Start programs); and

''(iii) if the remaining amount is not sufficient to carry out clause (ii) for the fiscal year involved, use that amount to provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the same percentage of the cost of living increase described in clause (i).

''(B)(i) Notwithstanding any other provision of this paragraph, the Indian Head Start programs shall not receive more than a total cumulative amount of $50,000,000 for all fiscal years, and the migrant and seasonal Head Start programs shall not receive more than a total cumulative amount of $50,000,000 for all fiscal years, under clause (i)(II), and subclauses (I)(aa) and (II)(bb) of clause (ii), of subparagraph (A) (referred to in this subsection as the 'special expansion provisions'), to increase enrollment in the programs involved.

''(ii) Funds that are appropriated under section 639 for a fiscal year, and made available to Indian Head Start programs or migrant or seasonal Head Start programs under the special expansion provisions, shall remain available until the end of the following fiscal year.

''(iii) Of the funds made available as described in clause (ii), the Secretary shall reallocate the portion that the Secretary determines is unobligated 18 months after the funds are made available. The Secretary shall add that portion to the balance described in paragraph (4), and reallocate the portion in accordance with paragraph (4), for the following fiscal year referred to in clause (ii).

''(4)(A) Except as provided in subparagraph (B), from any amount remaining for a fiscal year after the Secretary carries out paragraphs (2) and (3) (referred to in this paragraph as the 'balance'), the Secretary shall—

''(i) reserve 40 percent to carry out subparagraph (C) and paragraph (5);

''(ii) reserve 45 percent to carry out subparagraph (D); and

''(iii) reserve 15 percent (which shall remain available through the end of fiscal year 2012) to carry out subparagraph (E).

''(B)(i) Under the circumstances described in clause (ii), from the balance, the Secretary shall—

''(I) reserve 45 percent to carry out subparagraph (C) and paragraph (5); and

''(II) reserve 55 percent to carry out subparagraph (D).

''(ii) The Secretary shall make the reservations described in clause (i) for a fiscal year if—

''(I) the total cumulative amount reserved under subparagraph (A)(iii) for all preceding fiscal years equals $100,000,000; or

''(II) if in the 2-year period preceding such fiscal year funds were reserved under subparagraph (A)(iii) in an amount that totals not less than $15,000,000 and the Secretary received no approvable applications from States for such funds.

''(C) The Secretary shall fund the quality improvement activities described in paragraph (5) using the amount reserved under subparagraph (A)(i) or subparagraph (B)(i)(I), as appropriate, of which—

''(i) a portion that is less than 10 percent may be reserved by the Secretary to provide funding to Head Start agencies (including Early Head Start agencies) that demonstrate the greatest need for additional funding for such activities, as determined by the Secretary; and

''(ii) a portion that is not less than 90 percent shall be reserved by the Secretary to allot, to each Head Start agency (including each Early Head Start agency), an amount that bears the same ratio to such portion as the number of enrolled children served by the agency involved bears to the number of enrolled children served by all the Head Start agencies (including Early Head Start agencies), except that the Secretary shall account for the additional costs of serving children in Early Head Start programs and may consider whether an agency is providing a part-day program.

''(D) The Secretary shall fund expansion of Head Start programs (including Early Head Start programs) using the amount reserved under subparagraph (A)(ii) or subparagraph (B)(i)(II), as appropriate, of which the Secretary shall—

''(i) use 0.2 percent for Head Start programs funded under clause (iv) or (v) of paragraph (2)(B) (other than Early Head Start programs);

''(ii) for any fiscal year after the last fiscal year for which Indian Head Start programs receive funds under the special expansion provisions, use 3 percent for Head Start programs funded under paragraph (2)(B)(ii) (other than Early Head Start programs), except that the Secretary may increase that percentage if the Secretary determines that the results of the study conducted under section 649(k) indicate that the percentage should be increased;

''(iii) for any fiscal year after the last fiscal year for which migrant or seasonal Head Start programs receive funds under the special expansion provisions, use 4.5 percent for Head Start programs funded under paragraph (2)(B)(iii) (other than Early Head Start programs), except that the Secretary may increase that percentage if the Secretary determines that the results of the study conducted under section 649(1) indicate that the percentage should be increased; and

''(iv) from the remainder of the reserved amount—

''(I) use 50 percent for Head Start programs funded under paragraph (2)(B)(i) (other than Early Head Start programs), of which—

''(aa) the covered percentage shall be allocated among the States serving less than 60 percent (as determined by the Secretary) of children who are 3 or 4 years of age from families whose income is below the poverty line, by allocating to each of those States an amount that bears the same relationship to that covered percentage as the number of children who are less than 5 years of age from families whose income is below the poverty line (referred to in this subclause as 'young low-income children') in that State bears to the number of young low-income children in all those States; and

''(bb) the remainder shall be allocated proportionately among the States on the basis of the number of young low-income children; and

''(II) use 50 percent for Early Head Start programs.

(E) In this paragraph, the term 'covered percentage' means—

''(i) for fiscal year 2008, 30 percent;

''(ii) for fiscal year 2009, 40 percent;

''(iii) for fiscal year 2010, 50 percent;

''(iv) for fiscal year 2011, 55 percent; and

''(v) for fiscal year 2012, 55 percent.

''(5)(A) Not less than 50 percent of the amount reserved under subparagraph (A)(i) or subparagraph (B)(i)(I), as appropriate, of paragraph (4) to carry out quality improvement activities under paragraph (4)(C) and this paragraph shall be used to improve the compensation (including benefits) of educational personnel, family service workers, and child counselors, as described in sections 644(a) and 653, in the manner determined by the Head Start agencies (including Early Head Start agencies) involved, to—

''(i) ensure that compensation is adequate to attract and retain qualified staff for the programs involved in order to enhance program quality;

''(ii) improve staff qualifications and assist with the implementation of career development programs for staff that support ongoing improvement of their skills and expertise; and

''(iii) provide education and professional development to enable teachers to be fully competent to meet the professional standards established under section 648A(a)(1), including—

''(I) providing assistance to complete postsecondary course work;

''(II) improving the qualifications and skills of educational personnel to become certified and licensed as bilingual education teachers, or as teachers of English as a second language; and

''(III) improving the qualifications and skills of educational personnel to teach and provide services to children with disabilities.

''(B) Any remaining funds from the reserved amount described in subparagraph (A) shall be used to carry out any of the following activities:

''(i) Supporting staff training, child counseling, and other services, necessary to address the challenges of children from immigrant, refugee, and asylee families, homeless children, children in foster care, limited English proficient children, children of migrant or seasonal farmworker families, children from families in crisis, children referred to Head Start programs (including Early Head Start programs) by child welfare agencies, and children who are exposed to chronic violence or substance abuse.

''(ii) Ensuring that the physical environments of Head Start programs are conducive to providing effective program services to children and families, and are accessible to children with disabilities and other individuals with disabilities.

''(iii) Employing additional qualified classroom staff to reduce the child-to-teacher ratio in the classroom and additional qualified family service workers to reduce the family-to-staff ratio for those workers.

''(iv) Ensuring that Head Start programs have qualified staff that promote the language skills and literacy growth of children and that provide children with a variety of skills that have been identified, through scientifically based reading research, as predictive of later reading achievement.

''(v) Increasing hours of program operation, including—

''(I) conversion of part-day programs to full-working-day programs; and

''(II) increasing the number of weeks of operation in a calendar year.

''(vi) Improving communitywide strategic planning and needs assessments for Head Start programs and collaboration efforts for such programs, including outreach to children described in clause (i).

''(vii) Transporting children in Head Start programs safely, except that not more than 10 percent of funds made available to carry out this paragraph may be used for such purposes.

''(viii) Improving the compensation and benefits of staff of Head Start agencies, in

order to improve the quality of Head Start programs.

''(6) No sums appropriated under this subchapter may be combined with funds appropriated under any provision other than this subchapter if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such sums appropriated under this subchapter are separately identified in such grant or payment and are used for the purposes of this subchapter.

''(7) In this subsection:

''(A) The term 'base grant', used with respect to a fiscal year, means the amount of permanent ongoing funding (other than funding described in sections 645A(g)(2)(A)(i) and [paragraph (2)(C)(i)(II)(aa)]) provided to a Head Start agency (including an Early Head Start agency) under this subchapter for that fiscal year.

''(B) The term 'cost-of-living increase', used with respect to an agency for a fiscal year, means an increase in the funding for that agency, based on the percentage change in the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the prior fiscal year, calculated on the amount of the base grant for that agency for the prior fiscal year.

''(C) For the purposes of [paragraphs (2)(B), (4)(B)(ii), (4)(E), and (6)], the term 'State' does not include Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.''.

The Conferees intend for the Secretary to work with the Indian Head Start and migrant and seasonal Head Start communities to enable the funds described in section 640(a)(3)(A)(i)(II) to be obligated to the maximum possible extent. The Conferees intend for the Secretary to allow Indian Head Start agencies, in using the funds described in section 640(a)(3)(A)(i)(II) to increase enrollment, to use such funds for conversion of programs from part-day to full-day and from home-based to center-based, and to allow Migrant and Seasonal Head Start agencies, in using such funds, to increase services to migrant and seasonal farmworker children from birth to age three and to expand the length of the service day. The Conferees encourage the Secretary to make available from the funds described in section 640(a)(3)(A)(i)(II) for increasing enrollment in Indian Head Start programs, significant portions both for Indian Head Start programs and for provision of services for additional infants and toddlers in Indian Early Head Start programs. Wherever the term ''Migrant or Seasonal Head Start'' occurs, it is the Conferees' intent that the Migrant and Seasonal Head Start program preserve its name in its entirety. Nowhere in the bill shall the language be interpreted that the Migrant and Seasonal Head Start program's name has been changed. Moreover, the Conferees urge the Secretary to maintain ''Migrant and Seasonal Head Start'' as the name of that program.

29. The House bill adds a heading to current law. Senate amendment maintains current law.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

30. The House bill and the Senate amendment require differing amounts for Indian Head Start programs.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

31. The House bill sunsets payments to Palau at FY2009. The House bill strikes reference to Federal States of Micronesia and Republic of Marshall Islands from current law. The House bill adds a heading.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

32. The House bill and the Senate amendment contain similar provisions. The House bill references ''program quality''; the Senate amendment references ''program expansion''.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

33. The House bill and the Senate amendment contain similar provisions. The Senate amendment requires specific activities for the use of training and technical assistance funds in section 640. The House bill activities are listed in section 648(j). See note 405.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

34. The Senate amendment allocates 50 percent to locals. The House bill allocates not less than 50 percent.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

35. The House bill reserves not less than 30 percent of training and technical assistance funds for a State-based system. The Senate amendment reserves 50 percent of funds for such efforts plus additional Secretary activities.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

36. The House bill reserves a remaining amount for the Secretary to assist local agencies address weaknesses. The Senate amendment reserves such funds in note 35.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

37. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

38. The Senate amendment does not include a similar provision. The House bill reserves $5 million for State councils. The Senate amendment funds councils differently. See note 340.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

39. The House bill adds a heading and makes grammatical change to lead-in to current law. The Senate amendment maintains current law with technical correction and does not add a heading.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

40. House bill adds a heading to current law. Senate amendment maintains current law but does not add a heading.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

41. House bill maintains current law and the Senate amendment maintains and adds conditions to the MSHS and Indian set-asides.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

42. The House bill reserves 60 percent of excess funds for quality improvement activities, for each fiscal year 2008–2012. The Senate amendment reserves 30 percent of excess funds for quality improvement activities, and increases such amount to 40 percent for fiscal years 2009–2012. The House bill adds headings.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

43. The House bill strikes current subparagraph (B) on quality improvement goals. The Senate amendment maintains this subparagraph and makes modifications.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

44. The Senate amendment adds reference to language and literacy, and expands to additional subgroups. The House bill strikes paragraph.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

45. The Senate amendment adds reference to salary and benefit requirements. The House bill strikes paragraph.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

46. The Senate amendment adds reference to language and literacy skills. The House bill strikes paragraph.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

47. The Senate amendment adds reference to highly mobile children. The House bill strikes paragraph.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

48. The Senate amendment and House bill make different modifications to current law.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

49. The House bill adds a heading. The House bill and the Senate amendment maintain current law of subparagraph.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

50. The House bill and the Senate amendment contain similar provisions. House bill adds a heading. The House bill and the Senate amendment make identical changes to date.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

51. House bill maintains a formula under current law. Senate amendment makes changes to formula.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

52. The House bill and the Senate amendment both maintain current law.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

53. The House bill and the Senate amendment contain similar provisions. The House bill and Senate amendment make conforming changes to existing law. House bill adds a heading.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

54. The House bill and the Senate amendment contain similar provisions. The House bill requires a submission from States prior to the awarding of a collaboration grant.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

55. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

56. The House bill and the Senate amendment contain similar provisions. The House bill refers to early education services. The Senate amendment refers to early childhood education and care (throughout collaboration section).

Senate recedes with an amendment to strike ''services'' and insert ''and development services or programs''.

The Conferees intend for the terminology ''early childhood education and development services or programs'' to encompass the diverse range of child care and early education and learning programs, recognizing that these settings contribute to children's development and growth, regardless of setting or program label.

57. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to—

use House (i)(I) with ''used in Head Start Programs'' after ''assessments''

strike ''and care'' and insert ''and development services or programs'' in both places it appears.

58. The House bill refers to curricula and assessments. The Senate amendment refers to services.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

59. The House bill and the Senate amendment contain identical provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

60. The House bill makes reference to succeed. The Senate amendment makes reference to learn. House bill references children in Head Start programs and Senate amendment references a broader population of children.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

61. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes a reference to the Free to Grow Initiative.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

62. The House bill and the Senate amendment contain similar provisions. The Senate amendment makes reference to curriculum in Head Start programs, and references the Ready to Learn program. The House bill references program quality.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

63. The House bill requires the collaboration office to work with the State Early Learning Council. The Senate amendment does not include a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

64. The Senate amendment includes conforming language. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

65. The House bill and the Senate amendment contain similar provisions and the House bill adds a heading.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

66. The Senate amendment strikes subparagraph (B). The House bill maintains current law and adds a heading.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

67. The Senate amendment makes changes to the hold harmless. The House bill does not include similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, into note 28.

68. The House bill includes technical conforming language. The Senate amendment does not include a similar provision.

Senate recedes.

69. The Senate amendment makes changes to 640(d). The House bill maintains current law.

House recedes with an amendment to strike section 640(d) and insert:

''(d)(1)The Secretary shall establish policies and procedures to assure that, for fiscal year 2009 and thereafter, not less than 10 percent of the total number of children actually enrolled by each Head Start agency and each delegate agency will be children with disabilities who are determined to be eligible for special education and related services, or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), by the State or local agency providing services under section 619 or part C of Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.).

''(2) Such policies and procedures shall ensure the provision of early intervening services, such as educational and behavioral services and supports, to meet the needs of children with disabilities, prior to an eligibility determination under the Individuals with Disabilities Education Act.

''(3) Such policies and procedures shall require Head Start agencies to provide timely referral to and collaborate with the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act to ensure the provision of special education and related services and early intervention services, and the coordination of programmatic efforts, to meet the special needs of such children.

''(4) The Secretary shall establish policies and procedures to provide Head Start agencies with waivers to the requirements under paragraph (1) for not more than 3 years. Such policies and procedures shall require Head Start agencies, in order to receive such waivers, to provide evidence demonstrating that the Head Start agencies are making reasonable efforts on an annual basis to comply with the requirements of this paragraph.

''(5) Nothing in this subsection shall be construed to limit or create a right to a free appropriate public education under the Individuals with Disabilities Education Act.''

Since 1972, Head Start has supported the access and participation of children with disabilities in Head Start programs by requiring that 10 percent of enrollment opportunities be provided to these children. The Conferees recognize the need to build on that foundation by ensuring that children with disabilities also receive appropriate screening and identification in order to serve them properly. For this reason the Conferees have included provisions to strengthen and support Head Start agencies and delegate agencies in referring children in a timely and efficient manner to Individuals with Disabilities Education Act entities for evaluation. The Conferees have included these provisions in order to ensure the appropriate evaluations and services are available for this vulnerable population.

The Conferees further intend to ensure Head Start agencies and delegate agencies receive the support and assistance needed to meet the requirements of the Individuals with Disabilities Education Act section. Local education agencies and States are strongly encouraged to improve their coordination with Head Start agencies and delegate agencies to ensure that children are evaluated appropriately and in a timely manner, and that children with disabilities enrolled in Head Start programs are receiving appropriate services as required by the Individuals with Disabilities Education Act.

It is not the intention of the Conferees to compel or constrain Head Start agencies or delegate agencies in ways that may lead to inappropriate over-identification or may cause programs to provide inappropriate services to children with disabilities in order to meet the requirements of this section. Rather, the Conferees recognize and support the tremendous efforts made by Head Start agencies to coordinate with local education agencies and States in order to best serve children with disabilities.

The report requires that 10 percent of the children served by Head Start agencies be children with disabilities. Head Start agencies are encouraged to meet this requirement by improving their efforts to identify and serve children with disabilities. Due to shifting populations, competing providers of services for children with disabilities, and parental decisions on where to enroll their child, Conferees recognize that it may not be possible for every agency to meet this requirement every year. The reporting requirements included in the report are intended to ensure that agencies are making serious and practical efforts to fully comply with this requirement so that no children with disabilities are excluded from being able to participate in a Head Start program, but also so that Head Start agencies acting in good faith will not be penalized.

69b. The House and Senate contain similar provisions.

House recedes with an amendment to strike ''and care'' and insert ''and development services or programs''.

70. The House bill deletes qualification on program expansion for fund allocation. Senate amendment does not include a similar provision.

House recedes.

71. Senate amendment and the House bill include similar modifications to needs assessment criteria.

House recedes/Senate recedes with an amendment to—

(1) insert '', (3),'' after ''by striking paragraphs (1)''

(2) strike subparagraph (C) and inserting the following:

''(C) the extent to which the applicant has undertaken communitywide strategic planning and needs assessments involving other entities including community organizations and Federal, State, and local public agencies (including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)), that provide services to children and families, such as—

''(i) family support services;

''(ii) child abuse prevention services;

''(iii) protective services;

''(iv) foster care;

''(v) services for families in whose homes English is not the language customarily spoken;

''(vi) services for children with disabilities; and

''(vii) services for homeless children;''

(3) in subparagraph (D)—

(A) strike ''community'' and insert ''communitywide''; and

(B) strike ''other local'' and insert ''the State and local'';

72. House bill and Senate amendment contain similar provisions.

Senate recedes with an amendment to insert ''as described in clause (i) or (ii) of section 645(a)(1)(B)'' after ''children,'' insert ''by striking ''early childhood program'' and insert ''publicly funded early childhood education and development program''.

73. House bill and Senate amendment maintain current law.

74. House bill and Senate amendment contain similar modifications to current law.

Senate recedes.

75. House bill adds new provision on administrative expenses. Senate amendment does not include a similar provision.

House recedes.

76. House bill contains provision allowing programs to negotiate with the Secretary if funding is inadequate to provide COLA. Senate amendment does not contain a similar provision.

Senate recedes with an amendment to strike and insert—

''(3)(A) In the event that the amount appropriated to carry out the program under this subchapter for a fiscal year does not exceed the amount appropriated for the prior fiscal year, or is not sufficient to maintain services comparable to the services provided under this subchapter during the prior fiscal year, a Head Start agency may negotiate with the Secretary a reduced funded enrollment level without a reduction in the amount of the grant received by the agency under this subchapter, if such agency can reasonably demonstrate that such reduced funded enrollment level is necessary to maintain the quality of services.

''(B) In accordance with this paragraph, the Secretary shall set up a process for Head Start agencies to negotiate the reduced funded enrollment levels referred to in subparagraph (A) for the fiscal year involved.

''(C) In the event described in subparagraph (A), the Secretary shall be required to notify Head Start agencies of their ability to negotiate the reduced funded enrollment levels if such an agency can reasonably demonstrate that such reduced funded enrollment level is necessary to maintain the quality of services.''

77. House bill and Senate amendment contain different modifications to transportation safety requirements.

House recedes/Senate recedes with an amendment to strike and insert at the end of 640(i)—

''The regulations shall also establish requirements to ensure the appropriate supervision of, and appropriate background checks for, individuals whom the agencies contact to transport those children.''

The Conferees believe that providing transportation to children enrolled in Head Start is central to many agencies' efforts to ensuring children's participation in Head Start. The Conferees strongly encourage the Secretary to continue to work with grantees to support their efforts to provide safe transportation that meets all Head Start and applicable regulations. The Conferees also encourage the Secretary to continue the decision to allow Head Start agencies to annually request a good cause exception to the requirements of regulations promulgated under Section 640(i) if the waiver is in the best interest of the children involved, if such requirements pertain to child restraint systems (45 CFR 1310.11, 1310.15(a)) or bus monitors (45 CFR 1310.15(c)), and if the agency demonstrates that compliance with such requirements will result in a significant disruption to the Head Start program or Early Head Start program.

78. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to do the following:

Senate recedes on (1)(1).

House recedes on (1)(3) with an amendment to strike ''that appropriate funding is provided to meet such needs including funding for'' and insert ''the provision of''.

House recedes on (4)(A).

Senate recedes on (4)(B) with an amendment to strike ''children and children of' and insert ''including'' and to insert ''children'' after ''Alaskan Natives,'' and to strike ''subsections (a), (b), and (c) of section 641,'' and insert ''this subchapter''.

Senate recedes on (4)(C).

House recedes on (4)(D) with an amendment to insert ''The Secretary shall insure that'' after ''(D)'' and to strike ''on a timely basis'' and insert ''within 90 days of the annual consultation''.

79. The House bill and Senate amendment contain similar provisions.

Senate recedes.

It is the intent of the Conferees that Head Start agencies, in carrying out the requirements of paragraph (1), employ a variety of strategies to help remove barriers to the enrollment and participation of homeless children in Head Start, including conducting targeted recruitment of homeless children, including homelessness as a priority criterion in selection policies, reserving slots for homeless children, filling vacancies with homeless children, and other activities as determined necessary by the community-wide needs assessment. In addition to these strategies, Head Start agencies may find it appropriate, in some instances, to place a homeless child ahead of other eligible children on waiting lists in order to address their mobility and special needs. In general, when a grantee works on its community-wide needs assessment, it should ensure that it accounts for homeless families. Grantees are encouraged to engage school district homeless liaisons, private and public shelter providers, HUD Continuums of Care, and other homeless service agencies in the community-wide needs assessment.

80. House bill and Senate amendment contain similar provisions.

Senate recedes with an amendment to strike ''early education for children'' and all that follows through ''school,'' and insert ''early childhood education and development or to require any child to participate in such a publicly funded program, including a state-funded preschool program,''

81. The House bill and the Senate amendment contain similar provisions. The House bill includes instructional materials, and the Senate amendment is limited to curricula.

House recedes/Senate recedes with an amendment to strike and insert—

''(o) All curricula funded under this subchapter shall be based on scientifically valid research, and be age and developmentally appropriate. The curricula shall reflect all areas of child development and learning and be aligned with the Head Start Child Outcomes Framework. Parents shall have the opportunity to examine any such curricula or instructional materials funded under this subchapter.''

Section 7. Designation of Head Start agencies

82. The House bill includes faith-based organizations in the description of agencies eligible for designation. The Senate amendment does not include a similar provision.

Senate recedes.

83. The House bill requires the Secretary to develop and implement a system of application review. The Senate amendment does not include a similar provision.

Senate recedes.

84. The House bill includes specifications for a grant application. The Senate amendment does not include a similar provision.

Senate recedes.

85. The House bill requires the Secretary to develop and implement a system of application review for designation of Head Start agencies. The Senate amendment requires an agency to establish goals for improving the school readiness of children as a condition of designation.

Senate recedes with an amendment to—

insert ''high'' before ''quality''

insert ''and'' after ''quality''

strike ''early learning'' and insert ''Head Start''

insert ''and fiscal management'' after ''annual budget''

strike ''(H); and'' in (D) and insert ''(E);''

86. The House bill establishes an expert panel to advise the Secretary on a system for the renewal of Head Start agencies. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to strike ''No later than 6'' and insert ''Not later than 3''.

87. The House bill specifies the composition of an expert panel. The Senate amendment does not include a similar provision.

House recedes/Senate recedes with an amendment to strike and insert—

''(3) COMPOSITION OF EXPERT PANEL.—The Secretary, in convening such panel, shall appoint the following:

''(A)(i) One member, who has demonstrated competency, as evidence by training, expertise, and experience, in early childhood program accreditation.

''(ii) One member, who has demonstrated competency (as so evidenced) in research on early childhood development.

''(iii) One member, who has demonstrated competency (as so evidenced) in governance and finance of nonprofit organizations.

''(iv) One member, who has demonstrated competency (as so evidenced) in delivery of services to populations of children with special needs and their families.

''(v) One member, who has demonstrated competency (as so evidenced) in assessment and evaluation of programs serving young children.

''(B) An employee from the Office of Head Start.

''(C) An executive director of a Head Start agency.''

88. The House bill requires the expert panel provide a report to the Secretary. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to—

strike ''12'' and insert ''9''

strike ''high quality'' and insert ''high-quality''

insert ''and'' after ''quality''

strike ''early education'' and insert ''Head Start''

insert '', legal and'' after governance

89. The House bill requires the Secretary publish in the Federal Register a report on the proposed grant renewal system. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to—

strike ''No later than 6'' and insert ''Not later than 3''

strike ''proposed system of application review'' and insert ''notice describing a proposed system for designation renewal including a proposal for the transition of such system,''

insert ''The Secretary shall review and consider public comments prior to finalizing the system for designation renewal described in this subsection.'' after ''exist.''

90. The House bill requires an application review system for the redesignation of Head Start agencies. The Senate amendment delineates specific criteria for redesignation. Both the House bill and the Senate amendment create 5-year grant terms except the Senate amendment amends Section 643 (see note 25).

House recedes/Senate recedes with an amendment to strike and insert—

''(6) DESIGNATION RENEWAL SYSTEM.—Not later than 12 months after publishing a notice describing the proposed system under paragraph (5), the Secretary shall implement the system for designation renewal and use that system to determine—

''(A) whether a Head Start grantee is successfully delivering a high-quality and comprehensive Head Start program; and

''(B) whether the grantee has any unresolved deficiencies found during the last triennial review under section 641A(c).

''(7) IMPLEMENTATION OF THE DESIGNATION RENEWAL SYSTEM.—

''(A) IN GENERAL.—A grantee who is determined under such system—

''(i) to be delivering a high-quality and comprehensive Head Start program shall be designated (consistent with section 643) as a Head Start agency for a period of 5 years described in section 638;

''(ii) to not be delivering a high-quality and comprehensive Head Start program shall be subject to an open competition as described in subsection (d); and

''(iii) in the case of an Indian Head Start agency, to not be delivering a high-quality and comprehensive Head Start program shall (notwithstanding clause (ii)) be subject to the requirements of subparagraph (B).

''(B) TRIBAL GOVERNMENT CONSULTATION AND REEVALUATION.—On making a determination described in subparagraph (A)(iii), the Secretary shall engage in government-to-government consultation with the appropriate tribal government or governments for the purpose of establishing a plan to improve the quality of Head Start programs operated by such agency. Such plan is to be established and implemented within 6 months of the Secretary's determination. Not more than 6 months after implementation of that plan, the Secretary shall reevaluate the performance of the Indian Head Start agency. If the Indian Head Start agency is still not delivering a high-quality and comprehensive Head Start program, the Secretary shall conduct an open competition as described in subsection (d), subject to the limitations, in subsection (e).''

The Conferees create a new system for designation renewal. This system is meant to facilitate the designation of programs that are in good standing and are providing a high-quality comprehensive early childhood program, for a period of 5 years. The Conferees believe that other programs not providing a high-quality comprehensive early childhood program should not receive a designation renewal without first entering into an open competition. Furthermore, the Conferees believe that the policy to limit open competition to under-performing Head Start agencies will improve overall program performance.

The Conferees strongly believe the majority of Head Start programs are delivering high quality services, and therefore do not intend for this new designation system to result in competition for designation for the majority of Head Start programs. Furthermore, competing high quality programs could undermine overall program quality. The Conferees believe that in most instances, stability and continuity within Head Start promotes better quality and greater efficiency. It helps the organization become trusted within the community it is serving, thereby creating better community relations and better outreach to eligible children and families. Continuity and stability provided by high-quality grantees helps programs to recruit and retain better teachers and to plan appropriately for professional development. Lack of continuity and stability can also have a significant impact on cost effective resource allocation by affecting a program's ability to leverage funds in its community and negotiate lower facility costs and business loans. The continuity of high-quality grantees better ensures that taxpayer monies spent on professional development and facilities are investments that have ongoing benefit to children served by Head Start. In developing the designation renewal system, the Conferees intend for the Secretary to give due consideration to the involvement of outside experts and take the public comment on the proposed system seriously.

91. The House bill requires a periodic evaluation of criteria used to evaluate Head Start agencies and ensures grants for a 5 year period. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to—

insert ''and'' after ''quality'' and to strike ''early education'' and insert ''Head Start''

insert after (8)—

''(9) TRANSITION.—

''(A) IN GENERAL.—Each Head Start agency shall be reviewed under the system for designation renewal described in paragraph (6), not later than 3 years after implementation of such system.

''(B) LIMITATION.—A Head Start agency shall not be subject to the requirements of the system for designation renewal prior to 18 months after the date of enactment of the Improving Head Start for School Readiness Act of 2007.

''(C) SCHEDULE.—The Secretary shall establish and implement a schedule for reviewing each Head Start agency under the system for designation renewal described in paragraph (6), consistent with subparagraphs (A) and (B).

''(10) REPORTS TO CONGRESS.—The Secretary shall

''(A) make available to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate the report described in paragraph (4);

''(B) concurrent with publishing a notice in the Federal Register as described in paragraph (5), provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate that provides a detailed description of such proposed system, including a clear rationale for any differences between the proposed system and the recommendations of the expert panel, if any such differences exist; and

''(C) prior to implementing the system for evaluating designation renewal applications, provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate—

''(i) summarizing the public comment on the proposed system and the Secretary's response to such comment; and

''(ii) describing the final system for evaluating designation renewal application and the plans for implementation of such system.''

92. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to—

strike ''Has Priority'' and insert ''is redesignated''

insert ''and'' after ''quality''

strike ''early education'' and insert ''Head Start''

93. The House bill and Senate amendment contain identical text but different headings.

Senate recedes.

94. The House bill and the Senate amendment contain identical provisions.

95. The House bill includes mental and behavioral health in the description of comprehensive health services. The Senate amendment references attaining full potential.

House recedes.

96. The House bill includes additional requirements in the plan for recruitment and retention of staff. The Senate amendment does not include a similar provision.

House recedes/Senate recedes with an amendment to strike and insert—

''(C) the plan of such applicant to attract and retain qualified staff capable of delivering and implementing a high quality program, including the ability to carry out a research based curricula aligned with the Head Start Child Outcomes Framework and, as appropriate State early learning standards.''

97. The House bill includes additional staff requirements. The Senate amendment does not include a similar provision.

Senate recedes.

98. The House bill refers to curriculum and teaching practices in programs. The Senate amendment does not include a similar reference.

Senate recedes with an amendment to strike and insert—

''(E) the capacity of such applicant to serve eligible children with—

''(i) curricula that are based on scientifically valid research and teaching practices that are based on scientifically valid research as appropriate, are developmentally appropriate and that promote the school readiness of children participating in the program involved; and

''(ii) teaching practices that are based, as appropriate, on scientifically valid research, that are developmentally appropriate, and that promote the school readiness of children participating in the program involved;''

99. The House bill and the Senate amendment contain identical provisions.

100. The House bill includes budgetary requirements. The Senate amendment does not contain similar provisions.

Senate recedes.

101. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes coordination with reading readiness programs.

House recedes/Senate recedes with an amendment to strike and insert—

''(H) the plan of such applicant to coordinate and collaborate with other public or private entities providing early learning programs and services for young children in the community involved, including—

''(i) programs implementing grant agreements under the Early Reading First and Even Start programs under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(ii) other preschool program under title I of that Act (20 U.S.C. 6301 et seq.);

''(iii) programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(iv) State prekindergarten programs;

''(v) child care programs;

''(vi) the educational programs that the children in the Head Start program involved will enter at the age of compulsory school attendance; and

''(vii) local entities, such as a public or school library, for—

''(I) conducting reading readiness programs

''(1I) developing innovative programs to excite children about the world of books, including providing fresh books in the Head Start classroom

''(III) assisting in literacy training for Head Start teachers; or

''(IV) supporting parents and other caregivers in literacy efforts.''

102. The Senate amendment refers to the ability of the applicant to provide services, meet program standards, and coordinate with other preschool programs. The House bill does not contain a similar provision.

Senate recedes.

103. The House bill and the Senate amendment contain identical provisions.

104. The House bill and the Senate amendment contain similar provisions. The House bill includes grandparents and kinship caregivers in the involvement of Head Start activities.

Senate recedes with an amendment to strike ''seek'' and insert ''facilitate''.

105. The House bill and the Senate amendment contain similar provisions. The Senate

amendment includes a provision for transportation costs to facilitate parent participation.

House recedes with an amendment to strike ''through providing transportation cost'' and to insert ''transportation assistance, as appropriate;''.

106. The House bill and the Senate amendment contain identical provisions.

107. The House bill and the Senate amendment contain similar provisions. The House bill includes mental health services for parents.

House recedes

108. The House bill and the Senate amendment contain similar provisions. The House bill includes training on social and emotional child development. The House bill includes provisions to facilitate mental and behavioral health services for parents. The Senate amendment does not contain similar provisions.

Senate recedes with an amendment to strike ''(v)'' and insert ''(v) health services, including information on maternal depression; or''

109. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes foster parents and grandparents in the family needs assessment, as applicable.

House recedes with an amendment to insert '', in a manner and language that such parents can understand, to the extent practicable,'' after ''such parents'' and strike ''subparagraphs (C), (D), and (E)'' and insert ''this subparagraph''.

110. The House bill and the Senate amendment contain similar provisions. The House bill delineates culturally appropriate opportunities for father-child interactions.

House recedes.

111. The House bill and the Senate amendment contain similar provisions. The House bill requires progress in English while also meeting the requirements of 641 A(a)(I)(B).

Senate recedes.

112. The House bill includes a provision for meeting the diverse cultural needs of the population served. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to strike and insert ''(L) the plan of such applicant to meet the diverse needs of the population served.''

113. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes additional procedures and plans to meet the needs of children with disabilities.

House recedes

114. The House bill and the Senate amendment contain similar provisions. The House bill includes mental health services in the applicant plan.

House recedes.

115. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike.

116. The House bill and the Senate amendment contain similar provisions. The House bill includes children and families experiencing toxic stress.

Senate recedes with an amendment to strike ''and children and families experiencing toxic stress''.

117. The House bill includes a provision to maintain qualified staff. The Senate amendment does not contain a similar provision.

House recedes.

118. The House bill includes a provision to enter into memoranda of understanding with local school districts. The Senate amendment does not contain a similar provision.

House recedes.

119. The House bill and the Senate amendment contain identical provisions.

120. The Senate amendment includes a provision to collaborate with a local library. The House bill does not contain a similar provision.

Senate recedes.

121. The Senate amendment includes a priority for qualified applicants with demonstrated capacity. The House bill does not contain a similar provision.

House recedes with an amendment to strike ''and care'' and insert ''development services or programs''.

122. The Senate amendment includes a prohibition against transferring Indian Head Start programs to non-Indian Head Start agencies, similar to the House bill 641(c)(6)(C).

House recedes to insert as (e) in section 641.

123. The House bill includes a provision to provide continued eligibility to faith-based and community-based agencies. The Senate amendment does not contain a similar provision.

House recedes.

124. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

125. The Senate amendment requires progress of a Head Start agency toward its goals as a condition of re-designation for subsequent grants. The House bill does not contain a similar provision.

Senate recedes.

126. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

127. The House bill and the Senate amendment contain identical provisions.

Section 8. Standards; monitoring of Head Start agencies and programs

128. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

129. The House bill and the Senate amendment contain similar provisions. The House bill makes changes to the lead-in.

Senate recedes.

130. The House bill requires any new early learning standards to be based on the Head Start Child Outcomes Framework. The Senate amendment does not contain a similar provision, but modifies the Head Start Act to refer to educational performance standards.

Senate recedes with an amendment to strike ''early learning standards'' and insert ''education performance standards''.

131. The House bill and Senate amendment require the Secretary to consider NAS study in development of standards (House bill places later—see note 147).

Senate recedes.

132. The House bill and Senate amendment contain similar provisions.

Senate recedes.

133. The House bill includes more specific requirements and refers to prereading. The Senate amendment refers to pre-literacy.

Senate recedes with an amendment to strike ''(ii)'' and insert—

''(ii) literacy knowledge and skills, including phonological awareness, print awareness and skills, and alphabetic knowledge;''

134. The House bill includes more specific requirements and refers to mathematics. The Senate amendment refers to premathematics.

House recedes with an amendment to strike ''pre''.

135. The House bill includes more specific requirements and refers to science. The Senate amendment refers to scientific abilities.

Senate recedes with an amendment to strike ''including measurement''.

The Conferees recognize the importance of mathematics and science knowledge and skills to prepare young children for school readiness, especially through the use of educational experiences and experiments. Children participating in Head Start programs should, at a minimum, develop and demonstrate knowledge and skills that include number concepts such as counting and seriation; number operations; geometric and spatial concepts; classification; and time and measurement concepts. Children participating in Head Start programs should have access to educational experiences which include observing with senses, predicting, inferring, defining and controlling variables, working in teams, and communicating discoveries.

136. The House bill refers to general knowledge, and includes approaches to learning and early learning. The Senate amendment refers to general cognitive abilities, and does not contain a provision on approaches to learning.

House recedes/Senate recedes with an amendment to read:

''(v) cognitive abilities related to academic achievement and child development;

''(vi) approaches to learning related to child development and early learning;''

137. The House bill includes social problem-solving and overall well-being. The Senate amendment does not contain similar provisions.

Senate recedes with an amendment to strike ''(vi)'' and insert ''(vii)'' and to strike '', and overall well-being'' and to insert ''and'' after ''success,''.

138. The House bill includes creative arts. The Senate amendment does not contain similar provisions.

Senate recedes.

139. The Senate amendment includes physical development. The House bill does not contain a similar provision.

House recedes.

140. The House bill requires progress through culturally and linguistically appropriate instruction. The Senate amendment requires progress, which may include the use of linguistically appropriate instruction.

Senate recedes.

141. The House bill and Senate amendment contain identical provisions.

142. The Senate amendment includes provisions for the licensing and accessibility of Head Start programs. The House bill maintains current law.

House recedes with an amendment to—

strike ''be in compliance with'' and insert ''meet or exceed''

insert at the end of '(ii)' the following—''unless State or local laws prohibit such access.''

insert after ''location of facilities'' the following ',including indoor air quality assessments where appropriate,''

143. The House bill and Senate amendment contain identical provisions.

144. The House bill and the Senate amendment contain similar provisions.

145. The House bill and the Senate amendment contain similar provisions. The House bill maintains current law with conforming amendment on LEP.

House recedes with an amendment to make conforming change to ''non-English speaking child''.

146. The House bill maintains experience and changes with standards since 1998. The Senate amendment updates such experience and changes consistent with the pending Head Start reauthorization.

House recedes/Senate recedes with an amendment to strike and insert—

''(i) past experience with use of the standards in effect under this subchapter on the date of enactment of the Improving Head Start for School Readiness Act of 2007;

''(ii) changes over the period since October 27, 1998, in the circumstances and problems

typically facing children and families served by Head Start agencies;''

147. The House bill and Senate amendment contain similar provisions but in different locations (see note 131).

Senate recedes with an amendment to strike ''when it becomes available'' and to insert consistent with section 649(j);''.

148. The House bill refers to early childhood education and development. The Senate amendment refers to early childhood education and care, and includes homeless children and children in foster care.

House recedes/Senate recedes with an amendment to strike ''(iv)'' and insert—

''(iv) developments concerning research-based practices with respect to early childhood education and development, children with disabilities, homeless children, children in foster care, and family services, and best practices with respect to program administration, and financial management;''

149. The House bill and Senate amendment contain identical provisions.

150. The House bill and the Senate amendment contain similar provisions. The House bill requires standards addressing physical development.

Senate recedes with an amendment to strike ''currently in effect or under consideration''.

151. The House bill and the Senate amendment contain similar provisions. The House bill includes the cultural background of children. The Senate amendment includes changes in the number of homeless or foster care children.

House recedes/Senate recedes with an amendment to strike and insert—

''changes in the characteristics population of children who are eligible to participate in Head Start programs, including the country of origin, the language background, and family structure of such children, and changes in the population and numbers of such children who are in foster care or are homeless children''

152. The House bill requires mechanisms for transition of Head Start children to school The Senate amendment does not contain a similar provision.

Senate recedes.

153. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike ''close and frequent'' and insert ''regular'' and to insert ''Indian, including Alaska Native,'' after ''experts in''.

154. House bill requires performance standards not be more narrow than those in existence in 1998. The Senate amendment ties date to enactment of current bill. The House bill adds reference to quality.

Senate recedes with an amendment to strike ''October 27, 1998'' and insert ''the date of enactment of the Improving Head Start for School Readiness Act of 2007.''

155. The Senate amendment requires consultation with Indian tribes in the development of program standards and measures. The House bill does not contain a similar provision.

House recedes with an amendment to—

strike ''American Indian and Alaska Native'' and insert ''including Alaska Natives,''

insert ''Indian and Alaska Native'' after ''experts in''

156. House bill adds heading to current law and both the House bill and the Senate amendment maintain current law.

157. The House bill re-names the heading. The House bill modifies requirements regarding consultation with outside individuals in the development of Head Start's measures.

Senate recedes with an amendment to—

insert ''family services, and program management,'' after ''development''

insert ''and other relevant research'' after ''Sciences''

insert ''inform, revise and'' before ''provide guidance''

158. The House bill modifies requirements to measure the quality and effectiveness of Head Start programs annually, and provides for the use of measures for the identification of special needs as well as classroom instructional practices. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to insert ''children with'' after ''identification or' and insert a new subparagraph ''(D) administrative and financial management practices''.

159. The Senate amendment maintains (A)–(C) from current law with noted modifications and the House bill strikes (A)—(C) from current law.

Senate recedes.

160. The House bill and the Senate amendment contain similar provisions. The House bill requires developmental, linguistic, and cultural appropriateness.

Senate recedes.

161. The House bill and the Senate amendment contain identical provisions.

House recedes/Senate recedes with an amendment to strike ''not less then every 4 years'' and insert ''periodically''.

162. The House bill requires consistency with technical standards. The Senate amendment does not include a similar provision.

Senate recedes.

163. The House bill requires validity and reliability, including in Spanish and other languages. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to strike ''(in English, Spanish, and any other language, as appropriate)'' and insert ''in the language in which it is administered;''

164. The House bill requires administration of measures by trained staff. The Senate amendment does not include a similar provision.

Senate recedes.

165. The House bill requires appropriate accommodations in measures. The Senate amendment does not include a similar provision.

Senate recedes.

166. The House bill requires measures to be used for the purposes for which they were derived. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to insert new subparagraph to read ''(H) be adaptable, as appropriate, for use in the self-assessment of Head Start agencies, including in the evaluation of administrative and financial management practices''.

167. The Senate amendment directs the Secretary to issue performance measures by regulation. The House bill does not contain a similar provision.

Senate recedes.

168. The House bill strikes current law and inserts new use and design of measures. The Senate amendment does not include similar provisions, and adds a new rule related to curriculum and instructional materials.

Senate recedes with an amendment to—

in clause (i) strike ''promoting'' and insert ''helping to develop''

insert ''as appropriate'' after ''designed'' in (A)

insert ''and individualizing instruction to better meet the needs of children involved;''

after ''weaknesses''

insert ''the'' after ''identifying''

insert ''of children;'' after ''needs''

strike ''scientifically-based'' and insert ''scientifically valid''

168a. The Senate amendment includes a Rules of Construction related to the selection of curriculum for program instruction. The House bill does not include a similar provision.

House recedes with an amendment to create a Section 657B and move this paragraph to Section 657B, and to strike ''or suggest'' and insert ''or'' after ''direct''.

169. The House bill and Senate amendment contain similar provisions except the Senate amendment places in Section 649(h).

House recedes with an amendment to strike ''under paragraph (2)(A)'' and insert ''from the study on Developmental Outcomes and Assessments for Young Children by the National Academy of Sciences''.

170. The House bill and the Senate amendment contain similar provisions. The Senate amendment is placed in section 649 and prohibits the ranking, comparison, or evaluation of individual children or teachers.

House recedes with an amendment to—

strike ''(i)'' and insert ''(5)''

insert ''(A) PROHIBITION.—'' before ''The use of assessment''

strike ''to rank, compare'' and insert ''is prohibited for the purposes of—

''(i) ranking, comparing''

strike ''or teachers, or to'' and insert ''for purposes other than research, training, or technical assistance; and

(ii)''

strike ''or to provide'' and insert ''providing''

strike ''is prohibited'' and insert ''(B) RESULTS.—''

The Conferees do not intend for this provision to similarly limit local employees of a Head Start agency to use assessments that may rank, compare, or individually evaluate information on individual children. Local use of assessments shall be consistent with section 640A(b)(I) through (3). The use of such assessment when used to provide training or technical assistance to teachers for program improvement is allowed.

171. The House bill contains confidentiality requirements. The Senate amendment does not include a similar provision.

Senate recedes.

172. The House bill modifies current law to include the identification of program strengths and weaknesses and the risk-based assessment system. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to—

strike ''develop and use a risk-based assessment system to''

strike ''strengths as part of an'' and insert ''strength as part of their''

173. The House bill and the Senate amendment contain identical provisions.

Senate recedes with an amendment to insert '', including the use of a risk based assessment approach,'' after ''review''.

174. The House bill and the Senate amendment contain identical provisions.

175. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes additional requirements for follow-up reviews, and stipulates the conditions for unannounced reviews.

House recedes/Senate recedes with an amendment to strike and insert—

''(C) Followup reviews, including—

''(i) return visits to Head Start agencies with one or more findings of deficiencies not later than 6 months after the Secretary provides notification of such findings, or not later than 12 months after such notification if the Secretary determines that additional time is necessary for an agency to address such a deficiency prior to the review; and

''(ii) a review of Head Start agencies with significant areas of noncompliance;

''(D) Other reviews, including unannounced site inspections of Head Start centers, as appropriate.''

176. The House bill does not require unannounced site inspections under the heading and section describing reviews.

Senate recedes.

177. The Senate amendment includes additional individuals with expertise as part of the review team, and ensures expertise in personnel management, financial accountability, and systems development and monitoring. The House bill does not contain similar provisions.

Senate recedes with an amendment to strike and insert—

''(A) are conducted by review teams that—

''(i) include individuals who are knowledgeable about Head Start programs and, to the maximum extent practicable, individuals who are knowledgeable about—

''(I) other early childhood education and development programs, personnel management, financial accountability, and systems development and monitoring; and

''(II) the diverse (including linguistic and cultural) needs of eligible children (including children with disabilities, homeless children, children in foster care, and limited English proficient children) and their families.''

178. The House bill and the Senate amendment contain similar provisions. The House bill includes former employees of HHS.

Senate recedes with an amendment to insert a new subsection clause to read ''(iii) shall receive periodic training to ensure quality and consistency across reviews;''.

179. The House bill and the Senate amendment contain similar provisions. The Senate amendment directs the Secretary to conduct reviews in accordance with results-based performance measures.

Senate recedes

180. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike ''needs of populations'' and insert ''those''.

181. The House bill addresses the community needs and strategic plans as part of the review. The Senate amendment refers more broadly to collecting information regarding collaboration with others in the community providing early education and care.

Senate recedes.

181a. The Senate amendment includes a provision on collection of information on the innovative and effective efforts of Head Start agencies to collaborate with the entities. The House bill does not include a similar provision.

House recedes with an amendment to strike and insert ''(E) include information on the innovative and effective efforts of the Head Start agencies to collaborate with the entities providing early childhood and development services and programs in the community and any barriers to such collaboration that the agencies encounter.''

182. The House bill includes a new classroom quality observational instrument as part of Head Start reviews. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to—

strike ''review the implementation by qualified individuals with demonstrated reliability,'' and

insert ''reviews,''

insert ''implemented by qualified individuals with demonstrated reliability,'' after ''instrument''

The Conferees intend for the Secretary to integrate into the triennial review a valid and reliable research-based observational instrument that assesses classroom quality through observation of multiple dimensions of teacher-child interactions that are linked to positive child development and later achievement. The Conferees encourage the Secretary to consider using existing research-based methods such as the Classroom Assessment Scoring System (CLASS) for this purpose. The Conferees also believe it is logistically and fiscally impractical to implement such an instrument in every classroom and recommend the Secretary develop appropriate sampling techniques for the implementation.

183. The House bill requires reviews to ensure consistency, objectivity, and reliability. The Senate amendment stipulates training for reviewers, and ensures consistency across programs and regions through interrater reliability checks.

Senate recedes with an amendment to insert '', and are conducted in a manner that includes periodic interrater reliability checks, to ensure quality and consistency across and within regions, of the reviews and non-compliance and deficiency determinations'' after ''review''.

184. The House bill and Senate amendment contain similar provisions.

House recedes.

185. The House bill includes a protocol for fiscal management. The Senate amendment does not contain similar provisions.

Senate recedes with an amendment to insert ''(consistent with section 644(f))'' after ''property''.

186. The Senate amendment includes a review and assessment of whether programs are in conformity with eligibility requirements. The House bill does not contain similar provisions.

House recedes.

187. The Senate amendment includes a review of whether programs have adequately addressed the needs of children with disabilities. The House bill does not contain similar provisions.

House recedes.

188. The Senate amendment requires the use of outcome data from child assessments in reviews. The House bill does not contain similar provisions.

House recedes with an amendment to strike and insert—

''(L) include as part of the reviews, a review and assessment of child outcomes and performance as they relate to agency-determined school readiness goals described in subsection (g)(2), consistent with subsection (b)(5);''

189. The House bill has new requirements to present findings to the grantee. The Senate amendment does not contain a similar provision.

Senate recedes.

190. The House bill and the Senate amendment contain similar provisions but in different locations.

Senate recedes with an amendment to—

insert '', subject to paragraph (4),'' after ''establish''

strike in '(C)' ''appealing'' and insert ''a delegate agency to appeal'' and to strike ''relating to a delegate agency''

191. The House bill and the Senate amendment contain similar provisions.

Senate recedes

192. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes additional conditions regarding funding provided to deficient Head Start agencies.

House recedes with an amendment to strike ''(iii)'' and insert—

''(iii) releasing funds to such delegate agency—

''(I) only as reimbursements except that, upon receiving a request from the delegate agency accompanied by assurances satisfactory to the grantee that the funds will be appropriately safeguarded, the Head Start agency shall provide to the delegate agency a working capital advance in an amount sufficient to cover the estimated expenses during an agreed upon disbursing cycle; and

''(II) only if there is continuity of services''

193. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to strike ''modify, supersede, or affect'' and insert ''limit''.

194. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike ''pursuant to section 641'' and insert ''under this subchapter'' and to strike from (d)(1) ''or results based performance measures developed by the Secretary under subsection (b)''.

195. The Senate amendment requires conditions for the termination of a delegate agency. The House bill does not contain a similar provision.

See note 190.

196. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

197. The House bill and the Senate amendment contain identical provisions.

198. The House bill requires approval of program improvement plans. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to strike ','' after ''program''.

199. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

200. The House and the Senate amendment contain similar provisions. House recedes/Senate recedes with an amendment to strike and insert—

''(f) SUMMARIES OF MONITORING OUTCOMES.—

''(1) IN GENERAL.—Not later than 120 days after the end of each fiscal year, the Secretary shall publish a summary report on the findings of reviews conducted under subsection (c) and on the outcomes of quality improvement plans implemented under subsection (e), during such fiscal year.

''(2) REPORT AVAILABILITY.—Such report shall be made widely available to—

''(A) parents with children receiving assistance under this subchapter—

''(i) in an understandable and uniform format; and

''(ii) to the extent practicable, provided in a language that the parents understand;

''(B) the public through means such as—

''(i) distribution through public agencies;

''(ii) posting such information on the Internet;

''(3) REPORT INFORMATION.—Such report shall contain detailed data—

''(A) on compliance with specific standards and measures; and

''(B) sufficient to allow Head Start agencies to use such data to improve quality of their programs.''

201. The House bill and the Senate amendment contain similar provisions. The House bill refers to each Head Start agency and delegate agency, and includes professional development plans.

Senate recedes with an amendment to strike ''(including professional development plans)''.

202. The House bill and the Senate amendment contain similar provisions. The Senate amendment requires reports to be submitted to the HHS regional offices. The House bill requires reports to be submitted to the Secretary.

Senate recedes with an amendment to insert—

A new header for paragraph (2) that reads ''Goals, Reports, and Improvement Plans'' and insert—

''(A) GOALS.—An agency conducting a self-assessment shall establish agency-determined program goals for improving the school readiness of children participating in a program under this subchapter, including school readiness goals that are aligned with the Head Start Child Outcomes Framework,

State early learning standards as appropriate, and requirements and expectations for the schools the children will be attending.''.

203. The House bill and the Senate amendment contain similar provisions. The Senate amendment requires improvement plans to be reported to the HHS regional offices. The House bill requires plans to be reported to the Secretary.

Senate recedes.

204. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

205. The Senate amendment allows training funds to be made available for assistance in conducting self-assessments. The House bill does not contain similar provisions.

House recedes with an amendment to move paragraph to Section 648.

206. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert—

''(h) REDUCTION OF GRANTS AND REDISTRIBUTION OF FUNDS IN CASES OF UNDER-ENROLLMENT.—

''(1) DEFINITIONS.—In this subsection—

''(A) ACTUAL ENROLLMENT.—The term 'actual enrollment' means, with respect to the program of a Head Start agency, the actual number of children enrolled in such program and reported by the agency (as required in paragraph (2)) in a given month.

''(B) BASE GRANT.—The term 'base grant' has the meaning given the term in section 649(a)(7).

''(C) FUNDED ENROLLMENT.—The term 'funded enrollment' means, with respect to the program of a Head Start agency in a fiscal year, the number of children that the agency is funded to serve through a grant for the program during such fiscal year, as indicated in the grant award.

''(2) ENROLLMENT REPORTING REQUIREMENT.—Each entity carrying out a Head Start program shall report on a monthly basis to the Secretary and the relevant Head Start agency—

''(A) the actual enrollment in such program; and

''(B) if such actual enrollment is less than the funded enrollment, any apparent reason for such enrollment shortfall.

''(3) SECRETARIAL REVIEW AND PLAN.—The Secretary shall—

''(A) on a semiannual basis, determine which Head Start agencies are operating with an actual enrollment that is less than the funded enrollment based on not less than 4 consecutive months of data;

''(B) for each such Head Start agency operating a program with an actual enrollment that is less than its funded enrollment, as determined under subparagraph (A), develop, in collaboration with such agency, a plan and timetable for reducing or eliminating under-enrollment taking into consideration—

''(i) the quality and extent of the outreach, recruitment, and communitywide needs assessment conducted by such agency;

''(ii) changing demographics, mobility of populations, and the identification of new underserved low-income populations;

''(iii) facilities-related issues that may impact enrollment;

''(iv) the ability to provide full-day programs, where needed, through funds made available under this subchapter or through collaboration with entities carrying out other preschool or child care programs, or programs with other funding sources (where available);

''(v) the availability and use by families of other preschool and child care options (including parental care) in the community served; and

''(vi) agency management procedures that may impact enrollment; and

''(C) provide timely and ongoing technical assistance to each agency described in subparagraph (B) for the purpose of implementing the plan described in such subparagraph.

''(4) IMPLEMENTATION.—Upon receipt of the technical assistance described in paragraph (3)(C), a Head Start agency shall immediately implement the plan described in paragraph (3)(B) and the Secretary shall, where determined appropriate, continue to provide technical assistance to such agency.

''(5) SECRETARIAL REVIEW AND ADJUSTMENT FOR CHRONIC UNDERENROLLMENT.—

''(A) IN GENERAL.—If, after receiving technical assistance and developing and implementing the plan as described in paragraphs (3) and (4) for 12 months, a Head Start agency is still operating a program with an actual enrollment that is less than 97 percent of its funded enrollment, the Secretary may—

''(i) designate such agency as chronically under-enrolled; and

''(ii) recapture, withhold, or reduce the base grant for the program by a percentage equal to the percentage difference between funded enrollment and actual enrollment for the program for the most recent year in which the agency is determined to be under-enrolled under paragraph (3)(A).

''(B) WAIVER OR LIMITATION OF REDUCTIONS.—The Secretary may, as appropriate, waive or reduce the percentage recapturing, withholding, or reduction otherwise required by subparagraph (A), if, after the implementation of the plan described in paragraph (3)(B), the Secretary finds that—

''(i) the causes of the enrollment shortfall, or a portion of the shortfall, are related to the agency serving significant numbers of highly mobile children, or other significant causes as determined by the Secretary;

''(ii) the shortfall can reasonably be expected to be temporary; or

''(iii) the number of slots allotted to the agency is small enough that under enrollment does not constitute a significant shortfall.

''(6) REDISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—Funds held by the Secretary as a result of recapturing, withholding, or reducing a base grant in a fiscal year shall be redistributed by the end of the following fiscal year as follows:

''(i) INDIAN HEAD START PROGRAMS.—If such funds are derived from an Indian Head Start program, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Indian Head Start programs.

''(ii) MIGRANT AND SEASONAL HEAD START PROGRAMS.—If such funds are derived from the operation of a migrant and seasonal Head Start program, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more migrant and seasonal Head Start programs.

''(iii) EARLY HEAD START PROGRAMS.—If such funds are derived from an Early Head Start program in a State, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Early Head Start programs. If such funds are derived from an Indian Early Head Start program, then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Indian Early Head Start programs.

''(iv) OTHER HEAD START PROGRAMS.—If such funds are derived from the operation of a Head Start program in a State (excluding Indian Head Start program and migrant and seasonal Head Start programs), then such funds shall be redistributed to increase enrollment by the end of the following fiscal year in 1 or more Head Start programs (excluding Indian Head Start programs and migrant and seasonal Head Start programs) that are carried out in such State.''

207. The House bill and the Senate amendment contain similar provisions. The Senate amendment directs the Secretary to consider consecutive months of data in the determination.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

208. The Senate amendment requires a plan and timetable for reducing or eliminating underenrollment in agencies with less than 95 percent of funded enrollment. The House bill does not include similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

209. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

210. The Senate amendment creates a designation of chronic under-enrollment, and provides for the re-capturing of funds from such agencies. The House bill does not include comparable provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

211. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

212. The House bill reserves funds re-captured from under-enrolled programs for certain populations of eligible Head Start children. The Senate amendment re-directs funds to programs in the same State.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

213. The Senate amendment requires a re-adjustment of program grant agreements as funds are re-distributed under this section. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 206.

214. The Senate amendment includes a provision allowing the Head Start agency to contract with non-profit organizations to improve management. The House bill does not contain a similar provision.

Senate recedes.

Section 9. Powers and functions of Head Start agencies

215. The House bill and the Senate amendment add different headers to subsection (a), make identical changes to lead-in and otherwise maintain current law.

Senate recedes with an amendment to strike ''legal'' from the heading.

216. The Senate amendment contains a technical provision. The House bill does not contain a similar provision.

217. The House bill and the Senate amendment have different headers and lead in.

Senate recedes.

218. The House bill and the Senate amendment have similar provisions. House bill maintains current law.

House recedes/Senate recedes with an amendment to strike and insert—

''(1) provide for the regular and direct participation of parents and community residents in the implementation of the Head Start program, including decisions that influence the character of such programs, consistent with paragraphs (2)(D) and (3)(C) of subsection (c).''

219. The House bill and the Senate amendment have identical provision.

220. The House bill and the Senate amendment contain similar provisions. (Comparable provision cross-references with 641(f)(8)(A)).

Senate recedes with an amendment to—

insert ''(A)'' after ''procedures''

strike ''their children, and'' after ''education of'' and insert ''the children; and (B)''

strike everything that follows ''local level'' and insert '', including transportation assistance as appropriate.''

221. The House bill and the Senate amendment contain similar provisions.

House recedes.

222. The House bill and the Senate amendment contain similar provisions.

House recedes.

223. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to strike ''(v)'' and insert—

''(D) health services, including information on maternal depression;''

224. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to—

insert ''to the extent practicable,'' after ''understand'' and

insert ''(including foster parents, grandparents and kinship caregivers where applicable)'' after ''such parents,''

strike ''(5) through'' and insert ''(5), (6), and''

225. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to add the following text into section 658—

''Under this subchapter the term ''health'', when used to refer to services or care provided to enrolled children, their parents or siblings, shall be interpreted to refer to both physical and mental health.''

226. The House bill and the Senate amendment contain identical provisions.

227. The House bill and the Senate amendment contain identical provisions.

228. The House bill and the Senate amendment contain similar provisions.

House recedes.

229. The House bill and the Senate amendment contain similar provisions. The Senate amendment provision adds the word ''such'' before parents and the House bill does not.

Senate recedes.

230. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes a heading.

Senate recedes.

231. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to insert '', consistent with 640(d)(3);'' after ''agencies''.

232. The House bill does not include this provision. The Senate amendment concerns providing services for children with disabilities.

House recedes with an amendment to insert '', consistent with 640(d)(2);'' after ''Act''.

233. The House bill does not include this provision. The Senate amendment concerns each delegate agency creating a policy committee.

House recedes/Senate recedes to strike and insert as amended in note 236.

234. The Senate amendment adds cross reference for 641(f)(8)(B) that the House bill does not contain.

House recedes with an amendment to strike and insert—

''(B) establish effective procedures to afford such parents the opportunity to participate in the development and overall conduct of the program at the local level, including transportation assistance, as appropriate;''.

235. The Senate amendment allows for an agency to partner with an institute of higher education or a non-profit organization. The House bill does not include this provision.

House recedes.

236. The House bill and Senate amendment establish governing bodies and policy councils. The House bill requires shared governance between the policy council and the governing body. The Senate amendment does not contain a similar requirement. The Senate provisions are located in Section 641(a)(3) through Section 641(a)(7).

House recedes/Senate recedes with an amendment to strike and insert—

''(c) PROGRAM GOVERNANCE.—Upon receiving designation as a Head Start agency, the agency shall establish and maintain a formal structure of program governance for the oversight of quality services for Head Start children and families and for making decisions related to program design and implementation. Such structure shall include the following:

''(1) GOVERNING BODY.—

''(A) IN GENERAL.—The governing body shall have legal and fiscal responsibility for the Head Start agency.

''(B) COMPOSITION.—The governing body shall be composed as follows:

''(i) Not less than 1 member shall have background and expertise in fiscal management or accounting.

''(ii) Not less than 1 member shall have background and expertise in early childhood education and development.

''(iii) Not less than 1 member shall be a licensed attorney familiar with issues that come before the governing body.

''(iv) Additional members shall—

''(I) reflect the community to be served, and include parents of children who are currently, or were formerly, enrolled in Head Start programs; and

''(II) are selected for their background and expertise in education, business administration, and community affairs.

''(v) Exceptions shall be made to the requirements of clauses (i) through (iv) for members of a governing body when those members oversee a public entity and are selected to their positions with the public entity by public election political appointment.

''(vi) if a person described in clause (i), (ii), or (iii) is not available to serve as a member of the governing body, the governing body shall use a consultant, or an other individual with relevant expertise, with the qualifications described in the clause, who shall work directly with the governing body.

''(C) CONFLICT OF INTEREST.—Members of the governing body shall—

''(i) not have a financial conflict of interest with the Head Start (including any delegate agency);

''(ii) not receive compensation for serving on the governing body or for providing services to the Head Start agency;

''(iii) not be employed nor shall members of their immediate family be employed by the Head Start agency (including any delegate agency); and

''(iv) operate as an entity independent of staff employed by the Head Start agency.

''(D) EXCEPTION.—If an individual holds a position as a result of public election or political appointment, and such position carries with it a concurrent appointment to serve as a member of a Head Start agency governing body, and such individual has any conflict of interest described in clause (ii) or (iii) of subparagraph (C)—

''(i) such individual shall not be prohibited from serving on such body and the Head Start agency shall report such conflict to the Secretary; and

''(ii) if the position held as a result of public election or political appointment provides compensation, such individual shall not be prohibited from receiving such compensation.

''(E) RESPONSIBILITIES.—The governing body shall—

''(i) have legal and fiscal responsibility for administering and overseeing programs under this subchapter, including the safeguarding of Federal funds;

''(ii) adopt practices that assure active, independent and informed the Head Start agency, including practices consistent with subsection (d)(1), and fully participate in the development, planning, and evaluation of the Head Start programs involved;

''(iii) be responsible for ensuring compliance with Federal laws (including regulations) and applicable State, tribal, and local laws (including regulations); and

''(iv) be responsible for other activities, including—

''(I) the selecting delegate agencies and the service areas of such agencies;

''(II) establishing procedures and criteria for recruitment, selection, and enrollment of children;

''(III) reviewing all applications for funding and amendments to applications for funding for programs under this subchapter;

''(IV) establishing procedures and guidelines for accessing and collecting information described in subsection (d)(2);

''(V) reviewing and approving all major policies of the agency, including—

''(aa) the annual self-assessment and financial audit;

''(bb) such agency's progress in carrying out the programmatic and fiscal provisions in such agency's grant application, including implementation of corrective actions; and

''(cc) personnel policies of such agencies regarding the hiring, evaluation, termination, and compensation of agency employees;

''(VI) developing procedures for how members of the policy council are selected, consistent with paragraph (2)(B);

''(VII) approving financial management, accounting, and reporting policies and compliance with laws and regulations related to financial statements, including the—

''(aa) approval of all major financial expenditures of the agency;

''(bb) annual approval of the operating budget of the agency;

''(cc) selection (except when a financial auditor is assigned by the State under State law or is assigned under local law) of independent financial auditors who shall report all critical accounting policies and practices to the governing body; and

''(dd) monitoring of the agency's actions to correct any audit findings and of other action necessary to comply with applicable laws (including regulations) government financial statement and accounting practices;

''(VII) reviewing results from monitoring conducted under section 641A(c), including appropriate follow-up activities;

''(IX) approving personnel policies and procedures, including policies and procedures regarding the hiring, evaluation, compensation and termination of the Executive Director, Head Start Director, Director of Human Resources, Chief Fiscal Officer, and any other person in an equivalent position with the agency;

''(X) establishing, adopting and periodically updating written standards of conduct that establish standards and formal procedures for disclosing, addressing, and resolving—

''(aa) any conflict of interest, and any appearance of a conflict of interest, by members of the governing body, officers, employees of the Head Start agency, and consultants and agents who provide services or furnish goods to the Head Start agency; and

''(bb) complaints, including investigations, when appropriate.

''(XI) to the extent practicable and appropriate, at the discretion of the governing body, establishing advisory committees to oversee key responsibilities related to program governance and improvement of the Head Start program involved.

''(2) POLICY COUNCIL.

''(A) IN GENERAL.—Each Head Start agency shall have a policy council responsible for the direction of the Head Start program, including program design and operation, and long- and short-term planning goals and objectives taking into account the annual communitywide strategic planning and needs assessment and self-assessment.

''(B) COMPOSITION AND SELECTION.

''(i) The policy council shall be elected by parents of children who are currently enrolled in the Head Start program of the Head Start agency.

''(ii) The policy council shall be composed of—

''(I) parents of children who are currently enrolled in the Head Start program of the Head Start agency (including any delegate agency), who shall constitute a majority of the members of the council; and

''(II) members at large of the community served by the Head Start agency (including any delegate agency), who may include parents of children who were formerly enrolled in the Head Start program of the agency.

''(C) CONFLICT OF INTEREST.—Members of the policy council shall—

''(i) not have a conflict of interest with the Head Start agency (including any delegate agency); and

''(ii) not receive compensation for serving on the policy council or for providing services to the Head Start agency.

''(D) RESPONSIBILITIES.—The policy council shall approve and submit to the governing body decisions about the following activities—

''(i) Activities to support the active involvement of parents in supporting program operations, including policies to ensure that the Head Start agency is responsive to community and parent needs;

''(ii) Program recruitment, selection, and enrollment priorities;

''(iii) Applications for funding and amendments to applications for funding for programs under this subchapter, prior to the submission of such applications described in this clause.

''(iv) Budget planning for program expenditures, including policies for reimbursement and participation in policy council activities;

''(v) Bylaws for the operation of the policy council;

''(vi) Program personnel policies and decisions regarding employment of program staff, consistent with paragraph (l)(E)(iv)(IX), including standards of conduct for program staff, contractors, and volunteers and criteria for the employment and dismissal of program staff.

''(vii) Developing procedures for how members of the policy council of the Head Start agency will be elected.

''(viii) Recommendations on the selection of delegate agencies and the service areas of such agencies.

''(3) POLICY COMMITTEES.—Each delegate agency shall create a policy committee, which shall—

''(A) be elected and comprised of members consistent with paragraph (2)(B) (with respect to delegate agencies);

''(B) follow procedures to prohibit conflict of interest, consistent with clauses (i) and (ii) of paragraph (2)(C) (with respect to delegate agencies); and

''(C) be responsible for approval and submission of decisions about activities as they relate to the delegate agency, consistent with paragraph (2)(D) (with respect to delegate agencies)

''(d) PROGRAM GOVERNANCE ADMINISTRATION.—

''(1) IMPASSE POLICY.—The Secretary shall develop policies, procedures, and guidance for Head Start agencies concerning—

''(A) the resolution of internal disputes, including any impasse in the governance of Head Start programs; and

''(B) the facilitation of meaningful consultation and collaboration about decisions of the governing body and policy council

''(2) CONDUCT OF RESPONSIBILITIES.—Each Head Start agency shall ensure the sharing of accurate and regular information for use by the governing body and the policy council about program planning, policies, and Head Start agency operations, including—

''(A) monthly financial statements, including credit card expenditures;

''(B) monthly program information summaries;

''(C) program enrollment reports, including attendance reports for children whose care is partially subsidized by another public agency;

''(D) monthly reports of meals and snacks provided through programs of the Department of Agriculture;

''(E) the financial audit;

''(F) the annual self-assessment, including any findings related to such assessment;

''(G) the communitywide strategic planning and needs assessment of the Head Start agency, including any applicable updates;

''(H) communication and guidance from the Secretary; and

''(I) the program information reports.

''(3) TRAINING AND TECHNICAL ASSISTANCE.—Appropriate training and technical assistance shall be provided to the members of the governing body and the policy council to ensure that the members understand the information the members receive and can effectively oversee and participate in the programs of the Head Start agency.''

The Conference Report prohibits members of the Policy Council from receiving compensation for their role in serving on the Policy Council, as well as prohibits such members from receiving compensation for providing such services. In implementing this provision, the Conferees recognize the regular practice of Head Start agencies to reimburse members of the Policy Council for reasonable costs (such as transportation or child care) associated with their full participation in the operation of such agencies, and for their roles and responsibilities consistent with duties on the Policy Council. In promulgating regulations under this section, the Conferees urge the Secretary to continue to provide for such reimbursements and recognize the necessity of such reimbursements for the effective operation of Head Start agencies. Moreover, the Conferees intend for individuals serving on governing bodies as a result of elected office or political appointment to be able to continue to receive compensation directly related to that elected office or political appointment.

237. The House bill includes accounting experience. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

238. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

239. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

240. The House bill requires selection of members based on expertise in education, business administration and community affairs. The Senate amendment requires selection of additional members to reflect the community served, and includes parents.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

241. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

242. The House bill and the Senate amendment contain similar provisions. The House bill includes additional requirements.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

243. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

244. The House bill and the Senate amendment contain similar provisions. The Senate amendment consolidates training and technical assistance for both governing bodies and policy councils. See note 281.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

245. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

246. The House bill requires activities to ensure independent and informed governance. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

247. The House bill requires oversight to ensure that the Head Start agency is under the direction of the executive director. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

248. The House bill and the Senate amendment contain similar provisions. The House bill provides for specific audit and financing issues and creates a separate committee within the governing body for these functions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

249. The House bill requires approval of all major policies of the agency.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

250. The Senate amendment refers to policies and procedures regarding hiring, firing, and salaries of management personnel.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

251. The House bill refers to all major financial expenditures.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

252. The House bill requires approval of the hiring or firing of the Head Start Director.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

253. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

254. The House bill requires the governing body to oversee the program planning of the Head Start agency. Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

255. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

256. The Senate amendment requires approval of self-assessments, financial audits, and reviews. The House bill does not contain a similar amendment.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

257. The House bill requires the establishment and revision of written standards of conduct. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

258. The Senate amendment requires the governing body to select delegate agencies and service areas. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

259. The Senate amendment requires the governing body to establish procedures and criteria for recruitment, selection, and enrollment. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

260. The Senate amendment requires the governing body to establish procedures for gathering information related to program governance. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

261. The Senate amendment requires review and approval of the community assessment by the governing body. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

262. The Senate amendment requires an internal control structure to facilitate responsibilities of Head Start's governance structure. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

263. The Senate amendment provides for the establishment of a Committee to assist with the governance of Head Start programs. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

264. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

265. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

266. The House bill and Senate amendment require parents to represent proportional components of programs. The Senate amendment stipulates a process for selecting parents to serve on the policy council.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

267. The Senate amendment includes members at large in policy councils. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

268. The House bill establishes terms for policy council members. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

269. The Senate amendment prohibits conflicts of interest within the policy council. The House bill does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

270. The House bill provides for the approval of decisions. The Senate amendment does not contain similar language.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

271. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

272. The House bill requires delegate agencies to be selected by the policy council. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

273. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

274. The House bill provides authority to the policy council for funding applications. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

275. The House bill and Senate amendment contain similar provisions. The Senate amendment provides greater detail regarding responsibilities.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

276. The House bill provides authority for bylaws to the policy council. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

277. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

278. The House bill provides authority for decisions regarding employment to the policy council. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

279. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

280. The House bill provides authority for program responsiveness to the policy council. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

281. House bill requires training for the policy council. Senate amendment addresses training in same provision as for governing body. See note 244.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

282. The House bill and the Senate amendment contain similar provisions. The House bill includes an impasse policy. The Senate amendment requires procedures for agencies under section 641(a)(2)(B)(iv).

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

283. The Senate amendment requires information sharing. The House bill does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 236.

284. The House bill and the Senate amendment contain similar provisions leading to collaboration. Senate amendment lists specific programs that the House bill does not.

Senate recedes with an amendment to—

strike ''must'' and insert ''shall''

insert '', to the maximum extent practicable,'' after ''entities''

strike ''available'' and insert ''availability and quality of''

285. House bill and Senate amendment contain similar provisions but Senate amendment provision is located in subsection (b).

Senate recedes.

286. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike headings.

287. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes an additional requirement to collaborate with elementary school teachers.

House recedes with an amendment to strike the heading and to strike ''teaching strategies and options'' and insert ''professional development and instructional strategies, as appropriate''.

288. The Senate amendment lists specific programs that the Head Start agency must coordinate with. The House bill does not include similar provisions.

House recedes with an amendment to strike and insert—

''(3) Coordinate activities and collaborate with programs under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a), parts B and E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.), programs under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), and programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), and other entities providing early childhood education and development services, serving the children and families served by the Head Start agency.''

289. House bill and Senate amendment contain similar provisions. The House bill requires efforts to enhance efficiency. The Senate amendment focuses on reducing duplication of services.

House recedes with an amendment to insert ''and enhance the efficiency'' after ''duplication of services''.

290. The House bill maintains current law of a provision requiring the Secretary of Health and Human Services to consult with the Secretary of Education to evaluate the effectiveness of programs, disseminate effective policies and activities, and provide technical assistance. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to strike (A), and strike the parenthesis in subparagraph (B) and to move paragraph to new subsection at the end of section 642A.

291. The House bill adds new heading. The Senate amendment does not contain a similar provision.

Senate recedes.

292. The House bill maintains current law on maintaining gains. The Senate amendment does not include this provision.

Senate recedes.

293. The House bill and Senate amendment contain similar language but Senate amendment language is located in subsection (b).

Senate recedes with an amendment to insert ''the'' before ''standards''.

294. The House bill and Senate amendment contain similar provisions but the Senate amendment provision is located in subsection (b).

House recedes/Senate recedes with an amendment to strike and insert—

''(3) implement a research-based early childhood curriculum that—

''(A) promotes young children's school readiness in the areas of language and cognitive development, early reading and mathematics skills, socio-emotional development, physical development, and approaches to learning.

''(B) is based on scientifically valid research and has standardized training procedures and curriculum materials to support implementation;

''(C) is comprehensive and linked to ongoing assessment, with developmental and learning goals and measurable objectives;

''(D) is focused on improving the learning environment, teaching practices, family involvement, and child outcomes across all areas of development; and

''(E) is aligned to the Head Start Child Outcomes Framework developed by the Secretary and, as appropriate, to State early learning standards;

(4) implement effective interventions and support services that help promote the school readiness of children participating in the program;''

295. The House bill calls for research-based assessment methods and the Senate amendment does not include this provision.

Senate recedes with an amendment to strike and insert—

''(5) use research-based assessment methods that reflect the characteristics described in section 641A(b)(2) in order to support the educational instruction and school readiness of children in the program.''

296. The House bill and Senate amendment contain similar provisions but the Senate amendment provision is located in subsection (b).

House recedes/Senate recedes with an amendment to strike and insert—

''use research-based developmental screening tools that have been demonstrated to be standardized, reliable, valid, and accurate for the child being assessed, to the maximum extent practicable, for the purpose of meeting the relevant standards described in section 641(a)(1);''.

297. The House bill and Senate amendment have similar provisions but the Senate amendment includes a heading and is located in a different subsection.

House recedes with an amendment to strike and insert—

''adopt, in consultation with experts in child development and with classroom teachers, an evaluation to assess whether classroom teachers have mastered the functions described in section 648A(a)(1),''

298. The House bill calls for professional development plans to improve teacher effectiveness. The Senate amendment does not include this provision.

Senate recedes with an amendment to strike ''adopt a'' and insert ''inform''; strike ''plan that leads'' and insert ''plans'' and insert '', as appropriate.'' after ''plans''.

299. House bill calls for measurable objectives. The Senate amendment does not include this provision.

Senate recedes with an amendment to strike and insert—

''establish goals and measurable objectives for the provision of health, educational, nutritional, and social services provided under this subchapter and related to the program mission and to promote school readiness; and''.

300. The House bill calls for the development of procedures for identifying children as limited English proficient. The Senate amendment does not include this provision.

Senate recedes with an amendment to strike ''as'' and insert ''who are''.

301. The House bill and the Senate amendment contain identical provisions.

302. The House bill and the Senate amendment contain similar provisions. The House bill includes children to be serviced by such agency, and the results of the reviews conducted under section 641A(c).

Senate recedes.

303. The House bill contains a provision on financial management. The Senate amendment does not contain a similar provision.

Senate recedes.

Section 10. Head Start transition and alignment with K–12 education

304. The House bill and the Senate amendment contain similar provisions. The House bill focuses on promoting continuity of services.

Senate recedes with an amendment to insert ''(a) IN GENERAL.—''

305. The House bill and the Senate amendment contain identical provisions.

306. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

307. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to strike and insert—

''establishing on-going communications between the Head Start agency and local education agency for developing continuity of developmentally appropriate curricular objectives (which for the purpose of the Head Start program shall be aligned to the Head Start Child Outcomes Framework and, as appropriate, State early learning standards) and for shared expectations for children's learning and development as they transition to school;''

And to insert new subsection into section 657C—

''(c) SPECIAL RULE.—Nothing in this subchapter shall authorize a Head Start program or a local education agency to require the other to select or implement a specific curriculum or program of instruction.''

308. The House bill and the Senate amendment contain identical provisions.

309. The Senate amendment requires the establishment of comprehensive transition policies. The House bill does not contain a similar provision.

House recedes.

310. The House bill and the Senate amendment contain similar provisions.

House recedes.

311. The House bill includes a provision on assistance to parents of LEP students. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to—

strike ''method of instruction'' and insert ''(A) instructional''

insert ''(B)'' before ''as appropriate''

insert ''the'' after ''appropriate,''

312. The House bill and the Senate amendment contain similar provisions. The Senate amendment also requires that the language needs of parents of limited English proficient children be considered.

House recedes.

313. The House bill and the Senate amendment contain similar provisions.

House recedes.

314. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to strike ''the education'' and insert ''educational''.

315. The House bill and the Senate amendment contain similar provisions. The House bill includes grandparents and kinship caregivers.

Senate recedes.

316. The Senate amendment provides for helping parents understand the school in which their child will enroll. The House bill does not contain a similar provision.

House recedes.

317. The House bill provides for increasing participation of underserved populations. The Senate amendment does not contain a similar provision.

Senate recedes.

318. The Senate amendment includes language, pre-literacy, and premathematics competencies. The House bill does not contain similar provisions.

Senate recedes.

319. The Senate amendment includes a technical clarification. The House bill does not contain a similar provision.

House recedes.

Section 11. Early childhood education, coordination, and improvement

320. The House bill includes local and State integration requirements and a memoranda of understanding for each Head Start agency at the local level. The Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to move to section 642(d) with instructions and to strike and insert the following:

''(5) Entering into a memorandum of understanding, not later than 1 year after the effective date of this section, with the appropriate local entity responsible for managing publicly funded preschool programs in the service area of the Head Start agency, that shall—

''(A) review each of the following activities and include plans to coordinate the activities as appropriate, regarding—

''(i) Educational activities, curricula, and instruction.

''(ii) Public information dissemination and access to programs for families contacting any of the early childhood programs.

''(iii) Selection priorities for eligible children to be served by programs.

''(iv) Service delivery areas.

''(v) Staff training, including opportunities for joint staff training on topics such as academic content standards, instructional methods, curricula, and social and emotional development.

''(vi) Program technical assistance.

''(vii) Provision of additional services to meet the needs of working parents, as applicable.

''(viii) Planning and parent education for smooth transitions to kindergarten as required in section 642A(3) and 642A(6).

''(ix) Provision and use of facilities, transportation, and other program elements.

''(x) Other elements mutually agreed to by the parties to such memorandum;

''(B) be submitted to the Secretary and the State Director of Head Start Collaboration not later than 30 days after entering into such memorandum, except where there is an

absence of publicly funded preschool in the service area of a Head Start agency or where the appropriate entity responsible for managing the state-funded preschool is unable or unwilling to enter into such a memorandum, the Head Start agency shall submit such information to the Secretary and the State Director of Head Start Collaboration; and

''(C) shall be revised periodically and renewed biennially by the parties to such memorandum, in alignment with the beginning of the school year.

321. House bill and Senate amendment each create State Councils. The House bill places councils in section 642B and the Senate amendment places councils in section 640(a)(5)(E).

House recedes/Senate recedes with an amendment to strike and inserts the following new section 642B—

''(a) HEAD START COLLABORATION.—

''(1) From amounts made available under section 640(a)(2)(B)(vi), the Secretary shall award the collaboration grants described in paragraphs (2), (3), and (4).

''(2)(A) The Secretary shall award, upon submission of a written request, a collaboration grant to each State and to each national administrative office serving Indian Head Start programs and migrant or seasonal Head Start programs to facilitate collaboration among Head Start agencies (including Early Head Start agencies) and entities that carry out activities designed to benefit low-income children from birth to school entry, and their families. The national administrative offices shall use the funds made available through the grants to carry out the authorities and responsibilities described in subparagraph (B) and paragraphs (3) and (4), as appropriate.

''(B) Grants described in subparagraph (A) shall be used to—

''(i) assist Head Start agencies to collaborate with entities involved in State and local planning processes to better meet the needs of low-income children from birth to school entry, and their families;

''(ii) assist Head Start agencies to coordinate activities with the State agency responsible for administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and entities providing resource and referral services in the State, to make full-working-day and full calendar year services available to children;

''(iii) promote alignment of curricula used in Head Start programs and continuity of services with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(iv) promote better linkages between Head Start agencies and other child and family agencies, including agencies that provide health, mental health, or family services, or other child or family supportive services, such as services provided under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.); and

''(v) carry out the activities of the State Director of Head Start Collaboration authorized in paragraph (4).

''(3) In order to improve coordination and delivery of early childhood education and development to children in the State, a State that receives a collaboration grant under paragraph (2) shall

''(A) appoint or designate an individual to serve as, or carry out the responsibilities of, the State Director of Head Start Collaboration;

''(B) ensure that the State Director of Head Start Collaboration holds a position with sufficient authority and access to ensure that the collaboration described in paragraph (2) is effective and involves a range of State agencies; and

''(C) involve the State Head Start Association in the selection of the Director and involve the Association in determinations relating to the ongoing direction of the collaboration office involved.

''(4) The State Director of Head Start Collaboration shall

''(A) not later than 1 year after the State receives a collaboration grant under paragraph (2), conduct an assessment that

''(i) addresses the needs of Head Start agencies in the State with respect to collaboration, coordination and alignment of services, and alignment of curricula and assessments used in Head Start programs with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(ii) shall be updated on an annual basis; and

''(iii) shall be made available to the general public within the State;

''(B) develop a strategic plan that is based on the assessment described in paragraph (A) that will—

''(i) enhance collaboration and coordination of Head Start services by Head Start agencies with other entities providing early childhood education and development (such as child care or services offered by museums), health care, mental health care, welfare, child protective services, education and community service activities, family literacy services, reading readiness programs (including such programs offered by public and school libraries), services relating to children with disabilities, other early childhood education and development for limited English proficient children and homeless children, and services provided for children in foster care and children referred to Head Start programs by child welfare agencies, including agencies and State officials responsible for services described in this clause;

''(ii) assist Head Start agencies to develop a plan for the provision of full working-day, full calendar year services for children enrolled in Head Start programs who need such services;

''(iii) assist Head Start agencies to align curricula and assessments used in Head Start programs with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards; and

''(iv) enable Head Start agencies to better access professional development opportunities for Head Start staff, such as by working with Head Start agencies to enable the agencies to meet the degree requirements described in section 648A(a)(2)(A), including providing distance learning opportunities for Head Start staff, where needed to make higher education more accessible to Head Start staff; and

''(v) enable the Head Start agencies to better conduct outreach to eligible families;

''(C) promote partnerships between Head Start agencies, State and local governments, and the private sector to help ensure that children from low-income families, who are in Head Start programs or are preschool age, are receiving comprehensive services to prepare the children for elementary school;

''(D) consult with the chief State school officer, local educational agencies, and providers of early childhood education and development, at both the State and local levels;

''(E) promote partnerships between Head Start agencies, schools, law enforcement, relevant community-based organizations, and substance abuse and mental health treatment agencies to strengthen family and community environments and to reduce the impact on child development of substance abuse, child abuse, domestic violence, and other high-risk behaviors that compromise healthy development;

''(F) promote partnerships between Head Start agencies and other organizations in order to enhance Head Start program quality, including partnerships to promote inclusion of more books in Head Start classrooms;

''(G) identify other resources and organizations (both public and private) for the provision of in-kind services to Head Start agencies in the State; and

''(H) serve on the State Advisory Council in order to assist the efforts of Head Start agencies to engage in effective coordination and collaboration.

''(b) STATE EARLY EDUCATION AND CARE.—

''(1)(A) The Governor of the State shall—

''(i) designate or establish a council to serve as the State Advisory Council on Early Childhood Education and Care for children from birth to school entry (in this subchapter referred to as the ''State Advisory Council''); and

''(ii) designate an individual to coordinate activities of the State Advisory Council, as described in subparagraph (D)(i).

''(B) The Governor may designate an existing entity in the state to serve as the State Advisory Council, and shall appoint such representatives to the State Advisory Council at the Governor's discretion. In designating an existing entity, the Governor shall take steps to ensure that membership includes, to the extent possible, representatives consistent with subparagraph (C).

''(C) Members of the State Advisory Council shall include, to the maximum extent possible—

''(I) a representative of the state agency responsible for child care;

''(II) a representative of the State educational agency;

''(III) a representative of local educational agencies;

''(IV) a representative of institutions of higher education in the state;

''(V) a representative of local providers of early childhood education and care;

''(VI) a representative from Head Start agencies located in the State, including migrant and seasonal Head Start programs and Indian Head Start programs;

''(VII) the State Director of Head Start Collaboration

''(VIII) a representative of the State agency responsible for programs under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(IX) a representative of the State agency responsible for health or mental health care; and

''(X) representatives of other entities determined to be relevant by the Governor of the state.

''(D) The State Advisory Council shall, in addition to any responsibilities assigned to the Council by the Governor of the State

''(I) conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and care for children from birth to school entry, including an assessment of the availability of high quality pre-kindergarten services for low-income children in the state;

''(II) identify opportunities for, and barriers to, collaboration and coordination among federally-funded and State-funded child development, child care, and early childhood education and care programs, including collaboration and coordination among state agencies responsible for administering such programs;

''(III) develop recommendations for increasing the overall participation of children in existing federal, state, and local early childhood education and child care programs, including outreach to underrepresented and special populations;

''(IV) develop recommendations regarding the establishment of a unified data collection system for public early childhood education and care throughout the State;

''(V) develop recommendations regarding a statewide professional development and career advancement plan for early childhood educators in the State;

''(VI) assess the capacity and effectiveness of 2- and 4-year public and private institutions of higher education in the State toward supporting the development of early childhood educators, including the extent to which such institutions have in place articulation agreements, professional development and career advancement plans, and practica or internships for students to spend time in a Head Start or prekindergarten program; and

''(VII) make recommendations for improvements in State early learning standards and undertake efforts to develop high quality comprehensive early learning standards, as appropriate.

''(ii) The State Advisory Council shall hold public hearings and provide an opportunity for public comment on the activities described in clause (iv). The State Advisory Council shall submit a statewide strategic report addressing the activities described in clause (iv) to the State Director of Head Start Collaboration and the Governor of the State.

''(iii) After submission of a statewide strategic report under subclause (II), the State Advisory Council shall meet periodically to review any implementation of the recommendations in such report and any changes in State and local needs.

''(2)(A) The Secretary shall use the portion reserved under clause (i) to award, on a competitive basis, one-time startup grants of not less than 500,000 to eligible States to enable such States to pay for the Federal share of developing and implementing a plan pursuant to the responsibilities included under subparagraph (E)(iv)(I). A State that receives funds under (i) shall use such funds to facilitate the development of high-quality systems of early childhood education and care designed to improve school preparedness through one or more of the following activities

''(i) promoting school preparedness of children from birth through school entry, including activities to encourage families and caregivers to engage in highly interactive, developmentally and age-appropriate activities to improve children's early social, emotional, and cognitive development, support the transition of young children to school, and foster parental and family involvement in the early education of young children;

''(ii) supporting professional development, recruitment, and retention initiatives for early childhood educators;

''(iii) enhancing existing early childhood education and care programs and projects (in existence on the date on which the grant involved is awarded), including quality improvement activities authorized under the Child Care and Development Block Grant Act of 1990; and

''(iv) carrying out other activities consistent with the State's Early Education and Care plan, pursuant to paragraph (iii).

''(B) To be eligible to receive a grant under this subparagraph, a State shall prepare and submit to the Secretary a plan and application, for a 3-year period, at such time, in such manner, and containing such information as the Secretary shall require, including—

''(i) the statewide strategic report described in subparagraph (E)(iv)(II), including a description of the Advisory Council's responsibilities under subparagraph (E)(iv)(I);

''(ii) a description, for each fiscal year, of how the State will make effective use of funds available under this subparagraph, with funds described in clause (iv), to create an early childhood education and care system, by developing or enhancing programs and activities consistent with the strategic report described in subparagraph (E)(iv)(II);

''(iii) a description of the State early learning standards and the State's goals for increasing the number of children entering kindergarten ready to learn;

''(iv) information identifying the agency or joint interagency office and individual designated to carry out the activities under this subparagraph, which may be the individual designated under subparagraph (E)(i)(II); and

''(v) a description of how the State plans to sustain activities under this subparagraph beyond the grant period.

''(C) The Federal share of the cost of activities proposed to be conducted under clause (ii) shall be 30 percent, and the State shall provide the non-Federal share.

''(D) Funds made available under this subparagraph shall be used to supplement, and not supplant, other Federal, State, and local funds expended to carry out activities related to early childhood education and care in the State.

''(E) Not later than 18 months after the date a State receives a grant under this subparagraph, the State shall submit an interim report to the Secretary. A State that receives a grant under this subparagraph shall submit a final report to the Secretary at the end of the grant period. Each report shall include—

''(i) a description of the activities and services carried out under the grant, including the outcomes of such activities and services in meeting the needs described in the periodic needs assessment and statewide strategic report;

''(ii) information about how the State used such funds to meet the goals of this subsection through activities to develop or enhance high quality systems of early childhood education, increase effectiveness of delivery systems and use of funds, and enhance existing programs and services;

''(iii) information regarding the remaining needs described in the periodic needs assessment and statewide strategic report that have not yet been addressed by the State; and

''(iv) any other information that the Secretary may require.

''(F) Nothing in this subsection shall be construed to provide the State Advisory Council with authority to modify, supersede, or negate the requirements of this subchapter.''

Section 643 should be amended by inserting at the end—

''This section shall not apply to contracts, agreements, grants, loans, or other assistance for Indian Head Start programs or migrant or seasonal Head Start programs.''

322. The House bill and the Senate amendment require different membership of the State council.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

323. The House bill and Senate amendment contain similar provisions for when an entity already exists.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

324. The House bill requires a 50 percent match and the Senate amendment requires a 30 percent match.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

325. The Senate amendment specifies that the Governor can give council additional responsibility. The House bill does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

326. The House bill and Senate amendment have similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

327. The House bill references working with State agencies. The Senate amendment does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

328. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

329. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

330. The House bill references identification of barriers. The Senate amendment does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

331. The House bill and Senate amendment have similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

332. The House bill references coordination with health care and other services. The Senate amendment does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

333. The House bill references system of training and technical assistance. The Senate amendment does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

334. The House bill references a plan for increased participation of underrepresented children. The Senate amendment does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

335. The House bill and Senate amendment have similar provisions

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

336. The House bill and Senate amendment have similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

337. The House bill clarifies the role of the State council in relation to the Head Start program. The Senate amendment does not have a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

338. The House bill and Senate amendment have similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

339. Senate amendment provides for public hearings on the activities of the State council, and requires submission and subsequent revision of the State council's plan. The House bill does not include similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

340. The Senate amendment reserves $100 million from appropriations in FY2008 to establish a competitive grant program for States to further develop and implement plans established by State Advisory Council on Early Childhood Education and Care. The House bill reserves money from training and technical assistance for ELC (see note 38).

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

341. The Senate amendment provides for one-time startup grants to States, for the purposes of developing systems of early childhood education and care and enhancing quality in early childhood programs. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

342. The Senate amendment stipulates conditions for eligibility for discretionary grants under this subparagraph. The House bill does not include similar provisions. House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

343. The Senate amendment includes requirements for an interim report to the Secretary. The House bill does not include a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 321.

Section 12. Submission of plans

344. Senate amendment provides for the submission of plans to Governors instead of Chief Executive Officer of the State and shortens time for approval. House bill maintains current law.

House recedes with an amendment to strike (1)(B)

Section 13. Administrative requirements and standards

345. The House bill adds headers to subsection (a), reconstructs current law, and includes requirement of a public report. The Senate amendment maintains current law.

Senate recedes.

346. The Senate amendment includes a 10–program pilot project on administrative costs in Head Start programs. The House bill does not contain similar provisions.

Senate recedes.

347. The House bill adds a new requirement for facilities plans and adds a heading to this subsection. The Senate amendment maintains current law.

House recedes/Senate recedes with an amendment to strike and replace (f)(2)(A) with—

''(A) a description of the efforts by the agency to coordinate or collaborate with other providers in the community to seek assistance, including financial assistance, prior to the use of funds under this section;''.

Section 14. Participation in Head Start programs

348. The House bill allows programs to apply to the Secretary to increase their income eligibility to 130 percent. The Senate amendment replaces the current threshold of 100 percent of poverty with 130 percent, with assurances from the agency that families below the poverty line are prioritized.

House recedes/Senate recedes to strike and insert—

''(a)(1)(A) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this subchapter.

''(B) Except as provided in paragraph (2), such regulation shall provide—

''(i) that children from low income families shall be eligible for participation in programs assisted under this subchapter if their families' incomes are below the poverty line, or if their families are eligible or, in the absence of child care, would potentially be eligible for public assistance;

''(ii) that homeless children shall be deemed to be eligible for such participation;

''(iii) that programs assisted under this subchapter may include—

''(I) to a reasonable extent (but not to exceed ten percent of participants) participation of children in the area served who would benefit from such programs but who are not eligible under clause (i) or (ii); and

''(II) from the area served, an additional 35 percent of participants who are not eligible under clause (i) or (ii) and whose families have incomes below 130 percent of the poverty line, if—

''(aa) the Head Start agency involved establishes and implements outreach and enrollment policies and procedures that ensure such agency is meeting the needs of children eligible under clause (i) or (ii) (or subclause (I) if the child involved has a disability) prior to meeting the needs of children eligible under this subclause; and

''(bb) in prioritizing the selection of children and families to be served, the Head Start agency establishes criteria that provide that the agency will serve children under clause (i) or (ii) prior to serving the children who meet the criteria in this subclause.

''(iv) that any Head Start agency serving children eligible under clause (iii)(II) shall report annually to the Secretary the following information on—

''(I) how such agency is meeting the needs children eligible under clause (i) or (ii), in the area served, including local demographic data on families of children eligible under clause (i) or (ii);

''(II) the outreach and enrollment policies and procedures established by the agency that ensure the agency is meeting the needs of children eligible under clause (i) or (ii) (or clause (iii)(I) if the child involved has a disability) prior to meeting the needs of children eligible under clause (iii)(II);

''(III) the efforts, including outreach efforts (that are appropriate to the community involved), of such agency to be fully enrolled with children eligible under clause (i) or (ii);

''(IV) the policies, procedures, and selection criteria such agency is implementing to serve eligible children, consistent with clause (iii)(II);

''(V) the agency's enrollment level and enrollment level over fiscal year prior to the fiscal year in which the report is submitted;

''(VI) the number of children served by the agency, disaggregatcd by whether such children are eligible under clause (i), clause (ii), clause (iii)(I), or clause (iii)(II); and

''(VII) the eligibility criteria category of children on the agency's waiting list;

''(VIII) that a child who has been determined to meet the eligibility criteria described in this subparagraph and who is participating in a Head Start program in a program year shall be considered to continue to meet the eligibility criteria through the end of the succeeding program year.

''(C) In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the eligibility criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the needs of the family at the time of application.''

Amend section 640(g) by inserting new paragraph—

''(2) Notwithstanding paragraph (1), in using funds made available for expansion under subsection (a)(4)(D), the Secretary shall first allocate the funds to qualified applicants proposing to use such funds to serve children from families with incomes below the poverty line. Agencies that receive such funds are subject to the eligibility and enrollment requirements under section 645(a)(1).''

Amend Section 650(a)(2) by adding at the end before the period—

''and information on the number of children served under this subsection, disaggregated by type of eligibility criterion.''

The Conferees recognize that children from low-income families just above the Federal poverty line would benefit from participation in Head Start programs. Accordingly the Conferees agreed that Head Start programs should have additional flexibility to serve some children in families up to 130 percent of the Federal poverty level. To ensure that children at or below the 100 percent threshold receive priority, the Conferees intend for Head Start grantees to comply with the new reporting requirements to provide greater accountability under this provision. Additionally, the Conferees direct the Secretary to coordinate these additional reporting requirements with other existing reporting requirements so as not to impose any additional burden on Head Start grantees. The Conferees also intend that these reporting requirements not be construed as requiring an application by the Head Start grantee or to give additional authority to the Secretary to approve or disapprove a plan by a Head Start grantee to make use of this flexibility.

349. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike ''(A homeless child shall be deemed to meet the low income criteria)'' and insert a new clause to read ''(iii) a homeless child shall be deemed to be eligible for Head Start services; and''

350. The House bill and the Senate amendment include language pertaining to military families.

House recedes.

351. The Senate amendment provides for conversion of Head Start programs from part-day to full-day sessions. The House bill does not contain a similar provision.

House recedes.

352. The House bill and the Senate amendment contain different provisions regarding serving additional infants and toddlers.

Senate recedes with an amendment to include the Senate subparagraph (B) as a new subparagraph (C) and to strike ''entity that receives assistance under section 645A, and such funds under (i)'' in the House (C) and insert ''Early Head Start Agency and'' and to insert in (i) ''such'' after ''The amount of''.

353. The House bill and Senate amendment contain similar provisions.

Senate recedes.

The intent of the Conferees in striking the language in this provision is to provide agencies reasonable flexibility on an eligible child's age of entry into a program. For many years, programs have been allowed to enroll children who will turn three by the date used by the local school system to determine kindergarten eligibility. For example, a school system could require a child to be five by November 1 to be enrolled in kindergarten. A Head Start child turning three by November 1 has always been considered age eligible and, in this example, that child would be enrolled in Head Start for two years before going on to kindergarten. The Conferees have learned that the underlying provision is being interpreted to mean the child must have reached his/her third birthday to be Head Start eligible so this child

could not be enrolled in Head Start when it opened in late August but rather, would have to wait to be enrolled on or after November 1, if there were a vacancy. In making a change to this provision, the Conferees intend to continue eligibility for children ages three through school entry and provide appropriate flexibility to local Head Start agencies as to exactly when a child turning three years old may begin. But the change to this provision should not be interpreted to permit Head Start agencies to enroll children under three years of age as a common practice.

354. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike ''tribe'' in both places it appears and insert ''tribe or tribes''.

Section 15. Early Head Start programs

355. Both the House bill and the Senate amend the section title but contain different titles. The House bill amends the general purpose regarding Early Head Start. The Senate amendment maintains current law.

House recedes.

356. The House bill and the Senate amendment maintain current law.

357. The House bill and the Senate amendment maintain current law.

358. The House bill and the Senate amendment maintain current law.

359. The Senate amendment makes technical and conforming changes. The House bill does not contain a similar provision.

House recedes.

360. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to insert ''services'' after ''development) and''.

361. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

362. The House bill and Senate amendment maintain current law.

363. The House bill and Senate amendment maintain current law.

364. The Senate amendment includes requirements for screening and referral for children exposed to trauma. The House bill does not contain a similar provision.

House recedes.

365. The House bill and Senate amendment have similar provisions.

Senate recedes.

366. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to insert ''and development'' after ''education''.

367. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to strike ''care'' and insert ''development programs''

368. The House bill and Senate amendment maintain current law.

369. The House bill and the Senate amendment maintain current law.

370. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to insert in paragraph ''(2)'' ''and Migrant and Seasonal Head Start Programs'' after ''programs''.

371. The House bill and the Senate amendment maintain current law.

372. The House bill and the Senate amendment maintain current law.

373. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert:

''(g) MONITORING, TRAINING, TECHNICAL ASSISTANCE, AND EVALUATION.—

''(1) REQUIREMENT.—In order to ensure the successful operation of programs assisted under this section, the Secretary shall use funds made available under section 640(a)(2)(E) to monitor the operation of such programs, and funds made available under section 640(a)(2)(C)(i)(1) to provide training and technical assistance tailored to the particular needs of such programs, consistent with section 640(c).

''(2) TRAINING AND TECHNICAL ASSISTANCE.—

''(A) ACTIVITIES.—Of the portion set aside under section 640(a)(2)(C)(i)(I)—

''(i) not less than 50 percent shall be made available to Early Head Start programs to use directly, which may include, at their discretion, the establishment of local or regional agreements with community experts, institutions of higher education, or private consultants, for training and technical assistance activities in order to make program improvements identified by such agencies;

''(ii) not less than 25 percent shall be made available to the Secretary to support the State-based training and technical assistance system described in section 648(e), including infant and toddler specialists, to support Early Head Start agencies, consistent with subparagraph (B); and

''(iii) the remainder of such amount shall be made available to the Secretary to assist Early Head Start agencies in meeting and exceeding the standards described in section 641A(a)(1) (directly, or through grants, contracts, or other agreements or arrangements with an entity with demonstrated expertise relating to infants, toddlers, and families) by—

''(I) providing on-going training and technical assistance to Early Head Start agencies, including developing training and technical assistance materials and resources to support program development and improvement and best practices in providing services to children and families served by Early Head Start programs;

''(II) supporting a national network of infant and toddler specialists designed to improve the quality of Early Head Start programs;

''(III) providing on-going training and technical assistance on Early Head Start program development and improvement for regional staff charged with monitoring and overseeing the administration of the program carried out under this section; and

''(VI) if funds remain after the activities described in subclauses (I), (II), and (III) are carried out, carry out 1 more of the following activities:

''(aa) Providing support and program planning and implementation assistance for new Early Head Start agencies, including for agencies who want to use funds to serve infants and toddlers as described in section 645(a)(5).

''(bb) Creating special training and technical assistance initiatives targeted to serving high risk populations, such as children in the child welfare system and homeless children; and

''(cc) Providing professional development designed to increase program participation for underserved populations of eligible children.

''(B) CONTRACTS.—For the purposes of delivering a State-based training and technical assistance system, as described in subparagraph (A)(ii), that will meet the needs of Early Head Start agencies and provide high quality, sustained, and intensive training and technical assistance on programming for infants and toddlers to Early Head Start agencies, and in order to help such agencies meet or exceed the standards described in section 641A(a)(1), the Secretary shall—

''(i) use funds reserved under subparagraph (A)(ii) in combination with funds reserved in section 640(a)(2)(C)(i)(II)(bb) to ensure such contracts described in section 648(e)(1) provide for a minimum of 1 full-time specialist with demonstrated expertise in the development of infants and toddlers; and

''(ii) ensure that such contracts and the services provided in the contracts are integrated with and augment the contracts awarded and services provided under section 648(e);''; and''

374. The House bill and the Senate amendment have differing timelines for establishing staff qualifications in Early Head Start programs.

House recedes/Senate recedes with an amendment to read:

''(h) CENTER-BASED STAFF.—The Secretary shall—

''(1) ensure that, not later than September 30, 2010, all teachers providing direct services to children and families participating in Early Head Start programs located in Early Head Start centers, have a minimum of a child development associate credential, and have been trained (or have equivalent course work) in early childhood development; and

''(2) establish staff qualification goals to ensure that not later than September 30, 2012, all such teachers have been trained (or have equivalent course work) in early childhood development with a focus on infant and toddler development.''

375. The House bill and the Senate amendment contain similar provisions.

376. The House bill and the Senate amendment contain similar provisions. The Senate amendment includes additional language concerning the use of research-based strategies.

Senate recedes with an amendment to strike subparagraph (D) and insert—

''(D) methods to help parents promote emergent literacy in their children from birth though age 3, including use of research-based strategies to support the development of literacy and language skills for children who are limited English proficient;''.

377. The House bill and the Senate amendment have different language concerning health and developmental services.

Senate recedes.

Section 16. Appeals, notice, and hearing

378. The House bill amends current law to require that if financial assistance is terminated or reduced, there shall be the opportunity to appeal the action.

House recedes.

379. The Senate amendment amends current law to provide permissive authority to the Secretary for the termination or reduction of financial assistance, including appeal procedures. The House bill does not include a similar provision.

House recedes with an amendment to strike in paragraph (4)(C) ''except that such fees shall be reimbursed by the Secretary if the agency prevails in such decision'' and insert in paragraph (4)(C) after ''legal fees'', ''or other costs incurred'' and to insert new paragraph ''(6) In cases where a Head Start agency prevails in a decision under (4), the Secretary may determine and provide a reimbursement to the Head Start agency for fees deemed reasonable and customary.''.

Section 17. Records and audits

380. The House bill and the Senate amendment contain similar provisions. The Senate amendment refers to financial audit throughout the bill.

Senate recedes

381. The House bill and the Senate amendment contain similar provisions. The House bill includes additional requirements.

Senate recedes.

Section 18. Technical assistance and training

382. The House bill and Senate amendment maintain current law for current subsections (a) and (b) except the Senate amendment makes minor language changes.

House recedes/Senate recedes with an amendment to strike and insert the following—

Amend section 648 to read as follows:

"SEC. 648. TECHNICAL ASSISTANCE AND TRAINING.

''(a) SECRETARIAL TRAINING AND TECHNICAL ASSISTANCE.—

''(1) AUTHORITY.—From the funds provided under section 640(a)(2)(C)(i)(II)(cc), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for Head Start programs for the purposes of improving program quality and helping prepare children to succeed in school.

''(2) PROCESS.—The process for determining the technical assistance and training activities to be carried out under this section shall—

''(A) ensure that the needs of local Head Start agencies and programs relating to improving program quality and to program expansion are addressed to the maximum extent practicable; and

''(B) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the individuals and agencies carrying out Head Start programs;

''(3) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance under this section, the Secretary shall—

''(A) give priority consideration to—

''(i) activities to correct program and management deficiencies identified through reviews carried out pursuant to section 641A(c) (including the provision of assistance to local programs in the development of quality improvement plans under section 641A(d)(2));

''(ii) assisting Head Start agencies in ensuring the school readiness of children; and

''(iii) activities that supplement those funded with amounts provided under section 640(a)(2)(C)(i)(II)(bb) to address the training and career development needs of classroom staff (including instruction for providing services to children with disabilities, and for activities described in section 1222(d) of the Elementary and Secondary Education Act of 1965), and non-classroom staff, including home visitors and other staff working directly with families, including training relating to increasing parent involvement and services designed to increase family literacy and improve parenting skills; and

''(B) to the maximum extent practicable—

''(i) assist Head Start agencies in the development of collaborative initiatives with States and other entities within the States, to foster effective professional development systems for early childhood education and development services;

''(ii) provide technical assistance and training, either directly or through a grant, contract, or cooperative agreement with an entity that has experience in the development and operation of successful family literacy services programs, for the purpose of—

''(I) assisting Head Start agencies providing family literacy services, in order to improve the quality of such family literacy services; and

''(II) enabling those Head Start agencies that demonstrate effective provision of family literacy services, based on improved outcomes for children and their parents, to provide technical assistance and training to other Head Start agencies and to service providers that work in collaboration with such agencies to provide family literacy services;

''(iii) assist Head Start agencies and programs in conducting and participating in community-wide strategic planning and needs assessments, including the needs of homeless children and their families, and in conducting self-assessments;

''(iv) assist Head Start agencies and programs in developing and implementing full-working-day and full-calendar-year programs where community need is clearly identified and making the transition to such programs, with particular attention to involving parents and programming for children throughout the day, and assist the agencies and programs in expediting the sharing of information about innovative models for providing full-working-day, full calendar year services for children;

''(v) assist Head Start agencies in better serving the needs of families with very young children, including providing support and program planning and implementation assistance for Head Start agencies that apply to serve or are serving additional infants and toddlers, in accordance with section 645(a)(5);

''(vi) assist Head Start agencies and programs in the development of sound management practices, including financial management procedures;

''(vii) assist in efforts to secure and maintain adequate facilities for Head Start programs;

''(viii) assist Head Start agencies in developing innovative program models, including mobile and home-based programs;

''(ix) provide support for Head Start agencies (including policy councils and policy committees) that meet the standards described in section 641A(a) but that have, as documented by the Secretary through reviews conducted pursuant to section 641A(c), programmatic, quality, and fiscal issues to address;

''(x) assist Head Start agencies and programs in improving outreach to, increasing program participation of, and improving the quality of services available to meet the unique needs of—

''(I) homeless children;

''(II) limited English proficient children and their families, particularly in communities that have experienced a large percentage increase in the population of limited English proficient individuals, as measured by the Bureau of the Census;

''(III) children with disabilities, particularly if such program's enrollment opportunities or funded enrollment for children with disabilities is less than 10 percent;

''(xi) assist Head Start agencies and programs to increase the capacity of classroom staff to meet the needs of eligible children in Head Start classrooms that are serving both children with disabilities and children without disabilities;

''(xii) assist Head Start agencies and programs to address the unique needs of programs located in rural communities, including—

''(I) removing barriers related to the recruitment and retention of Head Start teachers in rural communities;

''(II) developing innovative and effective models of professional development for improving staff qualifications and skills for staff living in rural communities;

''(III) removing barriers related to outreach efforts to eligible families in rural communities;

''(IV) removing barriers to parent involvement in Head Start programs in rural communities;

''(V) removing barriers to providing home visiting services in rural communities; and

''(VI) removing barriers to obtaining health screenings for Head Start participants in rural communities;

''(xiii) provide training and technical assistance to members of governing bodies, policy councils, and, as appropriate, policy committees, to ensure that the members can fulfill their functions;

''(xiv) provide activities that help ensure that Head Start programs have qualified staff who can promote prevention of childhood obesity by integrating developmentally appropriate research-based initiatives that stress the importance of physical activity and healthy, nutritional choices in daily classroom and family routines;

''(xv) assist Indian Head Start agencies to provide on-site and off-site training to staff, using approaches that identify and enhance the positive resources and strengths of Indian children and families, to improve parent and family engagement and staff development, particularly with regard to child and family development.''; and

''(xvi) assisting Head Start agencies in selecting and using the measures described in section 641A(b).

''(b) ADDITIONAL SUPPORT.—The Secretary shall provide, either directly or through grants, contracts or other arrangements, funds from section 640(a)(2)(C)(i)(II)(cc) to—

''(1) support an organization to administer a centralized child development and national assessment program leading to recognized credentials for personnel working in early childhood development and child care programs; and

''(2) support training for personnel—

''(A) providing services to limited English proficient children and their families (including services to promote the acquisition of the English language);

''(B) providing services to children determined to be abused or neglected or children referred by or receiving child welfare services;

''(C) in helping children cope with community violence;

''(D) to recognize common health, including mental health, problems in children for appropriate referral;

''(E) to address the needs of children with disabilities and their families;

''(F) to address the needs of migrant and seasonal farmworker families; and

''(G) to address the needs of homeless families.

''(c) OUTREACH.—The Secretary shall develop and implement a program of outreach to recruit and train professionals from diverse backgrounds to become Head Start teachers in order to reflect the communities in which Head Start children live and to increase the provision of quality services and instruction to children with diverse backgrounds.

''(d) FUNDS TO AGENCIES.—Funds made available under section 640(a)(2)(C)(i)(II)(aa) shall be used by a Head Start agency to provide high quality, sustained, and intensive training and technical assistance as follows:

''(1) For 1 or more of the following:

''(A) Activities that ensure that Head Start programs meet or exceed the standards described in section 641A(a)(1).

''(B) Activities that ensure that Head Start programs have adequate numbers of trained, qualified staff who have skills in working with children and families, including children and families who are limited English proficient and children with disabilities and their families.

''(C) Activities to improve the management and implementation of Head Start services and systems, including direct training for expert consultants working with staff.

''(D) Activities that help ensure that Head Start programs have qualified staff who can promote language skills and literacy growth of children and who can provide children

with a variety of skills that have been identified as predictive of later reading achievement, school success, and the skills, knowledge, abilities, development, and progress described in section 641A(a)(1)(B)(ii).

''(E) Activities to improve staff qualifications and to assist with the implementation of career development programs and to encourage the staff to continually improve their skills and expertise, including developing partnerships with programs that recruit, train, place, and support college students in Head Start centers to deliver an innovative early learning program to preschool children.

''(F) Activities that help local programs ensure that the arrangement, condition, and implementation of the learning environments in Head Start programs are conducive to providing effective program services to children and families.

''(G) Activities to provide training necessary to improve the qualifications of Head Start staff and to support staff training, child counseling, health services, and other services necessary to address the needs of children enrolled in Head Start programs, including children from families in crises, children who experience chronic violence or homelessness, children who experience substance abuse in their families, and children under 3 years of age, where applicable.

''(H) Activities to provide classes or in-service-type programs to improve or enhance parenting skills, job skills, adult and family literacy, including financial literacy, or training to become a classroom aide or bus driver in a Head Start program.

''(I) Additional activities deemed appropriate to the improvement of Head Start agencies' programs, as determined by the agencies' technical assistance and training plans.

''(2) To support enhanced early language and literacy development of children in Head Start programs, and to provide the children with high-quality oral language skills, and with environments that are rich in literature in which to acquire language and early literacy skills, each Head Start agency, in consultation with the State-based training and technical assistance system, as appropriate, shall ensure that—

''(A) all of the agency's Head Start teachers receive ongoing training in language and emergent literacy (referred to in this subsection as 'literacy training'), and including appropriate curricula and assessment to improve instruction and learning;

''(B) such literacy training shall include training in methods to promote vocabulary development and phonological awareness (including phonemic awareness) in a developmentally, culturally, and linguistically appropriate manner and support children's development in their native language;

''(C) the literacy training shall include training in how to work with parents to enhance positive language and early literacy development at home;

''(D) the literacy training shall include specific methods to best address the needs of children who are limited English proficient;

''(E) the literacy training shall include training on how to best address the language and literacy needs of children with disabilities, including training on how to work with specialists in language development; and

''(F) the literacy training shall be tailored to the early childhood literacy background and experience of the teachers involved.

''except that funds made available under section 640(a)(2)(C)(i)(ll)(aa) shall not be used for long-distance travel expenses for training activities available locally or regionally or for training activities substantially similar to locally or regionally available training activities.

(e) STATE-BASED TRAINING AND TECHNICAL ASSISTANCE SYSTEM.—For the purposes of delivering a State-based training and technical assistance system (which may include a consortium of 2 or more states within a region), as described in section 640(a)(C)(i)(II)(bb), that will meet the needs of local grantees, as determined by such grantees, and provide high quality, sustained, and intensive training and technical assistance to Head Start programs in order to improve their capacity to deliver services that meet or exceed the program performance standards described in section 641 A(a)(I), the Secretary shall—

''(1) enter into contracts in each State with I or more entities who have a demonstrated expertise in supporting the delivery of high quality early childhood education and development programs, except that contracts for a consortium of 2 or more States within a geographic region may be entered into if such a system is more appropriate to better meet the needs of local grantees within a region, as determined by such grantees;

''(2) ensure that the entities described in subparagraph (1) determine the types of services to be provided through consultation with—

''(A) local Head Start agencies (including Indian Head Start agencies and migrant or seasonal Head Start agencies, as appropriate);

''(B) the State Head Start collaboration office; and

''(C) the State Head Start Association;

(3) encourage States to supplement the funds authorized in section 640(a)(2)(C)(i)(II)(bb) with Federal, State, or local funds other than funds made available under this subchapter, to expand training and technical assistance activities beyond Head Start agencies to include other providers of other early childhood education and development within a State;

''(4) provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate, not later than 90 days after the end of the fiscal year, summarizing the funding for such contracts and the activities carried out thereunder;

''(5) periodically evaluate the effectiveness of the delivery of services in each State in promoting program quality; and

''(6) ensure that in entering into such contracts as described in paragraph (I), such entities will address the needs of grantees in both urban and rural communities.

''(f) INDOOR AIR QUALITY.—The Secretary shall consult with appropriate Federal agencies and other experts, as appropriate, on issues of air quality related to children's health and inform Head Start agencies of existing programs or combination of programs that provide methods for improving indoor air quality.

''(g) CAREER ADVANCEMENT PARTNERSHIP PROGRAM.

''(1) Authority.— From amounts allocated under section 640(a)(2)(C)(i)(II)(ce) the Secretary is authorized to award demonstration grants, for a period of not less than 5 years, to historically Black colleges and universities, Hispanic-serving institutions, and Tribal Colleges and Universities—

''(A) implement education programs that increase the number of associate, baccalaureate, and graduate degrees in early childhood education and related fields that are earned by Head Start agency staff members, parents of children served by such agencies, and members of the communities involved;

''(B) provide assistance for stipends and costs related to tuition, fees, and books for enrolling Head Start agency staff members, parents of children served by such an agency, and members of the communities involved in courses required to complete the degree and certification requirement to become teachers in early childhood education and related fields;

''(C) develop program curricula to promote high quality services and instruction to children with diverse backgrounds, including

''(i) in the case of historically Black colleges and universities, to help Head Start Agency staff members develop skills and expertise needed to teach in programs serving large numbers of African American children;

''(ii) in the case of Hispanic-serving institutions, programs to help Head Start Agency staff members develop skills and expertise needed to teach in programs serving large numbers of Hispanic students, including programs to develop the linguistic skills and expertise needed to teach in programs serving a large number of children with limited English proficiency; and

''(iii) in the case of Tribal Colleges and Universities, to help Head Start Agency staff members develop skills and expertise needed to teach in programs serving large numbers of Indian students, including programs concerning tribal culture and language;

''(D) provide other activities to upgrade the skills and qualifications of educational personnel to meet the professional standards in subsection (a) to better promote high quality services and instruction to students and parents from populations served by historically Black colleges and universities, Hispanic-serving institutions, or Tribal Colleges and Universities;

''(E) to provide technology literacy programs for Indian Head Start agency staff members and families of children served by such agency; and

''(F) to develop and implement the programs described under subparagraph (A) in technology-mediated formats, including through such means as distance learning and use of advanced technology, as appropriate.

''(2) OTHER ASSISTANCE.—The Secretary shall, using resources within the Department of Health and Human Services—

''(A) provide appropriate technical assistance to historically Black colleges and universities, Hispanic-serving institutions, and Tribal Colleges or Universities receiving grants under this section, including coordinating with the White House Initiative on historically Black colleges and universities; and

''(B) ensure that the American Indian Programs Branch of the Office of Head Start of the Administration for Children and Families of the Department of Health and Human Services can effectively administer the programs under this section and provide appropriate technical assistance to Tribal Colleges and Universities under this section.

''(3) APPLICATION.—Each historically Black college or university, Hispanic-serving institution, or Tribal College or University desiring a grant under this section shall submit an application, in partnership with at least 1 Head Start agency enrolling large numbers of students from the populations served by historically Black colleges or universities, Hispanic-serving institutions, or Tribal Colleges and Universities, to the Secretary, at such time, in such manner, and containing such information as the Secretary may require, including a certification that the institution of higher education has established a formal partnership with I or more Head Start agencies for the purposes of conducting the activities described in paragraph (1).

''(4) DEFINITIONS.—In this subsection:

''(A) The term 'Hispanic-serving institution' has the meaning given such term in section 502 of the Higher Education Act of 1965 (20 U.S.C. I 101 a).

''(B) The term 'historically Black college or university' has the meaning given the term 'part B institution' in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

''(C) The term 'Tribal College or University' has the meaning given such term in section 312b of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)).

''(5) TEACHING REQUIREMENT.—A student at an institution receiving a grant under this subsection who receives assistance under a program funded under this subsection shall teach in a center-based Head Start program for a period of time equivalent to the period for which they received assistance or shall repay such assistance.''.

Head Start offers a supportive educational setting for many homeless children; yet barriers may limit homeless children's access to, and participation in, this valuable program. The Conferees have included provisions to enhance services for homeless children and increase their participation in Head Start programs. The Conferees encourage the Secretary, in developing and implementing the training and technical assistance system required under this Act, to support activities designed to improve services for homeless children. In providing such services, the Conferees encourage the Secretary to work with organizations specializing in improving services to homeless children in early education programs.

383. The Senate amendment makes changes to paragraph (2) and the House bill maintains current law.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

384. The Senate amendment makes changes to (3) and the House bill maintains current law.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

385. The House bill and Senate amendment make similar modifications to (5) and maintain current law for (6).

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

386. Senate amendment makes modifications to (7) to include support in program planning for agencies serving infants and toddlers. House bill and Senate amendment maintain current law for (8)-(11).

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

387. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

388. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

389. House bill adds provision relating to toxic stress. Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

390. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

391. House bill contains provision related to rural communities. Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382. 395a. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

392. The Senate amendment contains provision regarding training for governing bodies. The

House bill does not contain similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

393. The Senate amendment contains a provision for self-assessments. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

394. The Senate amendment contains provision on childhood obesity. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

395. The Senate amendment contains a provision on Indian Head Start agencies. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

396. The House bill maintains current law and the Senate amendment adds language on CBO's.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

397. The Senate amendment makes change in referencing child care programs. The House bill and Senate amendment contain similar provisions adding language about child welfare services.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

398. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

399. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

400. The House bill contains an outreach program for male Head Start teachers of color. The Senate amendment does not include a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

401. The House bill and Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

402. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

403. The House bill contains requirement for Secretary to work with tribal colleges. The Senate amendment does not contain similar provision.

House recedes/Senate recedes with an amendment to insert into section 649.

404. The House bill and the Senate amendment contain similar provisions except the Senate amendment places in Section 640(1) and the House bill places in Section 648.

House recedes/Senate recedes with an amendment to insert into section 649.

405. House bill contains provision on eligible entities. Senate amendment does not contain a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

406. The House bill and Senate amendment both add specifications for the State-based TA system.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

407. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

408. The House bill includes provisions to develop an on-line, graduate professional development program. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

409. The House bill includes requirements regarding air quality in Head Start agencies. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

410. The House bill and Senate amendment contain similar provisions except the Senate language is in section 648B.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

411. The House bill contains a new demonstration program with HSIs. The Senate amendment does not include a similar provision.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

412. The House bill requires partnerships with HBCUs. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert, as amended, in note 382.

Section 19. Staff qualifications and development

413. The House bill and Senate amendment maintain current law except House bill adds language about math and science.

Senate recedes.

414. The House bill sets a national average requirement for teacher's qualifications and the Senate amendment sets a goal for teacher qualifications in each State.

House recedes/Senate recedes with an amendment to strike and insert—

(2) DEGREE REQUIREMENTS.—

(A) HEAD START TEACHERS.—The Secretary shall ensure that not later than September 30, 2013 at least 50 percent of Head Start teachers nationwide in center-based programs have—

''(i) a baccalaureate or advanced degree in early childhood education; or

''(ii) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children.

''(B) ADDITIONAL STAFF.—The Secretary shall ensure that, not later than September 30, 2013, all—

''(i) Head Start education coordinators, including those that serve as curriculum specialists, nationwide in center-based programs—

''(I) have the capacity to offer assistance to other teachers in the implementation and adaptation of curricula to the group and individual needs of children in a Head Start classroom; and

''(II) have—

''(aa) a baccalaureate or advanced degree in early childhood education; or

''(bb) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood education, with experience in teaching preschool-age children; and

''(ii) Head Start teaching assistants nationwide in center-based programs have—

''(I) at least a child development associate credential;

''(II) enrolled in a program leading to an associate or baccalaureate degree; or

''(III) enrolled in a child development associate credential program to be completed within 2 years.

''(C) PROGRESS.—

''(i) IMPLEMENTATION.—The Secretary shall—

''(I) Require Head Start agencies to—

''(aa) describe continuing progress each year toward achieving the goals described in (A) and (B); and

''(bb) annually submit to the Secretary a report indicating the number and percentage of personnel described in subparagraphs (A) and (B) in center-based programs with child development associate credentials or associate, baccalaureate, or advanced degrees;

''(II) Compile and submit a summary of all program reports described in subclause (I)(bb) to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate; and

''(III) Not impose any penalties or sanctions on any individual Head Start agency, program or staff in the monitoring of local agencies and programs under this subchapter not meeting the requirements of subparagraph (A) or (B).

''(D) CONSTRUCTION.—In this paragraph a reference to a Head Start agency, or its program, services, facility, or personnel, shall not be considered to be a reference to an Early Head Start agency, or its program, services, facility, or personnel.

''(3) ALTERNATIVE CREDENTIALING REQUIREMENTS.—The Secretary shall ensure that, for center-based programs, each Head Start classroom that does not have a teacher that meets the qualifications described in clause (i) or (ii) of paragraph (2)(A) is assigned one teacher who has the following during the period specified;

''(A) Through September 30, 2011—

''(i) a child development associate credential that is appropriate to the age of children being served in center-based programs;

''(ii) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential;

''(iii) an associate degree in early childhood education;

''(iv) an associate degree in a related field and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children;

''(v) a baccalaureate degree and has been admitted into the Teach For America program, passed a rigorous early childhood content exam such as the Praxis II, participated in a Teach For America summer training institute that includes teaching preschool children, and is receiving ongoing professional development and support from Teach For America's professional staff.

''(B) As of October 1, 2011—

''(i) an associate degree in early childhood education;

''(ii) an associate degree in a related field and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; or

''(iii) a baccalaureate degree and has been admitted into the Teach For America program, passed a rigorous early childhood content exam, such as the Praxis II, participated in a Teach For America's professional staff.

''(4) WAIVER.—On request, the Secretary shall grant—

''(A) through September 30, 2011, a 180–day waiver ending on or before September 30, 2011, of the requirements of paragraph (3)(A) for a Head Start agency that can demonstrate that the agency has attempted unsuccessfully to recruit an individual who has the qualifications described in clauses (i) through (iv) of paragraph (3)(A) with respect to an individual who—

''(i) is enrolled in a program that grants a credential, certificate, or degree described in clauses (i) through (iv) of paragraph (3)(A); and

''(ii) will receive such credential, certificate, or degree under the teens of such program not later than 180 days after beginning employment as a teacher with such agency; and

''(B) as of October 1, 2011, a 3-year waiver of the requirements of paragraph (3)(B) for a Head Start agency that can demonstrate that—

''(i) the agency has attempted unsuccessfully to recruit an individual who has the qualifications described in clause (i) or (ii) of such paragraph, with respect to an individual who is enrolled in a program that grants a degree described in clause (i) or (ii) of such paragraph and will receive such degree in a reasonable time; and

''(ii) each Head Start classroom has a teacher who has, at a minimum—

''(I) a child development associate credential that is appropriate to the age of children being served in center-based programs; or

''(II) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential.''

415. The Senate amendment includes qualification requirements for curriculum specialists and education coordinators. The House bill does not have a similar provision.

House recedes/Senate recedes with an amendment to strike.

416. The Senate amendment includes qualifications for teaching assistants. The House bill does not include a similar provision.

House recedes/Senate recedes with an amendment to strike.

417. The Senate amendment contains a requirement for professional development. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to insert ''by the program'' after the word ''evaluated''.

418. The House bill and the Senate amendment contain similar provisions.

House recedes/Senate recedes with an amendment to strike.

419. The House bill and the Senate amendment contain minimum degree requirement for teachers but have different dates of enactment and different populations of teachers.

House recedes/Senate recedes with an amendment to strike.

424a. The House bill and the Senate amendment both contain service requirements in exchange for financial assistance from Head Start programs.

House recedes.

424b. Senate amendment includes Head Start centers in addition to Head Start agencies. The House bill does not include a similar provision.

House recedes.

425. The House bill includes provisions prohibiting funds being used at diploma mills. The Senate amendment does not contain a similar provision.

Senate recedes.

426. The House bill includes provisions for Teach for America while the Senate amendment does not include a similar provision.

Senate recedes.

427. The House bill and the Senate amendment make changes to current requirements for family service workers.

Senate recedes with an amendment to insert a new paragraph (5) to read:

''(5) promote the use of appropriate strategies to meet the needs of special populations (including populations of limited English proficient children);''.

428. The House bill and the Senate amendment contain similar provisions.

Senate recedes with an amendment to insert at the end: ''The agency and the employee shall implement the plan to the extent feasible and practicable.''

429. The House bill requires procedures prior to the hire of an individual in Head Start programs.

The Senate amendment does not include a similar provision.

Senate recedes.

430. The House bill contains a loan forgiveness program for Head Start teachers. The Senate amendment does not include a similar provision.

House recedes.

Section 20. Research, demonstrations, and evaluation

431. The House bill and the Senate amendment contain similar provisions. The House bill requires ideas to be based on scientifically-based research.

Senate recedes with an amendment to strike ''based research'' and insert ''valid research''.

432. The House bill and the Senate amendment make technical conforming changes.

433. The Senate amendment includes provisions to promote good oral health and vision. The House bill does not include similar provisions.

House recedes.

434. The Senate amendment makes this technical and conforming change, similar throughout the bill. The House bill does not include similar provisions.

House recedes/Senate recedes with and amendment to use ''early childhood education and development services or programs''.

435. The Senate amendment makes a technical change to redesignate paragraphs. The House bill does not include a similar provision.

436. The House bill strikes the use of SIPP, NLSY, and SPD for gathering data and conducting analysis on Head Start. The Senate amendment does not include similar provisions.

Senate recedes.

437. The House bill and the Senate amendment contain similar provisions.

Senate recedes with amendment to strike and insert—

''(10)(A) contribute to understanding the impact of Head Start services delivered in classrooms which include both children with disabilities and children without disabilities on all of the children; and

(B) disseminate promising practices for increasing the availability and quality of such services and such classrooms.'';

438. The Senate amendment makes technical changes to redesignate paragraphs. The House bill does not contain a similar provision.

439. The Senate amendment makes conforming changes, similar throughout the bill. The House bill does not contain a similar provision.

House recedes/Senate recedes with an amendment to use ''early childhood education and development services or programs''.

440. The Senate amendment makes conforming changes, similar throughout the bill. The House bill does not contain a similar provision.

Senate recedes.

441. The House bill and the Senate amendment contain identical provisions.

442. The Senate amendment makes conforming changes, similar throughout the bill. The House bill does not contain similar provisions.

House recedes/Senate recedes with an amendment to use term ''early childhood education and development services and programs''.

443. The House bill and the Senate amendment include similar provisions.

Senate recedes.

444. The House bill and the Senate amendment contain similar provisions. The House bill provides for the study not less than one year after the date of enactment.

Senate recedes.

445. The House bill and the Senate amendment contain similar provisions. The Senate amendment modifies the issue date for the report, from 2008 to 2011.

House recedes with an amendment to strike ''2011'' and insert ''2010''.

446. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

447. The House bill and the Senate amendment contain similar provisions.

House recedes.

448. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

449. The House bill includes a provision to address home languages. The Senate amendment does not include a similar provision.

Senate recedes with an amendment to strike and insert—

''the languages in which Head Start and Early Head Start teachers are fluent, in relation to the population, and instructional needs, of the children served''

450. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

451. The House bill and the Senate amendment contain identical provisions.

452. The Senate amendment provides for a research study of diverse populations in Head Start programs. The House bill does not contain a similar amendment.

House recedes.

453. The Senate amendment requires the Secretary to base any revisions or development of assessments on the NAS panel study. The House bill does not contain similar provisions.

House recedes with an amendment to—

in (j)(1)(A) to strike ''the'' before ''Head Start''

in (j)(1)(B) to strike ''develop as necessary'' and to insert '', consistent with section 641(a)(2)(C)(ii)'' after ''described in section 641A'' in (j)(2) strike the header ''DEVELOPMENT AND REFINEMENT'' and insert ''INFORM AND REVISE'' and strike ''developing and revising'' and insert ''informing and revising''

454. The House bill includes provisions to address hurricanes Katrina and Rita. The Senate amendment does not contain similar provisions.

Senate recedes with amendment to strike and insert—

''(m) Program Emergency Preparedness.—

''(1) PURPOSE.—The purpose of this subsection is to evaluate the emergency preparedness of the Head Start, including Early Head Start programs and make recommendations for how Head Start shall enhance its readiness to respond to an emergency.

''(2) STUDY.—The Secretary shall evaluate the preparedness of the Head Start, Early Head Start programs to respond appropriately in the event of a large-scale emergency, such as the hurricanes Katrina, Rita, and Wilma, the terrorist attacks of September 11th, 2001 or other incidents where assistance may be warranted under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(3) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall prepare and submit to Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report containing the results of the evaluation required under paragraph (2), including—

''(A) recommendations for improvements to Federal, state, and local preparedness and response capabilities to large-scale emergencies, including those that were developed in response to hurricanes Katrina, Rita, and Wilma, as they relate to Head Start and Early Head Start programs, and the Secretary's plans to implement such recommendations;

''(B) an evaluation of Head Start procedures for informing families of children in Head Start about the program protocols for response to a large-scale emergency, including procedures for communicating with such families in the event of a large-scale emergency;

''(C) an evaluation of such procedures for staff training on state and local evacuation and emergency protocols; and

''(D) an evaluation of procedures for Head Start agencies and the Secretary to coordinate with appropriate Federal, state, and local emergency management agencies in the event of a large scale emergency and recommendations to improve such procedures.''

Section 21. Reports

455. The House bill and the Senate amendment contain similar provisions.

House recedes with an amendment to insert '', homeless children, children in foster care'' after ''proficient children''.

456. The House bill and the Senate amendment contain similar provisions.

Senate recedes.

457. The Senate amendment includes vision care. The House bill does not contain a similar provision.

House recedes.

458. The Senate amendment makes conforming changes. The House bill does not contain a similar provision.

House recedes with an amendment to strike modification to (D)(ii).

459. The Senate amendment makes conforming changes. The House bill does not include a similar provision.

460. The House bill includes a report on the expenditures of HHS, under section 640(a)(2). The Senate amendment does not contain a similar provision.

House recedes.

461. The House bill includes a report on fiscal protocol. The Senate amendment does not contain a similar provision.

Senate recedes.

462. The House bill includes a report on the use of IEPs. The Senate amendment does not contain similar provisions.

House recedes/Senate recedes with an amendment to strike and insert—

''(e) DISABILITY-RELATED SERVICES.—

''(1) IN GENERAL.—The Secretary shall track the provision of disability-related services for children, in order to—

''(A) determine whether Head Start agencies are making timely referrals to the State or local agency responsible for providing services under Section 619 or Part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(B) identify barriers to timely evaluations and eligibility determination by the State and local agency responsible for Individuals with Disabilities Education Act; and

''(C) determine under what circumstances and for what length of time Head Start agencies are providing disability-related services for children who have not been determined to be eligible children with disabilities under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

''(2) REPORT.—Not later than 1 year after the date of the enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall provide a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate on the activities described in paragraph (1).

463. The House bill includes a report on obesity prevention. The Senate amendment does not contain a similar provision.

Senate recedes with an amendment to strike and insert—

''(f) EVALUATION AND RECOMMENDATIONS REGARDING OBESITY PREVENTION.—Not later than 1 year after the date of the improving Head Start for School Readiness Act of 2007 the Secretary shall submit to the Committee on Education and Labor of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate a report on the Secretary's progress on assisting program efforts to prevent and reduce obesity in children who participate in Head Start programs, including progress on implementing initiatives within the Head Start program to prevent and reduce obesity in such children.''

Section 22. Comparability of wages

464. The House bill and the Senate amendment change section structure and House bill adds a heading.

House recedes with an amendment to insert a heading for subsection (a) to read ''Comparability of Wages''.

465. The House bill and the Senate amendment contain similar provisions. The House bill adds a heading.

Senate recedes with an amendment to strike and insert—

''(b) LIMITATION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, no Federal funds may be used to pay any part of the compensation of an individual employed by a Head Start agency, if such compensation, including non-Federal funds, exceeds an amount equal to the rate payable for level iI of the Executive Schedule under section 5313 of title 5, United States Code.

''(2) COMPENSATION.—In this subsection, the term 'compensation'—

''(A) includes salary, bonuses, periodic payments, severance pay, the value of any vacation time, the value of a compensatory or paid leave benefit not excluded by subparagraph (B), and the fair market of any employee perquisite or benefit not excluded by subparagraph (B); and

''(B) excludes any Head Start agency expenditure for a health, medical, life insurance, disability, retirement, or any other employee welfare or pension benefit.''.

466. The House bill includes a limitation on Head Start funds. The Senate amendment does not contain a similar provision.

House recedes.

Section 23. Limitation with respect to certain unlawful activities

467. The Senate amendment makes a technical change. The House bill does not include a similar provision.

House recedes.

Section 24. Political activities

468. The Senate amendment permits voter registration in Head Start agencies. The House bill does not include a similar provision.

House recedes with an amendment to insert at the end of (b)

''No funds appropriated under this subchapter may be used to conduct voter registration activities. Nothing in this subchapter prohibits the availability of Head Start facilities during hours of operation for the use of any non-partisan organization do increase the number of eligible citizens who register to vote in elections for Federal office.''

The Conferees intend to continue the prohibition against Head Start teachers, employees and administrators from conducting voter registration activity on-site during hours of operation. Although they may participate in civic activities on their own time, the Conferees believe that the focus of Head Start employees during work hours should remain on improving the school readiness of Head Start children. Outside, nonpartisan organizations, however, are permitted under this section to use Head Start facilities nonintrusively to conduct voter registration.

469. The Senate amendment makes a conforming change to the Children's Health Act. The House bill does not include a similar provision.

Senate recedes.

Section 25. Parental consent requirement for health services

470. The House bill and the Senate amendment contain similar provisions.

House recedes.

Section 26. Centers of excellence in early childhood

471. The Senate amendment includes an authorization for the creation of Centers of Excellence for Head Start centers to be nominated by the Governor and designated by the Secretary to serve as model Head Start programs. The House bill does not include similar provisions.

House recedes with an amendment to—

insert ''(other than section 657B)'' after ''subchapter'' in Section 639; and

strike and insert into a new section as follows:

''SEC. 657B. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

''(a) DEFINITION.—In this section, the term 'center of excellence' means a Center of Excellence in Early Childhood designated under subsection (b).

''(b) DESIGNATION AND BONUS GRANTS.—The Secretary shall, subject to the availability of funds under this section, establish a program under which the Secretary shall—

''(1) designate not more than 200 exemplary Head Start agencies (including Early Head Start agencies, Indian Head Start agencies, and migrant and seasonal Head Start agencies) as Centers of Excellence in Early Childhood; and

''(2) make bonus grants to the centers of excellence to carry out the activities described in subsection (d).

''(c) APPLICATION AND DESIGNATION.—

''(1) APPLICATION.—

''(A) NOMINATION AND SUBMISSION.—

''(i) IN GENERAL.—To be eligible to receive a designation as a center of excellence under subsection (b), except as provided in clause (ii), a Head Start agency in a State shall be nominated by the Governor of the State, after selection for nomination by such Governor through a competitive process, and shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(ii) INDIAN AND MIGRANT AND SEASONAL HEAD START PROGRAMS.—In the case of an Indian Head Start agency or a migrant or seasonal Head Start agency, to be eligible to receive a designation as a center of excellence under subsection (b), such an agency shall be nominated by the head of the appropriate regional office of the Department of Health and Human Services and shall submit an application to the Secretary in accordance with clause (i).

''(B) CONTENTS.—At a minimum, the application shall include—

''(i) evidence that the Head Start program carried out by the agency involved has significantly improved the school readiness of children who have participated in the program;

''(ii) evidence that the program meets or exceeds standards described section 641A(a)(I), as evidenced by the results of monitoring reviews described in section 641A(c), and has no findings of deficiencies in the preceding three years;

''(iii) evidence that the program is making progress toward meeting the requirements described in section 648A;

''(iv) An assurance that the Head Start agency will develop a collaborative partnership with the State (or a State agency) and other providers of early childhood education and development programs and services in the local community involved to conduct activities under (d)(1);

''(v) a nomination letter from the Governor, or appropriate regional office, demonstrating the agency's ability to provide the coordination, transition, and training services of the program to be carried out under the bonus grant involved, including coordination of activities with State and local agencies that provide early childhood education and development to children and families in the community served by the agency, and carry out the activities described under subsection (d)(1)(A); and

''(vi) a description of how the center involved, in order to expand accessibility and continuity of quality early childhood education and development services and programs, will coordinate activities, as appropriate, assisted under this section with—

''(I) programs carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(II) the Early Head Start programs carried out under section 645A;

''(III) Early Reading First and Even Start programs carried out under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(IV) other preschool programs carried out under title I of that Act (20 U.S.C. 6301 et seq.);

''(V) programs carried out under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(VI) State prekindergarten programs; and

''(VII) other programs of early childhood education and development.

''(2) SELECTION.—In selecting agencies to designate as centers of excellence under subsection (b), the Secretary shall designate not less than 1 from each of the 50 States, the District of Columbia, an Indian Head Start program, a migrant or seasonal Head Start program, and the Commonwealth of Puerto Rico.

''(3) PRIORITY.—In making bonus grant determinations under this section, the Secretary shall give priority to agencies that, through their applications, demonstrate that their programs are of exceptional quality and would serve as exemplary models for programs in the same geographic region. The Secretary may also consider the populations served by the applicants, such as agencies that serve large proportions of limited English proficient children or other underserved populations, and may make bonus grants to agencies that do an exceptional job meeting the needs of children in such populations.

''(4) TERM OF DESIGNATION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall designate a Head Start agency as a center of excellence for a 5-year term. During the period of that designation, subject to the availability of appropriations, the agency shall be eligible to receive a bonus grant under subsection (b).

''(B) REVOCATION.—The Secretary may revoke an agency's designation under subsection (b) if the Secretary determines that the agency is not demonstrating adequate performance or has had findings of deficiencies described in paragraph (l)(B)(ii).

''(5) AMOUNT OF BONUS GRANT.—The Secretary shall base the amount of funding provided through a bonus grant made under subsection (b) to a center of excellence on the number of children eligible for Head Start services in the community involved. The Secretary shall, subject to the availability of funding, make such a bonus grant in an amount of not less than $200,000 per year.

''(d) USE OF FUNDS.—

''(1) ACTIVITIES.—A center of excellence that receives a bonus grant under subsection (b)—

''(A) shall use no less than 15% of the funds made available through the bonus grant to disseminate to other Head Start agencies in the State involved, best practices for achieving early academic success, including—

''(i) best practices for achieving school readiness, including developing early literacy and mathematics skills, for children at risk for school difficulties;

''(ii) best practices for achieving the acquisition of the English language for limited English proficient children, if appropriate to the population served; and

''(iii) best practices for providing high-quality comprehensive services for eligible children and their families;

''(B) may use the funds made available through the bonus grant—

''(i) to provide Head Start services to additional eligible children;

''(ii) to better meet the needs of working families in the community served by the center by serving more children in existing Early Head Start programs (existing as of the date the center is designated under this section) or in full-working-day, full calendar year Head Start programs;

''(iii) to further coordinate early childhood education and development programs and services and social services available in the community served by the center for at-risk children (birth through age 8), their families, and pregnant women;

''(iv) to provide professional development for Head Start teachers and staff, including joint training, for Head Start teachers and staff, child care providers, public and private preschool and elementary school teachers, and other providers of early childhood education and development programs;

''(v) to provide effective transitions between Head Start programs and elementary schools and to facilitate ongoing communication between Head Start and elementary school teachers concerning children receiving Head Start services to improve their ability to work effectively with low-income, at-risk children and their families;

'' (vi) to develop or maintain partnerships with institutions of higher education and nonprofit organizations, including community-based organizations, that recruit, train, place, and support college students to serve as mentors and reading partners to preschool children in Head Start programs; and

''(vii) to carry out other activities determined by the center to improve the overall quality of the Head Start program carried out by the agency and the program carried out under the bonus grant involved.

''(e) RESEARCH AND REPORTS.—

''(1) RESEARCH.—The Secretary shall, subject to the availability of funds to carry out this subsection, award a grant or contract to an independent organization to conduct research on the ability of the centers of excellence to use the funds received under this section to improve the school readiness of children receiving Head Start services, and to positively impact school results in the earliest grades. The organization shall also conduct research to measure the success of the centers of excellence at encouraging the center's delegate agencies, additional Head Start agencies, and other providers of early childhood education and development programs in the communities involved to meet measurable improvement goals, particularly in the area of school readiness.

''(2) RESEARCH REPORT.—Not later than 48 months after the date of enactment of the Head Start for School Readiness Act, the organization shall prepare and submit to the Secretary and Congress a report containing the results of the research described in paragraph (1).

''(3) REPORTS TO THE SECRETARY.—Centers of excellence shall annually submit to the Secretary, at such time and in such manner as the Secretary may require, a report containing a description of the activities the center carried out with funds received under this section, including a description of how such funds improved services for children and families.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 2008 through 2012 to make bonus grants to centers of excellence under subsection (b) to carry out activities described in subsection (d) and research activities described in subsection (e).''.

Section 27. General provisions

472. The House bill and the Senate amendment contain similar provisions. The House bill requires written consent for each specific health care service. The Senate amendment also requires consent for referral to services.

House recedes with an amendment to strike ''Rule of Construction'' and insert ''General Provisions''.

473. The House bill requires consent for any health care services. The Senate amendment does not include similar provisions.

House recedes.

Section 28. Compliance with Improper Payments Information Act of 2002

474. The Senate amendment includes a provision on improper payments. The House bill does not include a similar provision.

House recedes.

COMPLIANCE WITH HOUSE RULE XXI

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, this conference report contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

GEORGE MILLER,
DALE E. KILDEE,
LYNN WOOLSEY,
DANNY K. DAVIS,
RAÚL M. GRIJALVA,
LINDA T. SÁNCHEZ,
JOHN P. SARBANES,
JOE SESTAK,
DAVID LOEBSACK,
MAZIE K. HIRONO,
CAROL SHEA-PORTER,
HOWARD ''BUCK'' MCKEON,
MICHAEL N. CASTLE,
LUIS FORTUÑO,
RIC KELLER,
JOE WILSON,
C. W. BOUSTANY,
DEAN HELLER,
Managers on the Part of the House.

TED KENNEDY,
CHRIS DODD,
TOM HARKIN,
BARBARA A. MIKULSKI,
JEFF BINGAMAN,
PATTY MURRAY,
JACK REED,
HILLARY RODHAM CLINTON,
BARACK OBAMA,
BERNARD SANDERS,
SHERROD BROWN,
MICHAEL B. ENZI,
JUDD GREGG,
LAMAR ALEXANDER,
RICHARD BURR,
JOHNNY ISAKSON,
LISA MURKOWSKI,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
Managers on the Part of the Senate.

□ 1345

APPOINTMENT OF GENERAL COUNSEL OF THE HOUSE

The SPEAKER pro tempore (Mr. PERLMUTTER). Pursuant to clause 8 of rule II, and the order of House of January 4, 2007, the Chair announces the Speaker's appointment of Mr. Irvin B. Nathan as General Counsel of the United States House of Representatives, effective November 12, 2007.

LEGISLATIVE PROGRAM

(Mr. BLUNT asked and was given permission to address the House for 1 minute.)

Mr. BLUNT. Mr. Speaker, I would yield to my friend, the majority leader, for an update on next week's schedule.

Mr. HOYER. I thank the distinguished whip for yielding.

Mr. Speaker, on Monday the House will not be in session so that we can observe Veterans Day in honor of those who have sacrificed for our country, served our country so ably and well, and to remember those who have paid the ultimate price for our freedoms that we enjoy today.

On Tuesday, the House will meet at 10:30 for morning-hour debate and noon for legislative business.

On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business and 9 a.m. on Friday. We will consider several bills under suspension of the rules. A list of those bills, of course, will be announced by the close of business today.

Under rules, we expect to consider H.R. 3915, Mortgage Reform and Anti-Predatory Lending Act, and the conference report on H.R. 1429, Improving Head Start Act. In addition, we hope to be able to consider additional conference reports as they become available. And in light of the fact it's our last week before the Thanksgiving break, if there are other items that come to our attention, we will try to move those forward as well. But we don't have notice of those at this point in time.

I thank the gentleman for yielding.

Mr. BLUNT. I thank you for that information. I certainly agree with your observation about our veterans and the appropriateness of us taking the day on Monday to honor them.

On that issue, we went to conference this week on two different bills, and my impression was, based on the combination of the Military Construction and Veterans bill with Labor-HHS, that that veterans part of that bill was probably done. I'm wondering if the gentleman has any sense of how we can reinitiate a conference on that bill so that we can get the veterans and the military quality of life, military construction money passed. Is there a plan to go to conference there?

Mr. HOYER. I can't represent to the gentleman the specific plan because I have not gotten that from Mr. OBEY, what his thoughts are on that or what his discussions have been with Senator BYRD or with the subcommittee Chairs in both of the bodies. However, we certainly intend to move that forward, as the gentleman suggests, as quickly as possible.

Mr. BLUNT. Well, I appreciate that. And I would think since essentially it appears that bill has already been conferenced, since it was included with the Labor-HHS bill in conference, that it should be pretty easy to do and hope that we can do it. The President has announced he would sign that bill. The difference in this year's spending and last year's is about $18.5 million dollars a day, and I would hope we could get there.

On the trade agreement this week, I thought we had a significant bipartisan vote on the Peru Trade Agreement. There are three other agreements out there that have been negotiated, and I wonder if the leader has any sense of when we might be able to look toward any of those bills coming to the floor.

And I would yield.

Mr. HOYER. I thank my friend for that question on the trade bills. We did have a bipartisan vote on the Peru Trade Agreement which incorporated, as we had urged, both worker protections and environmental protections. And with respect to the other three agreements which have been negotiated, Panama, Colombia and South Korea, frankly, we don't yet know. As the gentleman knows, with respect to the agreement with Panama, the complication really doesn't regard the trade agreement as much as it regards the concern that many people have on both sides of the aisle that the Speaker or President of the Panamanian Parliament is under indictment in the United States with an extradition request for the murder of an American soldier. That, obviously, has complicated the consideration of that agreement.

With respect to Colombia, frankly, I want to tell the gentleman, I don't expect Colombia to come up until next year or South Korea to come up before next year. We obviously have, after

next week, we hope, a short time left to go, maybe six, seven legislative days. So it would be unrealistic to expect us to be able to move these agreements within that time frame. But if we could resolve, I think, the issue regarding Panama, that might be possible.

Mr. BLUNT. I appreciate that. I'd also say that I was heartened by the good work that Chairman RANGEL and Mr. MCCRERY and others did on the Peru agreement, and certainly, I think I want to continue to reach out to you and the chairman and others who'd like to get things done so these bills could come to the floor.

Colombia is the one that was negotiated next, and because of the Panama complication, it may even be more likely that that could come next.

I would be pleased to yield to Mr. RANGEL for any thoughts he has on that topic.

Mr. RANGEL. Well, it was about the Panama complication, because it was my understanding, to a large extent, that it would be the administration to make the decision or to respond to the answer that you asked of the majority leader. And it's because of the complication that they'll have to decide, politically, as to how they want to handle it, because it goes beyond a trade agreement. It's involved with State Department policy.

And I always get the impression, since the FTA with Korea that's been left out of the discussion with me, that when the administration believes it has completed its negotiation on the executive level, then they too would be coming back to the Congress.

And of course Colombia has its own special problems, which we can talk about at a different time. So I just wanted to say, as it relates to Panama and Korea, it was my impression that the administration has to make some major decisions before we can respond.

Mr. BLUNT. Well, I appreciate that. And I do know that the chairman has worked hard with the U.S. Trade Ambassador and others, and I'm appreciative of that. And the administration, as this process works, will decide whether to send those up, but I know that they will do that in significant consultation with the chairman and ranking member and, I hope, others in the leadership. And these are important discussions.

I thought we had a significant step in the right direction for our neighborhood this week. To have all of the leaders of both parties vote for a trade agreement was a good sign about the future of our relationships with Panama and, I hope, a good sign about how we approach more of these trade agreements.

The other question I had also relates just on the Armenian resolution. I know that a lot of things have happened in regard to that resolution. But I also know that the leader, 3 or 4 weeks ago, maybe it was 4 weeks ago, said that that resolution would be on the floor by November 16. I know it wasn't announced today. I wonder, has any decision been made on advancing that resolution?

And I would yield to my friend.

Mr. HOYER. I thank the gentleman for his question. I did say that. He's correct. However, the principal proponents of that resolution, obviously, the relationship with Turkey is a very important one for the United States. It is a critical time in the Middle East. Turkey has been, obviously, a great help in some respects, sometimes. And so the principal sponsors of that resolution have written a letter to the Speaker and myself and asked us not to move forward with that resolution at this time. But it is obviously still a matter of great concern to the Speaker, to myself and, frankly, the majority of this House who are sponsors of this resolution.

But in answer to the gentleman's question, I do not expect it to move forward any time soon.

Mr. BLUNT. I appreciate that. What I believe will be my last question, Mr. Leader, is on Tuesday, knowing this is the last week before there is a break, and we may not stay with the normal procedure, should we expect anything beyond suspension bills on Tuesday? Do you think there's any likelihood, not possibility, but any likelihood of a rule bill as early as Tuesday?

Mr. HOYER. It is possible. And the reason I say it's possible is because a lot of Members, obviously, would like to get out. It's Thanksgiving week. We're leaving. And I'm not sure whether it's a majority of your side or the majority, but I think there's probably unanimity that if we could see our way clear to finishing the business that we have by Thursday, they would prefer to work Tuesday night than they would prefer to work on Friday day. So I want to say to my friend it's possible, to facilitate the work. We're going to be talking about that later on today, and maybe even over the weekend, where we are. So I want to say to the gentleman, it's possible.

Mr. BLUNT. Well, we'd be pleased to be notified as early as you know about it. And I think you're absolutely right, that Members would be pleased to work a little longer days this week to get some time at home with their families during the holidays.

ADJOURNMENT TO TUESDAY, NOVEMBER 13, 2007

Mr. HOYER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Tuesday next for morning-hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

□ 1400

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

U.S. NAVAL ACADEMY FOOTBALL TEAM'S HISTORIC VICTORY OVER NOTRE DAME

(Mr. SARBANES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARBANES. Mr. Speaker, I rise to acknowledge an historic victory that occurred over last weekend, when the United States Naval Academy football team, for the first time in 43 years, upset the University of Notre Dame.

As we recognize the accomplishments of this Midshipmen football team, we also recognize the commitment that each middie has made to our country. I ask my colleagues to join me in honoring the Midshipmen for their historic victory over the Fighting Irish.

It is in this spirit that I submit further remarks for inclusion in the CONGRESSIONAL RECORD as well as an editorial from the Baltimore Sun recognizing the extraordinary accomplishment of these young men.

And also for the record, I would like to say, Go Navy. Beat Army.

Mr. Speaker, I rise today to recognize the United States Naval Academy Football Team for Saturday's thrilling victory over the University of Notre Dame.

The Midshipmen defeated the Fighting Irish 46–44 in triple-overtime, marking the first Navy victory in the annual match-up since 1963.

A tradition since 1927, the Navy-Notre Dame series is the longest uninterrupted intersectional series in Division I college football. This year's installment of this great football rivalry was, for the first time, tied at the end of regulation and featured 90 combined points, the most ever in the 80-year-old series.

The Midshipmen victory in the third overtime snapped Notre Dame's 43-year win streak in harrowing fashion. Navy made what appeared to be its last stand against the Fighting Irish Offense, stopping a Notre Dame attempt at a two-point conversion to tie the game. A controversial pass interference call allowed Notre Dame one more chance to force a fourth overtime. It looked as though the streak was destined to continue.

But the Midshipmen again held their ground and defeated Notre Dame. On this Saturday, the disadvantages that a service academy team has to overcome relative to its "Big Name" Division I competition did not matter. The Naval Academy does not have an exclusive television contract. Its recruiters cannot promise top-tier high school seniors access to a network of NFL scouts and alumni.

When the United States Naval Academy beat the University of Notre Dame, a team of

young men celebrated an athletic victory that had escaped two generations of Midshipmen—two generations of Academy graduates who led our Navy and our country through the Cold War and into the twenty-first century.

As we recognize the accomplishment of this Midshipmen Football team, we also recognize the commitment that each Middie has made to our country.

I ask my colleagues to join me in honoring the Midshipmen for their historic victory over the Fighting Irish. It is in this spirit that I submit for inclusion in the CONGRESSIONAL RECORD this editorial from the Baltimore Sun recognizing the extraordinary accomplishment of these young men. For the record, "Go Navy. Beat Army."

[From the Baltimore Sun, Nov. 6, 2007]

ONE FOR THE MIDDIES

Please forgive the irrepressible grins, the sunny outlook and the other outward signs of deep satisfaction displayed this week by fans of U.S. Naval Academy football. Navy's 46–44 triple-overtime victory over the Fighting Irish on Saturday in South Bend, Ind., was bound to have a lasting effect. Beating a rival once every 43 years will do that.

The Notre Dame-Navy match-up is one of the more lopsided annual events in college football. One fields a team of high school all-Americans, the other with future Navy and Marine Corps officers. Unless Roger Staubach is behind center taking snaps (as he was for Navy in 1963), the results are generally predictable.

But the combination of a solid Navy team with a potent offense and postseason ambitions opposed by a Notre Dame squad mired in a losing season of record-setting proportions helped turn the unthinkable into the wonderful—at least from the Midshipmen's perspective.

No doubt coach Paul Johnson will tell his players that this was just one victory and Navy needs more wins to get to another bowl game. And, of course, their fans will expect them to beat a certain military academy from the Hudson River Valley next month. No season would be complete without a win over West Point.

Nevertheless, this is a moment to savor. Even a Notre Dame fan has to admit it's nice to see an underdog come out on top once in a while. Navy still needs a 60-year winning streak to even its career record against the Irish. That's not likely, but at least it doesn't seem quite as improbable today.

REMEMBERING OUR VETERANS

(Mr. PENCE asked and was given permission to address the House for 1 minute.)

Mr. PENCE. Mr. Speaker, the Good Book tells us if you owe debts, pay debts; if honor, then honor; if respect, then respect. And this weekend, Sunday specifically, millions of Americans will gather in places large and small in this country to pay a debt of gratitude that we owe to the American soldier. And I rise today like all of those who will gather in ceremonies and parades, surrounding people wearing mothballed uniforms and gray hair, to celebrate Veterans Day. Memorial Day is that day in the spring when we remember those who did not come home; Veterans Day is the day in the fall when we remember those who did.

A close friend of my late father, a combat veteran, said to me once poignantly, I think your dad never got over the guilt of coming home. While we remember those who served and fell this weekend, we will remember those who carry the burden of veterans; who fired shots in anger; who wore the uniform of the United States of America; and who, every day of their lives thereafter, carry the burden of that poignant service and significant loss.

To veterans all across America and especially those in eastern Indiana, we will remember you this Veterans Day.

THE TEMPORARY TAX RELIEF ACT OF 2007

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am very proud to have been one of those today to support the Temporary Tax Relief Act of 2007.

Let me call the roll so we will understand what this bill does.

First of all, I am gratified that 1.270 million projected AMT returns by the State of Texas, those who will file their returns will get a benefit in my State because this bill has been passed today.

I am equally delighted that this bill looks out for a lot of America's taxpayers. Twelve million children will be helped by expanding the child tax credit. Eleven million families will be helped through the State and local sales tax deduction, and that is a bunch of families in the State of Texas. 3.4 million teachers will be able to deduct their classroom expenses, and that will help a lot of Texas teachers. And we will provide thousands of American troops in combat with tax relief under the earned income tax credit. In addition, some $8 billion will be utilized to help the real estate industry as well.

The Temporary Tax Relief Act of 2007 is the right thing to do to help pay for the AMT reduction.

HONORING OUR VETERANS AND CALLING FOR A VETERANS FUNDING BILL

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, I rise today to honor our veterans.

This Sunday is Veterans Day. As a veteran myself and the son of a combat-wounded veteran, I believe it is very, very important that we as a nation take time and honor those who have served in our armed services.

It is a fact that we all understand that freedom comes at a price and that it is those who put on the uniform and serve that preserve freedom for us and so many others around the world.

It's unfortunate that I have to rise as well and express my concern over our failure to move a veterans bill through this body to fund the Department of Veterans Affairs. Thanksgiving is less than 2 weeks ago, and as a physician who volunteers his time in a veterans clinic in his congressional district, I can say that I know that we can put our partisan differences behind us, put them aside, and we can come together and finally pass a veterans funding bill. I regret that we have not been able to do that today so late in the year right before Veterans Day.

Let's see if we can get that work done next week.

GARDNER-WEBB UNIVERSITY

(Mr. MCHENRY asked and was given permission to address the House for 1 minute.)

Mr. MCHENRY. Mr. Speaker, what a proud day for the Bulldogs of Gardner-Webb University.

My constituents, the Bulldogs, defeated the seven-time national champs Kentucky Wildcats in basketball just the other night by 18 points. Gardner-Webb University, a school of 4,000 students located in Boiling Springs, North Carolina, in my district, showed no fear in front of 23,000 cheering and hostile Wildcat fans in Kentucky's famed Rupp Arena. What a great night.

I come to the floor to congratulate Gardner-Webb University; the basketball team at Gardner-Webb University; the Bulldogs, generally speaking, the great students there at Gardner-Webb; and the president of the college, Frank Bonner; as well as the coach, Rick Scruggs, for their momentous basketball victory.

Let me tell you something. The Bulldogs have proven once again that with enough hard work and dedication, any obstacle can be overcome. And it also proves that no basketball team from North Carolina is ever really the underdog.

With that, I congratulate the Bulldogs. I congratulate Gardner-Webb University and the great basketball team and the students that they have.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PERLMUTTER). Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CONGRESS MUST ACT TO HELP BRING ABOUT THE REDEPLOYMENT OF OUR TROOPS OUT OF IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, throughout most of our history, the world has admired the United States for our dedication to freedom, international law, and human rights. But today America's prestige is in the pits because of the administration's reckless occupation of Iraq.

The resignation last week of the Under Secretary for Public Diplomacy at the State Department brought new attention to our low standing in the world. The Under Secretary was hired in 2005 to improve our image in the world with a public relations campaign. But the effort failed. It failed because no amount of spin could overcome the catastrophic consequences of our occupation of Iraq.

Today, according to the Pew Global Attitudes Project, our image in the world is actually worse than it was before the public relations campaign began. Pew surveyed 33 countries and found that the United States is viewed less favorably in 26 of those countries. To be fair to the Under Secretary, her bosses in the White House had done a good job of trashing America's image in the world long before she started her job.

At the beginning of this decade, Mr. Speaker, the United States was viewed very favorably in many countries. But not anymore. For example, 78 percent of the German people viewed the United States favorably in the year 2000. Now it's just 37 percent. In Spain we have gone from a favorability rating of 50 percent to 23 percent. In Great Britain we have gone from 83 percent to 56 percent. And in France we have gone from 62 to 39.

In the Muslim world, we have just about fallen off the charts. In Turkey, for example, we have gone from 52 percent to just 12 percent.

And, most tragically, our occupation of Iraq has undermined support for American leadership in the fight against terrorism. In fact, less than half the people in all the countries I just cited are now willing to follow our lead.

We shouldn't be surprised by this. It is much harder to convince others to get behind us in the fight against terrorism when they actually believe that we are the threat to peace ourselves. And it's much harder for us to fight many other world problems, including poverty, disease, lack of education, and global warming when our standing in the world has hit rock bottom.

This foreign policy disaster is the result of a White House that has run amok for nearly 7 years. When you tear up your treaties, walk away from your friends, condone torture, go to war under false pretenses, and carelessly throw around words like ''World War III,'' you don't make America stronger; you make America weaker by destroying our credibility and undermining our moral authority.

The American people understand this, and they are demanding a new course for our Nation. They know the administration will never give us that; so they are looking to Congress to do the job. So far we have failed, but we have the power to turn things around, the power of the purse. We must use it, and we must use it to insist that any further funding for Iraq be dedicated to bringing our troops home. We must fully fund the safe, orderly, and timely redeployment of our troops out of Iraq. And we must also force the withdrawal of all of our military contractors who are acting like thugs in our Nation. We have a chance. We have a chance right now. If we don't take advantage of it, we will have failed our children and we will have failed America.

□ 1415

U.S. GOVERNMENT MUST PROTECT ITS PEOPLE

The SPEAKER pro tempore (Mr. PERLMUTTER). Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE. Mr. Speaker, it is the first duty of government, especially our government, to protect the people. That is why governments are formed throughout the world. That is why the United States was formed, to protect the people who live in this great country of ours.

This weekend, we honor the veterans that have served in our military throughout all of its wars. It started on the 11th hour of the 11th day of the 11th month of 1918, which was called Armistice Day, to end the war to end all wars, World War I. We now call it Veterans Day, where we honor those who went to war and came home.

Now America is engaged in wars in lands far, far away. We are engaged in the war in Iraq, we are engaged in the war in Afghanistan, and Mr. Speaker, it is my opinion that the finest military that has ever existed in the history of the world is fighting for American values in Iraq and Afghanistan, the American warriors.

You know, they are fighting in the deserts of Iraq, the mountains of Afghanistan. But we are also engaged in a war closer to home, that for some reason many have missed it, and it's the border war that we have on our southern border.

You see, our people who live in the southern part of the United States, and I happen to be one of them, I'm from the State of Texas, they are concerned about a constant invasion into our homeland by people that come here without permission. These people are coming into this country and they are colonizing our Nation. I have been to the southern border of Texas and Mexico over a dozen times. I've been to the border in Arizona, the border in California with Mexico, and every time I go to the border, the situation is worse. It is, by any definition, a war zone.

In the American town of Laredo, across the river, in Nuevo Laredo, it is a hostile and violent place. In the year 2005, there were 147 murders in Nuevo Laredo, many of them peace officers, and not one case has been solved. There have been 400 kidnappings; 41 of those have been American citizens kidnapped in Mexico, and not one case, not one has been solved by law enforcement.

It is a violent place. We have the three drug cartels coming in from Mexico, bringing that cancer into our country, and they are violent because it's all about money. And now they're working with the human coyotes, and they smuggle drugs and people into our country, all because of the almighty dollar.

We have reports of the Mexican military that have come across our border in arrogance and defiance, coming here to apparently help the drug smugglers bring in the drugs. But be that as it may, Homeland Security seems to be blissfully silent about the problem on the southern border with Mexico. And I ask the question, why? Is it because of political reasons? What do we owe the nation of Mexico? Our government, Homeland Security, owes the American public public defense.

It is the first duty of government to protect the homeland, and that includes the invasion by people without permission from our southern border. Thousands of people a day come in here without our permission, and I'm here to say that it's our obligation as a Nation to protect the southern border.

There has been legislation, bipartisan, that has been introduced this week to move that direction; 8,000 more border agents, using the military surveillance; also, requiring that American departments such as Social Security, Homeland Security and the IRS work together to prevent people from fraudulently trying to become American citizens, and of course, requiring more immigration judges. And I think we personally should use the National Guard and put them on the southern border as well. Whatever it takes, by lawful means, to secure the Nation's homeland, we owe that to the Nation, we owe that to the veterans who fought all over the world, and we owe it to the veterans who are on the southern border with Mexico to make sure that we protect our country, the dignity and sovereignty of this Nation.

And that's just the way it is.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 1429, IMPROVING HEAD START FOR SCHOOL READINESS ACT OF 2007

Ms. MATSUI, from the Committee on Rules, submitted a privileged report (Rept. No. 110–440) on the resolution (H. Res. 813) providing for consideration of the conference report to accompany the bill (H.R. 1429) to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes, which was referred to the

House Calendar and ordered to be printed.

HONORING OUR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. How often do many Americans read the historic documents like the Declaration of Independence or our Constitution? The Declaration of Independence indicates that we hold these truths to be self-evident, that we all are created equal, with certain inalienable rights of life and liberty and the pursuit of happiness.

In the opening words of the Constitution, it says that we have gathered to form a more perfect union. What better exhibit of a perfect union, of the opportunity for happiness, than the veterans and members of the United States military who serve us now on the front lines?

So I rise today to pay special tribute to them. I look forward to returning to my district in Houston and joining the commemoration on this coming Sunday, and as well, marching with veterans, riding in military vehicles, getting the sense of their life and their dedication. I look forward to paying tribute to them in Houston's Freedom Fest and celebrating with some of the teary-eyed veterans, family members who have come to celebrate and to simply say thank you.

My presence here today on this floor is an example of the free country in which we live. The discourse of democracy is protected by those who fight today and those who have fought in wars gone by. And so it is appropriate that I rise today and embrace all of our veterans from sea to shining sea, to be able to say to you, thank you, and thank you to your families for the sacrifice of being away from them, mothers and fathers, husbands and wives, children that you have missed because you have served our country.

I rise in support of the homeless veterans. And today in Houston we have what we call a ''stand-down,'' where veterans come and celebrate those who walk the streets and are homeless.

I look forward to the passage of the most timely and largest Veterans bill in the history of this Nation. Democrats were the leaders on this, and we will get it passed, and we will provide a thank you for our veterans.

I rise also to acknowledge that there are those still fighting on the front lines, and in particular, in Iraq. I claim today, as I have done from the very day that this war was pronounced, I want our soldiers to come home. I want our heroes to come home. And I have a memory of the great excitement, through pictures, of course, of the celebration of the World War II veterans. Who could ever forget that famous kiss in Times Square in New York? But since that time, I have not been satisfied by the way we have honored our veterans, our soldiers who have come home. And so I have filed H.R. 4020, the Military Success Act of 2007, that calls on the Nation to welcome home our Iraqi soldiers with a proclamation and celebration, with funding going to local and State jurisdictions so that we can have a day of celebration. I want to see those kisses in the town square. I want to see those colorful ribbons. I want to make sure that we understand that when a soldier comes home, it should not be in the dark of night on a lonely airplane or a lonely bus going into a lonely town.

So I ask my colleagues and Americans, veterans organizations, to support H.R. 4020 to celebrate the soldiers and to provide a celebration for each returning battle group that comes home from any war that they fight on behalf of America and they have lost lives and they have dedicated themselves to this Nation.

And because of that, Mr. Speaker, I also stand today to beg President Musharraf in Pakistan to release former Prime Minister Bhutto from house arrest. I acknowledge the Pakistani Army for the work that they have done on the border, some having lost their life, along with our soldiers in Afghanistan, but I ask the President of Pakistan, an ally of the United States, to understand that if you have democracy, it is a painful experience. And even when there are those against you, you must stand for democratic principles in your own way. Pakistan is a Muslim country that promotes democracy.

And so I ask President Musharraf to release the former Prime Minister Bhutto from house arrest, to release the lawyers from detention, and the political prisoners, to restore the constitution, to restore the democratic rule, and to release the emergency rule.

No, I don't expect for us to invade Pakistan, I don't expect for us to invade Iran, but I do expect for this State Department and this President to take this seriously.

In this legislation, H. Res. 810, I have asked for a diplomatic team of those from the Defense Department, those from the State Department to form a team, fly to Pakistan, sit down with our ally, and demand, yes demand, because of the $11 billion we've given them, the right for democracy to return to Pakistan.

I believe that this is the way to run our foreign policy. Bring our soldiers home, and celebrate them in honor.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

(Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

(Mr. HOLT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REVISIONS TO THE 302(a) ALLOCATIONS AND BUDGETARY AGGREGATES ESTABLISHED BY THE CONCURRENT RESOLUTIONS ON THE BUDGET FOR FISCAL YEARS 2008 THROUGH 2012

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. SPRATT) is recognized for 5 minutes.

Mr. SPRATT. Mr. Speaker, under section 303(b) of S. Con. Res. 21, the Concurrent Resolution on the Budget for fiscal year 2008, I hereby submit for printing in the CONGRESSIONAL RECORD a revision to the budget allocations and aggregates for the House Committee on Ways and Means for fiscal year 2008, and the period of 2008 through 2012. This revision represents an adjustment to certain House committee budget allocation and

aggregates for the purposes of section 302 and 311 of the Congressional Budget Act of 1974, as amended, and in response to the bill H.R. 3996, The Temporary Tax Relief Act of 2007. Corresponding tables are attached.

Under section 211 of S. Con. Res. 21, this adjustment to the budget allocations and aggregates applies while the measure is under consideration. The adjustments will take effect upon enactment of the measure. For purposes of the Congressional Budget Act of 1974, as amended, a revised allocation made under section 211 of S. Con. Res. 21 is to be considered as an allocation included in the resolution.

Any questions may be directed to Ellen Balis or Gail Millar.

JOHN M. SPRATT, JR.

BUDGET AGGREGATES

(On-budget amounts, in millions of dollars)

	Fiscal Year 2007	Fiscal Year 2008 [1]	Fiscal Years 2008–2012
Current Aggregates: [2]			
Budget Authority	2,250,680	2,350,996	(3)
Outlays	2,263,759	2,353,954	(3)
Revenues	1,900,340	2,015,841	11,137,671
Change in the Temporary Tax Relief Act (H.R. 3996):			
Budget Authority	0	127	(3)
Outlays	0	127	(3)
Revenues	0	–17,782	3,087
Revised Aggregates:			
Budget Authority	2,250,680	2,351,123	(3)
Outlays	2,263,759	2,354,081	(3)
Revenues	1,900,340	1,998,059	11,140,758

[1] Pending action by the House Appropriations Committee on spending covered by section 207(d)(1)(E) (overseas deployments and related activities), resolution assumptions are not included in the current aggregates.

[2] Excludes emergency amounts exempt from enforcement in the budget resolution.

[3] = Not applicable because annual appropriations Acts for fiscal years 2009 through 2012 will not be considered until future sessions of Congress.

DIRECT SPENDING LEGISLATION—AUTHORIZING COMMITTEE 302(a) ALLOCATIONS FOR RESOLUTION CHANGES

[Fiscal Years, in millions of dollars]

House Committee	2007		2008		2008–2012 Total	
	BA	Outlays	BA	Outlays	BA	Outlays
Current allocation:						
Ways and Means	0	0	532	532	37	37
Change in the Temporary Tax Relief Act (H.R. 3996):						
Ways and Means	0	0	127	127	2,707	2,707
Revised allocation:						
Ways and Means	0	0	659	659	2,744	2,744

IMMIGRATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the minority leader.

Mr. KING of Iowa. Mr. Speaker, again I thank you for recognizing me to address you here on the floor of the United States House of Representatives; that never is an event for me that goes without profound appreciation for the privilege to stand here in this place that so many have stood in and engaged in this great deliberative body that we have.

I appreciate this opportunity that we have with technology that's available today to address you at the close of business, in fact, at the close of the week, and to be confident that the messages that flow forth from the floor of this Chamber echo not just in your ears, Mr. Speaker, but across this country.

And I would submit that, in this Nation that we have today, we have a greater opportunity to have a more representative form of our constitutional Republic than we had, perhaps, when the Founders established this country and drafted our declaration and used that foundation to draft our Constitution. At that time, the communications were limited to word of mouth and letters and newspapers that couldn't be produced at anywhere near the rate that we can produce communications today.

Today, we are real-time communications globally. And when we speak in this Chamber or do a press conference and talk to a radio or television station, or when any of the leaders do across the country, that echoes sometimes around the world. If the President holds a press conference, it echoes around the world.

And here we have that opportunity to speak to and address the issues of our day in a fashion that we can be confident that the American people, those that are interested in the subject matter that we raise, are having this conversation amongst themselves as well. And it takes place with cell phones and e-mail and Web pages and telephone calls and across the coffee table and at work and at school and at play and at ball games and at church, the aspects of our lives where we interchange with our ideas.

And we need to remember, as Members of Congress, that we come here to stand for and stand up for and represent the principles that have made this a great Nation, and that our debate needs to be a debate always with the idea in mind of what's the best policy for the United States of America, not necessarily what's the best politics for any individual Member of this Congress. And we have great appreciation and respect for this national conversation that takes place.

I would point out, Mr. Speaker, that the best example that I can think of in my time here in this Congress has been the national conversation that we've had on immigration. And of course we've had our debates that have gone on here for some years, and they have gotten very intense here on the floor of the House of Representatives, but the pivotal moment actually came over in the Senate several times this year, but late May is the one that stands out in my mind.

And as the discussion took place, the Wall Street Journal would write one thing and the New York Times would sometimes mirror that, and the Washington Times would have a different opinion and the National Review would have a different opinion. And as these opinions were merging, Americans were reading those articles. They were listening to the news stories on CNN, Fox News and the other major networks. And as these subjects came up and this discussion of what we're going to do, as Congressman POE spoke about the need to secure our border and enforce our immigration laws, that debate was taking place on our airwaves, on talk radio, in the print media, on television. It was taking place here on the floor of the House of Representatives, and it was taking place in those workplaces and all the way across the spectrum of American life.

And what we were having was a national conversation, a national conversation that often turned into an intense debate and sometimes a shouting match from one American to another. But as that went on, we tested our ideas. And as we raised up issues that we said were facts, and those facts were raised up with an opportunity for those who disagreed to challenge those facts, maybe present their own, Americans came to a consensus conclusion. And when it came to the consensus conclusion, that was when the crucible of the comprehensive immigration bill was before the United States Senate.

□ 1430

As it came before the United States Senate, the American people, having had a national conversation throughout all that media that I talked about, person-to-person, face-to-face decided we do not want an amnesty plan. We don't want a comprehensive immigration plan. I call it often a comprehensive amnesty plan. We want to make sure that we defend the rule of law, and whatever we do with legal immigration needs to be predicated upon the requirement that we establish the rule of law and that those who might be beneficiaries of a change in immigration law would be those people who have not violated our laws.

That was the principle that caused the American people to weigh in, that was the principle that shut down the switchboards in the United States Senate, that is the principle that has gotten their attention over there a couple of times since then, and it is this national conversation where we are able

to reach out and listen to and understand and benefit from the wisdom of the American people.

Our judgment is endorsed by the virtue that we have been elected to represent our constituents. But we need to use our most sound judgment. We also need to listen to our constituents and listen to this national conversation and make a decision on what is good for this country, the State that we are from and the district that we represent, and most likely we are better off if we go through it in that order.

Well, that issue, Mr. Speaker, has several times come to a conclusion in the Senate and they haven't had the votes to move that comprehensive immigration reform plan that I called comprehensive amnesty. I bring that up to illustrate how a national conversation brings us to a consensus. Sometimes we haven't reached a consensus here on this floor, and that is when you will see the divisive votes, the contested votes, and sometimes we do reach a consensus, and that is when the board is all green up here behind us, or almost all green when there are a few dissenters. That is generally the policy that is the best policy to follow. Meanwhile, some of us will stand on principle; some of us will be unwilling to move because we have taken our stand.

Well, I am watching also a dynamic here in America, Mr. Speaker, and this dynamic is such that the division of the American people looks to me like occasionally it's brought out because of legislation that is introduced and brought to the floor of this House. Now, when a baby is born anywhere in the world, they have kind of an equal chance of coming up on one side or the other of this philosophy, when they ask the question, Is your glass half full or is your glass half empty? In some places, teenagers start to answer that question for themselves. If they believe their glass is half empty, chances are they are going to look over at someone else whose glass has more in it and point to them and say, But if they hadn't gone ahead to fill their glass, mine would have filled automatically.

That is the class-envy side, that is the ''poor me'' side, that is the side that thinks that this economy and the privileges and the rights of being an American citizen are a zero sum game and that somehow there are only so many benefits to spread around so you always have to take from those that ''have'' and give it to the ''have-nots.'' It's kind of the Robin Hood theory of how they approach the tax policy or the benefits policy.

Well, Mr. Speaker, I would submit that here on the floor of the House today we had one of those issues. This issue was the tax relief, the alternative minimum tax patch, this patch that was brought by Chairman RANGEL. The oddest thing, the oddest thing that I have seen is that, first of all, the alternative minimum tax is the tax that was brought in decades ago to make sure that those who were the wealthiest among us paid a little more than their fair share; and because it was an index for inflation, more and more people earned a little more and picked up through the inflation factor a higher income and found that they had crept into the alternative minimum tax bracket. Common, ordinary, middle-income, slightly upper-middle-income Americans ending up paying the alternative minimum tax.

The irony is that we have an SCHIP bill out here someplace waiting to come back and land again here on the floor of the House, the State Children's Health Insurance Program. That is the program that taxes American taxpayers to subsidize health insurance benefits for mostly children, but not exclusively children, in America, and the policy that was passed off the floor of the House of Representatives advanced by Speaker PELOSI and most, if not all, Democrats was that 400 percent of poverty that we would subsidize out of the taxpayers' dollars, up to 400 percent of poverty the health insurance premiums for children in this country, most of whom had health insurance and all of whom had access to health care.

Well, the irony of that 400 percent of poverty piece was that there were 70,000 families in America that would be receiving the SCHIP benefit because they didn't have enough money presumably to pay the health insurance premiums for their children, but they had 70,000 families that were so wealthy that they would pay the alternative minimum tax.

I find it utterly ironic that here on this floor, within the same month, within the short compressed period of time, that might be days, certainly won't be longer than weeks, which is that to subsidize health insurance premiums for families making 400 percent of poverty, which, in my district would be, even at 300 percent of poverty, at $77,625, or very close to that. At least it's over $77,000. At 400 percent of poverty, it's over $103,000. We would subsidize health insurance premiums for those kids whose parents have plenty of money to pay the premium in order to crowd them off the private insurance roles and put them onto a government-funded taxpayer roll; and at the same time we would do that, 70,000 families would be the families that would also have to pay the alternative minimum tax.

If you want to look at the spectrum across which you have to go to close the gap on socialism, one can argue we are only helping the poor amongst us. So it's not socialism until everybody fits into the same category and we provide socialized medicine, socialized health care. Look at some of this things that have happened in Great Britain, nationalized utilities, for example. Those kind of things that would make Karl Marx happy, if you start from the poor and work your way up to the rich. I would argue that those that were paying the alternative minimum tax would, by definition, not be the poor among us. That is the reason for the alternative minimum tax, to tax the more wealthy among us.

But if they didn't have enough money to pay for the health insurance premiums for their children, is it because the alternative minimum tax took too big a bite out of their paycheck? Presumably so.

So we have to subsidize the health insurance premiums of those families that are paying the alternative minimum tax, the tax on the rich, because by the time we get done taxing them, they don't have enough money to buy the health insurance for their kids. That closes the gap on socialism, Mr. Speaker. I don't know that there is an argument left that this Congress hasn't advanced this to the point where there's a majority of votes in this Congress that would take us all the way, all the way to please the Marxist philosophy of ''from each according to his ability, to each according to his need.''

Let me quote one who was not known as a conservative, but a President from Georgia, Jimmy Carter, who said, ''I believe that people that work should live better than those that don't.'' It's interesting that a person of my persuasion would remember Jimmy Carter saying something like that. I remember it because he was in Iowa campaigning for the Presidency a generation ago, and I believed him. I don't know what he has done to demonstrate his belief in that statement. But, Mr. Speaker, I want to state in the RECORD I believe that those that work should live better than those that don't. If we take from those that work and give to those who don't, we need to take care of those people that can't help themselves, we need to take care of them to a minimum standard; but we don't need to raise them up to a level to those that work the hardest or most productive, not because it isn't a nice, fine and shining ideal that makes us feel good and makes me feel all warm and fuzzy inside, but because we destroy the motivation of the most productive people among us.

The key to America's success has been that you could pull yourself up by your bootstraps; that you could grow up in a poor family and have access to a good education, whether it's public or private, a good education, and in this country, if you want to go to college and have the ability, you can go to college and you can ply your trade and you can go from the soup line, all the way up to be a CEO on a Fortune 500 company. If you don't like that path, you can start your own business, be an entrepreneur and create your own Fortune 500 company. You can go from sweeping the floor to owning the floor. That is America.

But if we take away the incentive, if we reward the people who don't produce equivalent to those who do produce extraordinarily, then we have killed the goose that lays the golden

egg, we have destroyed the motivation, and the people that would be super-achievers will either stop being super-achievers and sit back and go golfing or fishing the rest of their lives, or they will go to a country that does reward their kind of excellence and their kind of performance.

So I believe, Mr. Speaker, that we need to always preserve a climate that is good for entrepreneurs, always preserve a climate that is low in taxation, low in regulation, that has faith in the good of humanity and recognizes that Americans are the most giving people in the world, that we donate a greater share of our income and we contribute a greater share in however you want to measure it, by percentage or by dollars, to other countries in foreign aid. We send more missionaries throughout the world and we follow them with our dollars and support them with our dollars because we care about humanity and we want to export our values to those corners of the world so they can have the opportunity to excel and live the kind of life that we have had the privilege to live here.

But to destroy this, to pass a piece of legislation in the alternative minimum tax, it does another thing that is unique, Mr. Speaker. What it does is it pays for a tax cut with a tax increase. That is something new and unique to the debate and the dialog here on the floor. I have the data here that shows that there are $82.5 billion in permanent tax increases that are incorporated into this alternative minimum tax, AMT, patch, and temporary relief turns into $82.5 billion in new tax increases, Mr. Speaker. It has a marriage penalty that is included in it as well.

This bill that passed off of this floor today is inconsistent with American values and undermines American values. It rewards people with the wrong incentives and it misses the opportunity for the right incentive. In fact, we should repeal the alternative minimum tax. We should do so on the spot, without regard to recovering any of that revenue because it's not revenue that was calculated to be part of our revenue stream today. It's an additional tax, a tax recalculated on a tax.

I have gone through that. I have gone through that process of getting that surprise years ago when I was actually a struggling business, trying to make a go of it; and because my income jumped from a meager existence in a couple of years to a pretty reasonable existence the following year, I got hit with the alternative minimum tax and that is when it was brought to my attention, and it was clear out of the intention of this Congress to do that on the alternative minimum tax.

We need to get rid of the AMT, we don't need to just patch it, and we surely don't need to put a permanent tax increase of $82.5 billion on the books and then say somehow that we are solving the problem. When you pay for a temporary tax cut with a permanent tax increase, that is not a tax cut, that is a stealth tax increase. I said it out loud. It's no longer stealth.

That is something that divides Americans. Why are we pitting Americans against Americans here in this Congress, Mr. Speaker? Shouldn't we be about unifying Americans, shouldn't we be about pulling ourselves together, finding ways that we can reach an agreement and setting up a policy and tax in particular that rewards people that work, gives them an opportunity? The philosophy that flows from the Speaker's gavel on down on the other side of the aisle, Mr. Speaker, is a philosophy of class envy, meanwhile, all the while, while the deep-pocket people that fund it are elitists.

So as I watch this unfold, it's an effort I think that divides us and doesn't unite us. I want a tax policy that pulls us together. You can listen to some of the philosophers in the early years of America's existence, and Alexander Tyler comes to mind. Some of the quotes that have been attributed to de Toqueville come to mind. But the idea that when Americans figure out that they can vote themselves benefits from the public Treasury, on that day our constitutional Republic ceases to exist.

You see reports that will show, this is some years ago, I haven't had it refreshed in the last few years, only 44 percent of Americans pay taxes and the rest may or may not file a tax return but aren't actually paying taxes. The number that I have in my memory is 44 percent of Americans don't pay taxes. That is some years ago. As that number grows, and it's surely larger today than it was then when I first read that quote, as that number grows and gets to that point, the tipping point across the other side of that great divide of 50 percent is when a majority of Americans realize I am not paying these taxes; why do I care about my taxes, I am on the benefit side.

□ 1445

Now, if 51 percent of Americans are on the benefit side and they're collecting more in taxes than they're paying, then it's to their interest to lobby and pressure and leverage their Member of Congress to increase the benefits out of the pockets of somebody else. That's the transfer payment.

And so we get down to this point where this constitutional republic gets closer to being a pure democracy. And a pure democracy is best described as, you will remember the Greek city-states where all eligible males of age could go and vote and that was their definition, and each vote counted the same, so that was as close as we've seen in history to a pure democracy.

But a democracy by definition, Mr. Speaker, and I'll give this definition, is the equivalent of two wolves and a sheep taking a vote on what's for dinner. You know what's going to happen. The sheep is going to be for dinner. So just having the majority doesn't make it right. That's why we have the Bill of Rights. That's why we have protections for people that are guaranteed in the Constitution, because if it were a pure democracy, it would have been easy to set up a pure democracy. The Founders saw that. They studied the Greek city-states. I recall going to the National Archives and walking through a display where they had the pottery from the Greek era, from, say, 2,500, 3,000 years ago, and how they actually would banish a demagogue from the Greek city-state because he was so effective in selling the things that he believed in that the people got all swept up in the demagoguery—that's where the term comes from—and they would vote something that was perhaps irrational but they believed that they were in the momentum and they would cast the votes and the city-state would go the wrong direction. When they recognized what the demagogue had done to sell them the bad package, then they had the black ball system, whereby each one who could vote in the city-state could walk by with a white marble and a black marble, one piece of pottery, one vessel, was to vote in and the other one was to discard. And if a demagogue, one that was labeled to be a demagogue received three of those black balls, then he was banished from the Greek city-state for 7 years. They did that to protect themselves from those skilled orators that could move the populace. When they saw that, that's the thumbnail sketch of the studies of the Greek city-states in the pure democracy, our Founders concluded they wanted a constitutional republic, not a democracy. That's why we have this constitutional representative republic today.

But in order to get the republic established in the Constitution, they had to write in the protection of the rights, the Bill of Rights. Those rights are there to be constitutionally protected, because the Founders knew that two wolves and a sheep taking a vote on what's for dinner wasn't going to yield a nation that could subsist very long. Well, if our constitutional republic, our representative form of government, has now devolved down to the point where it is more a democracy and it is less a constitutional republic and if Members of this Congress don't see their job as a duty to stand up for those principles and those rights and have a long-term vision on what's good for America, but if they simply vote their constituents and come what may with any kind of long-term plan or based upon any principles, or if they can come here to the floor and vote for something that they know to be unconstitutional because that's what their constituents want, Mr. Speaker, I will submit this republic will not very long last.

As I see what's happening with the alternative minimum tax and we are taking from those that produce to spread those dollars across others who are, I think, pretty well taken care of at the time, we've taken away the incentive to produce and we've reduced this down into a pile of spoils in the

middle, the general fund, that's being squabbled over by an ever divergent group of minority classes that are lining themselves up to demand more from the taxpayers of America.

It has only been just a little over 40 years since John F. Kennedy said, ask not what your country can do for you but ask what you can do for your country and here we are squabbling over how we're going to run a tax increase for $82.5 billion, permanent, in order to say we did something about the alternative minimum tax right within this same period of time that we're dealing with an SCHIP program and having passed off of this a 400 percent of poverty benefit, negotiated it down thankfully out of the Senate to 300 percent of poverty, that's still way too much, that is irresponsible and again pits Americans against Americans and the depth of the debate that the other side can go on SCHIP is, it's for the kids.

Well, that's nice that it is for the kids. We're all for the kids. So what's your other point? I'd like to hear it. Is it more than for the kids? Yes, it's for the politics, Mr. Speaker, as well as the kids. And those who believe that they should lay the cornerstone of socialized medicine and see to it that children in America are all covered by the taxpayer's dollar rather than the responsibility of the parents and with the help of, in most cases, their employers.

If this becomes a responsibility and entitlement for the taxpayers to fund health insurance for kids, then pretty soon there's no distinction between a health insurance subsidy out of the taxpayers and just simply funding the health care for children. The distinction blurs and at some point there's no distinction, then, between Medicaid, which provides for those kids in poor families and adults, and providing health care for all kids in America. If you pay their insurance premium, you're paying their health care.

This majority on the Speaker PELOSI side of the aisle wants to pay for almost all, if not all, of the health insurance premiums for the kids in America. And if you do that, you know that there will not be private health insurance any longer in this country, and you know that eventually there will not be, either, insurance plans. It will just simply be government-funded health care for all kids in America.

Bill Clinton knew that. He knew that when he stood on this floor on September 22, 1993, and addressed a joint session of Congress and laid out his strategy and health care plan. And if you'll remember from that address that he gave to the Nation—it was essentially unprecedented, a joint session of Congress to speak about health care—from that address to the Nation, he convened the Hillary Hearings and those meetings, some of them in public, some of them in private. And that was another case, Mr. Speaker, where the American people started to pay attention. They didn't get to see everything that went on. A lot of it was behind closed doors and a lot of the staff work that went on was certainly behind closed doors. We still can't get that information. It's still locked up in the Archives and we're still waiting for President Clinton to issue a letter request to release that information so we can evaluate what went on behind the scenes.

But the American people knew this. They did not want socialized health care in America. They understood what happened in places like Great Britain and Canada and they want to have a private system that will allow individuals to make some of their own and they should be able to make all of their own health care decisions. And so the American people rose up even then and rejected the plan that came out that has become known as Hillary-care. That's another example of a national conversation, Mr. Speaker, that went on at that time not with the benefit of very much e-mail, not with the benefit of the Internet in an effective way but with the benefit of television and radio and print media and telephones and conversations that were going on at church, at play, at work and across this country. The American people came to a consensus and said, we don't want Hillary-care, rejected it, and so preserved a measure of the private care that we have today. Another example of how a national conversation comes together.

We are engaged in this right now, Mr. Speaker. The alternative minimum tax is not a fix, all in the same environment as the SCHIP debate which is designed to lay the cornerstone of socialized medicine, bring people over to the dependency side of this and whenever we make people more dependent, they become less self-reliant by definition and when that happens, we lose the vitality of the American people. We need to understand why we have this vitality. The vitality of the American people comes from a number of things. I call them the pillars of American exceptionalism. Some of this vitality is because we have an excellent educational system in this country. Perhaps I'll return to that a little bit later, Mr. Speaker.

But I would point out, also, that we have a culture here, a culture where we raise our children to study hard, to work hard, to save, to invest, to be creative, to be risk takers, to be entrepreneurs. All of that fits within the umbrella definition of working to achieve the American Dream. Each of us has a different definition of what that American Dream means to us. My sons have a different view than I had. I have a different view than my father had. But that's something in our culture that we raise our children to. And I will define this American Dream this way: to leave this country and this world a better place than when you found it. To always build, build, build, work to improve, grow this economy, improve the infrastructure, build the systems here that give our children more opportunity than we had. And every generation of Americans have had that opportunity that's been greater than the opportunity that their parents had, which was better than the opportunity that their grandparents had and so on back to the beginnings of the Founders. That's the American Dream, to create and build a country that's better than it was.

So this vitality that we have, it's tied into our Judeo-Christian values, it's tied to western civilization, it's tied to free enterprise capitalism and property rights, not just the property rights to own your house but the right to invent a widget or a gadget and take it to the patent office and get it patented, to protect your copyrights, to protect your trademarks and those things. Solid currency, property rights, constitutional rights, a tradition of free enterprise capitalism, all of that ties together to make this the best place in the world to do business and the best place in the world to raise your children. And when we pass policies that diminish that, that would punish people for producing and then reward people for not producing, yes, it's good to take care of the kids but those kids don't need that help when their parents are making $103,000 a year. And they probably don't need that help if their parents are making $77,000 a year. And they may be doing just fine if their parents are making $51,625 a year. They're not coming to me saying, I can't make it on only $51,000 a year.

But we would push them off their private health insurance, we would crowd them out and we would say to their parents, Don't work so hard because we're going to tax you if you produce too much.

So I submit, Mr. Speaker, we need to get to a tax policy that recognizes the merits and the uniqueness of American exceptionalism, a tax policy that recognizes that when 51 percent of Americans are no longer paying taxes but they're voting for the people that will give them benefits out of the public Treasury, maybe on that day our constitutional republic will cease to exist.

But maybe we've passed that point now and maybe there's a way to get back. So I'll submit here's a way to get back. Let's pass the FairTax. Let's take a look and understand this. Ronald Reagan once said that what you tax, you get less of. He also said what you subsidize you get more of. So if we subsidize dependency, we're going to have more dependency. But if we tax production, we're going to have less production.

And this might be a revelation to some people on the other side of the aisle, Mr. Speaker, but the Federal Government has the first lien on all productivity in America. If you walk into your factory and punch the clock at 8 o'clock next Monday morning, as soon as you punch that time card in there, Uncle Sam's hand goes out and he's standing there waiting to get his

due. He taxes your work, your labor, your productivity from the first second of the first day of the week and he will tax it until such time as he gets his due. Then he puts it in his pocket and you can go off and go to work for the State, then for the county, then perhaps for the city, and some time pretty late in the week you get to make a little bit of money to feed your kids.

The first lien on all productivity in America is Uncle Sam, hand out, you punch the time card. Maybe you put that savings that you have that's left out of what he doesn't tax and you put that in a bank account or invest it maybe in the stock market, maybe in a mutual fund. Well, there's the interest. There's the dividends. Guess what. Uncle Sam's hand is out for that, too. Maybe you invest in a business. You decide you're going to manufacture automobiles or widgets or computers, or sometimes we say in my part of the district, layovers to catch muddlers. If you do that, Uncle Sam is there to tax the profit on it and he'll tax the labor that goes into it.

We have a real misunderstanding here when we decide we're going to tax corporations or businesses that provide goods and services, because something that we know, Mr. Speaker, is that business, and particularly corporations—let me put those both together without drawing a distinction between them—businesses and corporations do not pay taxes. They have to pass those taxes along to people. Consumers pay taxes.

But the government has a first lien on all productivity. So we tax that productivity, whether it is capital gains, if you buy a farm for $1,000 an acre and sell it for $2,000 an acre, Uncle Sam wants to tax that thousand dollars profit. And if you sell some stock shares and you paid $5,000 and they had a good earnings and you collect $10,000 for them, Uncle Sam wants to tax the difference, the $5,000 in profit.

□ 1500

And he wants to tax your passbook savings account, and does. And he has a first lien on your Social Security income, on your pension income, earnings, savings, investment dividends, capital gains. He taxes everything that is indexed to productivity in America. A first lien on all productivity in America. And why?

Don't we understand here in this Congress that what you tax you get less of. Why wouldn't we consider the idea of taking the tax off of all productivity in America and put it on consumption? I won't say that we have too much consumption, because that keeps the economic wheels turning; but we have too little savings and investment. If we tax consumption, we will get more savings and more investment and we will have more capital and we will be better positioned to take care of our own retirement and our own health care through our working years and perhaps on through retirement.

If we do this idea of totally reforming our Tax Code and shifting it over to a fair tax, a national sales tax, a consumption tax on all goods and services in America, why would we not do that? That would be the fairest way. I am reluctant to use the word ''fair'' because anybody who has raised two or more children knows there is no such thing as ''fair.'' You will begin to understand that fairness is in the perception of the one who utters the word.

Going to the fair tax, the national sales tax, H.R. 25 does this: it untaxes the poor and it makes everybody in America a taxpayer at the same time. It preserves our constitutional Republic because every little kid growing up in America, when they buy their baseball cards or Barbie Doll clothes, they will have to put a couple of dimes up for Uncle Sam.

If you wonder how this works within the mind-set of young people, I will tell you a story of a young little man, Michael Dicks. And he can be very proud of his father. He was 8 years old when I heard this story so I suspect he is 9 or 10 right now.

He had saved money to buy some Skittles. He went into the store with his money, 89 cents. That was the price. He got the candy Skittles off the shelf and put them on the counter. And the lady rang it up and said, 96 cents.

He said 96 cents? But I only have 89 cents. They are 89 cents. It says on the box.

Yes, but you have to pay the tax, so that is 96 cents.

The tax? And he turned to his father and said, Dad, I have to pay tax on Skittles?

Mr. Speaker, yes, this young man, Michael Dicks, learned he had to pay tax on Skittles because that is the sales tax in Iowa because we do tax candy and not other types of food. So he understood it costs money to fund the government. The 7 cents that got added on was a 7-cent lesson that rang up in the mind of Michael Dicks who now knows you have to fund the government. He learned at the age of 8. He will probably remember for a lifetime.

I don't know the balance of the story, but the next time he reaches in his pocket to buy something, he will know he has to pay the tax. That factors into his transaction on whether he will spend the money.

I will submit, Mr. Speaker, if every little kid growing up in America has to reach into their pocket for a couple of dimes for Uncle Sam, if they have to dig the 7 cents out for the tax, if they turn to their father and say, Dad, I have to pay tax on Skittles, these young men and women will grow up understanding that government is expensive and they will put less demands on government, and they will put less demands on their Members of Congress, less demand on their Governors and State Representatives and State Senators and less demand on their county and city governments, and they will be more personally self-reliant and they will be more generous in their contributions to society because they understand it is not somebody else paying the tax, it is they that are paying the tax. They have to dig in their pocket to pay the tax.

And those billions of transactions laid across millions of kids growing up eventually percolates into this Congress where we will have people who come down to this floor and understand that government is not the solution to everything. It is not the be all, end all. It is not the place to fight out class envy battles. It is the place to ask for more personal responsibility. It is the place to show spending restraint. We need some restraint on spending.

It is not a place to grow and blow this budget, to create more of a dependency class. It is not a place to say we want to take some funds here that seem to be anonymous coming out of somebody else and spread them across somebody out here that we claim has a need for the purpose of moving us closer to socialism, and it does, Mr. Speaker.

No, this is the kind of country that is great and was made great by individuals who took personal responsibility, who were creative entrepreneurs, who were wonderful mothers and fathers who understood the dream of our Founders and this gift that God has given this country, that is reflected through the work that our Founders did in the Declaration and the Constitution.

Mr. Speaker, we are going backwards in this 110th Congress. We are creating more dependency, not less. SCHIP is one, and the alternative minimum tax is another.

While all of this is going on, we passed several pieces of energy legislation that takes us in the wrong direction again, that makes us more dependent, not less.

There has not been a piece of energy legislation that has come across the floor of this Congress that did anything except increase the cost of energy, that made energy more scarce, that made the cost of a Btu higher than it was before.

I have listened to all of the debates and the arguments, and nobody really stood up over there and said I think it is a good idea to increase the cost of gasoline or heating oil for the homes.

But what they really say is a convoluted argument that gets this goal. As I listen between the lines, I have become convinced that there are significant Members on that side of the aisle, Mr. Speaker, that really do want to see energy prices higher, energy prices higher, more cost per Btu. Why? Because they believe if energy is higher in cost, people will use less of it. They will park their car and ride their bicycle. And meanwhile, some of the people who are advocating such a thing are living in mansions with large carbon footprints, way beyond anything I could make in my meager life here.

So the idea of more expensive energy, you need to come clean on that. If you

believe in that, stand up and say so. I believe you believe in that.

So as energy gets more expensive, we are going the wrong way. The right way to go with energy is to grow the size of the energy pie. There are X number of Btus on the market. If you think of that in a pie chart, coal, nuclear, solar, gas, and diesel fuel. And then we look into some that I like even better, ethanol, biodiesel and wind, those renewable energies that get attached to solar, and I think hydroelectric should be considered a renewable energy as well because it is very environmentally friendly and we could make more of it if we could get there politically.

If you add up all of those pieces of the pie and envision them as slices of the overall pie, and there is another slice, and that is energy conservation. But we don't need a pie this big, we need a pie this big. We need to add to the Btus on the market, the overall energy, and change the overall proportion so it is a larger slice for ethanol, a larger slice for biodiesel, a larger slice for wind, and where we can make a cash flow, a larger slice for solar. And clean-burning coal technology has a home here that we have to be supportive of for a long time to come.

All of those things add more Btus to the market. When you do that, the laws of supply and demand, and maybe some people on that side of the aisle believe they have repealed since they have taken over the gavels in this Congress, I will submit it is always supply and demand in the end.

Unless you can repeal the law of supply and demand, we will see the Btus get cheaper. The overall cost of our energy per unit of energy will get cheaper if we put more of it on the market.

So we increase the volume of energy we are producing, we put it on the market and that will slow the increase in the cost. And if we do it effectively enough, it will reduce the cost of our energy.

I will submit this, Mr. Speaker, we need more gas. We need more diesel fuel. We need to drill in ANWR and the Outer Continental Shelf. We need to work some kind of transactions so we have access to the developing oil fields in the world. The Chinese are doing that in an effective fashion. They have built a pipeline from Kazakhstan into China. The Chinese are in the Western Hemisphere drilling for oil that we won't go get. While we prohibit drilling offshore in places off the Outer Continental Shelf within the 200-mile range. Some say with Chinese assistance, they are drilling closer to America than we can drill to America. I haven't verified that, but I intend to verify that particular thing.

So we need to grow the size of the energy pie. If we do that, the cost will be cheaper, not greater. It will take down some of the prices of our energy. Energy is interrelated. The cost of gasoline is related to the cost of diesel fuel, is related to the cost of ethanol to biodiesel, to the overall cost of natural gas to the propane component that is there. And the more energy we can put on the market, the better off we are. And the more we can increase the conservation, the less demand there is for that energy.

We need to have a coherent energy policy in this Congress, not one that is haphazard or one that has a subliminal wish over here that is unspoken that we should increase the cost of energy because then we will have less people driving cars and more people riding bicycles. That takes us back to pre-Garden of Eden standards of technology, and I reject that.

And I will raise the issue, to rebut Cornell University and the University of California Berkley who have rolled out a study that argues that ethanol consumes more energy than it creates. That is simply not a fact, Mr. Speaker.

I wouldn't know why anyone would go to a place like Cornell or University of California Berkley to get their ethanol facts. Come to Iowa. We are the number one ethanol production State in the Union. The United States of America has surpassed Brazil in ethanol production some 2½ years ago. People think you should go to Brazil to pick up on their technology. I wasn't all that impressed with what I saw there. But we can be impressed with what we developed in the corn belt. And it is not just Iowa. Minnesota took a good lead, and it is flowing into States like Nebraska and Illinois.

We have state-of-the-art technology, and we are improving on it yet that brings us a significant amount of efficiency in converting corn to ethanol. There will be a limit to the number of gallons we can produce. But it works like this. Cornell and UC Berkley took a position that it took substantially more energy to produce a gallon of ethanol out of a bushel of corn than you got out of the gallon of ethanol.

Mr. Speaker, it is important that we understand that energy needs to be in the kind of composition that we can utilize it. And so if we have gasoline that is liquid and we can put it into our tank and drive down the road, we can utilize it.

If we have coal in the ground and it is 100 feet below the surface, it is not easy to utilize. But we mine it. Sometimes we mine it and sometimes we open pit it. We do harvest that coal. Then we convert the coal. We run it through a grinder and run it through a series of plates that pulverize the coal and inject it into a fire to turn it heat so we can turn the heat into steam and the live steam then is converted into kinetic energy which spins the generator that sends the electricity down the wires that goes into the electric motor. That is a long way from coal underground in Wyoming to spinning an electric motor in some place like Georgia. By the way, that coal from Wyoming does get to Georgia to do just what I said.

But that is converting an energy source into a usable form. The usable form turns out to be the electricity way on the other end of that process. And look how far gasoline has to travel to get into the tank. You have to drill a hole and get down into that crude oil. You have to pump out that crude oil and send it to the refinery and crack that gas out of that crude oil into a form that you can get it up to the gas station and into the pump, through the nozzle so you can get it into your tank so you can burn the gas to turn it into energy to drive your car down the road.

□ 1515

We do the same thing with ethanol. So this energy that's required to convert ethanol, there are several ways to measure it but it comes to this. It takes energy to get a barrel of crude oil to the refinery, let's say in Texas, and it takes energy to get a bushel of corn to the gates of the ethanol plant in Iowa. But once you set that barrel of crude oil down at the refinery or that bushel of corn down at the ethanol plant, now it takes energy to get it out.

People say that it takes more to get the energy out of ethanol than you get out of it. Mr. Speaker, I'm here to quote into the RECORD the real numbers, and it works out to be something like this. There's something about 110,000 Btus of energy in a gallon of gasoline, and there's something like 76,100 Btus of energy in a gallon of ethanol. It's about a .7 factor. There's less energy in a gallon of ethanol than there is a gallon of gasoline. We know that. We factor that in.

But if you think of a gallon of gasoline or gallon of ethanol, of each containing 100,000 Btus, that's kind of in the ballpark of the energy you get out of a gallon, and if you compare the Btus straight up, then to get 100,000 Btus out of a barrel of crude oil, one of those $96 barrel of crude oil, if you factor the energy it takes to convert the crude oil to 100,000 Btus of energy, it will take 130,000 Btus to convert that crude oil to get 100,000 Btus of energy. It takes 130,000 Btus to get 100,000 Btus out of a barrel of crude oil in the form of gasoline. More energy required to crack it out and turn it into gas than you get in the gas itself.

But on the other side, at the gate of the ethanol plant, if you have a bushel of corn, the energy required to convert that corn into 100,000 Btus of ethanol, roughly a gallon equivalent but matched up exactly to the gasoline, is 67,000 Btus of energy to get the corn into 100,000 Btus of energy in ethanol.

So those numbers work out this way. Two jugs here, one with ethanol in it, one with gas in it, each with 100,000 Btus of energy. The gas jug took 130,000 Btus to produce that. The ethanol took 67,000 Btus to convert that to 100,000 Btus of energy. So it's roughly twice as much energy to turn crude oil into a gasoline equivalent yield result as it is to turn corn into ethanol. That's the fact. That's the facts that places like Cornell and University of California

Berkeley don't seem to understand so well, Mr. Speaker.

I want to make sure that went into the CONGRESSIONAL RECORD, but overall is this, we need to grow the size of the energy pie. We need to drill in ANWR because that's our oil, and there's no better place it could be. We need to go to the Outer Continental Shelf and drill the Outer Continental Shelf where we have 406 trillion cubic feet of natural gas. And that natural gas, by the way, is 90 percent of the feedstock that's required, 90 percent of the overall cost to produce nitrogen, which is the fertilizer foundation for the food we eat. We should not be dependent upon the Venezuelans or the Russians for their fertilizer that would essentially slow down or potentially control the food in the world.

We should pass a fair tax so that we can take our tax off of all production and put it on consumption. And we should not do class envy things like a temporary patch for this alternative minimum tax that turns it into a permanent tax increase of $82.5 billion. We should not pay for temporary tax cuts with permanent tax increases.

We should not be subsidizing health insurance for kids and families that are making $103,000 a year or more. We should be rewarding those that work better than those that don't so we can maintain this vitality of American exceptionalism.

And we should be downright grateful that we have had in the past, but not today, a logical immigration policy that was designed to enhance the economic, the social, and the cultural well-being of the United States of America and reached out across the world, and from every country, from every civilization, we received the cream of the crop. The people that came here had to overcome burdens and hurdles and difficulties to get here. That meant they had to have a dream. They had to have a dream that sometimes they sold themselves into servitude to come here and maybe for 7 years they worked to pay off their passage into the United States.

I have a great-great-grandfather, multiple greats back, that did that and landed in Baltimore as an indentured servant. But the people that had a dream found a way to come here, and those that sorted themselves out from their societies, and maybe it was for religious freedom and maybe it was for economic freedom, and hopefully it was for both, they came here and established a culture that's a Judeo-Christian Western civilization culture that recognizes that this is a great country that protects individuals' rights.

And we have, because we've skimmed the cream off of the Nations in the world and brought their vitality here and because we have the rights that are identified in the Bill of Rights and in our Constitution, because we have a Judeo-Christian Western civilization, Protestant work ethic culture that the Catholics have done a great job of jumping on board with and a number of other denominations as well, we have this vitality here that makes us the unchallenged greatest Nation in the world.

And it's our duty, Mr. Speaker, to preserve and protect and promote that great blessing that we have inherited here. That's our duty on the floor of this Congress. That's what should come to the floor as the policy unfolds, not class envy but lifting each of us up and keeping faith with God and with our Founders.

I thank you, Mr. Speaker, for the privilege to address you and the floor of the House.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 21 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. JONES of Ohio) at 4 p.m.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MCCOLLUM of Minnesota (at the request of Mr. HOYER) for today from noon to 2 p.m.

Mr. HOBSON (at the request of Mr. BOEHNER) for today on account of official business.

Mr. JONES of North Carolina (at the request of Mr. BOEHNER) for today on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. WOOLSEY) to revise and extend their remarks and include extraneous material:)

Mr. CUMMINGS, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mrs. MCCARTHY of New York, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. HOLT, for 5 minutes, today.

Mr. SPRATT, for 5 minutes, today.

(The following Members (at the request of Mr. POE) to revise and extend their remarks and include extraneous material:)

Mr. POE, for 5 minutes, November 16.

Mr. JONES of North Carolina, for 5 minutes, November 16.

Mr. PENCE, for 5 minutes, today.

ENROLLED BILL SIGNED

Ms. Lorraine C. Miller, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3222. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 10:30 a.m. on Tuesday next for morning-hour debate.

There was no objection.

Accordingly (at 4 o'clock and 1 minute p.m.), under its previous order, the House adjourned until Tuesday, November 13, 2007, at 10:30 a.m., for morning-hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

4067. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule — Emerald Ash Borer; Quarantined Areas; Maryland [Docket No. APHIS-2007-0028] received October 9, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4068. A letter from the Under Secretary for Acquisitions, Technology and Logistics, Department of Defense, transmitting the Strategic Materials Protection Board's report from its July 17 meeting, pursuant to Public Law 109-364, section 843; to the Committee on Armed Services.

4069. A letter from the Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations — received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4070. A letter from the Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — FLOOD MITIGATION ASSISTANCE [Docket ID FEMA-2007-0003] (RIN: 1660-AA00) received November 2, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4071. A letter from the Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — FLOOD MITIGATION GRANTS AND HAZARD MITIGATION PLANNING [Docket ID FEMA-2006-0010] (RIN: 1660-AA36) received November 2, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4072. A letter from the Counsel for Legislation and Regulations, Department of Housing and Urban Development, transmitting the Department's final rule — HUD Office of Hearings and Appeals Conforming Amendments; and Technical Correction to Part 15 Regulations [Docket No. FR-5137-F-01] (RIN: 2501-AD32) received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4073. A letter from the Department of Labor, transmitting the Department's final

rule — Sealing of Abandoned Areas (RIN: 1219-AB52) received October 9, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and Labor.

4074. A letter from the Director, International Cooperation, Department of Defense, transmitting Pursuant to Section 27(f) of the Arms Export Control Act and Section 1(f) of Executive Order 11958, Transmittal No. 11-07 informing of an intent to sign a Project Arrangement Number Four Concerning an Apache Attack Helicopter Canopy Removal System Replacement Detention Cord with the Government of Great Britain, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

4075. A letter from the Director, International Cooperation, Department of Defense, transmitting Pursuant to Section 27(f) of the Arms Export Control Act and Section 1(f) of Executive Order 11958, Transmittal No. 10-07 informing of an intent to sign the Wideband Global Satellite Communications Memorandum of Understanding between the United States and Australia, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

4076. A letter from the Secretary, Department of the Treasury, transmitting as required by Executive Order 13313 of July 31, 2003, a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

4077. A communication from the President of the United States, transmitting notification that the national emergency with respect to Iran originally declared on November 14, 1979, by Executive Order 12170, is to continue in effect beyond November 14, 2007, pursuant to 50 U.S.C. 1622(d); (H. Doc. No. 110-75); to the Committee on Foreign Affairs and ordered to be printed.

4078. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report concerning efforts made by the United Nations and the Specialized Agencies to employ an adequate number of Americans during 2006, pursuant to Public Law 102-138, section 181; to the Committee on Foreign Affairs.

4079. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

4080. A letter from the Under Secretary for Policy, Department of Defense, transmitting the Department's notification of the intention to obligate additional funds to Armenia under the Cooperative Threat Reduction Biological Threat Reduction-FSU Program Area, pursuant to Public Law 104-106, section 1205; to the Committee on Foreign Affairs.

4081. A letter from the Secretary, Department of the Treasury, transmitting as required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and pursuant to Executive Order 13313 of July 31, 2003, a six-month periodic report on the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995; to the Committee on Foreign Affairs.

4082. A letter from the Chief Acquisition Officer, GSA, Department of Defense, transmitting the Department's final rule — Federal Acquisition Regulation; Federal Acquisition Circular 2005-20; Small Entity Compliance Guide [Docket FAR-2007-002; Sequence 5] received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

4083. A letter from the Chief Acquisition Officer, GSA, Department of Defense, transmitting the Department's final rule — Federal Acquisition Regulation; FAR Case 2006-029, Federal Funding Accountability and Transparency Act (FFATA) — Reporting Requirement of Subcontractor Award Data [FAC 2005-20; FAR Case 2006-029; Docket 2007-0001; Sequence 5] (RIN: 9000-AK72) received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

4084. A letter from the Chief Acquisition Officer, GSA, Department of Defense, transmitting the Department's final rule — Federal Acquisition Regulation; Federal Acquisition Circular 2005-20; Introduction [Docket FAR-2007-002, Sequence 5] received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

4085. A letter from the Chairman, Securities and Exchange Commission, transmitting the Commission's commercial activities inventory for FY 2007, as required under the Federal Activities Inventory Reform Act of 1998; to the Committee on Oversight and Government Reform.

4086. A letter from the Acting Director, U.S. Trade and Development Agency, transmitting the Agency's Strategic Plan for Fiscal Years 2008 through 2012, pursuant to the Government Performance and Results Act (GPRA) of 1993, Pub. L. 103-62; to the Committee on Oversight and Government Reform.

4087. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule — Montana Regulatory Program [MT-025-FOR] received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

4088. A letter from the Assistant Secretary for Fish, Wildlife and Parks, Department of the Interior, transmitting the Department's final rule — Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for Piperia yadonii (Yadon's piperia) (RIN: 1018-AU34) received October 17, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

4089. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting As required by Section 417(b) of the USA Patriot Act of 2001 (Public Law 107-56), the annual report on the status of the implementation of machine-readable passports (MRPs) in countries participating in the Visa Waiver Program (VWP); to the Committee on the Judiciary.

4090. A letter from the Director, Congress Watch Division, Public Citizen, transmitting the Public Citizen's report entitled, ''The Arbitration Trap: How Credit Card Companies Ensnare Consumers''; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDEE: Committee of Conference. Conference report on H.R. 1429. A bill to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes (Rept. 110–439). Ordered to be printed.

Ms. CASTOR: Committee of Rules. House Resolution 813. Resolution providing for consideration of the conference report to accompany the bill (H.R. 1429) to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes (Rept. 110–440). Referred to the House Calendar.

Mr. FRANK of Massachusetts: Committee on Financial Services. H.R. 3915. A bill to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes; with an amendment (Rept. 110–441). Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

H.R. 3887. Referral to the Committee on the Judiciary extended for a period ending not later than November 20, 2007.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. WALBERG (for himself, Mr. CAMP of Michigan, Mr. MCCOTTER, Mr. EHLERS, Mr. ROGERS of Michigan, Mr. HOEKSTRA, Mr. GORDON, Mrs. JONES of Ohio, Mr. HOLDEN, Mr. DEFAZIO, Mrs. CAPITO, Mr. KUHL of New York, Mr. HAYES, Mr. ROHRABACHER, Mr. DAVID DAVIS of Tennessee, Mr. CONAWAY, Mr. SALI, Mr. ROYCE, and Mr. SOUDER):

H.R. 4130. A bill to amend title 38, United States Code, to provide for certain servicemembers to become eligible for educational assistance under the Montgomery GI Bill; to the Committee on Veterans' Affairs.

By Ms. RICHARDSON (for herself, Ms. WATSON, Ms. CLARKE, Mr. HASTINGS of Florida, Mr. SERRANO, Mr. FARR, Mr. EHLERS, Mr. CONYERS, Mr. AL GREEN of Texas, Mr. FALEOMAVAEGA, Ms. CORRINE BROWN of Florida, Mr. CLEAVER, Mr. THOMPSON of Mississippi, Mrs. MALONEY of New York, Mr. GEORGE MILLER of California, Ms. BALDWIN, Mr. LEWIS of Georgia, Ms. LEE, Ms. MCCOLLUM of Minnesota, Ms. HARMAN, Ms. SUTTON, Ms. JACKSON-LEE of Texas, Mr. SHERMAN, Mr. CUMMINGS, Mr. SCOTT of Virginia, Mr. BRADY of Pennsylvania, Mr. GRIJALVA, Mrs. CHRISTENSEN, Mr. DAVIS of Alabama, Mr. JOHNSON of Georgia, Mr. PAYNE, Mr. WYNN, Ms. CARSON, Mr. ELLISON, Mr. JEFFERSON, Ms. KILPATRICK, Mr. FATTAH, Mr. TOWNS, Mr. MOORE of Kansas, Mrs. JONES of Ohio, Ms. NORTON, Mr. MEEK of Florida, Ms. LINDA T. SÁNCHEZ of California, Mr. RANGEL, Mr. BERMAN, Mr. WATT, Mr. KENNEDY, Mr. ROHRABACHER, Mr. CALVERT, Mr. MCNERNEY, Mr. STARK, Mr. ISSA, and Mr. DAVIS of Illinois):

H.R. 4131. A bill to designate a portion of California State Route 91 located in Los Angeles County, California, as the ''Juanita Millender-McDonald Highway''; to the Committee on Transportation and Infrastructure.

By Mr. KIRK (for himself, Mr. ROSKAM, and Mrs. BIGGERT):

H.R. 4132. A bill to amend the Internal Revenue Code of 1986 to increase the exclusion of

gain from the sale or exchange of a principal residence to $1,000,000; to the Committee on Ways and Means.

By Mr. PENCE (for himself, Mr. PITTS, Mr. SMITH of New Jersey, Mr. FRANKS of Arizona, Mr. FORTENBERRY, Mr. AKIN, Mr. GARRETT of New Jersey, Mr. BURTON of Indiana, Mr. BRADY of Texas, Mr. GINGREY, Mr. BROUN of Georgia, Mr. HERGER, Mr. HOEKSTRA, Mr. CHABOT, Mr. LAMBORN, Mr. SENSENBRENNER, Mr. DOOLITTLE, Mr. DAVID DAVIS of Tennessee, Mr. GOODE, Mr. WELDON of Florida, Mr. JORDAN, Mr. KLINE of Minnesota, Mr. WALBERG, Mr. FEENEY, Mr. INGLIS of South Carolina, Mr. RYAN of Wisconsin, Mr. MANZULLO, Mr. CAMPBELL of California, Mrs. MUSGRAVE, Mr. SALI, Mr. FORTUÑO, Mr. BARTLETT of Maryland, Mr. FLAKE, and Mr. CONAWAY):

H.R. 4133. A bill to amend title X of the Public Health Service Act to prohibit family planning grants from being awarded to any entity that performs abortions, and for other purposes; to the Committee on Energy and Commerce.

By Ms. LINDA T. SÁNCHEZ of California (for herself, Mr. YOUNG of Alaska, Ms. BERKLEY, Mrs. MCCARTHY of New York, Mr. CHABOT, Mr. SIRES, Ms. DELAURO, Mr. DAVIS of Alabama, Ms. BORDALLO, Mr. ELLSWORTH, Mrs. LOWEY, Mr. REHBERG, Mr. CASTLE, Mr. MCINTYRE, Mr. KENNEDY, Ms. KILPATRICK, Mr. MICHAUD, Mr. ROTHMAN, Mr. BOOZMAN, and Mr. BRADY of Pennsylvania):

H.R. 4134. A bill to direct the Attorney General to provide grants for Internet crime prevention education programs; to the Committee on the Judiciary.

By Mr. BACA:

H.R. 4135. A bill to establish the Family Foreclosure Rescue Corporation to provide emergency relief to refinance home mortgages of homeowners in foreclosure or default; to the Committee on Financial Services.

By Mr. CARNEY:

H.R. 4136. A bill to amend title 18 of the United States Code to clarify the scope of the child pornography laws, and for other purposes; to the Committee on the Judiciary.

By Mr. GEORGE MILLER of California (for himself and Mr. HINOJOSA):

H.R. 4137. A bill to amend and extend the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor, and in addition to the Committees on the Judiciary, Science and Technology, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. CAPPS (for herself, Ms. GINNY BROWN-WAITE of Florida, Mr. LATOURETTE, Mr. GRIJALVA, Mrs. MCCARTHY of New York, Ms. SCHWARTZ, Mr. HINCHEY, Ms. SCHAKOWSKY, Mr. BISHOP of New York, Mr. ABERCROMBIE, Mr. BISHOP of Georgia, Ms. HIRONO, Ms. BALDWIN, Mr. SPRATT, Mr. PERLMUTTER, Mr. COHEN, and Mr. DEFAZIO):

H.R. 4138. A bill to amend title XVIII of the Social Security Act to impose minimum nurse staffing ratios in Medicare participating hospitals, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SPACE (for himself, Mr. HARE, and Mr. LOEBSACK):

H.R. 4139. A bill to amend the Higher Education Act of 1965 to improve participation in higher education of, and increase opportunities in employment for, residents of rural areas; to the Committee on Education and Labor.

By Mr. DICKS:

H.R. 4140. A bill to designate the Port Angeles Federal Building in Port Angeles, Washington, as the ''Richard B. Anderson Federal Building''; to the Committee on Transportation and Infrastructure.

By Mr. GARRETT of New Jersey (for himself, Mr. DOOLITTLE, Mr. GINGREY, and Ms. BORDALLO):

H.R. 4141. A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to provide a plot allowance for spouses and children of certain veterans who are buried in State cemeteries; to the Committee on Veterans' Affairs.

By Mr. GARRETT of New Jersey:

H.R. 4142. A bill to amend title 38, United States Code, to permit medicare-eligible veterans to receive an out-patient medication benefit, to provide that certain veterans who receive such benefit are not otherwise eligible for medical care and services from the Department of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GINGREY (for himself and Mr. PRICE of Georgia):

H.R. 4143. A bill to authorize the Secretary of Veterans Affairs to carry out a major medical facility project in Atlanta, Georgia; to the Committee on Veterans' Affairs.

By Mr. GOODE:

H.R. 4144. A bill to require those applying for, and renewing, SCHIP, TAA, and ATAA benefits to present documentation proving both citizenship and identity in order to receive those benefits; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HOLT:

H.R. 4145. A bill to amend the Help America Vote Act of 2002 to clarify the treatment of provisional ballots cast in elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. HONDA (for himself, Mr. HALL of New York, Mrs. CHRISTENSEN, Mr. GRIJALVA, Mr. SOUDER, Mr. MCDERMOTT, Mr. NADLER, Ms. GINNY BROWN-WAITE of Florida, Ms. WOOLSEY, and Mr. CONYERS):

H.R. 4146. A bill to amend title 38, United States Code, to clarify the availability of emergency medical care for veterans in non-Department of Veterans Affairs medical facilities; to the Committee on Veterans' Affairs.

By Mr. KING of New York (for himself and Mr. BISHOP of New York):

H.R. 4147. A bill to direct the Attorney General to provide grants for the implementation of the Sex Offender Registration Tips Program; to the Committee on the Judiciary.

By Mr. LAMPSON:

H.R. 4148. A bill to amend title 10, United States Code, to provide for the eligibility of reserve component members supporting contingency operations for educational assistance based on cumulative days of active duty service; to the Committee on Armed Services.

By Mr. PATRICK MURPHY of Pennsylvania:

H.R. 4149. A bill to limit excessive fluctuations in tuition to help students and families plan for college costs; to the Committee on Education and Labor.

By Mr. POMEROY:

H.R. 4150. A bill to amend the Internal Revenue Code of 1986 to encourage guaranteed lifetime income payments by excluding from income a portion of such payments; to the Committee on Ways and Means.

By Mr. REYES:

H.R. 4151. A bill to expand the public awareness of science, technology, engineering, and math and encourage Americans to study and enter those fields as a matter of strategic importance for the United States; to the Committee on Education and Labor.

By Mr. SARBANES:

H.R. 4152. A bill to provide loan forgiveness under the Federal Perkins Loan program for Federal, State, and local firefighters; to the Committee on Education and Labor.

By Mr. BURGESS:

H. Con. Res. 252. Concurrent resolution expressing the sense of Congress that no Federal or State requirement to increase energy efficient lighting in public buildings should require a hospital, school, day care center, mental health facility, or nursing home to install or utilize such energy efficient lighting if the lighting contains mercury; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL (for himself, Mr. BACA, Mr. BECERRA, Mr. COSTA, Mr. FORTUÑO, Mr. GRIJALVA, Mr. ORTIZ, Mr. PASTOR, Mr. RODRIGUEZ, Mr. REYES, Mr. SERRANO, Ms. SOLIS, Mr. SIRES, and Ms. VELÁZQUEZ):

H. Con. Res. 253. Concurrent resolution recognizing the service, courage, and patriotism of Hispanic Americans who have served and continue to serve as members of the United States Armed Forces; to the Committee on Armed Services.

By Mr. KIND (for himself and Mr. BRADY of Texas):

H. Res. 814. A resolution encouraging the elimination of fishing subsidies that contribute to overcapacity in the world's commercial fishing fleets and lead to overfishing of global fish stocks; to the Committee on Ways and Means.

By Mr. MORAN of Virginia (for himself, Mr. DUNCAN, Ms. WASSERMAN SCHULTZ, Mr. CAPUANO, and Mr. MATHESON):

H. Res. 815. A resolution expressing the sense of the House of Representatives that staff-led tours of the United States Capitol should be preserved; to the Committee on House Administration.

By Mr. UDALL of Colorado (for himself, Ms. DEGETTE, Mr. LAMBORN, Mrs. MUSGRAVE, Mr. PERLMUTTER, Mr. SALAZAR, and Mr. TANCREDO):

H. Res. 816. A resolution congratulating the Colorado Rockies on winning the National League Championship and playing in the 2007 World Series; to the Committee on Oversight and Government Reform.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 333: Mr. WYNN and Mr. BOUCHER.
H.R. 460: Mr. JOHNSON of Georgia.
H.R. 463: Mr. ALTMIRE.
H.R. 618: Mr. LUCAS and Mr. HASTERT.
H.R. 627: Mr. TIM MURPHY of Pennsylvania.
H.R. 648: Mr. MORAN of Kansas and Mr. BOUCHER.

H.R. 650: Mr. WYNN.
H.R. 676: Mr. CAPUANO.
H.R. 688: Mr. FILNER.
H.R. 741: Mr. GOODE.
H.R. 818: Mr. ENGLISH of Pennsylvania and Mr. COHEN.
H.R. 1166: Mr. YOUNG of Alaska, Mr. BOUCHER, and Mr. THOMPSON of Mississippi.
H.R. 1174: Ms. ESHOO and Mr. FRANK of Massachusetts.
H.R. 1245: Mr. SESTAK.
H.R. 1295: Mr. GOODLATTE and Mr. SOUDER.
H.R. 1363: Mr. THOMPSON of Mississippi and Mr. HOLT.
H.R. 1391: Mr. VAN HOLLEN.
H.R. 1399: Mr. REICHERT.
H.R. 1460: Mr. LOEBSACK.
H.R. 1479: Ms. LINDA T. SÁNCHEZ of California.
H.R. 1711: Mr. TIM MURPHY of Pennsylvania and Mr. HASTINGS of Florida.
H.R. 1792: Mr. PEARCE.
H.R. 2020: Mr. SHULER.
H.R. 2050: Mr. MORAN of Virginia.
H.R. 2073: Mr. JEFFERSON and Ms. DELAURO.
H.R. 2091: Mr. PAUL.
H.R. 2131: Mr. ABERCROMBIE.
H.R. 2166: Mr. PLATTS and Mr. YOUNG of Alaska.
H.R. 2220: Mr. TERRY.
H.R. 2231: Mr. MCGOVERN and Mr. ALTMIRE.
H.R. 2303: Mr. ROSS.
H.R. 2470: Mr. KANJORSKI, Mr. YOUNG of Alaska, and Mr. PLATTS.
H.R. 2846: Mr. THOMPSON of Mississippi and Mr. HINOJOSA.
H.R. 2915: Mrs. DAVIS of California.
H.R. 2927: Mrs. Wilson of New Mexico and Mr. MCNULTY.
H.R. 2933: Mr. CONAWAY.
H.R. 3010: Mr. DOYLE, Mr. BERMAN, Mr. WEXLER, Mr. HONDA, Mr. WELCH of Vermont, Ms. MCCOLLUM of Minnesota, and Mrs. MALONEY of New York.
H.R. 3080: Mr. GERLACH and Mr. PAUL.
H.R. 3130: Mr. DEFAZIO, Mr. DOGGETT, Ms. BORDALLO, Mr. WAMP, Ms. HIRONO, Mr. DAVIS of Illinois, and Mr. CLEAVER.
H.R. 3168: Mr. FATTAH.
H.R. 3232: Mr. MICA, Mr. CONYERS, Mr. OLVER, Mrs. SCHMIDT, and Mr. HALL of Texas.
H.R. 3326: Mr. FRANK of Massachusetts.
H.R. 3385: Mr. WEINER and Mr. STARK.
H.R. 3402: Mr. SIRES.
H.R. 3418: Mrs. BIGGERT.
H.R. 3533: Ms. HARMAN, Mr. BOYD of Florida, and Mr. SIRES.
H.R. 3546: Mr. YARMUTH, Ms. GIFFORDS, and Mr. MICHAUD.
H.R. 3591: Mr. HIGGINS.
H.R. 3635: Mr. TOWNS, Mrs. CHRISTENSEN, and Mr. JEFFERSON.
H.R. 3645: Mr. ALTMIRE.
H.R. 3660: Mr. MARSHALL, Mrs. MUSGRAVE, and Mr. COLE of Oklahoma.
H.R. 3663: Mr. MOORE of Kansas, Ms. KILPATRICK, Ms. ZOE LOFGREN of California, Mr. CAPUANO, and Mr. MCGOVERN.
H.R. 3670: Ms. WOOLSEY, Mrs. CAPPS, Mr. COSTA, Mrs. NAPOLITANO, and Ms. ROYBAL-ALLARD.
H.R. 3691: Mr. YARMUTH and Mr. PASTOR.
H.R. 3700: Mr. RAMSTAD.
H.R. 3738: Mr. DENT.
H.R. 3749: Mr. DEFAZIO, Mr. DOGGETT, Ms. BORDALLO, Mr. WAMP, Ms. HIRONO,Mr. DAVIS of Illinois, and Mr. CLEAVER.
H.R. 3779: Mr. HALL of Texas.
H.R. 3781: Mr. WALBERG.
H.R. 3793: Mr. UDALL of Colorado, Mr. LARSEN of Washington, Mr. LOEBSACK, Mr. SHUSTER, Mr. MELANCON, Ms. SOLIS, Mr. ELLISON, Mrs. NAPOLITANO, Mr. COURTNEY, Ms. HERSETH SANDLIN, Ms. MCCOLLUM of Minnesota, Mr. TAYLOR, Ms. HIRONO, Mr. MEEK of Florida, Mrs. JONES of Ohio, Ms. MOORE of Wisconsin, Ms. LINDA T. SÁNCHEZ of California, Mr. COOPER, Mr. SPRATT, Mr. SERRANO, Mr. CRAMER, and Ms. CLARKE.
H.R. 3824: Mr. PRICE of North Carolina.
H.R. 3846: Ms. WATSON.
H.R. 3874: Mr. BAKER, Mr. SPACE, and Mr. JOHNSON of Georgia.
H.R. 3887: Mr. MURPHY of Connecticut.
H.R. 3890: Mr. VAN HOLLEN.
H.R. 3915: Ms. CLARKE.
H.R. 4053: Ms. SUTTON.
H.R. 4088: Mr. MARCHANT, Mr. FORTENBERRY, Mr. CAMPBELL of California, Mr. CONAWAY, Mr. HALL of Texas, and Mrs. DRAKE.
H.R. 4096: Mr. CALVERT and Mr. DOOLITTLE.
H.R. 4104: Mr. BISHOP of Utah, Mrs. CUBIN, Mr. SMITH of Texas, Mr. FLAKE, and Mr. BUYER.
H. Con. Res. 108: Ms. JACKSON-LEE of Texas.
H. Con. Res. 122: Mr. WELCH of Vermont.
H. Con. Res. 147: Ms. WOOLSEY and Mr. FARR.
H. Con. Res. 211: Mr. LANTOS, Mr. WYNN, Mr. KIRK, and Ms. EDDIE BERNICE JOHNSON of Texas.
H. Con. Res. 228: Mr. BERMAN.
H. Con. Res. 235: Mr. POE and Mrs. WILSON of New Mexico.
H. Con. Res. 239: Mr. PAUL.
H. Con. Res. 244: Mr. STUPAK, Mr. WALBERG, Mr. HALL of Texas, Mr. LOEBSACK, Mrs. CAPITO, Mr. ROGERS of Kentucky, Mr. OBERSTAR, Mr. LATOURETTE, Mr. THOMPSON of California, Mr. BARRETT of South Carolina, Mr. LATHAM, Mr. SIRES, Mr. MICHAUD, Mr. GINGREY, Mr. CRAMER, Mr. TIBERI, Mr. MCHUGH, Mr. HAYES, Mrs. GILLIBRAND, Mr. BISHOP of Utah, and Mr. JORDAN of Ohio.
H. Con. Res. 249: Mr. WHITFIELD, Mr. PEARCE, Mr. ETHERIDGE, Ms. CARSON, Mrs. DAVIS of California, Mr. MCHUGH, Mr. AL GREEN of Texas, Mr. LATHAM, Ms. NORTON, and Mrs. MYRICK.
H. Res. 111: Ms. HERSETH SANDLIN, Mr. DANIEL E. LUNGREN of California, and Mr. GILCHREST.
H. Res. 356: Ms. SUTTON, Mr. FILNER, Ms. GINNY BROWN-WAITE of Florida, and Mr. DOOLITTLE.
H. Res. 365: Mr. BERMAN and Mr. MCCARTHY of California.
H. Res. 543: Mr. VAN HOLLEN.
H. Res. 684: Mr. MCCOTTER.
H. Res. 690: Mr. PENCE and Mr. WELDON of Florida.
H. Res. 760: Mr. SPACE.
H. Res. 783: Mr. POE.
H. Res. 786: Mr. TERRY.
H. Res. 800: Mr. DEAL of Georgia, Mrs. DRAKE, Mr. WHITFIELD, Mr. YOUNG of Alaska, and Mrs. MUSGRAVE.
H. Res. 803: Mr. CAPUANO, Ms. Tsongas, Mr. WAXMAN, Mr. DICKS, Ms. MATSUI, Mr. THOMPSON of California, Mrs. JONES of Ohio, Mr. KAGEN, Mr. MOORE of Kansas, Mr. MURTHA, Mr. FATTAH, Mr. GENE GREEN of Texas, Mr. SCOTT of Georgia, Mr. KENNEDY, Ms. KAPTUR, Mr. SPACE, Mr. PETERSON of Minnesota, Ms. HIRONO, Mr. HALL of New York, Ms. SHEA-PORTER, Mr. PERLMUTTER, Mrs. LOWEY, Mr. KILDEE, Mr. CROWLEY, Mr. BUTTERFIELD, Mr. VISCLOSKY, Mr. BECERRA, Mr. WYNN, Mr. STUPAK, Mr. LEWIS of Georgia, Ms. LEE, Mr. VAN HOLLEN, Mr. BISHOP of Georgia, Ms. SCHWARTZ, Ms. KILPATRICK, Mr. BLUMENAUER, Mr. INSLEE, Mr. OLVER, Mr. LYNCH, Mr. LOEBSACK, Mr. WILSON of Ohio, Mr. COHEN, Ms. WATSON, Ms. CLARKE, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Mr. DAVIS of Illinois, Mr. VELÃZQUEZ, Ms. BERKLEY, Mr. FILNER, Mr. STARK, Mr. JACKSON of Illinois, Mr. NEAL of Massachusetts, Mr. MCGOVERN, Mr. WU, Mr. ORTIZ, Mr. DEFAZIO, Mr. MCNERNEY, Mr. MEEK of Florida, Mr. DAVIS of Alabama, Mr. MORAN of Virginia, Ms. MOORE of Wisconsin, Mr. PALLONE, Mr. FARR, and Mr. BERMAN.
H. Res. 811: Mrs. CAPPS, Mr. FORTENBERRY, Ms. SCHWARTZ, Mr. HOLT, Mr. POMEROY, Mr. WELDON of Florida, Mr. DELAHUNT, Mr. SKELTON, Mr. ETHERIDGE, Mr. YOUNG of Alaska, Mr. YOUNG of Florida, Mr. WATT, Mr. DICKS, Mr. GILCHREST, Mr. WEXLER, Mr. BLUMENAUER, Mr. VAN HOLLEN, Mr. NEAL of Massachusetts, Mr. HINCHEY, Mr. MCDERMOTT, Mr. HILL, Mr. GEORGE MILLER of California, Mr. PAYNE, Mr. COSTA, Mr. BUTTERFIELD, Mr. THOMPSON of Mississippi, Mr. PRICE of Georgia, Mr. BLUNT, Mr. WAMP, Ms. HIRONO, and Mr. ROHRABACHER.
H. Res. 812: Mr. DELAHUNT, Ms. LORETTA SANCHEZ of California, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. CHANDLER, Mr. CLAY, Mr. BISHOP of New York, Mr. DOYLE, Mr. STUPAK, Mrs. JONES of Ohio, Ms. HIRONO, Mr. PERLMUTTER, Mr. COSTA, Mr. MILLER of North Carolina, Mr. HARE, Ms. LEE, Mr. ABERCROMBIE, Mr. ANDREWS, Ms. KAPTUR, Mr. LARSON of Connecticut, Mr. CAPUANO, Mr. PASCRELL, Ms. HERSETH SANDLIN, Mr. MELANCON, Mr. TANNER, Mr. WEXLER, Mr. VAN HOLLEN, Mr. RODRIGUEZ, Ms. DELAURO, Mr. ORTIZ, Mr. HONDA, Mrs. NAPOLITANO, Mr. REYES, Mr. BERMAN, Mr. MICHAUD, Mr. TOWNS, Mr. BACA, Mrs. DAVIS of California, Ms. GIFFORDS, Mr. MEEKS of New York, Mr. FARR, and Mr. AL GREEN of Texas.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Member added his name to the following discharge petition:

Petition 3 by Mr. PENCE on House Resolution 694: Bobby Jindal.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 110th CONGRESS, FIRST SESSION

Vol. 153 WASHINGTON, FRIDAY, NOVEMBER 9, 2007 No. 174

Senate

The Senate met at 10 a.m., and was called to order by the Honorable SHELDON WHITEHOUSE, a Senator from the State of Rhode Island.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 9, 2007.

To the Senate:

Under the provisions of Rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHELDON WHITEHOUSE, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WHITEHOUSE thereupon assumed the Chair as Acting President pro tempore.

ADJOURNMENT UNTIL 10 A.M., TUESDAY, NOVEMBER 13, 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate now stands adjourned until the hour of 10 a.m. on Tuesday, November 13, 2007.

Thereupon, the Senate, at 10 o'clock and 48 seconds a.m., adjourned until Tuesday, November 13, 2007, at 10 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

EXTENSIONS OF REMARKS

LIEF ERICKSON RECOGNIZED FOR VOLUNTEER EFFORTS

HON. TED POE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. POE. Madam Speaker, Mr. Lief Erickson, of Houston, TX, was recently recognized by the NAACP when he was given the ALEX award or Award for Legal Excellence. The award was named after Congressman Alexander Green who was president of the Houston branch of the NAACP for 10 years.

The award is presented to individuals who have made a significant contribution to the NAACP's Houston legal programs, people who have demonstrated a commitment to pro bono legal services within the community or to people whose legal contributions significantly impacted persons in the community served by the NAACP.

The path to being recognized with this prestigious award began a long time ago when Erickson was living in Houston in 1977 and working as a carpet layer. He met a young up-and-coming lawyer who recognized his potential and encouraged him to become a lawyer to make a difference in the community.

With only a 10th grade education and rugged determination, Erickson decided to become an attorney. After obtaining his high school equivalency diploma, he enrolled in the University of St. Thomas and earned a Bachelors Degree in psychology. He later entered and graduated from Texas Southern University's Thurgood Marshall Law School. I had the pleasure of swearing him in as an attorney marking this great accomplishment. It was a long journey in Erickson's life to go from high school dropout to attorney.

After completing law school, he worked for a private law firm for 2 years and then became a prosecutor for the Drug Task Force in Waller County, Texas. Two years later, Erickson realized that his heart and conscience were better suited for criminal defense to assist the downtrodden and disenfranchised. Since 2000, Erickson has defended more than 3,000 clients. He has also devoted his weekends over 13 months to give back to the community as a volunteer to help the NAACP with criminal defense cases in their pro bono legal redress clinic. From 10 a.m. to 2 p.m. on Saturdays he volunteers to assist walk-in clients with consultation and legal advice. By donating his weekends to serve others, he is a shining example of service above self.

It is for his generous volunteer efforts that the NAACP recognized Mr. Erickson with the ALEX Award. I salute Lief Erickson for his spirit of service and volunteerism.

And that's just the way it is.

HONORING MAJOR GENERAL RONALD H. MARKARIAN

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. RADANOVICH. Madam Speaker, I rise today to honor MG (California Retired) Ronald Markarian for his dedicated service to the veterans of Fresno, California.

Major General Markarian was born and raised in the Fresno area and graduated from California State University, Fresno. While in college he joined the Army National Guard, where he served for 3 years with the Heavy Mortar Company of the 185th Infantry Regiment. He entered the Air Force upon graduating from college. While in the Air Force, Major General Markarian served in many positions, including a position at the Pentagon, as Chief of Air Reconnaissance Systems and as Director of the USAF Intelligence Reserve Forces. After 30 years of military service, he retired in August 1980 as a colonel.

Immediately after retirement, Major General Markarian became a member of the California State Military Reserve and was assigned to the headquarters, State Military Reserve at the California Military Department in Sacramento, where he was eventually appointed Commanding General of the State Military Reserve. In July 1990, he was promoted to Major General. After nearly 46 years of uniformed military service, Major General Markarian retired in October 1995. His service to his community and the veterans did not stop upon his retirement.

Major General Markarian has received many awards, including two Legion of Merit awards and the Bronze Star. He has received awards from many military organizations, including the Association of the U.S. Army's National Golden Eagle Award and National Distinguished Service Award, and he was the 2002 recipient of the organization's Anthony Drexel Biddle Award, President's Award. Major General Markarian has also graduated from several military schools and holds a master's degree in public administration from George Washington University.

Major General Markarian is active in community affairs and has served in a variety of leadership roles in military, veteran and public service organizations. He served on several State and Federal boards and has been the Director of the United States Selective Service System in California since his appointment in 1987. He was instrumental in founding the Association of the United States Army, AUSA, Chapter 6105 in 1982, and served as the first president of the chapter. He later served two additional terms. In total, he served 15 years as president. During his last presidency, the chapter was designated Best Chapter in AUSA for 7 consecutive years, from 2000 to 2006. He also served as the AUSA sixth region president and an AUSA national trustee.

Madam Speaker, I rise today in honor of MG Ronald Markarian for his tireless service to the military and veteran community. I invite my colleagues to join me in wishing Major General Markarian many years of continued success.

PROVIDING FOR CONSIDERATION OF H.R. 3043, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2008

SPEECH OF

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 6, 2007

Mr. MORAN of Virginia. Madam Speaker, I rise today in strong support of the Conference Report on the Labor, Health and Human Services and Education and Military Construction/Veterans Affairs Appropriations bills. This bill begins to correct key deficits in biomedical research, elementary and secondary education, job training, and health care for veterans and civilians alike, and sets out a clear, sustainable vision for the future. I want to thank and congratulate Chairman OBEY, Ranking Member WALSH, the Conferees and their staff for putting together such an excellent bill, one which will bring needed relief to so many of our constituents.

The President, of course, has vowed to veto this bill, because he believes it costs too much, that we can't afford to make these investments in cancer research, in Head Start, in economic development. Meanwhile, the President is asking us to spend an additional $200 billion this year alone in his misguided war in Iraq. $9.8 billion, the amount by which this bill exceeds the President's request, would pay for approximately 1 month of that war. Instead, this bill would use that money to help States provide health coverage to people with pre-existing conditions, help college-ready low-income students afford higher education, and help low-income individuals and their families keep their homes warm in the wintertime—a winter-time that could well feature oil at costs in excess of $100 a barrel.

The President says we can't afford to make these investments; I believe we can't afford not to. These are investments which pay dividends over time, investments which will keep America strong, competitive and healthy.

While I strongly support this Conference Report, I would be remiss if I didn't express my concern that this bill includes a $27.8 million increase for abstinence education programs, which research has shown to be ineffective, and worse, often medically inaccurate. Since 2001, we have spent more than $1 billion on these programs, some of which tell our children that using condoms is "like Russian Roulette," and that HIV/AIDS can be transmitted through skin-to-skin contact.

Madam Speaker, teen pregnancy and sexually transmitted infections are serious problems that demand serious solutions. Of course we should want to delay the onset of sexual activity in our children—what parent of a teenager wouldn't want that? But we cannot let that desire blind us to the very real fact that teenagers, despite our best intentions, will and do have sex, and that our wanting them not to does not absolve us of our obligation to protect them and keep them safe.

This money does not exist merely on paper—it is real money which we are borrowing from countries whose interests are inimical to our own, countries that have accumulated sovereign wealth funds at alarming rates over the past 6 years. And we are leaving this legacy of fiscal wreckage to our children, and our children's children, mortgaging away their future at a rate of more than $15,000 per second.

Since 2001, China's accumulation of foreign reserves, mostly U.S. dollars, have increased from $46.6 billion to $1.066 trillion—that is, every new dollar we borrow adds leverage to China—which has profoundly different strategic aims than we do.

The idea that this is a preferable alternative to a bill that would help 95 percent of the people who felt any impact from its passage is unconscionable. The idea that we should sacrifice the futures of our children and our grandchildren in order to have our cake and eat it too, to continue giving enormous tax preferences to the richest of the rich in this country is morally bankrupt and fiscally unsound.

Madam Speaker, income is income. Even if we accept that there should be a distinction between the taxation of labor and capital income, income received as payment for the service of investing other people's money is not capital income under even the loosest of possible understandings. The idea that a hedge fund manager earning $500 million a year should be taxed at a lower rate than his secretary, who earns $40,000 a year is preposterous in both moral and economic terms and should embarrass us all. I know it embarrasses me, and that it embarrasses my constituents.

This bill is about making a choice between what is right and what is easy. I applaud Chairman RANGEL for standing firm in the face of overwhelming pressure to do the easy thing, for drawing a line in the sand and demanding that we pass a bill which is true to our principles. We were not elected to make easy choices—we were elected to do right by our constituents, their children, and their children's children. I am proud to support this bill today, and I urge my colleagues to do the same.

HONORING WILLIE JAMES WHISENHUNT, RPH, AS THE 2007 TRIBUTE TO COMMUNITY HEALTH CHAMPIONS HONOREE BY THE WEST FRESNO HEALTHCARE COALITION

HON. JIM COSTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. COSTA. Madam Speaker, I rise today to congratulate Willie James Whisenhunt, RPh for being named a 2007 honoree at the Tribute to Health Champions reception by the West Fresno Healthcare Coalition. A mere three days after arriving in our fair city, Mr. Whisenhunt opened the Westside Pharmacy. More than 30 years later his career and contributions to the area are impressive and most deserving of this honor.

Mr. Whisenhunt was born in Vredenburgh, AL, the eldest of three children. His father, a carpenter, died when Mr. Whisenhunt was 10, and he was raised by his grandparents, uncle and aunt. His family taught him the value of hard work, commitment, and unconditional love. He received his high school diploma from Escambia County Training School, later receiving his bachelor's of science in pharmaceuticals from Xavier University of Louisiana.

Community service has always been a focus in Mr. Whisenhunt's life, particularly his commitment to the youth of west Fresno. He has sponsored various athletic teams at Edison High School, including both the women's and men's baseball teams. He has helped southwest Fresno students by aiding speech teams and academic decathlons. He has been a mentor to our youth, promoting higher education in the community, encouraging students to pursue careers in science and funding trips to historically black colleges and our Nation's Capital. Outside the boundaries of west Fresno, he has served in various leadership positions, holding the distinction of being the only African American president of the Fresno-Madera Pharmacists Association.

Furthermore, Mr. Whisenhunt has been a lifelong supporter to the United Negro College Fund, the Southern Poverty Law Center, and the Silesian Society of Don Bosco. In 2006, he received the Health Care Professional of the Year Small Business Award from the Fresno Black Expo.

Willie James Whisenhunt is a great man and a true example of the American Dream. It is with great pride that I congratulate him for receiving this distinguished award and for all that he does on behalf of west Fresno.

TRIBUTE TO JACKSON HOLCOMB

HON. TOM LATHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. LATHAM. Madam Speaker, I rise today to recognize and congratulate a student from Gilbert Middle School in Ames, IA, for a recent academic accomplishment.

Jackson Holcomb received a distinguished award at the Belin-Blank Recognition Ceremony on October 6, 2007, at the University of Iowa. Jackson's award is in honor of his top one percent score on the Belin-Blank Exceptional Student Talent Search EXPLORE test. This test measures academic development in English, mathematics, reading, and science reasoning.

Jackson's parents, Todd and Jane Holcomb, and his teachers are also to be commended and congratulated for this great accomplishment. They have instilled the importance and value of education in Jackson that has helped him to excel in school and beyond.

I commend Jackson Holcomb for his hard work in the classroom. I consider it an honor to represent Jackson and his family in Congress, and I wish him continued success in his academic studies.

TRIBUTE TO TOM COHEN

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. PASCRELL. Madam Speaker, I would like to call to your attention the deeds of an outstanding American, Mr. Tom Cohen, who was recognized October 30, 2007, for his great humanitarian efforts and tremendous support of the worthwhile work of Orphans International.

Mr. Cohen's work with Orphans International began after his family was struck with terrible tragedy. In 2004, he lost his beloved son-in-law, Cresenta Fernando, Ph.D., in the December tsunami, which devastated his native country of Sri Lanka. Out of this awful loss, Tom saw an opportunity to keep Cresenta's memory alive by helping to improve the lives of disadvantaged children throughout Sri Lanka.

Mr. Cohen began working with Jim Luce, the founder and executive director of the nonprofit organization Orphans International, which had established projects that were helping to meet the needs of children in other parts of the world. Together, they created a branch of the organization that would serve the most vulnerable children of Sri Lanka in honor of Cresenta.

Orphans International Sri Lanka, or OI Sri Lanka, is a part of Orphans International Worldwide's network. This organization works to meet the physical, emotional, educational, and social needs of children who are victims of natural disasters, armed conflicts, and other crises that have taken away their parents, homes, and their chances for a better life.

Mr. Cohen is not only a compassionate philanthropist, but also an accomplished professional. As the head of compliance at Bear Steams, he has helped contribute to that company's great success.

Mr. Cohen's work for Orphans International has been a family effort. Tom's wife Donna Cohen has worked tirelessly with him to raise funds for this worthwhile goal, and to support their daughter Ariele Cohen in her role as the president of the OI Sri Lanka Board of Directors and a member of the OI America Advisory Board.

The job of a United States Congressman involves much that is rewarding, yet nothing compares to working with and recognizing the efforts of dedicated humanitarians like Tom Cohen. I am proud to represent such a fine man in Congress.

Madam Speaker, I ask that you join our colleagues, everyone involved in Orphans International, Tom's family and friends, and me in recognizing Tom Cohen's outstanding service to the global community.

PROVIDING FOR CONSIDERATION OF H.R. 3685, EMPLOYMENT NON-DISCRIMINATION ACT OF 2007

SPEECH OF

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 2007

Mr. BACA. Madam Chairman, I rise today to ask for support of the Employment Non-Discrimination Act, ENDA, H.R. 3685.

People who do their jobs well, pay their taxes and contribute to their communities should not be singled out for unfair discrimination.

This notion lies at the core of American values. Yet, millions of Americans are fired from their jobs, refused work, or paid less because of their sexual orientation.

Sadly, this discrimination is legal in 39 States. This is why Federal protection is so important.

H.R. 3685 provides employment protections similar to those of the Civil Rights Act of 1964.

This bill will provide judges with the tools necessary to end discrimination.

It will protect Americans, hard-working Americans who deserve the same freedoms and governmental support given to all working Americans.

Please support this important legislation.

WATER RESOURCES DEVELOPMENT ACT OF 2007—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

SPEECH OF

HON. ANDER CRENSHAW

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 6, 2007

Mr. CRENSHAW. Mr. Speaker, I rise today to question the new majority's earmark reform for the 110th Congress.

On July 31, 2007, I supported and the House of Representatives passed S. 1, the Honest Leadership and Open Government Act of 2007, which provides for greater transparency in the legislative process. It is with great disappointment that I take this time to recognize the lack of this same transparency in the conference report for H.R. 1495, the Water Resources Development Act of 2007. This legislation authorizes Federal funding for local water and civil works projects that are extremely important to the State of Florida, and the Nation as a whole.

At the start of the 110th Congress the new Democratic majority made repeated promises to the American public about their goals for this newly led Congress, ensuring "accountability, honesty, and openness at all levels of government." It is now November and the unfortunate reality is that these promises are not being kept.

In accordance with House Rules, I submitted a written request letter for the authorization of Federal funding for several local water and civil works projects in my district to the House Transportation and Infrastructure Committee. The intent of the new earmark disclosure rules was to make all earmark requests transparent and accessible to the American public. In addition, these new rules require the committee to "identify, on a publicly accessible congressional Web site each congressionally directed spending request through lists, charts, or other similar means, including the name of each requesting Member or Senator."

In a recent review of the conference report for H.R. 1495, the Water Resources Development Act of 2007, it came to my attention that one of the projects authorized in the report, which I requested, Sec. 5158 (125) the Jacksonville Septic Tank Replacement, did not include my name with it, as required. I do not bring this to your attention today seeking recognition for doing the job I was sent here to do. However, I do bring it to your attention to express my disappointment that the new earmark disclosure rules are not being followed properly.

The American public deserves the accountability, honesty, and openness promised to them. Let's ensure that all of our bills conform to this standard.

IN TRIBUTE TO MRS. HELEN WILLIS' RETIREMENT FROM CIVIL SERVICE

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. EVERETT. Madam Speaker, on the occasion of her retirement from the Department of the Air Force, I want to take this opportunity to honor Mrs. Helen R. Willis for 32 years of dedicated service to our country.

Mrs. Willis, the daughter of an uneducated man who exuded a lot of wisdom inspired her to pursue her education and graduate from Tuskegee Institute, "the pride of the swift, growing south."

Since her arrival at Maxwell Air Force Base in 1975, Mrs. Willis has trained over 1,000 active duty military members to become Air Force Medical Laboratory Technicians. Her demonstrated technical expertise, proficiency and ceaseless dedication to her profession resulted in 16 "Superb" ratings, considered exceptional by the College of American Pathologists' standards. Mrs. Willis' determination and passion for the profession she believed in was always perfectly packaged by her charm and eloquence. She has been an inspiration to thousands and her legacy will never be forgotten.

Madam Speaker, I join my colleagues in expressing our sincere appreciation to Mrs. Willis for her outstanding service to Maxwell Air Force Base and our country. We wish her and her husband Dr. Edward Willis the best as Mrs. Willis transitions into a new life. Mrs. Willis is a true professional and a credit to herself and the United States Air Force.

TRIBUTE TO MR. HAROLD MATZNER

HON. MARY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mrs. BONO. Madam Speaker, I rise today to recognize and pay tribute to a dear friend and constituent, Mr. Harold Matzner. On November 17 of this year, Mr. Matzner will be honored as the 2007 Good Samaritan of the Year by the Desert Samaritans of the Coachella Valley in our great State of California, and I am pleased to extend my sincere congratulations to Harold for this well-deserved recognition.

Mr. Matzner has been a resident of Palm Springs for over 25 years, and during this time he has established himself as one of the outstanding philanthropic and civic leaders in our community. Harold's generosity is legendary. His energy, passion, and tireless advocacy for numerous worthwhile causes benefit all those who live in and visit Palm Springs.

A close friend and neighbor, Harold was also an invaluable supporter of the Palm Springs International Film Festival. The festival was founded by my late husband, the Honorable Sonny Bono, when he served as mayor of the city of Palm Springs.

Harold is widely credited with revitalizing the festival and ensuring its continued success as a member of the festival board, board chairman, vice-chairman and, most recently, as chairman emeritus. Without his devotion to the festival and impressive business acumen, the festival would simply not have attained its current status as one of the premier celebrations of the art of cinema in the United States.

In addition to his efforts on behalf of the Film Festival, Harold serves as chairman of the McCallum Theater, is an executive committee member of the Palm Springs Art Museum, and chairman of the Palm Springs Tennis Club Members Association. But his contributions to the community are not limited to these leadership roles. Harold is also a driving force in support of the Stroke Recovery Center, Temple Isaiah, Desert Aids Project, and Animal Samaritans, along with many other charitable causes.

Harold has established a long and successful business career as CEO of a major branding, advertising, and marketing company, and as the owner of a local Palm Springs landmark restaurant, Spencer's at the Mountain. He brings the same commitment to success to both his business ventures and his philanthropic activities, and our community has been greatly enhanced by his generosity of spirit and hard work.

Countless community and civic leaders have benefitted from Harold's insightful guidance and counsel. He is truly one of our community's treasures, and I am greatly honored to pay tribute to him today for his achievements and contributions to the citizens of the desert.

I want to join with the rest of our community in extending my appreciation and congratulations to Harold for this most fitting honor. And I encourage my colleagues to join me in celebrating this remarkable man, my dear friend, Harold Matzner.

HONORING JOHN AND JUNE ROGERS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. RADANOVICH. Madam Speaker, I rise today to congratulate John and June Rogers upon being named the 2007 Citizens of the Year. Mr. and Mrs. Rogers will be honored on

November 11, 2007, at the 59th annual Citizen of the Year dinner in Modesto, CA.

John Rogers was born in San Francisco, CA. He graduated from Willamette University in Oregon in 1963 with a bachelors degree in psychology and received his masters degree in counseling and guidance from the University of Colorado, Greeley in 1976. In 1963, Mr. Rogers was commissioned as a rated pilot in the Air Force and attended primary pilot training at Williams Air Force Base, receiving his wings in 1964. While in the Air Force he was stationed around the United States and spent 1 year in South Vietnam. He retired from the Air Force as colonel in 1989 from Travis Air Force Base in California.

June Rogers was born and raised in Modesto, CA, and attended Modesto Junior College. She and John met in Modesto and were married, turning her into an Air Force wife as she moved around with him for 26 years. While on base, she volunteered with many organizations; including Family Service Agency, the Red Cross and the military base thrift shop. Mrs. Rogers was also active in the Squadron Wives Organization, the Officer's Wives Club and the Catholic Women of the Chapel.

Mrs. Rogers was chosen as one of the Outstanding Women in the Community and honored by Catholic Charities as their Honoree of the Year at the Bishops Celebration of Charities Banquet. Mr. Rogers is the president of the United Samaritans Foundation in Turlock, CA. He continues to fly as a charted pilot and owns an interest in Sky Trek Aviation in Modesto. He contributes and has been honored by numerous organizations; including the Boy and Girl Scouts, various art groups and the Gallo Art Center for the Arts.

Upon Mr. Rogers' retirement Mr. and Mrs. Rogers moved back to the Modesto area, and continued to serve their community. Mrs. Rogers serves her church as the communion minister's scheduler, she is active on the Liturgy Committee and has served on many Church committees. Also, she is a member of Catholic Social Services and Catholic Charities.

Also adding to their long list of contributions, they founded an organization to assist the needy in their community. The organization serves 45,000 lunches per month. The facility also has showers for the homeless, a clothes closet and a pantry for those in need. The homeless are allowed to use the address and phone number to stay in contact and receive mail. This facility also houses homeless women and children for up to 1 year. They help the family to get their lives back on track, learn employment skills, parenting skills, and budgeting skills.

Madam Speaker, I rise today to commend and congratulate John and June Rogers upon being awarded with the 2007 Citizens of the Year Award. I invite my colleagues to join me in wishing Mr. and Mrs. Rogers many years of continued success.

RESOLUTION TO PRESERVE STAFF-LED TOURS

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. MORAN of Virginia. Madam Speaker, today I, along with my colleagues JOHN DUNCAN Jr., DEBBIE WASSERMAN SHULTZ, MICHAEL CAPUANO, and JIM MATHESON are introducing a resolution expressing the sense of the House of Representatives that staff-led tours of the United States Capitol should be preserved.

Staff-led tours are a long standing tradition and can be documented as far back as 40 years ago. I suspect they date back even earlier, and perhaps existed when the Capitol was first constructed when Congressmen had constituents or friends visit the Capitol and their staff would take them to view the magnificence of the Capitol when the Member was not available. Senate Historian Richard Baker asserts that staff-led tours have always existed. Regardless of exactly when staff-led tours began, it has become an honored and well-worn custom.

While there is no chronicle of when staff-led tours first began, tours given by professional staff, known as the Capitol Guide Service were established in 1876. Upon establishment of the Capitol Guide Service, there was a 25 cent fee for getting a guided tour of the Capitol. Tom Nottingham, a well known member of the Capitol Preservation Society was an outspoken activist against the fee and advocated for a free and open Capitol. Finally in 1971, through the Legislative Reorganization Act, tours of the Capitol were offered free of charge.

Since that date, visitors have been able to visit their Member offices prior to going to the Capitol. Members or someone from their personal staff often accompany these visitors to the Capitol. It is important to note that the Capitol Guide Service has existed for over 100 years now and they have co-existed with staff-led tours without any controversy or incident.

As a Representative of a congressional district in close proximity to the United States Capitol, not only do my constituents come and visit the Capitol, but also friends and family of my constituents often join in these special tours conducted by my staff. As most Members will affirm, it is a joy to have all these visitors come and see for the first time the U.S. Capitol.

Recently, a constituent contacted my office requesting a Capitol tour. On our way through the Cannon Tunnel to see the artwork on display from the Congressional Art Competition, it turned out that her nephew, whom she had never met, had his drawing on display at the Cannon Tunnel. She was able to connect with her nephew and family through the ability to receive a personalized tour through my office. Had this option not been available, she would have had a hard time getting a personalized tour, and would not have been able to stop and get a good look at her nephew's award-winning artwork.

Also, observing constituent's State statue has become one of the hallmarks of staff-led tours. Perhaps one of the greatest examples is the statue of King Kamehameha the Great, one of the most impressive statues in Statuary Hall and one that brings much pride to visiting Hawaiians. Tours conducted through the Capitol Guide Service average around 40 people per tour and it is very difficult for professional staff to accommodate personal requests. We have an obligation to provide constituent services here in the House of Representatives and at our respective districts. Anecdotes of memorable tours can be recalled by all Members and by staff who have led a tour of the Capitol. The honor and privilege of providing this service to our constituents is not something that should be compromised.

I understand but disagree with the concerns of those that might want to do away with staff-led tours. Since the 1995 Oklahoma City bombing, the Capitol Police increased security. Since the attacks of September 11th, the security of the Capitol was increased further. Even with all these security improvements, we have managed to preserve the right of our constituents to continue touring the Capitol with congressional staff. We cannot and should not let fear of the uncertain end this time honored tradition.

The resolution we introduce today recognizes the sentiment of many of us in Congress that staff-led tours are a long established tradition in the Capitol and an important part of constituent services. Staff-led Capitol tours must continue and the opening of the Capitol Visitor's Center should not change this policy. I urge my colleagues to support this resolution calling for the preservation of staff-led tours.

HONORING DR. FITZALBERT MICHAEL MARIUS, AS THE 2007 TRIBUTE TO COMMUNITY HEALTH CHAMPIONS HONOREE BY THE WEST FRESNO HEALTHCARE COALITION

HON. JIM COSTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. COSTA. Madam Speaker, I rise today to congratulate Dr. Fitzalbert Michael Marius of Fresno, CA, for being named a 2007 Honoree at the Tribute to Health Champions reception, held by the West Fresno Healthcare Coalition. As an original member of the first open-heart surgery team at Valley Children's Hospital, his medical career is impressive and he is most deserving of this honor.

Born in Colón, Panama, to parents of West Indian decent, Dr. Marius moved to America as a young boy and chased the American dream of bettering himself by attending college. A true patriot, he left the university to serve in the United States Army in World War II, returning undeterred to not only finish his undergraduate education, but also complete medical school.

After receiving his M.D. from Howard University Medical School in Washington, DC, Dr. Marius spent a year in the cardiac surgery program at Stanford University's Lane Hospital in San Francisco. Throughout his career, Dr. Marius has performed general, vascular, and thoracic surgery in Fresno. In addition, Dr. Marius has been actively involved with the Sickle Cell Support Group in southwest Fresno and continues to work with the heart surgery teams of St. Agnes Hospital, the Fresno Heart Hospital and Community Hospital.

Dr. Fitzalbert Marius personifies the principles and integrity of our Valley. He is a role model for all of us, especially our Valley's upcoming generation of medical professionals. It is with great pride that I recognize him for all that he has done on behalf of our community and congratulate him for receiving this distinguished award.

TRIBUTE TO ED KNIGHT AND C.J. BROWN

HON. TOM LATHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. LATHAM. Madam Speaker, I rise today to recognize the efforts of several individuals and groups in Boone, Iowa, for their contributions to the Muscular Dystrophy Association: Fire Chief Ed Knight and the Firefighters of Boone, and interim Wal-Mart manager C.J. Brown and Wal-Mart of Boone.

The Muscular Dystrophy Association (MDA) is a national voluntary health agency which is dedicated to conquering neuromuscular diseases and is funded almost entirely by individual private contributors. MDA seeks no government grants or fees from those it serves. Muscular dystrophy is not a specific disease, but actually a term that encompasses a variety of hereditary muscle destroying disorders that vary in inheritance pattern, age of onset, initial muscles attacked, and rate of progression. These muscle debilitating diseases affect over one million Americans including 560 families in Central Iowa and 38 families in Boone County.

The Boone Firefighters recently raised money for MDA through their annual golf tournament, and Wal-Mart of Boone generously matched the first $1000 raised. I admire all the hard work and contributions made during this fundraiser to aid those who are stricken with this disease. It truly is a sign of the great compassion Iowans show to those in need.

It is a great honor to represent the Boone Firefighters and all the employees of the Wal-Mart of Boone in the U.S. Congress, and I know my colleagues join me in recognizing them for yet another job well done.

REDUCING RECIDIVISM RATES TO BETTER PROTECT OUR FAMILIES AND CHILDREN

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. RANGEL. Madam Speaker, I rise today to urge that more be done to reduce the rates of recidivism in our Nation's swelling prisons. We must work—intelligently and compassionately—to better reintegrate former prisoners into our society, and the Second Chance Act of 2007 is effective on both counts. It intelligently saves taxpayer dollars and works to bolster public safety, investing resources in a consortium of services proven to keep ex-offenders on the right path. It compassionately addresses the prevalence of substance abuse and poor mental health in that group, and strives to strengthen broken families so that children may stand to benefit.

Our prison system is a revolving door, leaving many without the ample skill or support necessary to become productive members of society. It's why a staggering majority of state prisoners are released only to find themselves back behind bars at least 3 years later. An increasing number of formerly incarcerated citizens are without suitable education, physical and mental health, employment, or mentoring services—the kind this measure would assist in providing.

A central tenet of our criminal justice system is rehabilitation. We must not abandon that fruitful and moral imperative. About 650,000 people are released from prison each year, and it is incumbent upon us to take preventive measures for the sake of our communities and our children. We owe it to them to do far, far more.

CONFERENCE REPORT ON H.R. 3222, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2008

SPEECH OF

HON. CHRIS VAN HOLLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 8, 2007

Mr. VAN HOLLEN. Mr. Speaker, I rise in support of this FY 2008 Defense Appropriations Conference Report because it ensures that our troops get the protection they need and the benefits they have earned. Additionally, as an opponent of the decision to go to war in Iraq, and an advocate of the responsible redeployment of our combat forces, I appreciate that the contentious question of how Congress will proceed with the President's pending funding request for the Iraq War will be addressed in another legislative vehicle, on another day.

H.R. 3222 fully funds the increased personnel, equipment, and training costs associated with growing the Army and Marines by 7000 and 5000 troops, respectively. Moreover, and importantly, it allocates $11.6 billion in emergency funding for Mine Resistant Ambush Protected (MRAP) vehicles that are playing such an important role protecting our troops from deadly IEDs. And it responds to the historic strain on our National Guard and Reserves by providing an additional $980 million to meet the equipment demands of their deployment overseas and first responder role at home.

In recognition of our military's service and sacrifice to country, this spending bill provides our military families with a 3.5 percent pay raise—.5 percent above the President's request. It rejects the President's proposed $1.9 billion increase in premiums and fees in the TRICARE program and adds $900 million to strengthen military health care for our servicemembers returning from Iraq and Afghanistan. And it provides critical support to our military families through an infusion of $237 million for counseling and child care, as well as $615.7 million for facility and infrastructure upgrades throughout our bases in the United States, Europe, and Korea.

Finally, H.R. 3222 affirms American values by banning the use of torture while including important accountability measures for military and security contractors. It asks the DoD to include the entirety of its war funding in the President's 2009 Budget Request. And it meets important emergency needs in Louisiana and elsewhere as our fellow citizens continue the hard work of rebuilding their lives in the aftermath of Hurricane Katrina.

Mr. Speaker, this conference report is worthy of the broad, bipartisan support I expect it to receive.

HOMEOWNERS EXEMPTION UPDATE ACT OF 2007

HON. MARK STEVEN KIRK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. KIRK. Madam Speaker, 1997 brought a presidential crisis, Slobodan Milosevic, and Princess Diana's death. It wasn't the greatest year, but it was the last time Congress managed to update the homeowners' exemption for the sale of a residence. It should not take more than five Congresses and over a decade to update the homeowner's exemption.

Since that time, the average value of an American home is up 104 percent. A $500,000 home in 1997 would now cost over $1 million. A decade later, middle-class homeowners in high-cost areas are handed a tax bill when they sell their homes because the home ownership exemption is still stuck at $250,000 for individuals and $500,000 for a couple.

What does $250,000 buy for a growing family in today's market? Less than they need.

It is time to update the exemption for homeowners so that they are not pushed into higher tax brackets because Congress failed to update the law. That is why I am introducing the Homeowners Exemption Update Act of 2007, which raises the exemption to $500,000 per individual and $1,000,000 per couple.

Local leaders in Illinois are proposing more than ten new taxes of over $1 billion. Today, this body passed a $72 billion tax increase. Taxpayers deserve relief as the economy begins to slow, not a smattering of new taxes. My legislation eases the growing burden facing American families today.

I urge my colleagues to support this legislation and stand up for homeowners across the country.

PERSONAL EXPLANATION

HON. LYNN A. WESTMORELAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. WESTMORELAND. Madam Speaker, I stayed at home due to an ongoing medical condition of a family member. As a result, I missed a number of votes. Had I been present, I would have voted the following:

''Aye'' on Closing Portions of the Conference Report Making appropriations for the Department of Defense for the fiscal year ending September 30, 2008 (rollcall No. 1034)

''Aye'' on a Motion to Suspend the Rules and Pass, as Amended National Heroes Credit Protection Act (rollcall No. 1035)

''Aye'' on a Motion to Suspend the Rules and Agree to Recognizing the contributions of Native American veterans and calling upon the President to issue a proclamation urging the people of the United States to observe a day in honor of Native American veterans. (rollcall No. 1036)

''Nay'' on a Motion to Table a resolution raising a question of the privileges of the House. (rollcall No. 1037)

''Nay'' on ordering the previous question on a resolution raising a question of the privileges of the House. (rollcall No. 1038)

''Nay'' on a resolution raising a question of the privileges of the House. (rollcall No. 1039)

"Aye" on Passage, Objections of the President Not Withstanding, of the Water Resources Development Act (rollcall No. 1040)

"Aye" on Motion to Suspend the Rules and Agree, as Amended, to Expressing the sense of Congress that Congress and the President should increase basic pay for members of the Armed Forces. (rollcall No. 1041)

"Aye" on Motion to Suspend the Rules and Agree, as Amended, to Heroes Earnings Assistance and Relief Tax Act (rollcall No. 1042)

"Nay" on Motion to Suspend the Rules and Agree, as Amended, to Kids in Disasters Wellbeing, Safety, and Health Act of 2007 (rollcall No. 1043)

"Nay" on Will the House now consider the resolution providing for consideration of the conference report to accompany the bill (H.R. 3043) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies. (rollcall No. 1044)

"Aye" on Motion to Instruct Conferees on the Improving Head Start Act (rollcall No. 1045)

"Aye" on motion to suspend the rules and agree, as amended, to Congratulating Nicolas Sarkozy on his election to the presidency of France. (rollcall No. 1046)

"Nay" on Ordering the Previous Question Providing for consideration of the conference report to accompany the bill (H.R. 3043) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies. (rollcall No. 1047)

"Nay" on Agreeing to the Resolution Providing for consideration of the conference report to accompany the bill (H.R. 3043) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies. (rollcall No. 1048)

"Aye" on Motion to Adjourn (rollcall No. 1049)

"Nay" on Agreeing to the Conference Report Making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies for fiscal year ending September 30, 2008, and for other purposes (rollcall No. 1050)

"Aye" on Motion to Adjourn (rollcall No. 1051)

"Nay" on Ordering the Previous Question Providing for consideration of H.R. 3685, to prohibit employment discrimination on the basis of sexual orientation. (rollcall No. 1052)

"Nay" on Agreeing to the Resolution providing for consideration of H.R. 3685, to prohibit employment discrimination on the basis of sexual orientation. (rollcall No. 1053)

"Aye" on Agreeing to the Amendment of Rep. GEORGE MILLER (rollcall No. 1054)

"Aye" on Agreeing to the Amendment of Rep. MARK SOUDER (rollcall No. 1055)

"Aye" on Motion to Recommit with Instructions the Employment Non-Discrimination Act (ENDA) (rollcall No. 1056)

"Nay" on Passage of the Employment Non-Discrimination Act (ENDA) (rollcall No. 1057)

"Aye" on motion to suspend the rules and agree, as amended, to recognizing the close relationship between the United States and the Republic of San Marino. (rollcall No. 1058)

"Aye" on motion to Instruct Conferees on Departments of Commerce and Justice, and Science, and Related Agencies Appropriations for FY 2008 (rollcall No. 1076)

"Nay" on Ordering the Previous Question for Providing for the consideration of H.R. 3996, Temporary Tax Relief Act (rollcall No. 1077)

"Nay" on Agreeing to the Resolution providing for the consideration of H.R. 3996, Temporary Tax Relief Act (rollcall No. 1078)

"Nay" on Approving the Journal (rollcall No. 1079)

"Aye" on Motion to Adjourn (rollcall No. 1080)

"Nay" on Passage of the Temporary Tax Relief Act of 2007 (rollcall No. 1081)

IN MEMORIAL OF SHERIFF JOHN HAYWOOD BAKER, JR.

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. ETHERIDGE. Madam Speaker, today I rise to honor the life of Sheriff John Haywood Baker, Jr., who died October 31, 2007. In his passing I lost a good friend, and North Carolina lost one of its most outstanding citizens and a man who was instrumental in his community, county, and State.

A native son of Raleigh, North Carolina, Sheriff Baker was known for his larger-than-life, 6-foot-7 stature and booming voice. John became the first black sheriff in North Carolina since Reconstruction and held the office from 1978 until 2002. During his 24 years as Sheriff he helped create the John H. Baker Jr. Charter School. This school allows young jailed offenders to get an education. John wasn't the only law enforcement officer in the family as the son of the late Lousie S. Baker and John H. Baker, Sr. John, Sr. was the first African American police officer in the city of Raleigh. At an early age John was taught to have compassion, gentleness, sensitivity for others. These were life skills that he carried with him throughout his life.

John grew up in the Oberlin community of Raleigh and attended Ligon High School. He graduated from North Carolina Central University in 1958. That same year, he was drafted 56th overall by the Los Angeles Rams. Over the next 11 years, the defensive end/defensive tackle went on to play for the Philadelphia Eagles, Pittsburgh Steelers, and Detroit Lions. While playing in the NFL, John displayed his leadership abilities. He was named defensive captain of the Pittsburgh Steelers, MVP of the team, and selected as a NFL All-Star. He was inducted into the North Carolina Hall of Fame, in 1972, for one of the most defining moments of his career. While a Pittsburgh Steeler John tackled football legend Y.A. Tittle, quarterback of the New York Giants, leaving him bloody and battered in the end zone. The tackle is the subject of a famous picture that became part of sports history.

In the off season, John would work with the Raleigh Police Department as a youth counselor. When he retired from the NFL, he became the first black man appointed to the North Carolina State Parole Board, as the Associate Director for Training and Standards Council. He was also an Administrative Aide to U.S. Senator Robert Morgan. John was a member of several organizations; he was a life member of the NAACP, a member of the Board of Trustees of Shaw University, a member of Alpha Phi Alpha Fraternity, just to name a few. John leaves to cherish his memory a devoted wife of forty-eight years, Juanita H. Baker, his two children Jonnita B. Williams, John H. Baker, III, and his Goddaughter Ada H. Roach.

Madam Speaker, Sheriff John H. Baker had a commitment to excellence in everything he did, and he had a way of bringing out excellence in everyone around him. He was a respected and a successful dedicated public servant, and a great North Carolinian. It is fitting that we honor him and his family today.

PERSONAL EXPLANATION

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. SHUSTER. Madam Speaker, on rollcall No. 1056, the Motion to Recommit with Instructions on H.R. 3685, I was not present. Had I been present, I would have voted "yes."

TRIBUTE TO WALTER M. DUZZNY

HON. TIM RYAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. RYAN of Ohio. Madam Speaker, I rise today to honor Walter M. Duzzny. Walter, who has served as the Director of Mahoning County Emergency Management and Communications for 25 years, is retiring at the end of this month.

Walter Duzzny has dedicated over thirty-four years to public service. He began his career in Emergency Management and has made great contributions to the field ever since. As the first Director of the Disaster Services and Preparedness Agency, Walter influenced the Agency to adopt an "all-hazards" concept, which resulted in the development of a County HazMat team and Safety Service and Support Centers. Thanks to Walter's hard work and dedication toward the Agency, Mahoning County has the proper tools to implement preparatory, response, and recovery strategies in the event of an emergency.

Walter has contributed to Mahoning County in more ways than one. He has remained an active member of the community through his participation in several organizations. As a retired Army Reserve Colonel, Walter serves as the President of the local chapter of the National Reserve Officers Association. He also serves on the Board of St. Peter and Paul Ukrainian Orthodox Church and remains a member of several other organizations.

Walter's accomplishments have positively impacted Emergency Management on local and national levels. His innovative drive and valuable contributions will be greatly missed.

I wish Walter all the best in his retirement.

HONORING CENTRAL VALLEY SAFETY SOCIETY

HON. GEORGE RADANOVICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. RADANOVICH. Madam Speaker, I rise today to commend the Central Valley Safety

Society for their commitment to serving the Central Valley.

The Central Valley Safety Society, CVSS, was created as a non-profit organization in 1996 to provide safety and human resource professionals with a place to exchange ideas and information, for the professional enhancement of members and to recognize those who excel in safety and health. CVSS is based in the Central Valley and is the only group of its kind from Los Angeles to Modesto. The long time organizational members include; Pelco, Rich Products, The Fresno bee, Fresno Metropolitan Flood Control District, Fresno County EOC and Clovis Cemetery District.

CVSS holds nine monthly luncheon meetings in downtown Fresno. Typically, there are twenty to thirty members present to discuss topics that cover a range issues from Heat Illness Protection, Hazardous Materials and Health and Wellness Programs. The speakers are typically volunteers from the community. Over the past eight years, the organization has partnered with similar organizations in the Fresno area, such as; Ag Safe, Human Recourse Association of Central California, Fresno County Employer Advisory Council and California State University SHRM Student Chapter. CVSS has partnered with these and other organizations to plan and participate in a half-day human resource and safety seminar and it is held annually in October.

Madam Speaker, I rise today to commend the Central Valley Safety Society for their commitment to serving the Central Valley. I invite my colleagues to join me in wishing the organization many years of continued success.

HONORING LA'VERA ETHRIDGE-WILLIAMS, AS THE 2007 TRIBUTE TO COMMUNITY HEALTH CHAMPIONS HONOREE BY THE WEST FRESNO HEALTHCARE COALITION

HON. JIM COSTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. COSTA. Madam Speaker, I rise today to congratulate La'Vera Ethridge-Williams of Fresno, California, for being named a 2007 Honoree at the West Fresno Healthcare Coalition's Tribute to Health Champions reception. As a principal advocate for childcare in Fresno County, La'Vera is a woman of great vision, and is certainly most deserving of this honor.

Born in Boley, Oklahoma, La'Vera moved to Fresno, where she attended Fresno City College, and then California State University, Fresno. Recognizing the need for a child care facility in West Fresno she submitted a proposal to the California Department of Health and Welfare. After 4 long years, her dream became a reality when her first private child care center designed specifically for infants was inaugurated.

La'Vera opened a chain of daycare centers geared to the education of young children, providing not only a service to the community, but also employment opportunities for West Fresno residents. Mrs. Ethridge-Williams' emphasis has always been on the health, nutrition, and education of children. Her involvement in the health arena has also led her to become one of the founding members of the Sickle Cell Support Group in Fresno, California.

La'Vera Ethridge Williams is a woman of great principle and integrity. She is a role model for all of us, especially those in the childcare industry. I have known La'Vera and her family for years and know they care deeply and contribute daily to make our Valley a better place to live. It is with great pride that I congratulate her for all that she does on behalf of the West Fresno community and for receiving this distinguished award.

PERSONAL EXPLANATION

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. ROTHMAN. Madam Speaker, on Thursday, November 8, 2007, I was unable to be present in the Capitol due to the death of a family member and thus missed rollcall votes Nos. 1060 through 1067. Had I been present, I would have voted in the following manner:

On rollcall vote No. 1060, on H.R. 3688, the United States-Peru Trade Promotion Agreement Implementation Act, I would have voted ''nay.'' I believe the Peru Free Trade Agreement, FTA, is another fundamentally flawed trade agreement. I oppose this FTA because it includes many of the same provisions from the original NAFTA that left workers terribly unprotected, led to the outsourcing of millions of U.S. jobs, and allowed companies to ignore environmental protections here and abroad that are vital to people's health and safety. It's going to hurt workers here and in Peru. I regret that I was unable to be here, due to the devastating loss of a beloved family member, to cast a vote against it.

On rollcall votes Nos. 1061, 1062, 1063, and 1064, the procedural votes on the Rule for Consideration of the Conference Report on H.R. 3222, the Fiscal Year 2008 Department of Defense Appropriations bill, as well as the Conference Report itself, I would have voted ''aye.'' As a member of the House Appropriations Committee's Subcommittee on Defense and therefore, a Conferee on this bill, I voted for it in Conference and strongly support this critical bill that enhances America's security by providing our service men and women with the tools they need to protect our Nation today and giving them the resources and weapons systems they need to fight the threats of tomorrow. This measure also invests in our military personnel by affording them comprehensive health care and ensuring that our wounded warriors are treated with the dignity that they deserve. Had I been present during the consideration of this bill, I would have voted ''aye'' on both of these measures with great pleasure and pride.

On rollcall votes Nos. 1065 and 1066, which were procedural votes on the Rule for H.R. 3355, the Homeowners' Defense Act of 2007, I would have voted ''aye.'' This bill will improve New Jersey citizens' ability to secure homeowners' insurance, as well as recover from flood or hurricane damage.

On rollcall vote No. 1067, the Motion to instruct Conferees for the Transportation, and Housing and Urban Development and Related Agencies Appropriations Bill for Fiscal Year 2008, I would have voted ''aye.''

RECOGNIZING THE ACHIEVEMENTS OF 32 HONOREES OF THE WEST PALM BEACH URBAN LEAGUE DIVISION OF THE NATIONAL ACHIEVERS SOCIETY NOVEMBER 9, 2007

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. HASTINGS of Florida. Madam Speaker, I rise today to recognize the achievements of 32 exceptional young people who will be honored tomorrow by the West Palm Beach National Urban League for their acceptance into the National Achievers Society. Their accomplishments are evidence that the will to succeed endures in spite of continued prejudice, discrimination, and a public education system that historically and presently places many young minorities at a disadvantage in the classroom and beyond.

The achievements of these young people and the establishment of the National Achievers Society Program are both worthy of Congressional recognition. It is with great pleasure that I recognize the following young men and women for their drive and for setting a hopeful and positive example for our country and their community:

Shauna-Kay Nation; Tatiana Virginia; Demetri Virginia; Reginald Walker; Valeana Andre; Rose D'Haiti; Iesha Brutton; Mecarra Easley; Lucianne Gabriel; Chandra Fulwood; Miranda Renald; Regine Hill; Christina Taylor; Jasmine McGee; Brandon Coombs; Mariah Lewis; Thomas Coates III; Aikeyah Williams; Devondrea Edwards; Antonio Taylor; Marcus Sutton; Gabrielle Alexandre; Natasha Juggar; Seon Lewis; Devin Williamson; Khasara Lewis; Arrianne Morrison; Trevor Thomas; Briana Thomas; Charlene Vieira; Marissa Richards; and Regis Frazier.

The National Achievers Society was founded by community leaders who developed an aggressive national response to the educational and developmental crisis facing young people of color in our country. The authors of this program provided children in grades 3–12 with the opportunity to begin and continue their road to excellence by giving them the resources to achieve in the arts, humanities and sciences.

By supporting adults and young people in the development of the next generation of leaders, the National Young Achievers Society ensures that a child's dream to succeed is able to materialize through hard work and dedication. I have always believed that we must invest in young people if we want to be a strong force on the domestic and international stage in the future. These 32 young men and women are evidence of the remarkable reward that ensues when quality programs and dedicated individuals nurture the minds and spirits of our Nation's most precious resource. Indeed, they are worthy of the recognition and congratulation of the U.S. House of Representatives.

HONORING THE ACHIEVEMENTS OF THE WESTERN SPRINGS LITTLE LEAGUE ALL-STARS OF 2007

HON. DANIEL LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. LIPINSKI. Madam Speaker, I rise today to honor the 12-year-olds of the Western Springs All-Star Little League team for their success in capturing the state championship title of 2007 as well as all of their other momentous achievements during the 2007 season. Their commitment and dedication, never giving up in the face of adversity, set them apart from their competitors and made their community proud.

The 2007 Western Springs All-Star team, featuring neighborhood standouts Jack Toner, Peter Swanson, Christopher O'Reilly, David Reed, Tim Goldrick, Jake Elliot, Bret Cunningham, Matt Aikens, Charlie Netzel, Andrew Hinds, Eddie Gengo, and Keith Lehmann, began their season with high expectations after winning a state title the year before. They did not disappoint. As they finished their season 15–1, they continued living by their motto: "Never Give Up, Never EVER Give Up."

This winning attitude brought the Western Springs team to another state championship and gave them the inspiration to persevere even in tough times. I would like to recognize the diligence and commitment which have characterized the Western Springs Little League, rising to a consistent high level of perennial success as district champions, and now State champions two years in a row.

I rise today, Madam Speaker, to commend the hard work and talent of the 2007 Western Springs All-Star team, their calm under pressure, and their sportsmanship even in defeat. The Western Springs Little League All-Stars of 2007 have made a great accomplishment of which they can all be proud. I send my congratulations to them and their families, as well as my thanks for their hard work and for the tradition of excellence, which they have established in the Third District of Illinois.

WELCOMING HOME STAFF SERGEANT SCOTT LILLEY

HON. STEVAN PEARCE

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. PEARCE. Madam Speaker. I rise today to welcome a brave American soldier home to New Mexico. SSgt. Scott Lilley is returning to his family in Roswell, NM, after spending 7 months recovering from a serious wound in battle which left shrapnel lodged in his brain.

Staff Sergeant Lilley served his country bravely for 6 months before he was injured when his convoy in Iraq was attacked by small arms fire on April 15, 2007. In the face of enemy fire, he displayed the utmost courage while defending his fellow soldiers. Despite suffering a life threatening wound, Staff Sergeant Lilley continues to be an example of bravery and strength in his recovery.

Over the course of his career the medals and awards collected by Staff Sergeant Lilley included: The Purple Heart, Army Commendation Medal, Air Force Combat Action Medal, Meritorious Unit Award, Air Force Outstanding Unit Award, Air Force Good Conduct Medal, National Defense Service Medal, Afghanistan Campaign Medal, Iraq Campaign Medal, and the Global War on Terrorism Service Medal.

Staff Sergeant Lilley was treated by military doctors and transported to Landstuhl Regional Medical Center in Landstuhl, Germany, where he received further medical treatment. Now, 7 months after what could have been a fatal injury, Staff Sergeant Lilley has returned home to be with his family and continue the healing process. Welcome home Scott and God bless you and your family.

RECOGNIZING MR. JOSEPH CARINCI OF ONEIDA, NY FOR HIS BRAVERY AND SERVICE

HON. MICHAEL A. ARCURI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. ARCURI. Madam Speaker, I rise today to pay tribute to Joseph Carinci of Oneida, NY. Mr. Carinci is a veteran of the U.S. Navy, Boatswain's Mate Second Class, who served bravely and honorably in World War II.

Joseph Carinci entered the Navy on March 11, 1943, and, at the age of 18, boarded the gun boat USS *Plymouth* for his first sea voyage. On August 4th, the USS *Plymouth* was struck by a German U-boat while escorting a convoy en route to Key West, FL. Mr. Carinci and his shipmates waited for rescue in choppy, shark-infested waters as the ship sank. Tragically, by the time a British rescue ship arrived, Mr. Carinci was among only 85 surviving crew members. Following this harrowing experience, Mr. Carinci served honorably on the destroyer escort USS *Hissem*.

Because of his exemplary service, Joseph Carinci was offered a promotion to the title of Boatswain's Mate First Class. Sadly, he was unable to re-enlist in the Navy and receive his promotion due to family tragedy: his father had recently lost a leg in a railroad accident. Because the Carinci family had already lost a son to the war in France and had another injured in Saipan, Mr. Carinci had no choice but to return home to support his family. He was honorably discharged on December 5, 1945.

Joseph Carinci was awarded the American Campaign Medal, the Asiatic Pacific Campaign Medal, the European-African-Middle Eastern Campaign Medal with Bronze Star Device, the World War II Victory Medal, the Navy Occupation Service Medal with Asia Clasp, and a Combat Action Ribbon.

Madam Speaker, since leaving the service, Mr. Carinci has been an active member of veterans groups in Upstate New York. I am honored to count him as one of my constituents, and I ask my colleagues to join me in honoring Joseph Carinci and the countless other brave Americans who have served this country.

HONOR OUR NATION'S VETERANS

HON. RON KLEIN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. KLEIN of Florida. Madam Speaker, I rise today to honor our Nation's veterans. This is a day to reflect and give thanks to those who have served the United States of America. Their dedication and courage to protect America's freedoms should never go unnoticed or unappreciated.

This week, I was proud to introduce the Military Service Tax Relief Act, which provides tax relief to members of the military and their families. This bill permanently extends a current provision that allows military members called to active duty to make withdrawals—penalty-free—from their retirement plans. It also continues to allow members of the military to include combat pay as earned income, thus allowing more military members to further capitalize on the Earned Income Tax Credit.

Furthermore, this year, I have been advocating for assured healthcare for veterans and I helped pass the largest budget increase in the 77-year history of the VA, which boosts funding for veterans' services by $6.7 billion over last year's level. This funding will help cover the VA's increasing patient load and improve health care facilities and treatment for service members and veterans.

This money is increasingly important to Florida, where we have 1.8 million veterans. And, last year, over 50 veterans moved to Florida every day, making it the fastest growing veterans' population in the country.

Florida also has over 100,000 returning soldiers who served in Iraq or Afghanistan. In wartime, as our men and women come home, we need to realize that they have new needs, and we must find new solutions to help return them to productivity in the workforce and in our communities.

With the influx of many more disabled soldiers coming home, I supported legislation that includes $62 million to hire new claims processors to address the 400,000 claim backlog and $20 million to help speed up administering initial disability exams.

On this Veterans Day, and on every day, I honor America's veterans and soldiers and continuously express my sincere gratitude for their sacrifices.

POSTHUMOUSLY HONORING GEORGE F. BAKER, D.D.S., AS THE COMMUNITY HEALTH CHAMPION 2007 HONOREE AT THE TRIBUTE TO COMMUNITY HEALTH CHAMPIONS RECEPTION BY THE WEST FRESNO HEALTHCARE COALITION

HON. JIM COSTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. COSTA. Madam Speaker, I rise today to congratulate George F. Baker, D.D.S. for being posthumously named a 2007 honoree at the Tribute to Health Champions reception by the West Fresno Healthcare Coalition. As a person who helped shape the dental profession and patient care throughout San Joaquin Valley, he is certainly deserving of this honor.

Dr. Baker is fondly remembered by the residents of Southwest Fresno as one of the few dentists who would not hesitate to care for those less fortunate who were served only by publicly funded dental programs. His goal was to ensure that people in rural areas had access to good, affordable dental care. It was this commitment to caring for the underserved which led Dr. Baker to author the initial grant request in the mid 1970's to establish the Firebaugh-Mendota Dental Clinic. Dr. Baker was also a strong supporter and advocate of the UCSF-Fresno Latino Center for Medical Education and Research, a program built to address the persistent shortage of Latino physicians in the community and amongst the medical school faculty. He helped create the dental clinic at the Valley Medical Center and was closely involved in managing and ensuring that indigent families had access to dental services there at all times.

The establishment of a scholarship in his name for entering students at the UCLA School of Dentistry demonstrates the high regard in which Dr. Baker is held. It recognizes the long and outstanding contributions he made to the dental profession and to education in the field of dentistry.

Dr. Baker was a man of great principle and integrity and continues to be a role model for our Valley's newest dental professionals. Along with the memory of his work, his scholarship will enable more dentists to help those in need, as Dr. Baker did for so long. George was my friend and a mentor during my early years in health care for our valley and the political process. His son Tim and daughter Bethany carry on this spirit of community service. It is with great pride that I posthumously honor him for all that he did on behalf of Western Fresno and congratulate him for receiving this distinguished award.

MARINE CORPS MARATHON CONTINUED

HON. JEAN SCHMIDT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mrs. SCHMIDT. Madam Speaker, I rose last week to share some of the heartwarming stories I heard while competing in the Marine Corps Marathon, and to pay tribute to some of the extraordinary people who participated in the Marathon. I rise today to recognize more brave souls who finished the Marine Corps Marathon and are affiliated with the Marine Corps' Congressional liaison office and the Capitol Hill Running Club: BG Michael Regner, MAJ Tom Wood, MAJ Gerald Thomas, MAJ Toby Patterson, Sgt Hector Rodriguez, Cpl Scott Caudill, 2nd Lt Ingrid Rivera, RADM Mark Ferguson III, CDR Audrey Monish, Dr. Mike Moses, Riley Scott, David Cleary, Tom Sheehy, Michael Hermann, Amy Porter, and Mark Smith.

PERSONAL EXPLANATION

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Ms. WOOLSEY. Madam Speaker, on November 7, I was unavoidably detained and was not able to record my vote for Rollcall #1058.

Had I been present I would have voted: Rollcall #1058—"yea."

PERSONAL EXPLANATION

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. MILLER of Florida. Madam Speaker, I would like to offer the reason I missed rollcall vote Nos. 1059 through 1072 on November 7 through 8, 2007. I was down in my district attending the funeral of Sgt. Daniel L. McCall.

If present, I would have voted:

Rollcall vote No. 1059, H. Res. 801—Providing for consideration of the bill (H.R. 3688) to implement the United States-Peru Trade Promotion Agreement "aye";

Rollcall vote No. 1060, final passage on H.R. 3688—United States-Peru Trade Promotion Agreement "aye";

Rollcall vote No. 1061, H. Res. 806—Providing for consideration of the conference report to accompany H.R. 3222, making appropriations for the Department of Defense "nay";

Rollcall vote No. 1062, Ordering the Previous Questions on H. Res 806 "nay";

Rollcall vote No. 1063, H. Res. 806—Rule for Department of Defense Conference "nay";

Rollcall vote No. 1064, final passage on H.R. 3222—Department of Defense Appropriations for FY 2008 "aye";

Rollcall vote No. 1065, Ordering the Previous Questions "nay";

Rollcall vote No. 1066, providing for consideration of the bill (H.R. 3355) to ensure the availability and affordability of homeowners' insurance coverage for catastrophic events "nay";

Rollcall vote No. 1067, On Motion to Instruct Conferees to H.R. 3074 "aye";

Rollcall vote No. 1068, Klein Amdt. to H.R. 3355 "aye";

Rollcall vote No. 1069, Roskam Amdt. to H.R. 3355 "nay";

Rollcall vote No. 1070, Roskam Amdt. to H.R. 3355, "nay";

Rollcall vote No. 1071, Manzullo Amdt. to H.R. 3355, "nay";

Rollcall vote No. 1072, Shays Amdt. to H.R. 3355, "nay".

PERSONAL EXPLANATION

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. LEVIN. Madam Speaker, yesterday, I was unavoidably absent during rollcall votes 1061 through 1076. Had I been present, I would have voted "yea" on rollcall 1061, "yea" on rollcall 1062, "yea" on rollcall 1063, "yea" on rollcall 1064, "yea" on rollcall 1065, "yea" on rollcall 1066, "yea" on rollcall 1067, "yea" on rollcall 1068, "nay" on rollcall 1069, "nay" on rollcall 1070, "nay" on rollcall 1071, "nay" on rollcall 1072, "nay" on rollcall 1073, "yea" on rollcall 1074, "yea" on rollcall 1075, and "nay" on rollcall 1076.

I was also unavoidably absent on October 30 for rollcalls 1018, 1019 and 1020. Had I been present, I would have voted "yea" on all three rollcalls.

COMMEMORATING THE 53RD VETERANS DAY

HON. NICK J. RAHALL, II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. RAHALL. Madam Speaker, it was the 11th hour on the 11th day of the 11th month of 1918 when the guns fell silent on European battlefields, echoing the cease-fire agreement between the Allied Nations and German Forces and America's first victory in a battle for freedom in a world at war.

One year later, on November 11, 1919, President Woodrow Wilson proclaimed and commemorated the first Armistice Day. Thirty-five years later, this day would come to be known as Veterans Day—a day in which our Nation takes the time to recognize the service and sacrifice of the men and women who have heeded the call to service in defense of our Nation.

Over the years, our Nation has fought many battles, on many continents, amongst many enemies, and in defense of those who cannot defend themselves. Throughout these battles, our country has seen some of our best and brightest commit the ultimate sacrifice for a cause that they believe in, a cause called freedom.

To many across the world, freedom is a work in progress, a quest toward the ability to do and say what you feel, and live in a world of peace, to provide for your family, and to live without the fear of persecution for your beliefs and ideas. As Americans, we enjoy these freedoms many others do not, because of the unyielding sacrifice made by our brave men and women in uniform who have served our Nation over the course of history to defend our liberty.

Let us take this day to remember those who have served and those who have fallen, who selflessly gave of themselves, knowing that they were protecting and representing the greatest Nation on Earth. Let us remember that it is our duty to see that our veterans have access to quality and affordable healthcare. And let us remember to always honor and recognize all veterans with the respect and admiration that they have earned.

Our veterans, as our soldiers fighting today, remain foremost in the thoughts and minds of West Virginians, and will always remain one of my top Congressional priorities. May God continue to bless all those who have returned and those who have not on this Veterans Day.

EXPRESSING SYMPATHY FOR VICTIMS OF THE OCTOBER 28, 2007, FIRE IN OCEAN ISLE BEACH, NC

SPEECH OF

HON. BOB INGLIS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 6, 2007

Mr. INGLIS of South Carolina. Mr. Speaker, our deepest sympathies go out to the families

and friends who lost loved ones in the fire that took seven young lives on October 28, 2008.

As parents, we grieve with the parents who grieve. As siblings, we mourn with those who mourn the loss of sisters and brothers. As friends, we weep with those friends who weep.

In the midst of grief, we point to hope. We hope that our words bring some comfort, and we pray that these everlasting words will bring peace to the family, friends and loved ones of Cassidy, Lauren, Justin, Travis, Allison, William, and Emily:

''Surely he took up our infirmities and carried our sorrows, yet we considered him stricken by God, smitten by him, and afflicted. But he was pierced for our transgressions, he was crushed for our iniquities; the punishment that brought us peace was upon him, and by his wounds we are healed (Isaiah 53: 4–5).''

Thank you, Representative CLYBURN, for offering this resolution. South Carolina and the nation unite in our sympathy and support for those affected by this tragedy.

VETERANS DAY: A GRATEFUL NATION REMEMBERS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Speaker, I rise today in tribute to this Nation's veterans, a distinguished group of Americans which I am so proud to be associated with.

Prior to my election to public office, it was my privilege to work on behalf of veterans for more than 15 years as a chief psychiatric nurse at the Dallas VA Hospital, Day Treatment Center, as well as the Day Hospital in Dallas, TX.

Our 25 million living veterans need Congress' continued support for health care and compensation for those with service-connected disabilities. Educational support, counseling, and employment-assistance programs for those readjusting to civilian life also must be sustained. These programs and others to assist the survivors of those who made the ultimate sacrifice, help acknowledge a debt we can never truly repay.

We cannot hide from the truth that close to 25 percent of our Nation's homeless are veterans, many of whom suffer from chronic mental illness. We also cannot ignore that unemployment rates among service-connected disabled and recently discharged veterans remain unacceptably high, and that it is estimated that over 10,000 Iraq and Afghan veterans suffer symptoms of post-traumatic stress disorder.

I will proudly join millions of North Texans to honor our veterans on November 11th—many of those just returning from Iraq and Afghanistan, others who long ago returned from Europe, Korea, Vietnam, Desert Storm, and all those brave men and women who served elsewhere during the years between these conflicts.

TRIBUTE TO BG PAUL W. TIBBETS, JR.

HON. ZACH WAMP

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. WAMP. Madam Speaker, each Veterans Day we recognize and pay tribute to the extraordinary courage of those who have served in our nation's armed forces. The sacrificial service of these brave men and women committed to God, family, and country has preserved the freedom of this great Nation and granted freedom to millions around the world. Though, we must never forget that freedom is not free. The price of freedom is paid for with the lives and blood of the men and women of our Armed Forces.

Just 8 days ago on November 1, 2007, our Nation lost retired BG Paul W. Tibbetts when he died at the age of 92 surrounded by family and friends in Columbus, OH. At a time when our Nation witnessed the rape of Nanking, the Death March to Bataan, and the tragedy of Pearl Harbor, General Tibbetts fulfilled his call to duty and today we honor him for his service.

February 23, 1915, was a significant day in history as it marked the birth of Paul Warfield Tibbetts, Jr. to Mr. Paul and Enola Gay Tibbetts. Just 30 years later their son would command the most famous single military air strike in world history over Hiroshima, Japan, in a plane carrying his mother's namesake.

In one of his very rare interviews, General Tibbetts, offered his perspective on his role in the bombing of Hiroshima. ''I'm not proud that I killed 80,000 people, but I'm proud I was able to start with nothing, plan it and have it work as perfectly as it did,'' he said years later. ''You've got to take stock and assess the situation at that time. We were at war, and you use anything at your disposal.''

This gives us great insight into the life and legacy of BG Paul W. Tibbetts, whose unwavering commitment epitomized the words of the 18th Century British philosopher John Stuart Mill, ''War is an ugly thing, but not the ugliest of things. The decayed and degraded state of moral and patriotic feeling which thinks that nothing is worth war is much worse. The person who has nothing for which he is willing to fight, nothing which is more important than his own personal safety, is a miserable creature and has no chance of being free unless made and kept so by the exertions of better men than himself.''

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2008—CONFERENCE REPORT

SPEECH OF

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 8, 2007

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3222) making appropriations for the Department of Defense for fiscal year ending September 30, 2008, and for other purposes:

Mr. UDALL of Colorado. Mr. Chairman, I rise in support of this legislation.

The Defense Appropriations conference report for fiscal year 2008 provides $459 billion in funding for our military operations, an increase of $39 billion over this year's enacted levels. This report begins to address this country's military readiness crisis, modernizes our forces to meet future threats throughout the world, and ensures that our troops get the benefits they have earned.

This bipartisan bill invests in equipment, training, and weaponry—including body armor and armored vehicles to save the lives of our soldiers. It restores depleted equipment for our National Guard and Reserve, provides a 3.5 percent pay raise for all military personnel, and fully funds the $1.9 billion TRICARE shortfall without cost to our troops. The bill provides an increase in funding for wounded warrior assistance and funds programs to improve coordination between the Defense Department, DOD, and the Department of Veterans Affairs, improve DOD's health recordkeeping, and enhance preventative medicine programs.

The bill strengthens the Nunn-Lugar Cooperative Threat Reduction Program, which helps to secure loose nuclear materials in the former Soviet Union. It also provides accountability by increasing funding for additional Inspector General civilian personnel to oversee DOD's contract services, and establishes a clear set of rules-of-engagement for contracted security personnel serving in Iraq and Afghanistan. It also includes language that I advocated for prohibiting funding for permanent U.S. bases in Iraq.

The bill includes much that benefits Colorado. Section 8119 mandates that work to destroy chemical weapons stockpiles at Pueblo Chemical Depot be completed, preferably by the Chemical Weapons Convention treaty deadline of 2012, and in any event by no later than 2017. The bill also includes funding to help meet this deadline—$142.4 million for chemical demilitarization activities. This funding will accelerate weapons destruction activities already underway and will supplement $35.1 million for the construction of on-site chemical destruction facilities already provided in the fiscal year 2008 Military Construction spending bill.

I strongly support these provisions because I think we need to continue to do all we can to safely and expeditiously remove the mustard agent remaining at the Pueblo depot. The sooner we clean up these weapons, the sooner the surrounding communities will be safe—and a clean-up by the Chemical Weapons Convention treaty deadline of 2012 will come at a lower cost to taxpayers.

I am also pleased that the conference report includes provisions I fought for to help Colorado's educational institutions—$3.2 million for the University of Colorado at Colorado Springs to help UCCS, working together with NORTHCOM, to offer the Nation's first federally funded Ph.D. program in homeland defense; $1.6 million for UCCS, working with the national Space Education Consortium, to advance science, technology, engineering, and math education; and $2 million for Colorado State University's DOD Center for Geosciences/Atmospheric Research to continue providing research on priority environmental problems to the U.S. Army, Navy, and Air Force.

As a co-chair of the Bi-Cameral Caucus on Parkinson's Disease, I am also pleased that

the conference report includes $20 million for Parkinson's research in the Army's Neurotoxin Exposure Treatment Research Program, NETRP. This critical program was established over 10 years ago to investigate the causes, diagnosis, and treatments of Parkinson's disease to improve military readiness. American troops are routinely exposed to external stressors and toxins such as head injury, pesticides and herbicides, and scientists believe these exposures increase the risk of developing neurodegenerative conditions, particularly Parkinson's disease, that negatively impact the readiness of American military forces. Understanding how exposures occur and the incidence of disease afterwards will allow the Department of Defense to minimize the risk of future exposures, better protect military personnel, and improve military readiness.

The military is not the only recipient of NETRP's benefits. Any research breakthroughs in prevention, detection, and treatment of neurodegenerative conditions are immediately applicable to civilians—particularly the more than 1 million Americans with Parkinson's disease, including nearly 79,000 veterans and 60,000 newly diagnosed Americans each year.

The Defense Appropriations conference report also includes a continuing resolution to fund the Federal Government for another month at fiscal year 2007 spending levels, and adds additional funding for the Department of Veterans Affairs, grants a temporary extension of the children's health, S–CHIP, program, and provides $500 million to bolster funding for federal firefighting programs following the California wildfires.

I remain concerned about rising costs of weapons systems that have yet to be fully funded, and by budget projections that tell us that we'll need to increase defense budgets annually simply to sustain the current force structure and weapons programs. Because operations and maintenance and personnel costs—as well as training and recruiting costs—are also rising, we will need to do a better job balancing spending on current and future military priorities, and consider whether to fully fund all these weapons systems.

Mr. Chairman, this is not a perfect bill. It does not solve or attempt to solve some of these looming budget problems. But overall, the bill deserves to pass and I urge its approval.

THE WHITE RIBBON CAMPAIGN

HON. ADRIAN SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. SMITH of Nebraska. Madam Speaker, I rise today to bring attention to the White Ribbon Campaign and call on men everywhere to help stop violence against women.

The White Ribbon Campaign is the largest effort in the world organized by men and aimed at men to say that all forms of violence against women must stop now.

I applaud this grassroots effort of men from all walks of life working together to contribute to this important goal.

One in every four women will experience domestic violence in her life, and an estimated 1.3 million women are victims of physical assault by a partner each year.

I am proud that my home State of Nebraska has long been concerned for women living in fear of violence, and in 1976 was the first State to abolish the marital rape exemption.

We owe our thanks for the important work the men of the White Ribbon Campaign are doing as they work toward the goal of stopping violence against women.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2008—CONFERENCE REPORT

SPEECH OF

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 8, 2007

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3222) making appropriations for the Department of Defense for fiscal year ending September 30, 2008, and for other purposes:

Mr. HOLT. Mr. Chairman, I rise in support of this measure, which will give our men and women in uniform the resources they need to help protect our Nation and its people.

Taking care of our military families is a vital responsibility, and this bill meets that obligation. It provides a 3.5 percent pay raise for all military personnel, rejects the President's proposed increases in TRICARE co-pays by fully funding the $1.9 billion TRICARE shortfall without cost to our troops, and allocates $2.6 billion to provide more counselors, teachers, and child care providers to reinforce the support network serving military families. The bill also provides $615.7 million for Army facilities to upgrade barracks, improve child care facilities and enhance community services at bases throughout the U.S., Europe and Korea. All of these things will improve the quality of life of our military families, and I appreciate what Chairman MURTHA has done on their behalf.

Providing our deployed troops with the equipment they need is our other vital responsibility. This bill provides $11.6 billion for Mine Resistant Ambush Protected (MRAP) vehicles and for body armor and other protective equipment. Earlier this year, I joined a number of my colleagues in a letter to Defense Secretary Gates urging him to make the acquisition of MRAP vehicles a priority, and I'm pleased he has worked with the Congress to expedite the acquisition of these life-saving vehicles.

Our Guard and Reserve units will also benefit from a $980 million appropriation in this bill for new equipment. I think just about all of us in this House have Guard and Reserve units in our districts that have been short of key equipment, a situation that not only has compromised the deployability of those units overseas but has also made it harder for Guard units to provide disaster support to communities in the wake of floods, hurricanes, and other natural disasters. I'm glad these equipment shortages are being addressed in this bill, and I hope we'll continue working this problem until all Guard and Reserve units have their full allocation of needed equipment.

Finally, to help those who return from war wounded, this bill provides $70 million for the Dignified Treatment of Wounded Warriors Act (H.R. 1538), which passed the Congress in July 2007. That legislation mandated improvements in the care of wounded service members and in the services provided to them, including improving the system of case managers for wounded service members, creating a system of patient advocates, and the creation of a formal transition process from the Armed Forces to the VA for service members who are being retired or separated for health reasons. I'm pleased we're finally funding this important bill, which was passed in the wake of the Walter Reed Medical Center scandal in January. However, I view this as just the first step in properly funding these programs, and I hope we can do even more in next year's budget.

Mr. Chairman, this bill will help us give our men and women in uniform and their families the support and resources they need, and I urge my colleagues to join me in voting for it.

PROVIDING FOR CONSIDERATION OF H.R. 3043, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2008

SPEECH OF

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 6, 2007

Mrs. MALONEY. Madam Speaker, I rise in strong support of this conference report, which keeps our commitments to our veterans and invests in critical domestic priorities to strengthen our Nation. By putting the needs of the American people first, we are moving in a new direction to make overdue investments in education, health care, and jobs. We're doing this in a bipartisan way: both pieces of the bill originally passed the House with strong bipartisan support.

I would like to thank Chairman OBEY again for working with Representative WELDON to secure an important provision that Representative WELDON put forward in today's LHHS conference report that will ban the use of funds from being used to administer a mercury-containing flu vaccine to children under the age of three. This provision implements the policy advocated by the American Academy of Pediatrics, the U.S. Public Health Service, and vaccine manufacturers. Providing our children with safe vaccines is long overdue.

In addition to making vaccines safer, helping families pay for college, funding job training and providing for groundbreaking medical research, this bill helps the heroes of 9/11 who have become sick because of their work at Ground Zero. These are police officers, fire fighters, cleanup workers and others who risked their lives in the hours after the planes hit and risked their health in the weeks and months that followed, laboring in the toxic dust and fumes. For the first time, funding for 9/11 health needs is being included in regular spending. The $52.5 million included in the conference report will go a long way in providing medical monitoring and treatment for everyone exposed to the toxins of Ground Zero.

I have to emphasize again the "everyone." I have always said that it shouldn't matter

what hat you were wearing after 9/11, because everyone was exposed to the same toxins. Provisions in the bill recognize that reality; for the first time residents, area workers and school children who were exposed to the deadly toxins will move toward having the same high quality care that responders have. We've been fighting for residents for a long time, and this is a giant first step in taking care of them. I want to sincerely thank Chairman OBEY and his outstanding subcommittee staff for their hard work.

It is critical that the Federal Government step up to the plate and fulfill its responsibility to all the victims of the attacks of September 11. New Yorkers know it, people from everywhere else in the Nation know it, and this spending measure shows that Congress knows it, as well. The President should sign this bill to keep our commitment to our veterans and invest in crucial domestic priorities, so that we can show all Americans we're serious about putting the people's priorities first and ensuring that the heroes and heroines of 9/11 get the care they need and deserve. It is the least we can do as a grateful Nation.

RECOGNIZING THE 50TH ANNIVERSARY OF THE OLD HOMESTEAD SUBDIVISION

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. KNOLLENBERG. Madam Speaker, I want to recognize the historic Old Homestead Subdivision at Eleven Mile and Drake Roads in Farmington Hills, Michigan as they celebrate their 50th Anniversary on November 10, 2007.

The Old Homestead Subdivision takes its name from the original 240-acre tract taken out in 1824 by Mr. Edward Steele. The deed, which was signed by President John Quincy Adams, was granted to the first ''homesteader,'' who was required to clear the wilderness and establish a home while paying $1.25 an acre. It was on this land that Mr. Steele built a home, a farm, and a mill for his family.

It was Edward Steele's grandson, Frank Steele, who would leave the largest mark on this community. After a fire destroyed his grandfather's farmhouse, Frank and his wife, the former Bertha Crosby, the daughter of the first soldier to enlist in the Civil War from Michigan, commissioned a stone house to be built on Eleven Mile Road. They were both active members of the community, where Frank served on the Township Board and as a Justice of the Peace, while Bertha was active in all the local women's organizations. The house stayed within the Steele family until 1989 when it was made part of the Farmington Hills Historic District by Frank's nephew, Robert Bohme.

Throughout the years, the farm land originally purchased by Edward Steele has been sold and developed into country homes for folks seeking solace from the busy city life of Detroit. Stores, cider mills, and inns began to dot the pastoral landscape, bringing commerce to the community. Road development allowed more families to settle into suburban life in Farmington Hills, and like many subdivisions that formed after World War II, the homestead was established on November 10, 1957.

Even with all of the new construction and development that came over the years, the Old Homestead kept hold of the unique features that made it what it is. The Old Homestead remains home to historic Elliot Sprague House, which was built in 1880, and the Erie Prince Sawmill, which now is a cider mill. These mainstays keep the Old Homestead as the quaint neighborhood it was when formed.

Madam Speaker, today I pay tribute to the rich history of the Old Homestead Subdivision. Its contribution to the character of the city of Farmington Hills is beyond measure, and I congratulate the residents on the 50th anniversary of its founding.

HOUSTON CRIME STOPPERS

HON. TED POE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. POE. Madam Speaker, the safety and security of American communities is a vital ingredient in the preservation of liberties we as a nation hold dear. Nonetheless, individuals occasionally attempt to upset our sense of wellbeing. Holding these criminals accountable for their actions is thus of the utmost importance. Since 1981, Houston Crime Stoppers has tirelessly worked towards keeping our neighborhoods protected through helping law enforcement solve numerous cases.

Imported, from a similar program in Albuquerque, New Mexico, by members of the Exchange Club of Houston, the organization quickly grew into a world leader, assisting to solve felony offences. The success achieved by this group is made possible through the ease of reporting information to the Tip Line. As a result of assigning callers with code numbers, anonymity is easily maintained, while encouraging informants to continue to contact Crime Stoppers. If the information provided leads to an arrest, a financial reward is then given to the appropriate citizens. From 1981 to 2006 over 6.5 million dollars have been paid in cash rewards, a testament towards the large response to Crime Stoppers throughout the Houston community.

Prevention is also a key aspect of Houston Crime Stoppers mission. Serving over 200 area middle and high schools, the Safe School Program works to educate students and administrators about how to recognize dangers. Their focus in particular concerns gang activity, terrorist threats, and possession of dangerous weapons. Students can report serious crimes to officers, through the anonymous tip line before they escalate into perilous situations. These informed campuses are better protected as a result, illustrated alone by the 52 gun related arrests in just the past decade.

A similar initiative sponsored by Crime Stoppers is the Safe Apartment Program. Like preventative programs in area schools, the identifying crime is a major concentration. Complex managers and staff are taught how to recognize and report criminal activity. Residents also can inform officers of offenders in their community, through the Tip Line. This has proven to effectively reduce crime, making the affected neighborhoods increasingly safer.

Operating in partnership with citizens, media, law enforcement, and the criminal justice system, Houston Crime Stoppers is now the number one community based organization dedicated to deciphering and preventing serious crime. Since their 1981 inception, 26,593 cases have been closed as a result of these dedicated citizens. Of these many servings of justice, they solved 817 homicides, 832 murders, and apprehended 8917 felony fugitives. Still, these statistics make up only a portion of the many other transgressions resolved as a result of Houston Crime Stoppers.

And that's just the way it is.

HONORING GEORGE BARRETT'S 50 YEARS IN THE LEGAL PROFESSION

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. GORDON of Tennessee. Madam Speaker, I rise today to honor George E. Barrett for his 50 years of service in Nashville's legal profession. A long-time champion of civil rights, George has gained a reputation as one of Tennessee's foremost judicial consciences.

During the 1950s and 1960s, Nashville was the backdrop for many powerful demonstrations during the Civil Rights Movement, including the famous lunch counter sit-ins. In the midst of that movement, George Barrett earned his law degree blocks away at Vanderbilt University and decided to practice law right there in the city where he grew up.

George made a name for himself as a defender of the underdog. His work on Tennessee's Geier case is a remarkable example of a civil rights issue that George tenaciously took on and saw through its duration of more than three decades.

George has been a friend for many years, and I congratulate him on his 50 years as a fearless attorney. As one of the partners at his law firm wisely suggested, we doubt he will ever actually retire. I wish George many more years of success and happiness in his career and in his personal life.

IN RECOGNITION OF NAVSYS CORPORATION, 2007 TIBBETTS AWARD WINNER FOR THE TALON NAMATH PROGRAM

HON. DOUG LAMBORN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. LAMBORN. Madam Speaker, I rise today to congratulate NAVSYS Corporation for receiving the 2007 Tibbetts Award given in recognition of the successful Talon NAMATH Program. The Tibbetts Award, named for Roland Tibbetts, honors organizations, individuals, and small businesses who demonstrate achievement in the area of Small Business Innovation Research.

Located in my hometown of Colorado Springs, NAVSYS Corporation was founded in 1986 by Dr. Allison Brown. Since its inception, this company has sought to promote the use of Global Positioning System in a variety of applications, both commercial and military. The Talon NAMATH Program for which

NAVSYS received the Tibbetts Award has provided crucial support to our military operations in Iraq and Afghanistan.

I am proud to represent such an accomplished business and hope that this achievement by NAVSYS inspires other businesses in my district. Today, I offer my congratulations to NAVSYS and all those who worked so diligently on the Talon NAMATH Program. It is innovations by companies like this that will keep our country secure.

PAYING TRIBUTE TO WENDY DARWELL

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. HINCHEY. Madam Speaker, I rise today to pay tribute to my longtime staff member and dear friend, Wendy Darwell as she prepares to embark on the next adventure in her life. Wendy has served the people of New York's 26th and now 22nd congressional district with great distinction for the past 13 years, holding several positions of responsibility in my office, most importantly as my chief of staff. Wendy's tenure in my office has been defined by a deep commitment to serving the people of New York and a dedication to the operation of our organization, working to ensure efficient and effective service to the residents of my congressional district and the people of our country.

Wendy Darwell originally hailed from the Village of Tivoli in Dutchess County, New York. She attended American University here in Washington and began working in my office as an intern while taking undergraduate courses in 1995. Wendy quickly established herself as an effective member of my staff and quickly worked her way through many positions in my office; first as a legislative correspondent, then as a legislative assistant, press secretary and finally, for the past seven years, as my chief of staff. She is well-known for her grace under pressure, her leadership, and her professionalism and courtesy. Wendy has overseen many significant projects and initiatives that have benefited the country as a whole. But most importantly, she embraced every opportunity to improve the lives of the constituents I represent and did so with compassion and energy. I would not have been able to serve the people of the New York congressional districts I have represented as effectively without the extraordinary leadership and skill contributed by Wendy Darwell.

Madam Speaker, it is with a deep sense of gratitude that I rise today to thank Wendy Darwell for her many years of dedicated service to me, to the people of New York's 26th and 22nd congressional districts, and to this country. She leaves behind a long list of accomplishments and a staff and a congressman who will miss her deeply. I wish her well in her new endeavors and look forward to staying in close contact with her.

THE MOST REVEREND CURTIS JOHN GUILLORY

HON. TED POE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 9, 2007

Mr. POE. Madam Speaker, today I am proud to recognize the Most Reverend Curtis John Guillory, Bishop of the Roman Catholic Diocese of Beaumont. Bishop Guillory was born in Mallet, Louisiana to a family of cotton sharecroppers as the oldest of sixteen children.

He graduated from St. Augustine Seminary in 1964 and was ordained to priesthood in 1972. He holds a Bachelor of Arts Degree and two Master's Degrees, one in Divinity and one in Christian Spirituality. He was ordained as auxiliary Bishop in 1988, and installed as the fifth Bishop of Beaumont in July of 2000. He is the first African-American to be Bishop of Beaumont, and the first African-American ordinary (Bishop with full jurisdiction) of any Diocese in Texas.

His first assignment was to St. Augustine Parish in New Orleans, Louisiana, which was the home parish of Mr. Plessy of Plessy vs. Ferguson—the case that decided, ''separate but equal'' was constitutional (later overturned by Brown vs. Board of Education).

The Bishop's Episcopal motto is Romans 8:28, which says, ''For those who love God, all things work together for good.'' His hobbies include reading, exercising, and traveling; the latter two came in handy when he carried the Olympic torch in 1996, as it traveled across the country!

As the Vicar of Christ in the Diocese of Beaumont, which includes St. Anthony Cathedral, one of only four Minor Basilicas in Texas, the Bishop carries out his threefold ministry as teacher of doctrine, a priest of sacred worship, and a minister of governance.

Bishop Guillory is known for his frequent visits to parishes and schools. He gives his time freely throughout the community and across the country, and has served on a host of boards, including the USCCB African American Catholics in Washington, DC; Julie Rogers Gift of Life Program in Beaumont, TX; IEA—Inspire, Encourage, Achieve; NCCB Committee on World Missions, Washington, DC; Apostleship of the Sea USA in Washington, DC; Gulf Coast Epilepsy Association; Houston Area Urban League; Housing Opportunities, Inc.; Downtown Houston YMCA; Mental Health Association of Greater Houston; Child Advocates, Inc.

He was also a 2006 recipient of the St. Elizabeth Ann Seton Award for Catholic Education, from the National Catholic Educational Association for the successes of the Catholic schools in the Diocese of Beaumont. This honor is awarded to those whose personal or professional philanthropy of volunteer service has impacted Catholic education in the U.S., and our country's youth in general.

I am proud to recognize the Most Reverend Bishop Curtis Guillory for his distinguished ministry and service. He has helped make our world a better place to live, and I applaud his unwavering compassion dedication to the community and all of humanity.

That's just the way it is.

Daily Digest

Senate

Chamber Action

Adjournment: Senate convened at 10:00:15 a.m. in pro forma session, and adjourned at 10:00:48 a.m., until 10:00 a.m. on Tuesday, November 13, 2007.

Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Homeland Security and Governmental Affairs: Committee concluded a hearing to examine the nominations of Robert D. Jamison, of Virginia, to be Under Secretary for National Protection and Programs, and W. Ross Ashley III, of Virginia, to be an Assistant Administrator of the Federal Emergency Management Agency, both of the Department of Homeland Security, after the nominees testified and answered questions in their own behalf.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 23 public bills, H.R. 4130–4152; and 5 resolutions, H. Con. Res. 252–253; and H. Res. 814–816 were introduced. **Pages H13521–22**

Additional Cosponsors: **Pages H13522–23**

Reports Filed: Reports were filed today as follows:

Conference report on H.R. 1429, to reauthorize the Head Start Act, to improve program quality, and to expand access (H. Rept. 110–439) and

H. Res. 813, providing for consideration of the conference report to accompany the bill (H.R. 1429) to reauthorize the Head Start Act, to improve program quality, and to expand access (H. Rept. 110–440); and

H.R. 3915, to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes (H. Rept. 110–441). **Page H13521**

Speaker: Read a letter from the Speaker wherein she appointed Representative Salazar to act as Speaker Pro Tempore for today. **Page H13415**

Journal: The House agreed to the Speaker's approval of the Journal by a yea-and-nay vote of 221 yeas to 175 nays with 2 voting "present", Roll No. 1079. **Pages H13415, H13426–27**

Motion to Adjourn: Rejected the Baca motion to adjourn by a yea-and-nay vote of 184 yeas to 204 nays, Roll No. 1080. **Pages H13427–28**

Resignation of General Counsel: Read a letter from General R. Gennet, in which she announced her resignation as General Counsel to the House of Representatives, effective November 12, 2007. **Page H13426**

Temporary Tax Relief Act of 2007: The House passed H.R. 3996, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, by a yea-and-nay vote of 216 yeas to 193 nays, Roll No. 1081. **Pages H13417–26, H13428–62**

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. **Page H13417**

H. Res. 809, the rule providing for consideration of the bill, was agreed to by a yea-and-nay vote of 220 yeas to 185 nays, Roll No. 1078, after agreeing

to order the previous question by a yea-and-nay vote of 215 yeas to 185 nays, Roll No. 1077.

Pages H13425–26

General Counsel of the United States House of Representatives—Appointment: The Chair announced the Speaker's appointment of Mr. Irvin B. Nathan as General Counsel of the United States House of Representatives, effective November 12, 2007. **Page H13509**

Meeting Hour: Agreed by unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Tuesday, November 13th for morning hour debate. **Page H13510**

Calendar Wednesday: Agreed by unanimous consent to dispense with the Calendar Wednesday business of Wednesday, November 14th. **Page H13510**

Senate Message: Message received from the Senate today appears on pages H13425–26, H13426, H13426–27, H13427, H13461–62.

Quorum Calls—Votes: Five yea-and-nay votes developed during the proceedings of today and appear on pages ____. **There were no quorum calls.**

Adjournment: The House met at 9 a.m. and adjourned at 4:01 p.m.

Committee Meetings

ELECTION DAY REGISTRATION/ PROVISIONAL VOTING

Committee on House Administration: Subcommittee on Elections held an oversight hearing on Election Day Registration and Provisional Voting. Testimony was heard from Representatives Ellison and King of Iowa; Tim Moore, State Representative, North Carolina; Mark Ritchie, Secretary of State, Minnesota; Neil Albrecht, Assistant Director, City of Milwaukee Election Commission, Wisconsin; Mary Kiffmeyer, former Secretary of State, Minnesota; and public witnesses.

CONFERENCE REPORT—IMPROVING HEAD START ACT OF 2007

Committee on Rules: Committee granted, by a voice vote, a conference report rule. The rule waives all points of order against the conference report on H.R. 1429, Improving Head Start Act of 2007 and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Chairman George Miller of California.

CONGRESSIONAL PROGRAM AHEAD

Week of November 12 through November 17, 2007

Senate Chamber

Senate will begin consideration of the nomination of Robert M. Dow, Jr., of Illinois, to be United States District Judge for the Northern District of Illinois, and after a period of debate, vote on confirmation of the nomination.

During the balance of the week Senate will consider any other cleared legislative and executive business, including appropriation bills, and conference reports, when available.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Armed Services: November 15, to hold hearings to examine the state of the United States Army, 9:30 a.m., SH–216.

Committee on Banking, Housing, and Urban Affairs: November 14, to hold hearings to examine shareholder rights and proxy access, 10:30 a.m., SD–538.

November 14, Full Committee, to hold hearings to examine sovereign wealth fund acquisitions and other foreign government investments in the United States, focusing on economic and national security implications, 2 p.m., SD–538.

Committee on Commerce, Science, and Transportation: November 13, to hold hearings to examine the accuracy of the Federal Trade Commission on the tar and nicotine cigarette rating system, 2:30 p.m., SR–253.

November 14, Full Committee, to hold hearings to examine ways to improve the Federal Climate Change Research and Information Program, 10 a.m., SR–253.

November 15, Subcommittee on Space, Aeronautics, and Related Agencies, to hold hearings to examine issues facing the United States space program after retirement of the space shuttles, 10 a.m., SR–253.

Committee on Energy and Natural Resources: November 13, to hold an oversight hearing to examine the Surface Mining Control and Reclamation Act (Public Law 95–87), focusing on policy issues 30 years later, 2:30 p.m., SD–366.

November 14, Full Committee, to hold hearings to examine the Global Nuclear Energy Partnership relating to the United States policy on nuclear fuel management, 10 a.m., SD–366.

November 15, Full Committee, to hold hearings to examine S. 2203, to reauthorize the Uranium Enrichment Decontamination and Decommissioning Fund, 10 a.m., SD–366.

Committee on Environment and Public Works: November 13, to continue hearings to examine S. 2191, to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, 10 a.m., SD–406.

Committee on Finance: November 14, to hold hearings to examine the federal estate tax, focusing on uncertainty in planning under the current law, 10 a.m., SD–215.

Committee on Foreign Relations: November 13, to hold hearings to examine international climate change negotiations, focusing on restoring United States leadership, 2:30 p.m., SD–419.

November 15, Full Committee, to hold hearings to examine the anti-drug package for Mexico and Central America, 2:30 p.m., SD–419.

Committee on Health, Education, Labor, and Pensions: November 14, business meeting to consider S. 1551, to amend the Public Health Service Act with respect to making progress toward the goal of eliminating tuberculosis, S. 1858, to amend the Public Health Service Act to establish grant programs to provide for education and outreach on newborn screening and coordinated followup care once newborn screening has been conducted, to reauthorize programs under part A of title XI of such Act, S. 911, to amend the Public Health Service Act to advance medical research and treatments into pediatric cancers, ensure patients and families have access to the current treatments and information regarding pediatric cancers, establish a population-based national childhood cancer database, and promote public awareness of pediatric cancers, S. 1916, to amend the Public Health Service Act to modify the program for the sanctuary system for surplus chimpanzees by terminating the authority for the removal of chimpanzees from the system for research purposes, S. 1382, to amend the Public Health Service Act to provide the establishment of an Amyotrophic Lateral Sclerosis Registry, S. 1970, to establish a National Commission on Children and Disasters, a National Resource Center on Children and Disasters, and an original bill entitled, ''Health Centers Renewal Act of 2007'', and any pending nominations, 9:30 a.m., SD–430.

November 15, Subcommittee on Employment and Workplace Safety, to hold joint hearings with the House Committee on Education and Labor Subcommittee on Health, Employment, Labor and Pensions to examine the National Labor Relations Board, focusing on recent decisions and the adjudication process, 10 a.m., 2175–RHOB.

November 15, Full Committee, to hold hearings to examine restoring Congressional intent and protections under the Americans with Disabilities Act (Public Law 101–336), 2 p.m., SD–430.

Committee on Homeland Security and Governmental Affairs: November 13, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to hold hearings to examine the human capital needs of a United States Customs and Border Protection initiative, focusing on border security, and progress and weaknesses in traveler inspections at our Nation's ports of entry, 10 a.m., SD–342.

November 14, Full Committee, business meeting to consider S. 1667, to establish a pilot program for the expedited disposal of Federal real property, S. 1000, to enhance the Federal Telework Program, H.R. 390, to require the establishment of a national database in the National Archives to preserve records of servitude, emancipation, and post-Civil War reconstruction and to provide grants to State and local entities to establish similar local databases, H.R. 3571, to amend the Congressional Accountability Act of 1995 to permit individuals who have served as employees of the Office of Compliance to serve as Executive Director, Deputy Executive Director, or General Counsel of the Office, and to permit individuals appointed to such positions to serve one additional term, S. 2174, to designate the facility of the United States Postal Service located at 175 South Monroe Street in Tiffin, Ohio, as the ''Paul E. Gillmor Post Office Building'', H.R. 2089, to designate the facility of the United States Postal Service located at 701 Loyola Avenue in New Orleans, Louisiana, as the ''Louisiana Armed Services Veterans Post Office'', S. 2292, to amend the Homeland Security Act of 2002, to establish the Office for Bombing Prevention, to address terrorist explosive threats, H.R. 3297, to designate the facility of the United States Postal Service located at 950 West Trenton Avenue in Morrisville, Pennsylvania, as the ''Nate DeTample Post Office Building'', H.R. 3308, to designate the facility of the United States Postal Service located at 216 East Main Street in Atwood, Indiana, as the ''Lance Corporal David K. Fribley Post Office'', H.R. 3530, to designate the facility of the United States Postal Service located at 1400 Highway 41 North in Inverness, Florida, as the ''Chief Warrant Officer Aaron Weaver Post Office Building'', H.R. 2276, to designate the facility of the United States Postal Service located at 203 North Main Street in Vassar, Michigan, as the ''Corporal Christopher E. Esckelson Post Office Building'', H.R. 3325, to designate the facility of the United States Postal Service located at 235 Mountain Road in Suffield, Connecticut, as the ''Corporal Stephen R. Bixler Post Office'', S. 2110, to designate the facility of the United States Postal Service located at 427 North Street in Taft, California, as the ''Larry S. Pierce Post Office'', H.R. 3382, to designate the facility of the United States Postal Service located at 200 North William Street in Goldsboro, North Carolina, as the ''Philip A. Baddour, Sr. Post Office'', S. 2290, to designate the facility of the United States Postal Service located at 16731 Santa Ana Avenue in Fontana, California, as the ''Beatrice E. Watson Post Office Building'', S. 2272, to designate the facility of the United States Postal Service known as the Southpark Station in Alexandria, Louisiana, as the John ''Marty'' Thiels Southpark Station, in honor and memory of Thiels, a Louisiana postal worker who was killed in the line of duty on October 4, 2007, H.R. 3446, to designate the facility of the United States Postal Service located at 202 East Michigan Avenue in Marshall, Michigan, as the ''Michael W. Schragg Post Office Building'', S. 2150 and H.R. 3572, bills to designate the facility of the United States Postal Service located at 4320 Blue Parkway in Kansas City, Missouri, as the ''Wallace S. Hartsfield Post Office Building'', S. 2107 and H.R. 3307, bills to designate the facility of the United States Postal Service located at 570 Broadway in Bayonne, New Jersey, as the ''Dennis P. Collins Post Office Building'', H.R. 3518, to designate the facility of the United States Postal Service located at 1430 South Highway 29 in Cantonment, Florida, as the ''Charles H. Hendrix Post Office

Building'', and other pending calendar business, 10 a.m., SD–342.

November 14, Permanent Subcommittee on Investigations, to hold hearings to examine Medicaid providers, focusing on a recent study conducted by the Government Accountability Office on unpaid taxes, the extent of the problem, and possible solutions, 2:30 p.m., SD–342.

November 15, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to hold hearings to examine the national level of preparedness of the United States to respond following a radiological dispersion device (RDD) or ''dirty bomb'' attack, focusing on the coordination with and capabilities of Federal, State, and local governments to work together, 10 a.m., SD–342.

November 15, Permanent Subcommittee on Investigations, to hold hearings to examine speculation in the crude oil market, 2:30 p.m., SD–342.

Committee on the Judiciary: November 13, to hold hearings to examine the scope of public performance rights, 9:30 a.m., SD–226.

November 14, Subcommittee on Human Rights and the Law, to hold hearings to examine accountability for human rights violators in the United States, 10 a.m., SD–226.

November 15, Full Committee, business meeting to consider S. 352, to provide for media coverage of Federal court proceedings, S. 2248, to amend the Foreign Intelligence Surveillance Act of 1978, to modernize and streamline the provisions of that Act, S. 344, to permit the televising of Supreme Court proceedings, S. 1638, to adjust the salaries of Federal justices and judges, S. Res. 366, designating November 2007 as ''National Methamphetamine Awareness Month'', to increase awareness of methamphetamine abuse, S. Res. 367, commemorating the 40th anniversary of the mass movement for Soviet Jewish freedom and the 20th anniversary of the Freedom Sunday rally for Soviet Jewry on the National Mall, and the nominations of Joseph N. Laplante, to be United States District Judge for the District of New Hampshire, Reed Charles O'Connor, to be United States District Judge for the Northern District of Texas, Thomas D. Schroeder, to be United States District Judge for the Middle District of North Carolina, and Amul R. Thapar, to be United States District Judge for the Eastern District of Kentucky, 10 a.m., SD–226.

Committee on Small Business and Entrepreneurship: November 13, to hold an oversight hearing to examine the Small Business Administration, focusing on preventing loan fraud and improving regulation of lenders, 10 a.m., SR–428A.

Committee on Veterans' Affairs: November 14, business meeting to mark up pending legislation; to be immediately followed by a hearing to examine the nomination of Michael W. Hager, of Virginia, to be an Assistant Secretary of Veterans Affairs (Human Resources and Management), 9:30 a.m., SD–562.

Select Committee on Intelligence: November 13, to hold hearings to examine congressional oversight, 2:30 p.m., SH–216.

November 14, Full Committee, meeting of conferees on proposed legislation authorizing funds for fiscal year 2008 for the intelligence community, 4:30 p.m., S–407, Capitol.

November 15, Full Committee, to hold closed hearings to examine certain intelligence matters, 2:30 p.m., SH–219.

Special Committee on Aging: November 15, to hold hearings to examine nursing home transparency and improvement, focusing on Federal, State, and industry initiatives to improve nursing home transparency, enforcement, and the quality of services in the country's 16,000 nursing homes, 1:30 p.m., SD–G50.

House Committees

Committee on Appropriations, November 14, Subcommittee on Legislative Branch, hearing on Capitol Visitor Center, 9 a.m., 2359 Rayburn.

Committee on Armed Services, November 14, hearing on Africa Command, 10 a.m., 2118 Rayburn.

November 15, Subcommittee on Terrorism, Unconventional Threats and Capabilities, hearing on strategic communications and countering ideological support for terrorism, 10 a.m., 2118 Rayburn.

Committee on Education and Labor, November 13, Subcommittee on Healthy Families and Community, hearing on LIHEAP: Overview and Current Issues, 3 p.m., 2175 Rayburn.

November 14, full Committee, to mark up the College Opportunity and Affordability Act of 2007, 9 a.m., 2175 Rayburn.

Committee on Energy and Commerce, November 13, Subcommittee on Oversight and Investigations, to continue hearings entitled ''Diminished Capacity: Can the FDA Assure the Safety and Security of the Nation's Food Supply?—Part IV—Deception in Labeling,'' 11 a.m., 2123 Rayburn.

Committee on Foreign Affairs, November 14, hearing on the Merida Initiative: Assessing Plans to Step Up our Security Cooperation with Mexico and Central America, 10 a.m., 2172 Rayburn.

November 14, Subcommittee on Europe, hearing on U.S.-Greece Relations and Regional Issues, 2:30 a.m., 2172 Rayburn.

November 15, Subcommittee on International Organizations, Human Rights, and Oversight, hearing on Diplomatic Assurances on Torture: A Case Study of Why Some Are Accepted and Others Rejected, 3 p.m., 2237 Rayburn.

Committee on Homeland Security, November 13, Subcommittee on Management, Investigations and Oversight, hearing on Examining the Department of Homeland Security's Efforts to Recruit, Hire and Promote Veterans, 2 p.m., 311 Cannon.

November 14, full Committee, hearing entitled ''Cover Blown—Did TSA Tip Off Airport Screeners about Covert Testing?'' 10 a.m., 311 Cannon.

November 15, Subcommittee Emergency Communications, Preparedness, and Response, hearing entitled ''Leveraging Mutual Aid for Effective Emergency Response,'' 2 p.m., 311 Cannon.

Committee on the Judiciary, November 14, hearing on Establishing Consistent Enforcement Policies in the Context of Online Wagers, 10 a.m., 2141 Rayburn.

November 15, Subcommittee on Commercial and Administrative Law, oversight hearing on Protecting the Playroom: Holding Foreign Manufacturers Accountable for Defective Products, 9:30 a.m., 2141 Rayburn.

Committee on Natural Resources, November 13, Subcommittee on National Parks, Forests and Public Lands, hearing on the following bills: H.R. 2334, Rocky Mountain National Park Wilderness and Indian Peaks Wilderness Expansion Act; H.R. 2632, Sabinoso Wilderness Act of 2007; H.R. 3287, Tumacacori Highland Wilderness Act of 2007; H.R. 3513, Copper Salmon Wilderness Act; and H.R. 3682, California Desert and Mountain Heritage Act, 2 p.m., 1324 Longworth.

November 14, full Committee, hearing on the following bills: H.R. 2445, To amend the Alaska Native Claims Settlement Act to recognize Alexander Creek as a Native village; H.R. 3350, Alaska Native Veterans Land Allotment Equity Act; H.R. 3351, Native American Challenge Demonstration Project Act of 2007; and 3560, Southeast Alaska Native Land Entitlement Finalization Act, 11 a.m., 1324 Longworth.

November 15, full Committee, to mark up the following bills: H.R. 4074, San Joaquin River Restoration Settlement Act; H.R. 2176, To provide for and approve the settlement of certain land claims of the Bay Mills Indian Community; H.R. 4115, To provide for and approve the settlement of certain land claims of the Sault Ste Marie Tribe of Chippewa Indians; H.R. 123, To authorize appropriations for the San Gabriel Basin Restoration Fund; H.R. 236, North Bay Water Reuse Program Act of 2007; H.R. 2085, McGee Creek Project Pipeline and Associated Facilities Conveyance Act; and H.R. 3739, To amend the Arizona Water Settlements Act to modify the requirement for the statement of findings, 11 a.m., 1324 Longworth.

Committee on Oversight and Government Reform, November 13, Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, hearing on Opportunities Exist to Improve SES Diversity in Legislative Branch Agencies, 2 p.m., 2247 Rayburn.

November 14, full Committee, hearing on Assessing Whistle Blower Allegations Against the State Department Inspector General, 10 a.m., 2154 Rayburn.

November 14, Subcommittee on Domestic Policy, hearing on the Environmental Risks of and Regulatory Response to Dental Mercury Amalgam, 2 p.m., 2154 Rayburn.

November 14, Subcommittee on National Security and Foreign Affairs, to continue hearings on Iran: Reality, Options and Consequences, Part 3—Regional and Global Consequences of U.S. Military Action in Iran, 2 p.m., 2247 Rayburn.

November 15, full Committee, hearing on One Year Later: Have TSA Airport Security Checkpoints Improved? 10 a.m., 2154 Rayburn.

Committee on Rules, November 14, to consider H.R. 3915, Mortgage Reform and Anti-Predatory Lending Act of 2007, 2 p.m., H–313 Capitol.

Committee on Science and Technology, November 15, Subcommittee on Technology and Innovation, hearing on the Next Generation Border and Maritime Security Technologies: H.R. 3916, To provide for the next generation of border and maritime security technologies, 10 a.m., 2318 Rayburn.

Committee on Small Business, November 14, hearing on Sarbanes-Oxley Section 404: New Evidence on the Cost of Small Companies, 1:30 p.m., 2360 Rayburn.

November 14, Subcommittee on Urban and Rural Entrepreneurship, hearing on Program Harmonization in Rural America—How the Small Business Administration and the Department of Agriculture Can Work Together to Better Serve Small Businesses, 10 a.m., 2360 Rayburn.

November 15, full Committee, hearing on Reducing the Regulatory Burden on Small Business: Improving the Regulatory Flexibility Act, 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, November 15, Subcommittee on Aviation, hearing on Aviation and Airport Holiday Travel Preparations, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, November 15, Subcommittee on Economic Opportunity, hearing to review Pending MGIB legislation, 1 p.m., 340 Cannon.

Committee on Ways and Means, November 14, Subcommittee on Income Security and Family Support, hearing on Effects of Gap in Health Coverage on Work, Family and Opportunity, 10 a.m., 1100 Longworth.

November 15, Subcommittee on Health, hearing on Trends in Nursing Home Ownership and Quality, 10 a.m., 1100 Longworth.

Select Committee on Energy Independence and Global Warming, November 14, hearing entitled "State Leadership Towards a Low-Carbon Energy Future," 10 a.m., room to be announced.

Joint Meetings

Joint Hearing: November 15, Senate Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment and Workplace Safety, to hold joint hearings with the House Committee on Education and Labor Subcommittee on Health, Employment, Labor and Pensions to examine the National Labor Relations Board, focusing on recent decisions and the adjudication process, 10 a.m., 2175–RHOB.

Joint Hearing: November 14, Senate Select Committee on Intelligence, meeting of conferees on proposed legislation authorizing funds for fiscal year 2008 for the intelligence community, 4:30 p.m., S–407, Capitol.

Next Meeting of the SENATE

10 a.m., Tuesday, November 13

Senate Chamber

Program for Tuesday: Senate will begin consideration of the nomination of Robert M. Dow, Jr., of Illinois, to be United States District Judge for the Northern District of Illinois, and after a period of debate, vote on confirmation of the nomination; following which, Senate will be in a period of morning business until 12:30 p.m.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for their respective party conferences.)

Next Meeting of the HOUSE OF REPRESENTATIVES

10:30 a.m., Tuesday, November 13

House Chamber

Program for Tuesday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

Arcuri, Michael A., N.Y., E2384
Baca, Joe, Calif., E2379
Bono, Mary, Calif., E2379
Costa, Jim, Calif., E2378, E2380, E2383, E2384
Crenshaw, Ander, Fla., E2379
Etheridge, Bob, N.C., E2382
Everett, Terry, Ala., E2379
Gordon, Bart, Tenn., E2388
Hastings, Alcee L., Fla., E2383
Hinchey, Maurice D., N.Y., E2389
Holt, Rush D., N.J., E2387
Inglis, Bob, S.C., E2385
Johnson, Eddie Bernice, Tex., E2386
Kirk, Mark Steven, Ill., E2381
Klein, Ron, Fla., E2384
Knollenberg, Joe, Mich., E2388
Lamborn, Doug, Colo., E2388
Latham, Tom, Iowa, E2378, E2381
Levin, Sander M., Mich., E2385
Lipinski, Daniel, Ill., E2384
Maloney, Carolyn B., N.Y., E2387
Miller, Jeff, Fla., E2385
Moran, James P., Va., E2377, E2380
Pascrell, Bill, Jr., N.J., E2378
Pearce, Stevan, N.M., E2384
Poe, Ted, Tex., E2377, E2388, E2389
Radanovich, George, Calif., E2377, E2379, E2382
Rahall, Nick J., II, W.Va., E2385
Rangel, Charles B., N.Y., E2381
Rothman, Steven R., N.J., E2383
Ryan, Tim, Ohio, E2382
Schmidt, Jean, Ohio, E2385
Shuster, Bill, Pa., E2382
Smith, Adrian, Nebr., E2387
Udall, Mark, Colo., E2386
Van Hollen, Chris, Md., E2381
Wamp, Zach, Tenn., E2386
Westmoreland, Lynn A., Mac, Ga., E2381
Woolsey, Lynn C., Calif., E2385

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