

for the first time in almost four decades, the federal budget is finally balanced. I applaud my Republican colleagues in Congress as well as the Appropriations Committee on which I serve for the efforts they put forth to achieve this success.

The American people gave Republicans a congressional majority because we promised to put an end to wasteful and irresponsible government spending. The Appropriations Committee is the only committee with a direct impact on spending and the federal budget. Every dollar that Congress decides to spend or save must come through Appropriations; if we do not do our job, a balanced budget can never become a reality. Mr. Speaker, anyone can talk about balancing the budget but the fact is, only the Appropriations Committee can make it happen.

While I chaired the Legislative Branch Appropriations Subcommittee, I personally engineered a \$262 million dollar two-year reduction in how much Congress spends on its own operations. We succeeded in reducing waste and improving efficiency, ultimately cutting 10% from Congress' own budget. If the entire federal budget were cut proportionately, the budget would have shown a \$100 billion surplus two years ago. The message we sent during those first years in the majority resonated throughout the federal government.

Under the leadership of Congressman BOB LIVINGSTON (R-LA), the Appropriations Committee has fundamentally changed the way Washington spends. Since taking control of Congress, Republicans have eliminated a total of 307 outdated and unneeded programs. Mr. Speaker, we have streamlined government and made it more accountable to the American taxpayer. Under Chairman LIVINGSTON'S leadership, we have held the line on government spending for the past four years in a row. That effort is now paying off.

PUBLIC SCHOOL MODERNIZATION ACT OF 1998

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1998

Mr. RANGEL. Mr. Speaker, today, I am introducing legislation, entitled the Public School Modernization Act of 1998, which consists of two education tax incentives that are contained in the President's budget recommendations for fiscal year 1999. I am very pleased that more than fifty Members have joined me as cosponsors of this needed legislation.

It is my hope to continue to work with the Administration to introduce the President's domestic initiatives that are within Ways and Means jurisdiction. I will also continue to urge consideration by the Congress of these important proposals.

My bill would expand opportunities for students in kindergarten through twelfth grade and beyond. This goal is crucial to the country's social and economic well being. It's a well known fact, that without the proper educational tools, young people lose hope for the future. We have only to look at the high levels of crime, drug use, juvenile delinquency, teen pregnancy, and unemployment to know the value of a good education. Without basic academic opportunities, the future is bleak. My bill

identifies communities that shoulder a disproportionate share of these social problems and offers a solution—a future of hope.

The Taxpayer Relief Act of 1997 provided additional financial resources to assist families in meeting the cost of higher education. I believe that assistance is vitally important but not enough. We must do more to ensure that those students who wish to pursue higher education are prepared for the challenges of a college education. We also must work harder both to educate and train those students who choose or need to earn a full-time living after high school. In pursuit of this goal, this legislation would provide assistance to public educational institutions to make this a reality. Therefore, our bill expands the education zone tax incentives that were enacted last year. Those incentives are designed to enhance academic achievement below the college level through public-private education partnerships. I believe that we must have greater private-sector involvement in our educational system, and our bill expands existing tax provisions designed to encourage that involvement.

Our bill also includes tax incentives to assist local governments in improving and constructing public school facilities. This aspect of our bill does not require a public-private partnership and is not limited to schools in distressed areas or with a large population of poor students. This aspect of our bill provides \$19.4 billion over the next two years in interest-free capital for school infrastructure projects. Providing all students with clean and safe public school facilities is a necessary first step in assuring a high quality educational system.

Some have argued that the Federal government should have no role in assisting the public school system at the K through 12 level. I strongly disagree. The Federal government historically has provided financial resources to the public school system. It has done so in part by providing tax-exempt bond financing that enables State and local governments to fund capital needs through low-interest loans. The bill that we are introducing today, in many respects, is very similar to tax exempt bond financing. This bill does not require any additional layers of bureaucracy at the Federal or State level. It provides special tax benefits to holders of certain State and local education bonds. The procedures used to determine whether bonds are eligible for those special payments are substantially the same as the procedures currently applicable in determining whether a State or local bond is eligible for tax-exempt bond financing.

I also want to be very clear that this bill supports our public school system. I believe that improving our public school system should be our highest priority. Approximately 90 percent of the students attending kindergarten through grade 12 attend public school. If we can find the resources to provide additional tax incentives, those incentives should be focused on improving the public school system that serves such a large segment of our student population. I have and will continue to oppose legislation such as the so-called "Coverdell" legislation, that diverts scarce resources away from our public school system.

Although the bill that we are introducing today contains only tax provisions, I recognize that tax provisions alone cannot provide sufficient additional resources needed to assist students in obtaining a quality education. Therefore, I also support the other education

improvements included in the President's budget.

Currently, this Nation is enjoying one of the longest periods of economic expansion in its history, with low unemployment and continued creation of new jobs. Much of the credit for that rests with the deficit reduction efforts of the Clinton Administration and the technological advantages that our industries enjoy over their competitors in other countries.

We will not remain competitive in the world economy unless we invest in our human capital to maintain that technological advantage. Any available resources should be invested in human capital. A survey last year of economists by the Wall Street Journal found that 43 percent of the economists surveyed stated that increased spending on education and research and development would be the one policy with the most positive impact on the economy.

Amazingly, while the concept of investing in human capital goes unchallenged in debate, elected leaders are still spending more of our nation's limited budget resources on back-end, punitive programs like law enforcement and prisons, rather than front-end investments like education and training that can really pay off in increased workforce productivity.

Unfortunately, these skewed priorities are present at the local level, too. New York City spends \$84,000 per year to keep a young man in Riker's Island Prison, yet only \$7,000 each year to educate a child in Harlem.

We must change our priorities. Let's invest in the future of this country through our children. Let's bring the same zeal to encouraging and educating our children that we now apply to punishment and incarceration.

The following is a brief description of the provisions contained in our bill.

DESCRIPTION OF THE BILL

The bill would include the following two provisions as recommended in the President's budget. These tax incentives would cost approximately \$3.6 billion over the next 5 years.

1. EDUCATION ZONE ACADEMY BONDS

Section 226 of the 1997 Taxpayer Relief Act provides a source of capital at no or nominal interest for costs incurred by certain public schools in connection with the establishment of special academic programs from kindergarten through secondary schools. To be eligible to participate in the program, the public school must be located in an empowerment zone or enterprise community or at least 35 percent of the students at the school must be eligible for free or reduced-cost lunches under the Federal school lunch program. In addition the school must enter into a partnership with one or more nongovernmental entities.

The provision provides the interest-free capital by permitting the schools to issue special bonds called "Qualified Zone Academy Bonds." Interest on those bonds will in effect be paid by the Federal government through a tax credit to the holder.

The bill would increase the caps on the amount of bonds that can be issued under the program as shown in the following table. The bill would also permit the bonds to be used for new construction.

Year	Current law (million)	Additions under the bill (billion)	Total issuance cap
1998	\$400	\$400
1999	400	\$1.0	\$1.4
2000	0	1.4	\$1.4

¹ Million. ² Billion.

The bill would make several technical modification to last year's legislation. It would repeal the provision that restricts ownership of qualified zone academy bonds to financial institutions, it would require a maximum maturity of 15 years, rather than a maximum maturity determined under a formula, it would change the formula for allocating the national limit to make it consistent with the formula used in allocating the limit on qualified school construction bonds, and it would provide an indefinite carryover of any unused credit.

2. QUALIFIED SCHOOL CONSTRUCTION BONDS

The bill would also permit State and local governments to issue qualified school construction bonds to fund the construction or rehabilitation of public schools. Interest on qualified school construction bonds would in effect be paid by the Federal government through an annual tax credit. The credit would be provided in the same manner as the credit for qualified school academy bonds.

Under the bill, a total of \$9.7 billion of qualified school construction bonds could be issued in 1999 and in 2000. Half of the annual cap would be allocated among the States on the basis of their population of low-income children, weighted the State's expenditures per pupil for education (the Title I basic grant formula). The other half of the annual cap would be allocated among the hundred school districts with the highest number of low-income children and that allocation would be based on each district's Title I share.

The following chart shows the aggregate amount of qualified school construction bonds that could be issued in each State under the bill. The total includes amounts allocated to large school districts in the State. An additional \$600 million is reserved for allocations to other school districts not in the largest 100 districts.

[In thousands of dollars]

State	Estimate allocation
Alabama	\$285,079
Alaska	36,902
Arizona	257,957
Arkansas	145,925
California	2,281,018
Colorado	165,781
Connecticut	205,080
Delaware	36,902
District of Columbia	75,395
Florida	1,047,028
Georgia	476,055
Hawaii	40,984
Idaho	43,463
Illinois	911,455
Indiana	276,395
Iowa	103,120
Kansas	126,821
Kentucky	277,115
Louisiana	463,217
Maine	61,639
Maryland	306,488
Massachusetts	354,978
Michigan	857,280
Minnesota	220,820
Mississippi	253,547
Missouri	314,131
Montana	52,274
Nebraska	78,955
Nevada	71,817
New Hampshire	36,902
New Jersey	414,267
New Mexico	145,570
New York	2,166,015
North Carolina	297,397
North Dakota	36,902
Ohio	782,970
Oklahoma	203,043
Oregon	155,387
Pennsylvania	852,156
Puerto Rico	494,937

State	Estimate allocation
Rhode Island	72,188
South Carolina	198,015
South Dakota	38,002
Tennessee	331,119
Texas	1,614,095
Utah	66,771
Vermont	36,196
Virginia	258,862
Washington	236,595
West Virginia	142,557
Wisconsin	332,401
Wyoming	33,059

PERSONAL EXPLANATION

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1998

Mrs. MEEK of Florida. Mr. Speaker, on roll call vote #26 on the bill, H.R. 217, taken on March 3, 1998, I was erroneously recorded as voting "yes." On that vote I intended to be recorded as voting "no." I ask unanimous consent that this statement appear at the appropriate place in the RECORD.

SAINT PATRICK'S DAY 1998

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1998

Mr. GILMAN. Mr. Speaker, the glorious and joyous holiday of Saint Patrick's Day for all of those Irish around the world, and their many friends, fast approaches once again.

It is especially important this year to celebrate this great holiday honoring Ireland's patron saint, and we and the entire world hope and pray that lasting peace and justice on the Emerald Isle will emerge from the current peace talks on the future of the north of Ireland.

I recently returned from Ireland where I helped lead a Congressional delegation to re-invigorate the Irish American inter-parliamentary exchange, dormant since the mid-1980s.

We were all very grateful for the leadership of our Speaker NEWT GINGRICH, and the work of our distinguished U.S. Ambassador Jeane Kennedy Smith in Dublin, in helping to bring about this renewed inter-parliamentary exchange between Ireland and the U.S. Congress.

We saw firsthand on our visit to Ireland, the new economic vibrancy in the Irish Republic. The "Celtic Tiger" is alive and well. One statistic we learned paints the impressive economic picture of the new Ireland: Other than the U.S. today, Ireland exports more computers worldwide than any other nation in the world, including even Japan.

For the first time in many years, there are more than enough good jobs, immigration is down, and the Irish diaspora are returning home to work and take these new jobs. 4,500 in 1997 alone returned home from America. The long suffering of the close knit Irish family from the immigration of its sons and daughters, hopefully is a thing of the past.

The close links, common bonds, friendships and mutual understandings between the Irish people and our nation are long, strong and vi-

brant. Both nations have benefited from these close ties, common links, and deep mutual understandings and fond affection.

The Irish have played a vital part in American history. There were Irish soldiers and officers who distinguished themselves in the American Revolution, helping us secure our own freedom from the British.

Many Irish paid the ultimate sacrifices in our tragic civil war. For example, 540 Irishmen died or were wounded in less than 30 minutes on September 17th, 1862 at Antietam in fighting on the side of the north as part of the Irish Brigade, in the bloodiest day of our civil war.

The Irish contribution is enormous to our politics, arts, sports, literature, commerce, the labor movement, and so many other areas of our American life. We, as a nation and a people, owe the Emerald Isle much. We have an obligation to pay attention to events in Ireland today.

The Irish role in U.S. politics is well known, including providing us more than a dozen American Presidents. Our histories, cultures, and people are very closely linked.

It is little noted, but at one time not long ago, the President of the U.S., the Speaker of the House, and the Majority Leader of the U.S. Senate, while serving together in our highest elected offices, were all Irish Catholic with close and very deep roots in the Emerald Isle.

Today, the future of the north of Ireland, and its relationship with the vibrant and prospering Republic of Ireland to the south is being decided across the bargaining table, not by the bomb and gun. Those engaged in the senseless sectarian killings have not de-railed the peace process. They shouldn't and must not be permitted to do so!

The U.S., both the executive branch and the Congress have played a vital and constructive role through an evenhanded and balanced approach to the Irish peace process, now moving forward in Belfast, albeit at far too slow a pace.

I have been particularly pleased to play a small part in keeping the Irish question high on the U.S. foreign policy agenda. We owe all the Irish people here and there, at least that much.

I have not hesitated to provide bipartisan support for President Clinton's overall constructive and very helpful efforts in helping to find peace and lasting justice in the north of Ireland.

These historic talks in Belfast today are being led, we are all very proud to say, under the table chairmanship of our former congressional colleague, Senator George Mitchell of Maine who himself has some proud Irish roots.

In promoting the effort to finding lasting peace and justice in the north through all party inclusive talks, we in America have in some small way been able to help pay back Ireland's warm and generous people, who have given our nation so much.

Today, after urging by both governments in the region, the U.S., and the millions of friends of the Irish people all around the globe, the future of the north is being decided by the responsible leadership of the people through political means, and discussions and their eventual "consent" to any proposed solutions. This is how it should be!

The Irish people both north and south, have consistently made clear that talks and negotiated political settlement were and are the