

COATS, Mr. BINGAMAN, Mr. BENNETT, Mr. NICKLES, Mr. BYRD, Mr. LIEBERMAN, Mr. LOTT, Mr. GLENN, Mr. INHOFE, Mr. KOHL, and Mr. STEVENS) submitted the following resolution; which was considered and agreed to:

S. RES. 213

Whereas the United States Army Reserve was created by statute on April 23, 1908;

Whereas the United States Army Reserve was the first of the Federal reserve forces created by Congress;

Whereas the United States Army Reserve has played a major role in the defense of this country for 90 years;

Whereas many notable Americans have served with distinction in the United States Army Reserve, including Presidents Harry S. Truman and Ronald W. Reagan, the current Chairman of the Joint Chiefs of Staff, General Henry H. Shelton, Brigadier General Theodore Roosevelt, Jr., Major General William J. Donovan (Director of the Office of Strategic Services during World War II), Drs. Charles H. Mayo and William J. Mayo, and Captain Eddie Rickenbacker;

Whereas the President Pro Tempore of the Senate, Strom Thurmond, who received the Purple Heart for injuries received while participating in the Normandy invasion with the 82d Airborne Division on D-Day, served with distinction in the United States Army Reserve for 36 years, rising to the rank of Major General;

Whereas the United States Army Reserve contributed more than 160,000 soldiers to the United States Army during World War I;

Whereas the United States Army Reserve was recognized by General George C. Marshall for its unique and invaluable contributions to the national defense during World War II;

Whereas more than 240,000 soldiers from the United States Army Reserve were called to active duty during the Korean War;

Whereas 35 units of the United States Army Reserve were sent to Vietnam, where they served honorably and well;

Whereas the United States Army Reserve contributed more than 90,000 soldiers to Operations Desert Storm and Desert Shield in 1990 and 1991;

Whereas the United States Army Reserve has contributed more than 70 percent of the reserve soldiers mobilized in support of Operation Joint Endeavor/Joint Guard in Bosnia;

Whereas the United States Army Reserve constitutes a very high percentage of the mission essential combat support and combat service support forces of the Army;

Whereas the Army cannot go to war without the 1,100,000 trained Ready Reserve and Retired Reserve personnel of the United States Army Reserve;

Whereas the United States Army Reserve is a community-based force with over 1,200 facilities in communities across the United States; and

Whereas the United States Army Reserve has made these contributions to the security of our country in return for a very small percentage of the Army budget: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the United States Army Reserve on the occasion of the 90th anniversary of its establishment on April 23, 1908;

(2) recognizes and commends the United States Army Reserve for the selfless and dedicated service of its past and present citizen-soldiers who have preserved the freedom and national security of the United States; and

(3) recognizes Strom Thurmond, the President Pro Tempore of the Senate, for 36 years of service with distinction in the United States Army Reserve.

SENATE RESOLUTION 214—COM- MENDING THE GRAND FORKS HERALD

Mr. CONRAD (for himself, Mr. DORGAN, Mr. DASCHLE, Mr. COVERDELL, Mr. HAGEL, and Mr. MOYNIHAN) submitted the following resolution; which was considered and agreed to:

S. RES. 214

Whereas the residents of the Grand Forks area in North Dakota and Minnesota experienced the most devastating floods in 500 years during April 1997;

Whereas more than 50,000 residents of the Red River Valley area were severely displaced for months by the flooding;

Whereas the offices of the Grand Forks Herald, whose newspaper has a daily circulation of 37,000, were displaced by the floods and moved to various locations to publish the newspaper, including the University of North Dakota and Manvel Elementary School, and the paper was printed by the St. Paul Pioneer Press of St. Paul, Minnesota, to enable the paper to maintain continuous publication;

Whereas the Grand Forks Herald publisher Mike Maidenberg, editor Mike Jacobs, and more than 70 staff members, whose lives were turned upside down by the floods, never failed to publish an edition of the newspaper during the floods, sometimes hitting a circulation of 117,000 and keeping the community together even though the paper's facilities were totally destroyed;

Whereas the Grand Forks Herald was honored with journalism's most prestigious award, the Pulitzer Prize for public service, for its extraordinary efforts to continue publishing during the severe flooding; and

Whereas the dedication and devotion of the Grand Forks Herald to the community made an extraordinary difference in the lives of many people during the flooding by helping to maintain a sense of stability during this terrible natural disaster: Now, therefore, be it

Resolved, That the Senate—

(1) commends the Grand Forks Herald and its staff for their dedication to community and excellence in public service; and

(2) congratulates the newspaper on being selected to receive one of our Nation's most coveted awards for public service, the Pulitzer Prize.

AMENDMENTS SUBMITTED

THE EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

GORTON (AND OTHERS) AMENDMENT NO. 2293

Mr. GORTON (for himself, Mr. FRIST, Mr. HAGEL, Mr. MACK, Mr. COVERDELL, Mr. HELMS, Mr. SMITH of New Hampshire, Mr. NICKLES, Mr. ASHCROFT, Mr. DOMENICI, Mr. GREGG, and Mr. MCCONNELL) proposed an amendment to the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes; as follows:

At the end, add the following:

TITLE ___—EDUCATION FUNDING

SEC. ___01. DIRECT AWARDS OF CERTAIN EDUCATION FUNDING.

(a) STATE OPTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (b)(2), each State shall notify the Secretary regarding the State's election to receive the State's portion of the applicable funding described in subsection (e) according to one of the following options:

(A) STATE BLOCK GRANT OPTION.—The State may receive the funding pursuant to a State allotment described in subsection (c)(1)(A).

(B) LOCAL BLOCK GRANT OPTION.—The State may direct the Secretary to send the funding directly to local educational agencies in the State pursuant to a local allotment described in subsection (c)(1)(B).

(C) FEDERAL STATUTE OPTION.—The State may receive the funding according to the provisions of law described in subsection (e).

(2) OPTION REQUIREMENTS.—

(A) IN GENERAL.—A State shall select an option described in paragraph (1)—

(i) within 1 year of the date of enactment of this Act;

(ii) pursuant to a majority vote of the State legislature; and

(iii) with the concurrence of the Governor.

(B) FAILURE TO SELECT AN OPTION.—If a State fails to select an option in accordance with this subsection, the Secretary shall award the applicable funding pursuant to paragraph (1)(B).

(C) CHANGES.—A State may alter the selection made under paragraph (1) only once and only after receiving the applicable funding for 3 years pursuant to 1 of the options described in such paragraph.

(3) MINIMUM.—No State shall receive an amount under this section for a fiscal year that is less than 0.5 percent of the applicable funding available for the fiscal year.

(4) DEFINITIONS.—In this section—

(A) the term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(B) the term "outlying area" means Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(b) RESERVATION AND APPLICABILITY.—

(1) RESERVATION.—From the total amount of applicable funding available for a fiscal year, the Secretary shall reserve 1 percent to make awards to the Bureau of Indian Affairs and the outlying areas according to their respective needs for assistance under this section.

(2) APPLICABILITY.—The provisions of this section shall not apply—

(A) for fiscal year 1999, if the total amount appropriated to carry out the provisions of law described in subsection (e) for the fiscal year is less than \$2,564,000,000;

(B) for fiscal year 2000, if the total amount so appropriated for the fiscal year is less than \$2,625,000,000;

(C) for fiscal year 2001, if the total amount so appropriated for the fiscal year is less than \$2,687,000,000;

(D) for fiscal year 2002, if the total amount so appropriated for the fiscal year is less than \$2,750,000,000; and

(E) for fiscal year 2003, if the total amount so appropriated for the fiscal year is less than \$2,817,000,000.

(c) BLOCK GRANTS.—

(1) ALLOTMENTS.—

(A) STATES.—From the total applicable funding available for a fiscal year, and not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to

each State selecting the option described in subsection (a)(1)(A) in an amount that bears the same relation—

(i) to 50 percent of such total applicable funding as the number of individuals in the State who are aged 5 through 17 bears to the total number of such individuals in all States; and

(ii) to 50 percent of such total applicable funding as the total amount all local educational agencies in the State are eligible to receive under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year bears to the total amount all local educational agencies in all States are eligible to receive under such part for the fiscal year.

(B) LOCAL EDUCATIONAL AGENCIES.—From the total applicable funding available for a fiscal year, and not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each local educational agency in a State selecting the option described in subsection (a)(1)(B) in an amount that bears the same relation—

(i) to 50 percent of such total applicable funding as the number of individuals in the school district served by the local educational agency who are aged 5 through 17 bears to the total number of such individuals in all school districts served by all local educational agencies in all States; and

(ii) to 50 percent of such total amount as the total amount all local educational agencies in the State are eligible to receive under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year bears to the total amount all local educational agencies in all States are eligible to receive under such part for the fiscal year.

(2) USE OF ALLOTTED FUNDS.—

(A) IN GENERAL.—A State or local educational agency receiving an allotment under paragraph (1) shall use the allotted funds for innovative assistance programs described in subparagraph (B).

(B) INNOVATIVE ASSISTANCE.—The innovative assistance programs referred to in subparagraph (A) include—

(i) technology programs related to the implementation of school-based reform programs, including professional development to assist teachers and other school officials regarding how to use effectively such equipment and software;

(ii) programs for the acquisition and use of instructional and educational materials, including library services and materials (including media materials), assessments, reference materials, computer software and hardware for instructional use, and other curricular materials that—

(I) are tied to high academic standards;

(II) will be used to improve student achievement; and

(III) are part of an overall education reform program;

(iii) promising education reform programs, including effective schools and magnet schools;

(iv) programs to improve the higher order thinking skills of disadvantaged elementary school and secondary school students and to prevent students from dropping out of school;

(v) programs to combat illiteracy in the student and adult populations, including parent illiteracy;

(vi) programs to provide for the educational needs of gifted and talented children;

(vii) hiring of teachers or teaching assistants to decrease a school, school district, or statewide student-to-teacher ratio; and

(viii) school improvement programs or activities described in sections 1116 and 1117 of the Elementary and Secondary Education Act of 1965.

(3) STATE FUNDING RULE.—

(A) ADMINISTRATIVE EXPENSES AND STATEWIDE ACTIVITIES.—A State that receives an allotment under paragraph (1)(A) for a fiscal year may use not more than 5 percent of the allotted funds for the fiscal year for administrative expenses or statewide activities.

(B) STATE FUNDING RULES.—A State that receives an allotment under paragraph (1)(A)—

(i) may, at the State's discretion, place limits on the use of the allotted funds; and

(ii) may allocate the allotted funds to public and private entities within the State as the State determines appropriate.

(4) HOLD HARMLESS REQUIREMENTS.—

(A) STATES.—Notwithstanding any other provision of this section, no State that selects the option described in subsection (a)(1)(A) for a fiscal year shall receive an amount under this section for the fiscal year that is less than the amount the State is, or all local educational agencies in the State are, eligible to receive pursuant to the provisions of law described in subsection (e) for the fiscal year.

(B) LOCAL EDUCATIONAL AGENCIES.—Notwithstanding any other provision of this section, no local educational agency for which the option described in subsection (a)(1)(B) is applicable for a fiscal year shall receive an amount under this section for the fiscal year that is less than the amount the local educational agency is eligible to receive pursuant to the provisions of law described in subsection (e) for the fiscal year.

(d) FEDERAL STATUTE OPTION.—

(1) IN GENERAL.—From the applicable funding that remains after making the reservation under subsection (b)(1) and allotments under subsection (c) for a fiscal year, the Secretary may make awards according to the provisions of law described in subsection (e), to State and local recipients, in States making the election described in subsection (a)(1)(C).

(2) PERCENTAGE REDUCTIONS.—The Secretary, after making the allotments under subsection (c) for a fiscal year, shall reduce the total amount of applicable funding available to carry out the provisions of law described in subsection (e) for the fiscal year, for any State selecting the option described in subsection (a)(1)(C), by an equal percentage for each such provision.

(e) APPLICABLE FUNDING.—

(1) DEFINITION.—In this section, the term "applicable funding" means all funds not used to carry out paragraph (2) for a fiscal year that are appropriated for the Department of Education for the fiscal year to carry out programs or activities under the following provisions of law:

(A) Title III of the Goals 2000: Educate America Act (20 U.S.C. 5881 et seq.).

(B) Title IV of the Goals 2000: Educate America Act (20 U.S.C. 5911 et seq.).

(C) Title VI of the Goals 2000: Educate America Act (20 U.S.C. 5951).

(D) Titles II, III, and IV of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6121 et seq., 6171 et seq., and 6191 et seq.).

(E) Part A of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621 et seq.).

(F) Section 3122 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6832).

(G) Sections 3132 and 3136 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6842 and 6846).

(H) Section 3141 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6861).

(I) Part B of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6891 et seq.).

(J) Part C of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6921 et seq.).

(K) Part D of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6951 et seq.).

(L) Subpart 1 of part A of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7111 et seq.).

(M) Subpart 2 of part A of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7131 et seq.).

(N) Part A of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7201 et seq.).

(O) Title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 311 et seq.).

(P) Part A of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.).

(Q) Part B of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8031 et seq.).

(R) Part G of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8161 et seq.).

(S) Part I of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8241 et seq.).

(T) Part A of title XIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8621 et seq.).

(U) Part C of title XIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8671 et seq.).

(2) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated to carry out the provisions of law described in paragraph (1) (other than subparagraphs (A), (B), and (O) of paragraph (1)) for each fiscal year to make payments to eligible recipients under such provisions pursuant to any multiyear award made under such provisions prior to the date of enactment of this Act. The payments shall be made for the duration of the multiyear award.

(f) CENSUS DETERMINATION.—

(1) IN GENERAL.—Each local educational agency shall conduct a census to determine the number of kindergarten through grade 12 students that are in the school district served by the local educational agency for an academic year.

(2) PRIVATE SCHOOL STUDENTS.—In carrying out paragraph (1), each local educational agency shall determine the number of private school students described in such paragraph for an academic year on the basis of data the agency determines reliable.

(3) SUBMISSION.—Each local educational agency shall submit the total number of public and private school children described in this paragraph for an academic year to the Secretary not later than February 1 of the academic year.

(4) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under this subsection for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency would have received if the agency had submitted accurate information under this subsection.

SEC. 402. DIRECT AWARDS OF PART A OF TITLE I FUNDING.

(a) DIRECT AWARDS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (c), the Secretary shall award the total amount of funds appropriated to carry out part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C.

6311 et seq.) for a fiscal year directly to local educational agencies in accordance with paragraph (2) to enable the local educational agencies to support programs or activities, for kindergarten through grade 12 students, that the local educational agencies deem appropriate.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The Secretary shall make awards under this section for a fiscal year only to local educational agencies that are eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year.

(b) AMOUNT.—Each local educational agency shall receive an amount awarded under this subsection for a fiscal year equal to the amount the local educational agency is eligible to receive under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year.

(c) APPLICABILITY.—The provisions of this section shall not apply—

(1) for fiscal year 1999, if the total amount appropriated to carry out part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year is less than \$7,694,000,000;

(2) for fiscal year 2000, if the total amount so appropriated for the fiscal year is less than \$7,875,000,000;

(3) for fiscal year 2001, if the total amount so appropriated for the fiscal year is less than \$8,064,000,000;

(4) for fiscal year 2002, if the total amount so appropriated for the fiscal year is less than \$8,251,000,000; and

(5) for fiscal year 2003, if the total amount so appropriated for the fiscal year is less than \$8,426,000,000.

(d) REQUIREMENTS.—

(1) ELIGIBLE SCHOOL ATTENDANCE AREAS.—A local educational agency shall use funds received under this section only in eligible school attendance areas determined in accordance with section 1113 of the Elementary and Secondary Education Act of 1965 other than subsection (c) of such section.

(2) ELIGIBLE PUPILS.—A local educational agency shall use funds received under this section—

(A) in the case of a school that meets the criteria described in section 1114(a)(1), to serve all pupils in the school; and

(B) in the case of a school that does not meet such criteria, to serve the children attending the school who are eligible children described in section 1115(b).

SEC. 303. DIRECT AWARDS OF BILINGUAL EDUCATION FUNDING.

(a) STATE OPTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (b)(2), each State shall notify the Secretary regarding the State's election to receive the State's portion of the funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7401 et seq., 7511 et seq., and 7541 et seq.) according to one of the following options:

(A) STATE BLOCK GRANT OPTION.—The State may receive the funding pursuant to a State allotment described in subsection (c)(1)(A).

(B) LOCAL BLOCK GRANT OPTION.—The State may direct the Secretary to send the funding directly to local educational agencies in the State that serve the recipients in the State under parts A, B, and C pursuant to a local allotment described in subsection (c)(1)(B).

(C) FEDERAL STATUTE OPTION.—The State may receive the funding according to the provisions of law described in subsection (e).

(2) OPTION REQUIREMENTS.—

(A) IN GENERAL.—A State shall select an option described in paragraph (1)—

(i) within 1 year of the date of enactment of this Act;

(ii) pursuant to a majority vote of the State legislature; and

(iii) with the concurrence of the Governor.

(B) FAILURE TO SELECT AN OPTION.—If a State fails to select an option in accordance with this subsection, the Secretary shall award the funding pursuant to paragraph (1)(B).

(C) CHANGES.—A State may alter the selection made under paragraph (1) only once and only after receiving the funding for 3 years pursuant to 1 of the options described in such paragraph.

(3) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for each fiscal year to make payments to eligible recipients under such parts pursuant to any multiyear award under such parts made prior to the date of enactment of this Act. The payments shall be made for the duration of the multiyear award.

(4) DEFINITIONS.—In this section—

(A) the term "State" means each of the several States of the United States and the District of Columbia; and

(B) the term "outlying area" means the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(b) RESERVATION AND APPLICABILITY.—

(1) RESERVATION.—From the total amount of funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for a fiscal year that are not used to carry out subsection (a)(3) for the fiscal year, the Secretary shall reserve 1 percent to make awards to the Bureau of Indian Affairs and the outlying areas according to their respective needs for assistance under this section.

(2) APPLICABILITY.—The provisions of this section shall not apply—

(A) for fiscal year 1999, if the total amount appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for the fiscal year is less than \$362,000,000;

(B) for fiscal year 2000, if the total amount so appropriated for the fiscal year is less than \$370,000,000;

(C) for fiscal year 2001, if the total amount so appropriated for the fiscal year is less than \$379,000,000;

(D) for fiscal year 2002, if the total amount so appropriated for the fiscal year is less than \$388,000,000; and

(E) for fiscal year 2003, if the total amount so appropriated for the fiscal year is less than \$398,000,000.

(c) BLOCK GRANTS.—

(1) ALLOTMENTS.—

(A) STATES.—From the total amount of funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for a fiscal year that are not used to carry out subsection (a)(3) for the fiscal year, and are not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each State selecting the option described in subsection (a)(1)(A) in an amount that bears the same relation to such total amount of funds as the amount all entities in the State received under such parts for fiscal year 1998 bears to the total amount all entities in all States received under such parts for fiscal year 1998.

(B) LOCAL EDUCATIONAL AGENCIES.—From the total amount of funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for a fiscal year that are not used to carry out subsection (a)(3) for the fiscal year,

and are not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each local educational agency in a State selecting the option described in subsection (a)(1)(B) in an amount that bears the same relation to such total amount of funds as the amount all recipients in the area served by the local educational agency received under such parts for fiscal year 1998 bears to the total amount all recipients in all areas served by all local educational agencies received under such parts for fiscal year 1998.

(2) USE OF ALLOTTED FUNDS.—Funds awarded under this section shall be used to pay for enhanced instructional opportunities for limited English proficient children and youth, that may include—

(A) family literacy, parent outreach, and training activities designed to assist parents to become active participants in the education of their children;

(B) salaries of personnel, including teacher aids, who have been specifically trained, or are being trained, to provide services to limited English proficient children and youth;

(C) tutorials, mentoring, and academic or career counseling for limited English proficient children and youth;

(D) identification and acquisition of curricular materials, educational software, and technologies to be used;

(E) basic instructional services that are directly attributable to the presence of limited English proficient children, including the costs of providing additional classroom supplies, overhead costs, costs of construction, acquisition or rental of space, costs of transportation, or such other costs as are directly attributable to such additional basic instructional services; and

(F) such other activities, related to innovative programs described in subparagraphs (A) through (E), as the Secretary may authorize.

(3) STATE FUNDING RULE.—

(A) ADMINISTRATIVE EXPENSES AND STATEWIDE ACTIVITIES.—A State that receives an allotment under paragraph (1)(A) for a fiscal year may use not more than 5 percent of the allotted funds for the fiscal year for administrative expenses or statewide activities.

(B) STATE FUNDING RULES.—A State that receives an allotment under paragraph (1)(A)—

(i) may, at the State's discretion, place limits on the use of the allotted funds; and

(ii) subject to subsection (f), may allocate the allotted funds to public and private entities within the State as the State determines appropriate.

(d) FEDERAL STATUTE OPTION.—

(1) IN GENERAL.—From the total amount of funds appropriated to carry out parts A, B, and C of the Elementary and Secondary Education Act of 1965 for a fiscal year that remain after carrying out subsection (a)(3) for the fiscal year, making the reservation under subsection (b) for the fiscal year, and making allotments under subsection (c) for the fiscal year, the Secretary may make awards according to the provisions of such parts A, B, and C, respectively, to State and local recipients, in States making the election described in subsection (a)(1)(C).

(2) PERCENTAGE REDUCTIONS.—The Secretary, after making the allotments under subsection (c) for a fiscal year, shall reduce the total amount of funding available to carry out such parts A, B, and C for the fiscal year, for any State selecting the option described in subsection (a)(1)(C), by an equal percentage for each such part.

(e) CONSTRUCTION.—Nothing in this section shall be construed—

(1) to prohibit a local educational agency from serving limited English proficient children simultaneously with students with

similar educational needs, in the same educational settings where appropriate; and

(2) to mandate a particular type of curriculum or educational method for limited English proficient children and youth, which decisions—

(A) shall be the sole responsibility of the State educational agency, local educational agency, or other State or local recipients; and

(B) shall be made in accordance with applicable State law.

SEC. 04. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) IN GENERAL.—Each local educational agency that receives assistance under sections 01 or 03 shall provide for the participation of children enrolled in private schools in the activities and services assisted under sections 01 or 03, respectively, in the same manner as the children participate in activities and services under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) pursuant to sections 14503, 14504, 14505, and 14506 of such Act (20 U.S.C. 8893, 8894, 8895, and 8896).

(b) PART A OF TITLE I FUNDING.—Each local educational agency that receives assistance under section 02 shall provide for the participation of children enrolled in private schools in the activities and services assisted under section 02 in the same manner as the children participate in activities and services under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) pursuant to section 1120 such Act (20 U.S.C. 6321).

SEC. 05. ACCOUNTABILITY.

(a) STANDARD APPLICATION AND REPORTING FORMS.—The Secretary shall develop standard forms for applications for assistance under this title and for reporting with respect to activities assisted under this title. In developing the forms, the Secretary shall ensure that not more than 2 percent of the assistance provided to an entity under this title is used to complete the forms.

(b) PUBLIC INPUT.—Each entity receiving assistance under this title shall—

(1) involve parents and members of the public in planning for the use of funds provided under this title; and

(2) disseminate to the public reports regarding the use and effects of funds provided under this title.

SEC. 06. DEFINITIONS.

In this title—

(1) the term “local educational agency” has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801); and

(2) the term “Secretary” means the Secretary of Education.

SEC. 07. CONSTRUCTION.

Nothing in this title shall be construed to supersede the authority of a State or State educational agency over State education policies.

FRIST AMENDMENT NO. 2294

Mr. FRIST proposed an amendment to amendment No. 2293 proposed by Mr. GORTON to the bill, H.R. 2646, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

TITLE —EDUCATION FUNDING

SEC. 01. DIRECT AWARDS OF CERTAIN EDUCATION FUNDING.

(a) STATE OPTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (b)(2), each State shall notify the Secretary regarding the State's election to receive the State's portion of the applicable

funding described in subsection (e) according to one of the following options:

(A) STATE BLOCK GRANT OPTION.—The State may receive the funding pursuant to a State allotment described in subsection (c)(1)(A).

(B) LOCAL BLOCK GRANT OPTION.—The State may direct the Secretary to send the funding directly to local educational agencies in the State pursuant to a local allotment described in subsection (c)(1)(B).

(C) FEDERAL STATUTE OPTION.—The State may receive the funding according to the provisions of law described in subsection (e).

(2) OPTION REQUIREMENTS.—

(A) IN GENERAL.—A State shall select an option described in paragraph (1)—

(i) within 1 year of the date of enactment of this Act;

(ii) pursuant to a majority vote of the State legislature; and

(iii) with the concurrence of the Governor.

(B) FAILURE TO SELECT AN OPTION.—

(i) IN GENERAL.—If a State legislature meets within 1 year of the date of enactment of this Act and fails to select an option in accordance with this subsection, the Secretary shall award the applicable funding pursuant to paragraph (1)(B).

(ii) LEGISLATURE WHICH DOES NOT MEET.—If a State does not select an option described in paragraph (1) in accordance with this subsection because the State legislature does not meet within 1 year of the date of enactment of this Act, the State may select, at the first meeting of the State legislature after such date, any such option in accordance with this subsection, which option shall take effect for the fiscal year that begins after such meeting.

(C) CHANGES.—

(i) BLOCK GRANT OPTIONS.—If a State selects the option described in subparagraph (A) or (B) of paragraph (1), the State may alter the selection made under paragraph (1) only once and only after receiving the applicable funding for 3 years pursuant to the option described in such subparagraph.

(ii) FEDERAL STATUTE OPTION.—Subject to clause (i), if a State selects the option described in paragraph (1)(C) for a fiscal year, the State may select the option described in subparagraph (A) or (B) of paragraph (1) for the succeeding fiscal year.

(3) MINIMUM.—No State shall receive an amount under this section for a fiscal year that is less than 0.5 percent of the applicable funding available for the fiscal year.

(4) DEFINITIONS.—In this section—

(A) the term “State” means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(B) the term “outlying area” means Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(b) RESERVATION AND APPLICABILITY.—

(1) RESERVATION.—From the total amount of applicable funding available for a fiscal year, the Secretary shall reserve 1 percent to make awards to the Bureau of Indian Affairs and the outlying areas according to their respective needs for assistance under this section.

(2) APPLICABILITY.—The provisions of this section shall not apply—

(A) for fiscal year 1999, if the total amount appropriated to carry out the provisions of law described in subsection (e) for the fiscal year is less than \$2,564,000,000;

(B) for fiscal year 2000, if the total amount so appropriated for the fiscal year is less than \$2,625,000,000;

(C) for fiscal year 2001, if the total amount so appropriated for the fiscal year is less than \$2,687,000,000;

(D) for fiscal year 2002, if the total amount so appropriated for the fiscal year is less than \$2,750,000,000; and

(E) for fiscal year 2003, if the total amount so appropriated for the fiscal year is less than \$2,817,000,000.

(c) BLOCK GRANTS.—

(1) ALLOTMENTS.—

(A) STATES.—From the total applicable funding available for a fiscal year, and not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each State selecting the option described in subsection (a)(1)(A) in an amount that bears the same relation—

(i) to 50 percent of such total applicable funding as the number of individuals in the State who are aged 5 through 17 bears to the total number of such individuals in all States; and

(ii) to 50 percent of such total applicable funding as the total amount all local educational agencies in the State are eligible to receive under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year bears to the total amount all local educational agencies in all States are eligible to receive under such part for the fiscal year.

(B) LOCAL EDUCATIONAL AGENCIES.—From the total applicable funding available for a fiscal year, and not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each local educational agency in a State selecting the option described in subsection (a)(1)(B) in an amount that bears the same relation—

(i) to 50 percent of such total applicable funding as the number of individuals in the school district served by the local educational agency who are aged 5 through 17 bears to the total number of such individuals in all school districts served by all local educational agencies in all States; and

(ii) to 50 percent of such total amount as the total amount all local educational agencies in the State are eligible to receive under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year bears to the total amount all local educational agencies in all States are eligible to receive under such part for the fiscal year.

(2) USE OF ALLOTTED FUNDS.—

(A) IN GENERAL.—A State or local educational agency receiving an allotment under paragraph (1) shall use the allotted funds for innovative assistance programs described in subparagraph (B).

(B) INNOVATIVE ASSISTANCE.—The innovative assistance programs referred to in subparagraph (A) include—

(i) technology programs related to the implementation of school-based reform programs, including professional development to assist teachers and other school officials regarding how to use effectively such equipment and software;

(ii) programs for the acquisition and use of instructional and educational materials, including library services and materials (including media materials), assessments, reference materials, computer software and hardware for instructional use, and other curricular materials that—

(I) are tied to high academic standards;

(II) will be used to improve student achievement; and

(III) are part of an overall education reform program;

(iii) promising education reform programs, including effective schools and magnet schools;

(iv) programs to improve the higher order thinking skills of disadvantaged elementary school and secondary school students and to prevent students from dropping out of school;

(v) programs to combat illiteracy in the student and adult populations, including parent illiteracy;

(vi) programs to provide for the educational needs of gifted and talented children;

(vii) hiring of teachers or teaching assistants to decrease a school, school district, or statewide student-to-teacher ratio; and

(viii) school improvement programs or activities described in sections 1116 and 1117 of the Elementary and Secondary Education Act of 1965.

(3) STATE FUNDING RULE.—

(A) ADMINISTRATIVE EXPENSES AND STATE-WIDE ACTIVITIES.—A State that receives an allotment under paragraph (1)(A) for a fiscal year may use not more than 5 percent of the allotted funds for the fiscal year for administrative expenses or statewide activities.

(B) STATE FUNDING RULES.—A State that receives an allotment under paragraph (1)(A)—

(i) may, at the State's discretion, place limits on the use of the allotted funds; and

(ii) may allocate the allotted funds to public and private entities within the State as the State determines appropriate.

(4) HOLD HARMLESS REQUIREMENTS.—

(A) STATES.—Notwithstanding any other provision of this section, no State that selects the option described in subsection (a)(1)(A) for a fiscal year shall receive an amount under this section for the fiscal year that is less than the amount the State is, or all local educational agencies in the State are, eligible to receive pursuant to the provisions of law described in subsection (e) for the fiscal year.

(B) LOCAL EDUCATIONAL AGENCIES.—Notwithstanding any other provision of this section, no local educational agency for which the option described in subsection (a)(1)(B) is applicable for a fiscal year shall receive an amount under this section for the fiscal year that is less than the amount the local educational agency is eligible to receive pursuant to the provisions of law described in subsection (e) for the fiscal year.

(d) FEDERAL STATUTE OPTION.—

(1) IN GENERAL.—From the applicable funding that remains after making the reservation under subsection (b)(1) and allotments under subsection (c) for a fiscal year, the Secretary may make awards according to the provisions of law described in subsection (e), to State and local recipients, in States making the election described in subsection (a)(1)(C).

(2) PERCENTAGE REDUCTIONS.—The Secretary, after making the allotments under subsection (c) for a fiscal year, shall reduce the total amount of applicable funding available to carry out the provisions of law described in subsection (e) for the fiscal year, for any State selecting the option described in subsection (a)(1)(C), by an equal percentage for each such provision.

(e) APPLICABLE FUNDING.—

(1) DEFINITION.—In this section, the term "applicable funding" means all funds not used to carry out paragraph (2) for a fiscal year that are appropriated for the Department of Education for the fiscal year to carry out programs or activities under the following provisions of law:

(A) Title III of the Goals 2000: Educate America Act (20 U.S.C. 5881 et seq.).

(B) Title IV of the Goals 2000: Educate America Act (20 U.S.C. 5911 et seq.).

(C) Title VI of the Goals 2000: Educate America Act (20 U.S.C. 5951).

(D) Titles II, III, and IV of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6121 et seq., 6171 et seq., and 6191 et seq.).

(E) Part A of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621 et seq.).

(F) Section 3122 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6832).

(G) Sections 3132 and 3136 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6842 and 6846).

(H) Section 3141 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6861).

(I) Part B of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6891 et seq.).

(J) Part C of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6921 et seq.).

(K) Part D of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6951 et seq.).

(L) Subpart 1 of part A of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7111 et seq.).

(M) Subpart 2 of part A of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7131 et seq.).

(N) Part A of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7201 et seq.).

(O) Title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 311 et seq.).

(P) Part A of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.).

(Q) Part B of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8031 et seq.).

(R) Part G of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8161 et seq.).

(S) Part I of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8241 et seq.).

(T) Part A of title XIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8621 et seq.).

(U) Part C of title XIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8671 et seq.).

(2) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated to carry out the provisions of law described in paragraph (1) (other than subparagraphs (A), (B), and (O) of paragraph (1)) for each fiscal year to make payments to eligible recipients under such provisions pursuant to any multiyear award made under such provisions prior to the date of enactment of this Act. The payments shall be made for the duration of the multiyear award.

(f) CENSUS DETERMINATION.—

(1) IN GENERAL.—Each local educational agency shall conduct a census to determine the number of kindergarten through grade 12 students that are in the school district served by the local educational agency for an academic year.

(2) PRIVATE SCHOOL STUDENTS.—In carrying out paragraph (1), each local educational agency shall determine the number of private school students described in such paragraph for an academic year on the basis of data the agency determines reliable.

(3) SUBMISSION.—Each local educational agency shall submit the total number of public and private school children described in this paragraph for an academic year to the Secretary not later than February 1 of the academic year.

(4) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under this subsection for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency

would have received if the agency had submitted accurate information under this subsection.

SEC. 02. DIRECT AWARDS OF PART A OF TITLE I FUNDING.

(a) DIRECT AWARDS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (c), the Secretary shall award the total amount of funds appropriated to carry out part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for a fiscal year directly to local educational agencies in accordance with paragraph (2) to enable the local educational agencies to support programs or activities, for kindergarten through grade 12 students, that the local educational agencies deem appropriate.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The Secretary shall make awards under this section for a fiscal year only to local educational agencies that are eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year.

(b) AMOUNT.—Each local educational agency shall receive an amount awarded under this subsection for a fiscal year equal to the amount the local educational agency is eligible to receive under part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year.

(c) APPLICABILITY.—The provisions of this section shall not apply—

(1) for fiscal year 1999, if the total amount appropriated to carry out part A of title I of the Elementary and Secondary Education Act of 1965 for the fiscal year is less than \$7,694,000,000;

(2) for fiscal year 2000, if the total amount so appropriated for the fiscal year is less than \$7,875,000,000;

(3) for fiscal year 2001, if the total amount so appropriated for the fiscal year is less than \$8,064,000,000;

(4) for fiscal year 2002, if the total amount so appropriated for the fiscal year is less than \$8,251,000,000; and

(5) for fiscal year 2003, if the total amount so appropriated for the fiscal year is less than \$8,426,000,000.

(d) REQUIREMENTS.—

(1) ELIGIBLE SCHOOL ATTENDANCE AREAS.—A local educational agency shall use funds received under this section only in eligible school attendance areas determined in accordance with section 1113 of the Elementary and Secondary Education Act of 1965 other than subsection (c) of such section.

(2) ELIGIBLE PUPILS.—A local educational agency shall use funds received under this section—

(A) in the case of a school that meets the criteria described in section 1114(a)(1), to serve all pupils in the school; and

(B) in the case of a school that does not meet such criteria, to serve the children attending the school who are eligible children described in section 1115(b).

SEC. 03. DIRECT AWARDS OF BILINGUAL EDUCATION FUNDING.

(a) STATE OPTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (b)(2), each State shall notify the Secretary regarding the State's election to receive the State's portion of the funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7401 et seq., 7511 et seq., and 7541 et seq.) according to one of the following options:

(A) STATE BLOCK GRANT OPTION.—The State may receive the funding pursuant to a State allotment described in subsection (c)(1)(A).

(B) LOCAL BLOCK GRANT OPTION.—The State may direct the Secretary to send the funding

directly to local educational agencies in the State that serve the recipients in the State under parts A, B, and C pursuant to a local allotment described in subsection (c)(1)(B).

(C) FEDERAL STATUTE OPTION.—The State may receive the funding according to the provisions of law described in subsection (e).

(2) OPTION REQUIREMENTS.—

(A) IN GENERAL.—A State shall select an option described in paragraph (1)—

(i) within 1 year of the date of enactment of this Act;

(ii) pursuant to a majority vote of the State legislature; and

(iii) with the concurrence of the Governor.

(B) FAILURE TO SELECT AN OPTION.—

(i) IN GENERAL.—If a State legislature meets within 1 year of the date of enactment of this Act and fails to select an option in accordance with this subsection, the Secretary shall award the applicable funding pursuant to paragraph (1)(B).

(ii) LEGISLATURE WHICH DOES NOT MEET.—If a State does not select an option described in paragraph (1) in accordance with this subsection because the State legislature does not meet within 1 year of the date of enactment of this Act, the State may select, at the first meeting of the State legislature after such date, any such option in accordance with this subsection, which option shall take effect for the fiscal year that begins after such meeting.

(C) CHANGES.—

(i) BLOCK GRANTS.—If a State selects the option described in subparagraph (A) or (B) of paragraph (1), the State may alter the selection made under paragraph (1) only once and only after receiving the funding for 3 years pursuant to the option described in such subparagraph.

(ii) FEDERAL STATUTE OPTION.—Subject to clause (i), if a State selects the option described in paragraph (1)(C) for a fiscal year, the State may select the option described in subparagraph (A) or (B) of paragraph (1) for the succeeding fiscal year.

(3) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for each fiscal year to make payments to eligible recipients under such parts pursuant to any multiyear award under such parts made prior to the date of enactment of this Act. The payments shall be made for the duration of the multiyear award.

(4) DEFINITIONS.—In this section—

(A) the term "State" means each of the several States of the United States and the District of Columbia; and

(B) the term "outlying area" means the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(b) RESERVATION AND APPLICABILITY.—

(1) RESERVATION.—From the total amount of funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for a fiscal year that are not used to carry out subsection (a)(3) for the fiscal year, the Secretary shall reserve 1 percent to make awards to the Bureau of Indian Affairs and the outlying areas according to their respective needs for assistance under this section.

(2) APPLICABILITY.—The provisions of this section shall not apply—

(A) for fiscal year 1999, if the total amount appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for the fiscal year is less than \$362,000,000;

(B) for fiscal year 2000, if the total amount so appropriated for the fiscal year is less than \$370,000,000;

(C) for fiscal year 2001, if the total amount so appropriated for the fiscal year is less than \$379,000,000;

(D) for fiscal year 2002, if the total amount so appropriated for the fiscal year is less than \$388,000,000; and

(E) for fiscal year 2003, if the total amount so appropriated for the fiscal year is less than \$398,000,000.

(c) BLOCK GRANTS.—

(1) ALLOTMENTS.—

(A) STATES.—From the total amount of funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for a fiscal year that are not used to carry out subsection (a)(3) for the fiscal year, and are not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each State selecting the option described in subsection (a)(1)(A) in an amount that bears the same relation to such total amount of funds as the amount all entities in the State received under such parts for fiscal year 1998 bears to the total amount all entities in all States received under such parts for fiscal year 1998.

(B) LOCAL EDUCATIONAL AGENCIES.—From the total amount of funds appropriated to carry out parts A, B, and C of title VII of the Elementary and Secondary Education Act of 1965 for a fiscal year that are not used to carry out subsection (a)(3) for the fiscal year, and are not reserved under subsection (b)(1) for the fiscal year, the Secretary may make allotments to each local educational agency in a State selecting the option described in subsection (a)(1)(B) in an amount that bears the same relation to such total amount of funds as the amount all recipients in the area served by the local educational agency received under such parts for fiscal year 1998 bears to the total amount all recipients in all areas served by all local educational agencies received under such parts for fiscal year 1998.

(2) USE OF ALLOTTED FUNDS.—Funds awarded under this section shall be used to pay for enhanced instructional opportunities for limited English proficient children and youth, that may include—

(A) family literacy, parent outreach, and training activities designed to assist parents to become active participants in the education of their children;

(B) salaries of personnel, including teacher aids, who have been specifically trained, or are being trained, to provide services to limited English proficient children and youth;

(C) tutorials, mentoring, and academic or career counseling for limited English proficient children and youth;

(D) identification and acquisition of curricular materials, educational software, and technologies to be used;

(E) basic instructional services that are directly attributable to the presence of limited English proficient children, including the costs of providing additional classroom supplies, overhead costs, costs of construction, acquisition or rental of space, costs of transportation, or such other costs as are directly attributable to such additional basic instructional services; and

(F) such other activities, related to innovative programs described in subparagraphs (A) through (E), as the Secretary may authorize.

(3) STATE FUNDING RULE.—

(A) ADMINISTRATIVE EXPENSES AND STATEWIDE ACTIVITIES.—A State that receives an allotment under paragraph (1)(A) for a fiscal year may use not more than 5 percent of the allotted funds for the fiscal year for administrative expenses or statewide activities.

(B) STATE FUNDING RULES.—A State that receives an allotment under paragraph (1)(A)—

(i) may, at the State's discretion, place limits on the use of the allotted funds; and

(ii) subject to subsection (f), may allocate the allotted funds to public and private entities within the State as the State determines appropriate.

(d) FEDERAL STATUTE OPTION.—

(1) IN GENERAL.—From the total amount of funds appropriated to carry out parts A, B, and C of the Elementary and Secondary Education Act of 1965 for a fiscal year that remain after carrying out subsection (a)(3) for the fiscal year, making the reservation under subsection (b) for the fiscal year, and making allotments under subsection (c) for the fiscal year, the Secretary may make awards according to the provisions of such parts A, B, and C, respectively, to State and local recipients, in States making the election described in subsection (a)(1)(C).

(2) PERCENTAGE REDUCTIONS.—The Secretary, after making the allotments under subsection (c) for a fiscal year, shall reduce the total amount of funding available to carry out such parts A, B, and C for the fiscal year, for any State selecting the option described in subsection (a)(1)(C), by an equal percentage for each such part.

(e) CONSTRUCTION.—Nothing in this section shall be construed—

(1) to prohibit a local educational agency from serving limited English proficient children simultaneously with students with similar educational needs, in the same educational settings where appropriate; and

(2) to mandate a particular type of curriculum or educational method for limited English proficient children and youth, which decisions—

(A) shall be the sole responsibility of the State educational agency, local educational agency, or other State or local recipients; and

(B) shall be made in accordance with applicable State law.

SEC. 404. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) IN GENERAL.—Each local educational agency that receives assistance under sections ___01 or ___03 shall provide for the participation of children enrolled in private schools in the activities and services assisted under sections ___01 or ___03, respectively, in the same manner as the children participate in activities and services under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) pursuant to sections 14503, 14504, 14505, and 14506 of such Act (20 U.S.C. 8893, 8894, 8895, and 8896).

(b) PART A OF TITLE I FUNDING.—Each local educational agency that receives assistance under section ___02 shall provide for the participation of children enrolled in private schools in the activities and services assisted under section ___02 in the same manner as the children participate in activities and services under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) pursuant to section 1120 such Act (20 U.S.C. 6321).

SEC. 405. ACCOUNTABILITY.

(a) STANDARD APPLICATION AND REPORTING FORMS.—The Secretary shall develop standard forms for applications for assistance under this title and for reporting with respect to activities assisted under this title. In developing the forms, the Secretary shall ensure that not more than 2 percent of the assistance provided to an entity under this title is used to complete the forms.

(b) PUBLIC INPUT.—Each entity receiving assistance under this title shall—

(1) involve parents and members of the public in planning for the use of funds provided under this title; and

(2) disseminate to the public reports regarding the use and effects of funds provided under this title.

SEC. 06. DEFINITIONS.

In this title—

(1) the term "local educational agency" has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801); and

(2) the term "Secretary" means the Secretary of Education.

SEC. 07. CONSTRUCTION.

Nothing in this title shall be construed to supersede the authority of a State or State educational agency over State education policies.

MURRAY AMENDMENT NO. 2295

Mrs. MURRAY proposed an amendment to the bill, H.R. 2646, *supra*; as follows:

At the end, add the following:

TITLE ____—SENSE OF CONGRESS

SEC. 01. SENSE OF CONGRESS.

Congress makes the following findings:

(1) Qualified teachers in small classes can provide students with more individualized attention, spend more time on instruction and less on other tasks, cover more material effectively, and are better able to work with parents to help the parents further their children's education.

(2) Rigorous research has shown that students attending small classes in the early grades make more rapid educational progress than the students in larger classes, and that those achievement gains persist through at least the 8th grade. For example:

(A) In a landmark 4-year experimental study of class size reduction in grades kindergarten through grade 3 in Tennessee, researchers found that students in smaller classes earned significantly higher scores on basic skills tests in all 4 years and in all types of schools, including urban, rural, and suburban schools.

(B) After 2 years in reduced class sizes, students in the Flint, Michigan Public School District improved their reading scores by 44 percent.

(3) The benefits of smaller classes are greatest for lower-achieving, minority, poor, and inner-city children. One study found that urban 4th-graders in smaller than average classes were ¾ of a school year ahead of their counterparts in larger than average classes.

(4) Smaller classes allow teachers to identify and work sooner with students who have learning disabilities and, potentially, can reduce those students' need for special education services in the later grades.

(5) Students in smaller classes are able to become more actively engaged in learning than their peers in large classes.

(6) Efforts to improve educational outcomes by reducing class sizes in the early grades are likely to be successful only if well-qualified teachers are hired to fill additional classroom positions and if teachers received intensive, continuing training in working effectively in smaller classroom settings.

(7) State certified and licensed teachers help ensure high quality instruction in the classroom.

(8) According to the National Commission on Teaching and America's Future, the most important influence on student achievement is the expertise of their teachers. One New York City study comparing high- and low-achieving elementary schools with similar student characteristics, found that more than 90 percent of the variation in achievement in mathematics and reading was due to differences in teacher qualifications.

(9) Our Nation needs more qualified teachers to meet changing demographics and to help students meet high standards, as demonstrated by the following:

(A) Over the next decade, our Nation will need to hire over 2,000,000 teachers to meet increasing student enrollments and teacher retirements.

(B) 1 out of 4 high school teachers does not have a major or minor in the main subject that they teach. This is true for more than 30 percent of mathematics teachers.

(C) In schools with the highest minority enrollments, students have less than a 50 percent chance of getting a science or mathematics teacher who holds a degree in that field.

(D) In 1991, 25 percent of new public school teachers had not completed the requirements for a license in their main assignment field. This number increased to 27 percent by 1994, including 11 percent who did not have a license.

(10) We need more teachers who are adequately prepared for the challenges of the 21st century classroom, as demonstrated by the fact that—

(A) 50 percent of teachers have little or no experience using technology in the classroom; and

(B) in 1994, only 10 percent of new teachers felt they were prepared to integrate new technology into their instruction.

(11) Teacher quality cannot be further compromised to meet the demographic demand for new teachers and smaller class sizes. Comprehensive improvements in teacher preparation and development programs are also necessary to ensure the effectiveness of new teachers and the academic success of students in the classroom. These comprehensive improvements should include encouraging more institutions of higher education that operate teacher preparation programs to work in partnership with local educational agencies and elementary and secondary schools; providing more hands-on, classroom experience to prospective teachers; creating mentorship programs for new teachers; providing high quality content area training and classroom skills for new teachers; and training teachers to incorporate technology into the classroom.

(12) Efforts should be made to provide prospective teachers with a greater knowledge of instructional programs that are research-based, of demonstrated effectiveness, replicable in diverse and challenging circumstances, and supported by networks of experts and experienced practitioners.

(13) Several States have begun serious efforts to reduce class sizes in the early elementary grades, but these actions may be impeded by financial limitations or difficulties in hiring qualified teachers.

(14) The Federal Government can assist in this effort by providing funding for class size reductions in grades 1 through 3, and by helping to ensure that the new teachers brought into the classroom are well-qualified.

SEC. 02. SENSE OF CONGRESS.

It is the sense of Congress that Congress should support efforts to hire 100,000 new teachers to reduce class sizes in first, second, and third grades to an average of 18 students per class all across America.

HUTCHINSON AMENDMENT NO. 2296

Mr. HUTCHINSON proposed an amendment to amendment No. 2295 proposed by Mrs. MURRAY to the bill, H.R. 2646, *supra*; as follows:

Strike all after "TITLE ____" and insert the following:

—SENSE OF CONGRESS

SEC. 01. FINDINGS.

Congress makes the following findings:

(1) The people of the United States know that effective teaching takes place when the people of the United States begin (A) helping children master basic academics, (B) engaging and involving parents, (C) creating safe and orderly classrooms, and (D) getting dollars to the classroom.

(2) Our Nation's children deserve an educational system which will provide opportunities to excel.

(3) States and localities must spend a significant amount of Federal education tax dollars applying for and administering Federal education dollars.

(4) Several States have reported that although the States receive less than 10 percent of their education funding from the Federal Government, more than 50 percent of their paperwork is associated with those Federal dollars.

(5) While it is unknown exactly what percentage of Federal education dollars reaches the classroom, a recent audit of New York City public schools found that only 43 percent of their local education budget reaches the classroom; further, it is thought that only 85 percent of funds administered by the Department of Education for elementary and secondary education reach the school district level; and even if 65 percent of Federal education funds reach the classroom, it still means that billions of dollars are not directly spent on children in the classroom.

(6) American students are not performing up to their full academic potential, despite the more than 760 Federal education programs, which span 39 Federal agencies at the price of nearly \$100,000,000,000 annually.

(7) According to the Digest of Education Statistics, in 1993 only \$141,598,786,000 out of \$265,285,370,000 spent on elementary and secondary education was spent on instruction.

(8) According to the National Center for Education Statistics, in 1994 only 52 percent of staff employed in public elementary and secondary school systems were teachers.

(9) Too much of our Federal education funding is spent on bureaucracy, and too little is spent on our Nation's youth.

(10) Getting 95 percent of Department of Education elementary and secondary education funds to the classroom could provide approximately \$2,094 in additional funding per classroom across the United States.

(11) More education funding should be put in the hands of someone in a child's classroom who knows the child's name.

(12) President Clinton has stated: "We cannot ask the American people to spend more on education until we do a better job with the money we've got now."

(13) President Clinton and Vice President Gore agree that the reinventing of public education will not begin in Washington but in communities across the United States and that the people of the United States must ask fundamental questions about how our Nation's public school systems' dollars are spent.

(14) President Clinton and Vice President Gore agree that in an age of tight budgets, our Nation should be spending public funds on teachers and children, not on unnecessary overhead and bloated bureaucracy.

SEC. 02. SENSE OF CONGRESS.

It is the sense of Congress that the Department of Education, States, and local educational agencies should work together to ensure that not less than 95 percent of all funds appropriated for the purpose of carrying out elementary and secondary education programs administered by the Department of Education is spent for our Nation's children in their classrooms.

COATS AMENDMENT NO. 2297

Mr. COATS proposed an amendment to the bill, H.R. 2646, supra; as follows:

At the end add the following:

TITLE —ADDITIONAL INCENTIVE TO MAKE SCHOLARSHIP DONATIONS**SEC. —. ADDITIONAL INCENTIVE TO MAKE DONATIONS TO SCHOOLS OR ORGANIZATIONS WHICH OFFER SCHOLARSHIPS.**

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

“(m) TREATMENT OF AMOUNTS PAID TO CERTAIN EDUCATIONAL ORGANIZATIONS.—

“(1) IN GENERAL.—For purposes of this section, 110 percent of any amount described in paragraph (2) shall be treated as a charitable contribution.

“(2) AMOUNT DESCRIBED.—For purposes of paragraph (1), an amount is described in this paragraph if the amount—

“(A) is paid in cash by the taxpayer to or for the benefit of a qualified organization, and

“(B) is used by such organization to provide qualified scholarships (as defined in section 117(b)) to any individual attending kindergarten through grade 12 whose family income does not exceed 185 percent of the poverty line for a family of the size involved.

“(3) DEFINITIONS.—For purposes of this subsection—

“(A) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means—

“(i) an educational organization—

“(1) which is described in subsection (b)(1)(A)(ii), and

“(II) which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law, or

“(ii) an organization which is described in section 501(c)(3) and exempt from taxation under section 501(a).

“(B) POVERTY LINE.—The term ‘poverty line’ means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

“(4) TERMINATION.—This subsection shall not apply to contributions made after December 31, 2002.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. —. CLARIFICATION AND EXPANSION OF MATHEMATICAL ERROR ASSESSMENT PROCEDURES.

(a) TIN DEEMED INCORRECT IF INFORMATION ON RETURN DIFFERS WITH AGENCY RECORDS.—Section 6213(g)(2) (defining mathematical or clerical error) is amended by adding at the end the following flush sentence:

“A taxpayer shall be treated as having omitted a correct TIN for purposes of the preceding sentence if information provided by the taxpayer on the return with respect to the individual whose TIN was provided differs from the information the Secretary obtains from the person issuing the TIN.”

(b) EXPANSION OF MATHEMATICAL ERROR PROCEDURES TO CASES WHERE TIN ESTABLISHES INDIVIDUAL NOT ELIGIBLE FOR TAX CREDIT.—Section 6213(g)(2), as amended by title VI of this Act, is amended by striking “and” at the end of subparagraph (J), by striking the period at the end of the subparagraph (K) and inserting “, and”, and by adding at the end the following new subparagraph:

“(L) the inclusion on a return of a TIN required to be included on the return under section 21, 24, or 32 if—

“(i) such TIN is of an individual whose age affects the amount of the credit under such section, and

“(ii) the computation of the credit on the return reflects the treatment of such individual as being of an age different from the individual’s age based on such TIN.”

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

SEC. —. CERTAIN CUSTOMER RECEIVABLES INELIGIBLE FOR MARK-TO-MARKET TREATMENT.

(a) CERTAIN RECEIVABLES NOT ELIGIBLE FOR MARK TO MARKET.—Section 475(c) (relating to definitions) is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULES FOR CERTAIN RECEIVABLES.—

“(A) IN GENERAL.—Paragraph (2)(C) shall not include any note, bond, debenture, or other evidence of indebtedness which is non-financial customer paper.

“(B) NONFINANCIAL CUSTOMER PAPER.—For purposes of subparagraph (A), the term ‘non-financial customer paper’ means any receivable—

“(i) arising out of the sale of goods or services by a person the principal activity of which is the selling or providing of non-financial goods and services, and

“(ii) held by such person or a related person at all times since issue.”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 4-taxable year period beginning with such first taxable year.

McCain AMENDMENT NO. 2298

(Ordered to lie on the table.)

Mr. MCCAIN, submitted an amendment intended to be proposed by him to the bill, H.R. 2646, supra; as follows:

At the appropriate place, insert the following:

SEC. —. MULTILINGUALISM STUDY.

(a) FINDINGS.—Congress finds that even though all residents of the United States should be proficient in English, without regard to their country of birth, it is also of vital importance to the competitiveness of the United States that those residents be encouraged to learn other languages.

(b) RESIDENT OF THE UNITED STATES DEFINED.—In this section, the term “resident of the United States” means an individual who resides in the United States, other than an alien who is not lawfully present in the United States.

(c) STUDY.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States (referred to in this section as the “Comptroller General”) shall conduct a study of multilingualism in the United States in accordance with this section.

(2) REQUIREMENTS.—

(A) IN GENERAL.—The study conducted under this section shall ascertain—

(i) the percentage of residents in the United States who are proficient in English and at least 1 other language;

(ii) the predominant language other than English in which residents referred to in clause (i) are proficient;

(iii) the percentage of the residents described in clause (i) who were born in a foreign country;

(iv) the percentage of the residents described in clause (i) who were born in the United States;

(v) the percentage of the residents described in clause (iv) who are second-generation residents of the United States; and

(vi) the percentage of the residents described in clause (iv) who are third-generation residents of the United States.

(B) AGE-SPECIFIC CATEGORIES.—The study under this section shall, with respect to the residents described in subparagraph (A)(i), determine the number of those residents in each of the following categories:

(i) Residents who have not attained the age of 12.

(ii) Residents who have attained the age of 12, but have not attained the age of 18.

(iii) Residents who have attained the age of 18, but have not attained the age of 50.

(iv) Residents who have attained the age of 50.

(C) FEDERAL PROGRAMS.—In conducting the study under this section, the Comptroller General shall establish a list of each Federal program that encourages multilingualism with respect to any category of residents described in subparagraph (B).

(D) COMPARISONS.—In conducting the study under this section, the Comptroller General shall compare the multilingual population described in subparagraph (A) with the multilingual populations of foreign countries—

(i) in the Western hemisphere; and

(ii) in Asia.

(d) REPORT.—Upon completion of the study under this section, the Comptroller General shall prepare, and submit to Congress, a report that contains the results of the study conducted under this section, and such findings and recommendations as the Comptroller General determines to be appropriate.

LEVIN (AND BINGAMAN)
AMENDMENT NO. 2299

Mr. LEVIN (for himself and Mr. BINGAMAN) proposed an amendment to the bill, H.R. 2646, supra; as follows:

Beginning on page 2, line 9, strike all through page 10, line 21, and insert:

SEC. 101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(4) CONTRIBUTION LIMIT.—The term ‘contribution limit’ means \$500 (\$2,000 in the case of any taxable year beginning after December 31, 1998, and ending before January 1, 2003).”

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(B) Section 4973(e)(1)(A) is amended by striking “\$500” and inserting “the contribution limit (as defined in section 530(b)(5)) for such taxable year”.

(b) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

“The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).”

(c) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking “The maximum amount which a contributor” and inserting “In the case of a contributor who is an individual, the maximum amount the contributor”.

(d) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified education expenses) is amended by adding at the end the following new subparagraph:

“(D) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any qualified education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph.”

(e) TECHNICAL CORRECTIONS.—

(1)(A) Section 530(b)(1)(E) (defining education individual retirement account) is amended to read as follows:

“(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary.”

(B) Section 530(d) (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

“(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period.”

(2)(A) Section 530(d)(1) is amended by striking “section 72(b)” and inserting “section 72”.

(B) Section 72(e) (relating to amounts not received as annuities) is amended by inserting after paragraph (8) the following new paragraph:

“(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph.”

(3) Section 530(d)(4)(B) (relating to exceptions) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, or”, and by adding at the end the following new clause:

“(iv) an amount which is includible in gross income solely because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2) for the taxable year.”

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (e) shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

On page 21, between lines 9 and 10, insert:
SEC. 107. INCREASED LIFETIME LEARNING CREDIT FOR TECHNOLOGY TRAINING OF ELEMENTARY AND SECONDARY TEACHERS.

(a) IN GENERAL.—Section 25A(c) (relating to lifetime learning credit) is amended by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR TECHNOLOGY TRAINING OF CERTAIN TEACHERS.—

“(A) IN GENERAL.—If any portion of the qualified tuition and related expenses to which this subsection applies—

“(i) are paid or incurred by an individual who is a kindergarten through grade 12 teacher in an elementary or secondary school, and

“(ii) are incurred as part of a program which is approved and certified by the appropriate local educational agency as directly related to improvement of the individual’s capacity to use technology in teaching,

paragraph (1) shall be applied with respect to such portion by substituting ‘50 percent’ for ‘20 percent’.

“(B) TERMINATION.—This paragraph shall not apply to expenses paid after December 31, 2002, for education furnished in academic periods beginning after such date.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid after June 30, 1998, for education furnished in academic periods beginning after such date.

ASHCROFT (AND OTHERS) AMENDMENT NO. 2300

Mr. ASHCROFT (for himself, Mr. HAGEL, and Mr. NICKLES) proposed an amendment to amendment No. 2299 proposed by Mr. LEVIN to the bill, H.R. 2646, supra; as follows:

Strike all after “SEC.” and insert the following:

101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

“(2) QUALIFIED EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified education expenses’ means—

“(i) qualified higher education expenses (as defined in section 529(e)(3)), and

“(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

“(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.”

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified elementary and secondary education expenses’ means—

“(i) expenses for tuition, fees, academic tutoring, special needs services, books, sup-

plies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, or

“(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

“(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

“(C) SCHOOL.—The term ‘school’ means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.”

(3) SPECIAL RULES FOR APPLYING EXCLUSION TO ELEMENTARY AND SECONDARY EXPENSES.—Section 530(d)(2) (relating to distributions for qualified higher education expenses) is amended by adding at the end the following new subparagraph:

“(D) SPECIAL RULES FOR ELEMENTARY AND SECONDARY EXPENSES.—

“(i) IN GENERAL.—The aggregate amount of qualified elementary and secondary education expenses taken into account for purposes of this paragraph with respect to any education individual retirement account for all taxable years shall not exceed the sum of the aggregate contributions to such account for taxable years beginning after December 31, 1998, and before January 1, 2003, and earnings on such contributions.

“(ii) SPECIAL OPERATING RULES.—For purposes of clause (i)—

“(I) the trustee of an education individual retirement account shall keep separate accounts with respect to contributions and earnings described in clause (i), and

“(II) if there are distributions in excess of qualified elementary and secondary education expenses for any taxable year, such excess distributions shall be allocated first to contributions and earnings not described in clause (i).”

(4) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 are each amended by striking “higher” each place it appears in the text and heading thereof.

(b) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules), as amended by subsection (a)(2), is amended by adding at the end the following new paragraph:

“(5) CONTRIBUTION LIMIT.—The term ‘contribution limit’ means \$500 (\$2,000 in the case of any taxable year beginning after December 31, 1998, and ending before January 1, 2003).”

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(B) Section 4973(e)(1)(A) is amended by striking “\$500” and inserting “the contribution limit (as defined in section 530(b)(5)) for such taxable year”.

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

“The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).”

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking “The maximum amount which a contributor” and inserting “In the case of a contributor who is an individual, the maximum amount the contributor”.

(e) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified education expenses), as amended by subsection (a)(3), is amended by adding at the end the following new subparagraph:

“(E) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any qualified education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph.”

(f) TECHNICAL CORRECTIONS.—

(1)(A) Section 530(b)(1)(E) (defining education individual retirement account) is amended to read as follows:

“(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary.”

(B) Section 530(d) (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

“(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period.”

(2)(A) Section 530(d)(1) is amended by striking “section 72(b)” and inserting “section 72”.

(B) Section 72(e) (relating to amounts not received as annuities) is amended by inserting after paragraph (8) the following new paragraph:

“(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph.”

(3) Section 530(d)(4)(B) (relating to exceptions) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, or”, and by adding at the end the following new clause:

“(iv) an amount which is includable in gross income solely because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2) for the taxable year.”

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (f) shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

SEC. 102. PROHIBITION ON FEDERALLY SPONSORED TESTING.

(a) FINDINGS.—Congress makes the following findings:

(1) High State and local standards in reading, mathematics, and other core academic subjects are essential to the future well-being of elementary and secondary education in the United States.

(2) State and local control of education is the hallmark of education in the United States.

(3) Each of the 50 States already utilizes numerous tests to measure student achievement, including State and commercially available assessments. State assessments are based primarily upon State and locally developed academic standards.

(4) Public Law 105-78, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1998, ensures that Federal funds may not be used to field test, pilot test, implement, administer, or distribute in any way, any federally sponsored national test in fiscal year 1998, requires the National Academy of Sciences to conduct a study to determine whether an equivalency scale can be developed that would allow existing tests to be compared one to another, and permits very limited test development activities in fourth grade reading and eighth grade mathematics in fiscal year 1998.

(5) There is no specific or explicit authority in current Federal law authorizing the proposed federally sponsored national tests in fourth grade reading and eighth grade mathematics.

(6) The decision of whether or not the United States implements, administers, disseminates, or otherwise has federally sponsored national tests in fourth grade reading and eighth grade mathematics or any other subject, will be determined primarily through the normal legislative process involving Congress and the respective authorizing committees.

(b) PROHIBITION ON FEDERALLY SPONSORED TESTING.—Part C of the General Education Provisions Act (20 U.S.C. 1231 et seq.) is amended by adding at the end the following:

“SEC. 447. PROHIBITION ON FEDERALLY SPONSORED TESTING.

“(a) GENERAL PROHIBITION.—Notwithstanding any other provision of Federal law and, except as provided in sections 305 through 311 of Public Law 105-78, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1998, funds provided to the Department of Education or to an applicable program under this Act or any other Act, may not be used to develop, plan, implement (including pilot testing or field testing), or administer any federally sponsored national test in reading, mathematics, or any other subject that is not specifically and explicitly provided for in authorizing legislation enacted into law.

“(b) EXCEPTIONS.—Subsection (a) shall not apply to the Third International Mathematics and Science Study or other international comparative assessments developed under the authority of section 404(a)(6) of the National Education Statistics Act of 1994 (20 U.S.C. 9003(a)(6) et seq.), and administered to only a representative sample of pupils in the United States and in foreign nations.”

LANDRIEU AMENDMENT NO. 2301

Ms. LANDRIEU proposed an amendment to the bill, H.R. 2646, supra; as follows:

Strike section 101, and insert the following:

SEC. 101. BLUE RIBBON SCHOOLS.

(a) PROGRAM AUTHORIZED.—

(1) RECOGNITION.—The Secretary of Education is authorized to carry out a program that recognizes public and private elementary and secondary schools that have established standards of excellence and demonstrated a high level of quality.

(2) DESIGNATION.—Each school recognized under paragraph (1) shall be designated as a “Blue Ribbon School” for a period of 3 years.

(b) AWARDS.—

(1) AMOUNT.—The Secretary shall make an award for each school recognized under subsection (a) in the amount of \$50,000.

(2) SPECIAL RULE.—If the Secretary is prohibited from making an award directly to a school, the Secretary shall make such award to the local educational agency serving such school for the exclusive use of such school.

(3) PRIVATE SCHOOLS.—Awards for private schools recognized under subsection (a) shall be used to provide students and teachers at the schools with educational services and benefits that are similar to, and provided in the same manner as, the services and benefits provided to private school students and teachers under part A of title I, or title VI, of the Elementary and Secondary Education Act of 1965.

(4) LIMITATION.—The Secretary shall not make more than 250 awards under this section for any fiscal year.

(5) WAIT-OUT PERIOD.—The Secretary shall not make a second or subsequent award to a school under this section before the expiration of the 3-year designation period under subsection (a)(2) that is applicable to the preceding award.

(c) APPLICATIONS AND TECHNICAL ASSISTANCE GRANTS.—

(1) APPLICATIONS.—Each school desiring recognition under subsection (a)(1) shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

(2) TECHNICAL ASSISTANCE GRANTS.—The Secretary is authorized to award grants to States to enable the States to provide technical assistance to schools desiring recognition under subsection (a)(1).

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section (other than subsection (c)(2)) \$125,000,000 for each of the fiscal years 1999 through 2003.

(2) TECHNICAL ASSISTANCE GRANTS.—There is authorized to be appropriated to carry out subsection (c)(2) \$2,000,000 for each of the fiscal years 1999 through 2003.

KEMPTHORNE AMENDMENT NO.

2302

Mr. KEMPTHORNE proposed an amendment to amendment No. 2301 proposed by Ms. LANDRIEU to the bill, H.R. 2646, supra; as follows:

Strike all after the first word, and insert the following:

101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

“(2) QUALIFIED EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified education expenses’ means—

“(i) qualified higher education expenses (as defined in section 529(e)(3)), and

“(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

“(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.”

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified elementary and secondary education expenses’ means—

“(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, or

“(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

“(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

“(C) SCHOOL.—The term ‘school’ means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.”

(3) SPECIAL RULES FOR APPLYING EXCLUSION TO ELEMENTARY AND SECONDARY EXPENSES.—Section 530(d)(2) (relating to distributions for qualified higher education expenses) is amended by adding at the end the following new subparagraph:

“(D) SPECIAL RULES FOR ELEMENTARY AND SECONDARY EXPENSES.—

“(i) IN GENERAL.—The aggregate amount of qualified elementary and secondary education expenses taken into account for purposes of this paragraph with respect to any education individual retirement account for all taxable years shall not exceed the sum of the aggregate contributions to such account for taxable years beginning after December 31, 1998, and before January 1, 2003, and earnings on such contributions.

“(ii) SPECIAL OPERATING RULES.—For purposes of clause (i)—

“(I) the trustee of an education individual retirement account shall keep separate accounts with respect to contributions and earnings described in clause (i), and

“(II) if there are distributions in excess of qualified elementary and secondary education expenses for any taxable year, such excess distributions shall be allocated first to contributions and earnings not described in clause (i).”

(4) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 are each amended by striking “higher” each place it appears in the text and heading thereof.

(b) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules), as amended by subsection (a)(2), is amended by

adding at the end the following new paragraph:

“(5) CONTRIBUTION LIMIT.—The term ‘contribution limit’ means \$500 (\$2,000 in the case of any taxable year beginning after December 31, 1998, and ending before January 1, 2003).”

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(B) Section 4973(e)(1)(A) is amended by striking “\$500” and inserting “the contribution limit (as defined in section 530(b)(5)) for such taxable year”.

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

“The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).”

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking “The maximum amount which a contributor” and inserting “In the case of a contributor who is an individual, the maximum amount the contributor”.

(e) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified education expenses), as amended by subsection (a)(3), is amended by adding at the end the following new subparagraph:

“(E) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any qualified education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph.”

(f) TECHNICAL CORRECTIONS.—

(1)(A) Section 530(b)(1)(E) (defining education individual retirement account) is amended to read as follows:

“(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary.”

(B) Section 530(d) (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

“(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period.”

(2)(A) Section 530(d)(1) is amended by striking “section 72(b)” and inserting “section 72”.

(B) Section 72(e) (relating to amounts not received as annuities) is amended by inserting after paragraph (8) the following new paragraph:

“(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph.”

(3) Section 530(d)(4)(B) (relating to exceptions) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, or”, and by adding at the end the following new clause:

“(iv) an amount which is includible in gross income solely because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2) for the taxable year.”

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (f) shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

SEC. 102. STUDENT IMPROVEMENT INCENTIVE AWARDS.

Section 6201 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7331) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(C), by striking “and” after the semicolon;

(B) in paragraph (2), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(3) student improvement incentive awards described in subsection (c).”; and

(2) by adding at the end the following:

“(c) STUDENT IMPROVEMENT INCENTIVE AWARDS.—

“(1) AWARDS.—A State educational agency may use funds made available for State use under this title to make awards to public secondary schools in the State that are determined to be outstanding schools pursuant to a statewide assessment described in paragraph (2).

“(2) STATEWIDE ASSESSMENT.—The statewide assessment referred to in paragraph (1)—

“(A) shall—

“(i) determine the educational progress of students attending public secondary schools within the State; and

“(ii) allow for an objective analysis of the assessment on a school-by-school basis; and

“(B) may involve exit exams.”.

LEVIN (AND BINGAMAN) AMENDMENT NO. 2303

Mr. LEVIN (for himself and Mr. BINGAMAN) proposed an amendment to amendment No. 2299 proposed by Mr. LEVIN to the bill, H.R. 2646, supra; as follows:

At the end of the amendment add the following:

Section 101 is null and void.

SEC. . MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(4) CONTRIBUTION LIMIT.—The term ‘contribution limit’ means \$500 (\$2,000 in the case of any taxable year beginning after December 31, 1998, and ending before January 1, 2003).”

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(B) Section 4973(e)(1)(A) is amended by striking "\$500" and inserting "the contribution limit (as defined in section 530(b)(5) for such taxable year".

(b) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

"The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary)."

(c) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking "The maximum amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(d) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified education expenses) is amended by adding at the end the following new subparagraph:

"(D) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any qualified education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph."

(e) TECHNICAL CORRECTIONS.—

(1)(A) Section 530(b)(1)(E) (defining education individual retirement account) is amended to read as follows:

"(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary."

(B) Section 530(d) (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

"(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period."

(2)(A) Section 530(d)(1) is amended by striking "section 72(b)" and inserting "section 72".

(B) Section 72(e) (relating to amounts not received as annuities) is amended by inserting after paragraph (8) the following new paragraph:

"(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph."

(3) Section 530(d)(4)(B) (relating to exceptions) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following new clause:

"(iv) an amount which is includible in gross income solely because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2) for the taxable year."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (e) shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

On page 21, between lines 9 and 10, insert:
SEC. 107. INCREASED LIFETIME LEARNING CREDIT FOR TECHNOLOGY TRAINING OF ELEMENTARY AND SECONDARY TEACHERS.

(a) IN GENERAL.—Section 25A(c) (relating to lifetime learning credit) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR TECHNOLOGY TRAINING OF CERTAIN TEACHERS.—

"(A) IN GENERAL.—If any portion of the qualified tuition and related expenses to which this subsection applies—

"(i) are paid or incurred by an individual who is a kindergarten through grade 12 teacher in an elementary or secondary school, and

"(ii) are incurred as part of a program which is approved and certified by the appropriate local educational agency as directly related to improvement of the individual's capacity to use technology in teaching, paragraph (1) shall be applied with respect to such portion by substituting '50 percent' for '20 percent'.

"(B) TERMINATION.—This paragraph shall not apply to expenses paid after December 31, 2002, for education furnished in academic periods beginning after such date."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid after June 30, 1998, for education furnished in academic periods beginning after such date.

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND CZECH REPUBLIC

JEFFORDS EXECUTIVE AMENDMENT NO. 2304

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an executive amendment intended to be proposed by him to the resolution of ratification for the treaty (Treaty Doc. No. 105-36) protocols to the North Atlantic Treaty of 1949 on the accession of Poland, Hungary, and the Czech Republic. These protocols were opened for signature at Brussels on December 16, 1997, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty; as follows:

At the appropriate place in section 3 of the resolution, insert the following:

() UNITED STATES GOVERNMENT DISCUSSIONS WITH FOREIGN GOVERNMENTS REGARDING POSSIBLE FURTHER ENLARGEMENT OF NATO.—

(i) FINDINGS.—The Senate finds that—

(I) the President has consistently stated that the current round of accession to the North Atlantic Treaty will not be the last and that the door to membership will remain open;

(II) the following nine Partnership for Peace countries have begun the formal application process to join NATO: Estonia, Latvia, Lithuania, Romania, Bulgaria, Albania, Slovakia, Slovenia, and the Former Yugoslav Republic of Macedonia;

(III) the following 15 countries have sought a closer relationship with NATO by joining

the Partnership for Peace: Armenia, Austria, Azerbaijan, Belarus, Finland, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Sweden, Switzerland, Turkmenistan, Ukraine, and Uzbekistan; and

(IV) Croatia has expressed interest in NATO membership;

(ii) ANNUAL REPORTS.—Prior to the deposit of the United States instrument of ratification, and annually thereafter, the President shall submit a report to the Senate on the status of discussions concerning NATO membership for Partnership for Peace countries and other countries that have expressed interest in NATO membership, including—

(I) the expected timetable for those countries to meet the criteria for NATO membership; and

(II) a discussion of how the functioning of NATO would be altered if those countries were included.

Mr. JEFFORDS. Mr. President, today I am submitting an amendment to the resolution to ratify the accession of Poland, Hungary, and the Czech Republic to the North Atlantic Treaty Organization (NATO). This amendment addresses future new membership in the alliance.

28 countries in central Asia and eastern Europe that have applied for NATO membership or may aspire to join at a future date when they can meet NATO criteria. Today we are considering extending the NATO security umbrella to only three countries—Poland, Hungary, and the Czech Republic. It is important that we have a clear understanding that the expansion process may go much further than this initial round.

In January 1994, the Administration adopted the Partnership for Peace program to provide a framework for NATO's evaluation of states that are considered to be candidates for alliance membership. In addition to the first three countries invited to join NATO, nine other Partnership for Peace countries have begun the formal application process for membership—Estonia, Latvia, Lithuania, Romania, Bulgaria, Albania, Slovakia, Slovenia, and the Former Yugoslavia Republic of Macedonia. Moreover, another 15 countries have expressed an interest in NATO by joining the Partnership for Peace. These countries include Armenia, Austria, Azerbaijan, Belarus, Finland, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Switzerland, Turkmenistan, Ukraine, and Uzbekistan. Although not associated with Partnership for Peace, Croatia has expressed hope that they too will be admitted some day.

The extensive territory covered by these NATO hopefuls begs for more information on the nature and mission of the alliance in the future. My amendment would require an annual report to the Senate on United States Government discussions with the governments of each of these countries on their possible accession. The reports would include the expected timetable for those