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House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, February 29, 2000, at 12:30 p.m.

Senate

MONDAY, FEBRUARY 28, 2000

The Senate met at 12:04 p.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord God, source of righteousness and the One who is always on the side of what is right, we confess that there are times when we assume we know what is right without seeking Your guidance.

Lord, give us the humility to be more concerned about being on Your side than recruiting You to be on our side. Clear our minds so we can think Your thoughts. Help us to wait on You, to listen patiently for Your voice, to seek Your will through concentrated study and reflection. May discussion move us to deeper truth and debate become the blending of various aspects of Your revelation communicated through others. Free us from the assumption that we have an exclusive on the dispatches of Heaven and that those who disagree with us must be against You.

Above all else, we commit this day to seek what is best for our Nation. Give us the greatness of being on Your side and the delight of being there together. In Your righteous name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable PAT ROBERTS, a Senator from the State of Kansas, led the Pledge of Allegiance as follows:

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. with Senators permitted to speak therein for up to 5 minutes each. Under the previous order, the time until 1 p.m. shall be under the control of the Senator from Illinois, Mr. DURBIN, or his designee.

The distinguished Senator from Nevada is recognized.

Mr. REID. I am going to use some time that has been set aside for Senator DURBIN.

PRESCRIPTION DRUG AFFORDABILITY

Mr. REID. Mr. President, older Americans pay the highest prescription drug costs in the entire world. Because of the high cost and the lack of coverage, many of our seniors are being forced to make tough choices. In fact, one in eight seniors is forced to choose between buying food and buying medicine. Many seniors simply do not take drugs their doctors prescribe because they cannot afford them. Some seniors do not fill one or more of their prescriptions. Others divide their pills in half. Others, instead of taking half a pill a day, skip days and take them every other day. Some older Americans do not buy their own prescription medicine so they can buy the prescription medicine their spouse needs.

In a country that is blessed with the economy that we have, and some of the best medical researchers in the world, it is disgraceful that lifesaving drugs are not being made accessible to our seniors. Prescription drugs are a necessary component of modern medicine, and our seniors are dependent on them to maintain healthy lives.

It used to be, before Medicare came into being, that 4 out of every 10 seniors who were hospitalized had no health insurance. Now virtually all have health insurance. At the time we started Medicare, it was not necessary that we have a prescription drug benefit. Thirty-five years later, it is absolutely important.

I have in hand a couple of communications I have received from people from Nevada. Let me share with you what Michael Rose said:

I am aware that Medicare reform will be the congressional agenda this year and I would like to share my thoughts with you.

Skipping one paragraph and getting to the meat of this communication:

I cannot afford the 5 medications that I currently take if I have to get care elsewhere. Although I will be on the Medicare rolls as of January 2000, I will still not be able to afford my meds. As a manic-depressive, this means that I cannot afford sanity and I am scared beyond your wildest dreams about what will happen to me when the medications run out because I can't afford them.

Please vote in favor of including prescription drugs in any Medicare reform package that is considered by the Senate.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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Mr. President, I repeat what he says: I will not be able to afford sanity. He takes pills to keep himself sane.

I have a communication from Gail Rattigan, who is a registered nurse. She lives in Henderson, NV.

Senator REID: I am a [registered nurse] who recently cared for an 82 year old woman who tried to commit suicide because she couldn't afford the medications her doctor had told her were necessary to prevent a stroke. It would be much more cost effective for the government to pay for medications that prevent these serious illnesses than expensive hospitalizations. These include but are not limited to blood pressure medications, anti-stroke anticoagulants, and cholesterol medications. The government's current policy of paying for medications only in the hospital is backward. Get into health promotion and disease promotion and save money. Please share this message with your republican colleagues. Thanks for your support. Sincerely, Gail Rattigan.

She is right. We need to move on and do something about giving senior citizens who are on Medicare prescription drug benefits. We need to do that at the earliest possible time.

The PRESIDING OFFICER. The distinguished Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak in morning business.

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

PERMANENT NORMAL TRADE RELATIONS FOR CHINA

Mr. BAUCUS. Mr. President, I would like to respond to comments made over the past week in the press and elsewhere questioning Vice President GORE's support of the superb agreement negotiated by Ambassador Barshefsky with China as part of the WTO accession process. I have spoken with the Vice President. I am totally confident that he fully supports the Administration's position. He believes that the bilateral agreement is an excellent one. He believes that it is vital that the Congress approve permanent normal trade relations status as early as possible this year.

The Vice President sent a letter outlining his position to Jerry Jasinowski, President of the National Association of Manufacturers, on February 18. I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

February 18, 2000.

Mr. JERRY JASINOWSKI,
President, National Association of Manufacturers, Washington, DC.

DEAR JERRY: As our country turns its attention to the issue of trade, and whether Congress should approve permanent, normalized trade relations with China, I want to share my views.

As I have said publicly and privately, I support the agreement reached by our Administration on the terms under which China will be permitted to accede to the World Trade Organization. This agreement was negotiated in order to secure economic and security benefits. Specifically, this agreement obtains meaningful benefits for American workers and companies by expanding and opening the Chinese market. Moreover, this agreement will advance our goal of opening up China to the world. I believe that Congress should enact legislation to secure these goals—in the form in which they have been negotiated—this year.

I want you to also understand that I firmly believe in fair and balanced trade agreements. And I agree with President Clinton that future trade negotiations ought to include in the fabric of the agreement both labor and environmental components. Moreover, as I have publicly said to both business and labor audiences, in the future I will insist on the authority to enforce workers' rights and environmental protections in those agreements.

Sincerely,

AL GORE.

In this letter, the Vice President made his position clear: ''I believe the Congress should enact legislation to secure these goals—in the form in which they have been negotiated—this year.'' A simple, unambiguous, clear, and direct statement.

I don't understand what the ruckus is all about, and why this issue took on such undue proportions at the Senate Finance Committee hearing last Wednesday. The Vice President's remarks were clear. Ambassador Barshefsky's explanation of the Vice President's position was equally clear.

As far as I am concerned, this issue is closed. Those of us leading the effort in the Congress to secure passage of PNTR this year know that the Vice President will be fully engaged on this issue, along with the President, Ambassador Barshefsky, Secretary Daley, and other members of the Cabinet. We all need to devote our attention now to prompt passage of PNTR.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PRESCRIPTION DRUGS AFFORDABILITY

Mr. JOHNSON. Mr. President, I come to the floor today to join my colleagues who have been talking over this past week or so about one of the most critical issues facing America today relative to health care, and that is the lack of affordability and lack of access to prescription drugs for all of our citizens, but particularly for seniors in America.

As I go home across my State of South Dakota, one of the issues I hear the most about in every community I go to—large and small—is the cost of prescription drugs.

Medicare was created by President Lyndon Johnson as one of the Great Society programs back in the 1960s. At that time, the great unmet health care need for American seniors was the cost of hospitalization. Medicare is not a perfect program, but it has gone a long way toward solving the enormous problem seniors faced at that time—the cost of hospitalization. But no prescription drug benefit was added back then, and medicine has changed radically over the course of the last 35 years. There is a greater reliance on prescription drugs now. Drugs have become increasingly sophisticated. People are living longer. The quality of their lives have been enhanced by the availability—where they can afford it—of prescription drugs. But now the cost of prescription drugs is the highest expenditure and highest financial burden of all on seniors' health care needs next only to the cost of health insurance premiums themselves. Yet while there is a great deal of rhetoric around Washington, there has been too little action up until now on this profound issue.

I wind up talking to a great many seniors in particular on this issue. In my home State of South Dakota where we have a lot of people who are former farmers, ranchers, small business people, and employees of small business who had no deluxe pension plan or health plan to fall back on, for a great many of them Social Security is their lion's share if not their total retirement benefit. Medicare is their key health care benefit.

Thirty-five percent of seniors in America today have no Medigap coverage whatsoever. In South Dakota that rate would be even higher, and people wind up caught in a terrible predicament. It has put a tremendous financial burden on a great many people who very frequently have hundreds of dollars a month in prescription drug costs. But the problem is all the more challenging for the great many South Dakotans I talk to who have no Medigap policy, who cannot afford that, and then who wind up literally choosing between groceries and staying on their prescriptions. What happens then is all too often they either don't fill the prescription or they take half of the pills or they don't take the pill until they become ill again at which time again they show up at the emergency room with an acute illness. Then Medicare picks up the tab. Then the taxpayers pick up that cost at a much higher cost than would have been the instance if they had been able to stay on prescription drugs in the first place.

We wind up with a growing problem, which is the inflationary rate for the cost of prescription drugs. They are going up far higher than the rate of inflation for the rest of the economy. People are on relatively fixed incomes. They are on Social Security and do not have the means oftentimes to pay for any of these bills at all, or pay for enough of them. All too often what little COLA—cost-of-living adjustment—comes along with Social Security is either consumed entirely by the Medicare premium increase or other cost-of-

living increases before they even get to deal with the cost of prescription drugs.

I was in a community in South Dakota not too long ago talking to some seniors at a senior center. This is a phenomenon I had never heard ever before, frankly, where they were telling me—these are some seniors who are a little better off than many of the people I talked to; they have a little more financial means—they were going to Texas and to Arizona to snowbird during the winter, but they are paying for the entire cost of their snowbird expense by going across the line to Mexico and buying their prescription drugs for less than half of what they were paying in the United States. The prescription drugs they are buying in foreign countries for half the price are the same branded FDA-approved drugs that people buy in the U.S.

It is an outrage when you think about American citizens having to go to Canada, having to go to Mexico, and going other places to get their medication cheaper. It seems sometimes that nobody in the industrialized democratic world pays bills anything like our seniors pay or our citizens in general pay for prescription drugs because it isn't only seniors, although clearly seniors who comprise about 12 percent of the United States population consume well over a third of the prescription drugs. That isn't surprising given the fact that as people grow older they run into health care problems that are more intense and that will require the attention of prescription drugs. But there has to be a remedy for this.

I appreciate we are talking now about a Medicare benefit that would include prescription drugs. But, frankly, the bipartisan agreement isn't there yet. I am hopeful it will be during the course of this short legislative year.

There are a lot of people out there who I think are cynical about how much Congress is going to accomplish this year given the fact it is a Presidential year, and all too often time is spent trying to paint differences, drawing lines and drawing the parties apart than coming together in a bipartisan kind of cooperation that I think the American public deserve and what they want to see happen. I think most Americans are not left- or right-wingers, but they want the Government to work fairly efficiently and come together on these key issues.

This is one where I believe we can find some common ground on—not necessarily with huge public expenditures, although if we are going to have a Medicare benefit in the end some additional budgetary implications are certainly involved. And, yes, I think it can be addressed without some massive bureaucracy. We can do that as well, although I worry some when I see these ''Flo ads'' on TV paid by the pharmaceutical industry having to hire an actress to portray a senior by the name of Flo who then goes on about her worries that somehow the Government might do something about prescription drugs and that would be having the Government enter the medicine chest. This is a fear tactic. It is designed to make people worry that if Congress does anything about the cost of prescription drugs somehow that will involve some sort of intrusive federalization of our health care. That is a foolish argument and, unfortunately, one that is backed by millions of dollars of TV ads and one that I think is cynical in terms of trying to dissuade people from believing that there are steps we can take so the United States no longer is the only democracy in the world paying the kind of bills that we pay.

I had a study done by one of our committees in the other body to look at the prescription drug costs in South Dakota, and to also look at costs around the world. This is no surprise. I have long heard talk about going to Winnipeg and going to Mexico to buy drugs for less. I thought perhaps that was anecdotal, and that perhaps it was a systemic situation, but in fact it is reality.

The recent studies indicate that if you go to Canada, or to Mexico, or to France, or to Britain, or to Germany, or to Italy, or to virtually any other industrialized democracy, the cost of prescription drugs is about half what it is in the United States. Nobody pays the kind of bills we pay in the United States. We pay about double what anybody else in the industrialized world pays. That to me is so utterly unacceptable and unfair. This all comes at a time of great national prosperity overall—though you wouldn't always know that in rural America. The great pharmaceutical industry is making profits running about three times higher than any other sector of the American economy. They are enormous profits. Of course, we always hear pleas that if we had to develop drugs at a reasonable price, as everything else in the world, that would negatively impact our ability to do research. It is nonsense. The profits being earned are far higher than a research budget. We want the pharmaceutical industry to make a reasonable profit. We want them to invest money in research. But they make money off research. That is what gives them new things to sell.

I don't think that some reduced cost for American citizens in line with what everyone else in the world is paying is going to have some sort of catastrophic consequence with the pharmaceutical industry at all. All we are looking at is a fair deal, one more consistent with what everybody else gets.

There are a couple of ways to approach this. Keeping in mind that if we do nothing not only is the current severe problem going to grow even worse, it is going to grow worse because the inflationary numbers for prescription drugs are increasingly going up far higher than the rate of inflation.

There are a couple of different responses that I think we could take in this that do not require us to wait around until we reach some sort of grand, bipartisan compromise under the entire revamping of Medicare. Something is going to have to be done long term about Medicare. We all know that. I am not sure if this is the year it is likely to happen as we get into sort of a Presidential-politics-strewn year and it doesn't even happen. We don't have to wait until then to do something.

I sponsored, with my colleague Senator KENNEDY, S. 731, the Prescription Drug Fairness For Seniors Act. There is a corresponding bill in the House of Representatives, H.R. 664, with over 140 cosponsors.

This legislation simply says to the pharmaceutical industry that we will not set prices, we will not have a bureaucracy sitting in the basement of a building in Washington trying to figure out a fair profit. Some suggest that is what we ought to do. We have done that with utilities. Many States have public utility commissions. Recognizing there is no competition in certain sectors of America's economies, they set what a fair profit is and what the prices and profit will be. That is not where I am going with this legislation despite the fact many other countries do.

This legislation is consistent with free market. It is nonbureaucratic. It simply says to the pharmaceutical industry, if this industry is going to sell their products to other favored buyers, then cut Medicare beneficiaries, seniors and the disabled on Medicare, in on the deal, too. Right now a large HMO or Federal agency, is buying prescription drugs at 40 percent to 50 percent less than what everybody else in the U.S. is paying.

This proposal does not provide free drugs for anyone, but it does put American seniors and those disabled individuals on Medicare, who are the ones that purchase the majority of prescription drugs in this country, on the same playing field as citizens of other nations, who pay less. When the pharmaceutical industry sells their products to favored customers such as large HMOs, Federal agencies, or other countries for that matter, they are not selling the drugs at a loss. They are making a very handsome profit. We are suggesting if that is enough profit for the industry from those customers, why not the same for American citizens? Why not give the same price system to American citizens?

Perhaps their negotiated price will go up; it cannot go higher than what it already is for American citizens. We are suggesting, do not discriminate against American citizens, and certainly not against American seniors. This legislation involves no price fixing, it involves no bureaucracy, it involves no tax dollars.

I am pleased in my home State of South Dakota, we now have over 5,000 citizens who have written to me asking to be named as ''Citizen Cosponsors''

my legislation, S. 731, the Prescription Drug Fairness for Seniors Act. I invite other people and my fellow colleagues who believe we need to do something about this issue now, who believe there should be no discrimination against American seniors, to join me as a Citizen Cosponsor. Contact me at my office in Washington. I am happy to sign citizens and my colleagues on. We will indicate to the world this is not an issue that will go away. It is an issue that has enormous grass roots support and one that we can do something now about to help with the skyrocketing cost of prescription drugs.

We have a second bill, as well, that Senator DORGAN, my colleague from North Dakota, has been the principal sponsor of that takes a somewhat similar tact—again, involving no bureaucracy, no tax dollars. I call it ''what is good for the goose is good for the gander'' legislation, but the formal name of the bill is the International Prescription Drug Parity Act, S. 1191.

This legislation says if companies sell these drugs to Canada, Mexico, or elsewhere, allow our pharmacies to reimport these drugs back into the United States. Currently, a citizen can go to these other countries and pick up about a month's supply of drugs for their own personal use, but that is it.

We would monitor the drugs to make sure they are not tampered with; that is not an insurmountable problem.

In effect, every other country in the Western World seems to have found a way to address this issue, except the U.S. The world's greatest democracy, the world's greatest economic and military power, is the only country that seems not to have found something to address these costs. We say let the drugs be imported back into the United States. We will ride piggyback on the progressive policies of other countries where the drugs have been sold for profit, but are branded FDA-approved drugs; bring them back into the United States. Why should South Dakotans have to get on a bus and go to Winnipeg? Why should they have to take a side trip during the wintertime to Mexico? Why should any of this be necessary? This is foolishness. We deserve far better.

There are some who say this is common sense; why is there any controversy? The resistance to some of this legislation has been fierce. The pharmaceutical industry has been running attack ads against my colleagues in the other body who have sponsored this legislation. Television ads, radio ads, and print ads can be intimidating. I am hopeful we can sit down at the table together.

I don't want to demonize or villainize the pharmaceutical industry. We are proud of the research and development that they do. We want them to continue doing that. We want them to continue to make a profit. This is not some sort of confiscatory plan. We want them to sit down in good faith. If not, we will proceed anyway. This issue has become too serious. It has to do with the health care integrity of our Nation.

I believe we can make progress with these two middle-of-the-road kind of bills, while at the same time working with the President who, to his great credit, has been talking about ways we can add Medicare prescription drug coverage to our health care system in this country. If we do that, we will have resolved one of the most severe problems our country faces this year.

We need to go on to broader range Medicare reforms. There are things that will have to happen with Social Security, as well. We all know that and hopefully we can reach some bipartisan resolution of those issues. In the meantime, every single day that goes by, there are South Dakota seniors and disabled individuals with high prescription drug bills, seniors from all over the country, who are skipping meals, who are not taking the drugs they should be taking, who are making terrible choices that the citizens of the world's richest democracy should not be compelled to make. It is just unconscionable that people are given these choices. We should not have to make those decisions. We should not have people showing up with acute illnesses in our emergency room where taxpayers then pick up the tab because they were not able to afford the prescription drugs they need.

There are a great many core issues we need to debate this year, from world trade issues to the scope and the nature of the Federal budget, to education and so on. However, I submit that among the very top tier of issues we need to resolve before this Congress goes home this fall, before it returns to more politics and campaigning, is to take up these two bills and to pass needed legislation to address the issue of prescription drug affordability.

I have no ego involved in the sponsorship here. We need to deal constructively now, this year, with the cost of prescription drugs, certainly for seniors, and hopefully for the entire American public. If we do that, this will have been a year well spent.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE REACH INITIATIVE

Mr. BOND. Mr. President, I rise today to talk about one of the hot topics in the world of health care—health care access. Many people see this as the biggest problem in health care today.

Part of the problem, and the part that has received the most attention, is that too many Americans lack health insurance—about 44 million Americans are not covered by any type of health plan. But an equally serious part of the problem is many people's simple inability to get access to a health care provider. Even if they have insurance, a young couple with a sick child is out of luck if they cannot get in to see a pediatrician or another health care provider. And in too many urban and rural communities across the country, there just are not enough doctors to go around.

Several plans have been proposed recently on how to deal with the health care access problem. Senator Bradley has a plan. The Vice President has one. There's also a bipartisan proposal for tax credits to help people buy health insurance. All of these plans have at least three things in common:

First, they all address a worthwhile goal. I think we all want to see that people have access to good health care, even if we might disagree on how to get there.

Second, they are all very ambitious. Senator Bradley in fact is basically proposing to use close to the entire $1 trillion surplus to provide people with health insurance.

The third thing these plans have in common—and perhaps the most important thing—is that it will be difficult or impossible for them to become law this year. Whether because of policy differences or political differences, it is just not likely that they will pass.

So last week, we launched a bipartisan effort—along with Senators HOLLINGS, COCHRAN, LINCOLN, HATCH, HUTCHINSON of Arkansas, I and other Senators—called the REACH Initiative, that does have a chance this year. There is no need to wait for an election, we can do it now.

Our proposal builds on the crucial work that organizations known as community health centers have been doing to ensure better access to health care. Health centers are private nonprofit clinics that provide primary care and preventive health care services in medically-underserved urban and rural communities across the country. Partially with the help of Federal grants, health centers provide basic care for about 11 million people every year, 4 million of whom are uninsured.

The goal of the REACH Initiative is simple—to make sure more people have access to health care. We plan to achieve this by doubling Federal funding for community health centers over a period of 5 years. We believe this will allow up to 10 million more women, children, and others in need to receive care at health centers. If we are successful with the REACH Initiative, we can practically double the number of uninsured and underinsured people cared for at health centers.

I am pleased that 12 colleagues—led by my good friend from South Carolina, Senator HOLLINGS—have joined me to introduce this resolution calling for doubled health center funding over 5 years.

The REACH Initiative basically recognizes the key contributions that community health centers have already made in addressing the health care access problems. But there is so much more that can still be one.

Now, out of all the ways we can address health care access problems, why are health centers a good solution and a worthwhile target for additional funding?

No. 1, they are building on an existing program that produces results. Too many health care proposals want to start practically from scratch, and make breathtakingly revolutionary changes. When I look at the health system and its admittedly huge problems, I sometimes think that might not be a bad idea. But it is also extremely risky. We need to remember that despite the many flaws in our health system, many people are pleased with it. We should be wary about making too radical changes that could interfere with what is right in our system. Instead, we can expand an existing part of the system that has been proven to provide cost-effective, high-quality care.

No. 2, health centers play a crucial role in health care, and are vastly underappreciated. It is amazing to me how few people know what community health centers are. After all, health centers care for close to one out of every 20 Americans, one out of every 12 rural residents, one out of every 6 low-income children, and one of every 5 babies born to low-income families.

No. 3, health centers truly target the health care access problem. By definition, health centers must be located in ''medically underserved'' communities—which simply means places where people have serious problems getting access to health care. So health centers attack the problem right at its source. Unlike other health care proposals, the REACH Initiative does not create problems of ''crowding out'' private insurance by replacing private dollars spent on health insurance with Federal dollars. The health centers are partially funded by those patients who do have health insurance.

No. 4, they are relatively cheap. Health centers can provide primary and preventive care for one person for less than $1 per day—about $350 per year. That's just about the best value you will ever see in health care. Even better, health centers are able to leverage each grant dollar from the Federal Government into additional funding from other sources—meaning they can effectively turn one grant dollar into several dollars that can be used to address health care problems. With an extra billion dollars a year—the goal of the REACH Initiative in its fifth year—health centers could be caring for an additional 10 million people.

No. 5, this initiative is not a government takeover of health care. Admittedly, our plan calls for more government spending. This is of course true for most plans that try to deal with health access problems. But this new funding would not go to create a huge new bureaucracy. Instead, the REACH Initiative would invest additional funds into private organizations that have consistently proven themselves to be efficient, high-quality, and cost-effective health care providers.

To me, all of these reasons point to one logical conclusion—a need for drastically increased funding for health centers. Health centers are already helping millions of Americans get health care. But they can still help millions more—pregnant women, children, and anyone else who desperately needs care.

Simply put, we must reach the goal of the REACH initiative—doubled funding for health care centers within 5 years—and we can and should make it happen.

Let me close with what this means in human terms.

The REACH initiative will help make sure that a young woman who has just found out she is pregnant but does not have health insurance has a place to get prenatal care so she does not risk her health and the baby's health by waiting until late in the pregnancy.

The REACH initiative will help make sure that a 6-year-old boy who is living in a deep rural Missouri community, a community that otherwise would not have any health care providers at all, has a place to get regular checkups so he can stay healthy at home and in school.

The REACH initiative will help make sure a young couple without anyplace to go will be able to get their infant daughter immunized to protect her from a variety of dreaded diseases.

The REACH initiative will make sure Americans like Denise Hall, a Washington, DC, resident, and her children have a place to get needed care. Denise joined us for our announcement last week and talked about her reliance on health care centers. The REACH initiative will make sure she and her children have a place to get needed care. Denise, at our press conference kicking off the REACH initiative, said she is an out-of-work mother of two who is working to improve her job skills so she can rejoin the workforce. But for the moment, she and her children simply have nowhere to go for health care needs other than a local community health center.

These Americans, and millions like them, are the reasons why we must make the REACH initiative—doubled funding for community health centers—become a reality. I invite my colleagues to join me and 12 others who cosponsored this resolution, and 29 distinguished health care organizations, in support of the REACH initiative. If we work together, we can make a difference and serve those who are in the greatest need of access to health care and who, without community health centers, will not have that access.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, what is the current status of business?

The PRESIDING OFFICER. The Senator from Wyoming is notified that under the previous order, time until 2 p.m. is under the control of the Senator from Wyoming or his designee.

EXCESSIVE REGULATION BY THE CLINTON ADMINISTRATION

Mr. THOMAS. Mr. President, we have seen in the last several months, and I suspect we will continue to see from now until the end of this administration, a considerable effort to implement programs that bypass the Congress, programs that, indeed, bypass public input into those programs.

We have seen a great many Executive orders regarding regulations that have had limited, if any, public input. We have seen the use of the Antiquities Act and a number of other activities of this kind.

It is important that we remember the constitutional requirements of this Government, that there is a division within Government. That is what the legislative, executive, and judicial branches were designed to do, and they were purposely put in place to ensure that none of the three branches developed a domineering position and became a czar of the Government.

It is terribly important we take a look at this in Congress; that we ensure, to the extent we can, that this does not happen; that there is, indeed, as we move forward with various programs—whether they be regulatory, whether they be legislative—an opportunity for people to participate.

The current regulatory system encompasses more than 50 Federal agencies, more than 126,000 workers, and annual spending of more than $14 billion in the area regulations.

From April 1, 1996, until March 31, 1999, Federal agencies issued nearly 13,000 final rules. Of these, 188 were major final rules that each carried an annual cost of more than $100 million in our Nation's economy.

The paperwork burden of these Federal regulations is approaching $190 billion annually. A recent study by the American Enterprise Institute concluded that all EPA rules promulgated between mid-1982 and mid-1996 under environmental statutes such as Superfund, the Clean Water Act, Toxic Substances Control Act, and the Federal Insecticide, Fungicide and Rodenticide Act, have had negative net benefits; that is, they hurt more than they helped.

When these regulations come into place, we hear that there is going to be a partnership, a partnership between the communities, a partnership between the State, a partnership with the Federal Government. Unfortunately, it has been our experience, particularly in the area of public lands, the partnership is a little one sided, a one-horse, one-dog arrangement, not an equal partnership.

One example is the clean water action plan, an Executive order establishing 111 key actions designed to improve the Nation's remaining water impairment problems. Everyone wants to do that. Imagine putting into place in one move 111 different regulatory actions, done without the NEPA process, without the process of input, without the process of having public discussion.

The administration has requested roughly $2 billion annually since 1998 for implementation. It has been an interesting process, particularly with EPA and the Committee on Environment and Public Works, which is taking a strong look at this and, in one instance, declared this agency had gone beyond its statutory authority.

One of the difficulties is, first of all, the nonpoint source idea which was never authorized in the Clean Water Act. It was only point sources which were authorized.

What is happening now is they have moved toward an implementation of the plan that is designed more to control the land use than, in fact, to control nonpoint source water.

The Environmental Protection Agency structured the plan around data that the GAO, the Government auditing organization, has criticized. In 1999, GAO cautioned the methodology used in determining both impairment levels and impacts from nonpoint source was underfunded and, consequently, results were very possibly inaccurate.

Specifically, GAO highlighted concerns relating to how the agency identified waters polluted by nonpoint sources, the need for more data to develop cost estimates, and the extent to which the Federal Government contributes to water pollution.

Instead of pulling back, having found out this information, EPA is moving forward with the implementation of the program. States and impacted industries have complained to EPA through the Congress, through the committees, that EPA's plan places a financial burden and amounts to an unfunded mandate.

This could be reasonable, if they went through the process of involving people before putting the regulations in place. But when the regulations are put there by fiat, certainly that is not something we expect to happen and should not allow to happen in our system of government.

Even USDA wrote a letter, saying when they were doing these activities in the old Soil Conservation Service, they were much more efficient. When we questioned EPA about that, they got the Secretary of the Department of Agriculture to change his mind and say: I really did not mean that at all.

Of course, 2 weeks ago I was in Wyoming for a week. Half of Wyoming belongs to the Federal Government. Much of our State is in public ownership. The use of those lands is vital to the economy. A multiple-use concept is what has made these lands useful, not only to preserve the environment, which can be done, but as well to be able to use them for hunting, recreation, grazing, mineral production—all the things that go together to make up an economy in the West.

Now we are faced with some other propositions. In this case, the Forest Service has declared by regulatory fiat that there would be 40 million acres dedicated to roadless areas. Of course, we have roadless areas in the public lands. We have wilderness that has been set aside by congressional action. By the way, when it was set aside in Wyoming, the statute also said there would be no more wilderness set aside unless Congress made that proposal.

It has been very difficult. We have had several hearings with the Secretary of Agriculture and the Chief of the Forest Service to determine what ''roadless'' means, whether or not it is another way of having wilderness areas. The interesting part of it is, most of the lands that have been structured in this plan for roadless areas have roads on them; they are not roadless at all. But the Forest Service has done nothing to identify or solicit cooperating non-Federal agencies in the EIS.

Several of our States have asked to be cooperating agencies, which is what the Environmental Quality Group in the White House has said they are going to implement in all these kinds of programs, but the Forest Service has said: No, we are not going to have the States; we are not going to have the counties; we are not going to have these non-Federal agencies participate.

Hearings were held. Actually, they were not hearings; they were information systems. People were invited to come, but there was no information there. They were asked to respond to something without knowing what was being done. So there was really not public involvement of that kind.

The other thing is that we already have forest plans in place. Each forest is required to have a forest plan. I have no objection to the idea of limited roads, but it ought to be done in a way in which people can participate, and it ought to be done in a way in which Congress can participate. We are finding more and more of that happening in this so-called land legacy that is being put forth by the administration.

Last week, the Secretary of the Interior announced there would be literally millions of acres of Bureau of Land Management lands that would be set aside simply for their scenic value. That is very important to western public land States, where much of that land is part of our economy. It can be preserved for the environment. However, we also have to have multiple use. Those things will go together.

The Antiquities Act is another. In 1996, we put into law the Congressional Review Act which requires regulations be submitted to the Congress. They are interpreted by OMB. Those that have over $100 million of value or cost are submitted to the Congress, with an opportunity to take a look—oversight—to see if those regulations are carrying out the spirit of the legislation which authorized them or, indeed, to see if in some cases they are being put into place without any statutory or regulatory authority.

Unfortunately, it has not worked well. The idea was to have it come to the Congress. It has to go through OMB first to decide whether it has the $100 million impact. Then it comes to the Congress, but the Congress has not had an opportunity to deal with it.

Unfortunately, from April 1 of 1996 until March 1 of 1999, Federal agencies issued, as I said before, 13,000 final rules. And 188 fell within this category of $100 million. Unfortunately, not one has been changed by the Congress because this bill is not workable.

We have to make it work. We need to create a congressional regulatory analysis group that has the opportunity to look into these bills. Much like CBO, Congress needs an entity to take a look at them. Right now, unfortunately, it does not work. I think certainly we have to do something to keep this administration from running roughshod over my constituents' interests, the Presiding Officer's constituents' interests, and others. There needs to be this balance. I think the Congressional Review Act could be that balance, if it has some changes.

Mr. President, I yield to the Senator from Utah for 15 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I rise to note two events, one historic today and one somewhat historic tomorrow—one looking a little bit back with some nostalgia and the other looking back with some degree of finality.

THE 150TH ANNIVERSARY OF THE UNIVERSITY OF UTAH

Mr. BENNETT. Mr. President, today, the 28th of February, is the 150th anniversary of the founding of the University of Utah. We look back with nostalgia but also look forward with great excitement at the future of that particular university.

It is a university to which I am attached both in personal life and by legacy. Both of my parents graduated from the University of Utah. My two brothers and two sisters attended the University of Utah. I graduated from the University of Utah. My wife attended the University of Utah. We are a Utah family.

The university started on the 28th of February, 1850. For those who understand Utah history, they will realize that the State, at least to the degree it is now, began on the 24th of July, 1847. So for those who founded the State, to focus on the creation of the University of Deseret, as they then called it, so quickly after they arrived in Salt Lake Valley is a testimony to their vision and their determination to make higher education a very key part of their lives.

At that time, there was no infrastructure in the community. There were barely farmhouses and farms that had been created. The first classes of the University of Deseret were held in private homes.

The university has come a long way since that time. It is now recognized as one of the premier universities in the United States in a number of areas. The one that they are perhaps best known for is in medicine. The University of Utah is the site of the first artificial heart. It has been the site of other medical breakthroughs. It is currently the home of the Huntsman Cancer Center—a $100 million gift from the Huntsman family to fight cancer in the United States. The Huntsman family decided that the medical school at the University of Utah was sufficiently in the forefront that it would be the place they would have the Huntsman Cancer Center.

One other interesting thing that goes back to the founding of the University of Deseret that I think we need to recognize with respect to what the University of Utah is and can do in the future is its physical proximity to the genealogical records that are maintained by the Church of Jesus Christ of Latter-day Saints.

A few months ago, I had a medical researcher come into my office in Salt Lake City, a man who by virtue of his credentials could have gone virtually anywhere in the world, to tell me how excited he was to be at the University of Utah.

His specialty, an area of greatest medical concern, is dealing with the disease of diabetes. He went on to point out to me how diabetes many times is the disease that then causes other diseases. He said, statistically people may die from something other than diabetes but, in fact, it was the diabetes in the first instance that caused them to get whatever it was to which they were recorded as having succumbed. He said: The reason I am excited about being at the University of Utah is that the records available in the family history library of the Church of Jesus Christ of Latter-day Saints make it possible for researchers at the University of Utah to trace the family history of people with this particular disease in a way no other body of data can. It is a unique experience to be here where you have that kind of link.

Of course, when the University of Deseret was founded, it was founded with the full support and, indeed, almost sole support of the leaders of the Church of Jesus Christ of Latter-day Saints. So it is appropriate even now, as the university has become a State institution, certainly separate from the church and any of its hierarchy, that there is still the kind of intellectual synergy that can come out of the proximity of the university and the work the church is doing in another area.

The University of Utah stands as the flagship research school in my State and, if I may be parochial a little, perhaps for a large part of the West. There are many things done at the University of Utah that radiate beyond our State borders, not only in medicine but in other fields as well. We have a first-class law school to go with the medical school. We give Ph.D. degrees in a wide variety of subjects. The University of Utah is proud to have been in this business for 150 years. I am proud, as a Utah man, to stand on the floor of the Senate and pay tribute to the university and to those farsighted individuals who founded it 150 years ago today.

Mr. HATCH. Mr. President, today I would like to offer congratulations to the University of Utah on the 150th anniversary of its founding.

In 1850, just three years after the pioneers reached the dusty and desolate Salt Lake Valley, the General Assembly of the State of Deseret passed an ordinance to create the first university to be established west of the Missouri. Despite some stressful financial times, it persevered; and, in 1892, the territorial legislature changed its name to the University of Utah.

The Utah pioneers began an institution that would serve as the intellectual and cultural cornerstone for the state of Utah and for the West. With its humble beginnings in a private home, the University of Utah has become the embodiment of the pioneering spirit that conceived it.

The University of Utah—the ''U''—has led the way in a number of areas, including research, teaching, and public service.

Academically, the University makes significant contributions in the West and in the nation. The Honors Program is the third oldest in the nation. The graduate school of Architecture has the Intermountain West's only program in historical preservation. The College of Humanities has the Intermountain West's only joint master of public administration in Middle East studies.

Additionally, the University of Utah's work in health sciences, where the first artificial heart was developed, in supercomputing and computer modeling, and in cosmic-ray research, where the U is home to the one-of-a-kind ''Fly's Eye,'' has contributed significantly to the University's growing reputation both nationally and internationally. The University of Utah currently ranks in the first tier of American research institutions according to the Carnegie Foundation.

Henry Eyring, a world renowned chemist and professor noted in 1946 that, ''the stature of the university would rise through advancements of science and technology.'' And so it has. The faculty and students representing all 50 states and 102 foreign countries have built the U into a premier research institution.

A pioneer in computer graphics, David Evans, after studying electrical engineering at the University, became chair in 1965 of the fledgling department of computer science. He oversaw the education of individuals who went on to groundbreaking careers in computing including, Alan Kay, vice president of Disney Imagineering; Jim Clark, founder of Silicon Graphics, Inc.; John Warnock, co-founder of Adobe Systems; and, Edwin Catmull: co-founder of Pixar.

The medical school, started in 1905, has made great strides in medicine that are recognized throughout the world. Dr. Philip Price, former chair of the Department of Surgery said, ''The essence of the pioneer spirit as I see it, is the courage to tackle an un-ideal situation, trying hard with faith and intelligence to build something ideal out of it. That's what I would like to see done, and have a part in.''

In 1946, the U.S. Public Health Service awarded its first grant to a medical school so that the University of Utah could study muscular dystrophy. The receipt of this first grant for medical research set the stage for the University's subsequent success in medical research.

Dr. Willem Kolff began the division of Artificial Organs and the Institute for Biomedical Engineering in 1967. His pioneering work on both an artificial kidney and heart led to a number of medical breakthroughs, including the world's first artificial heart transplanted into Dr. Barney Clark in 1982.

That was a great thrill for all of us from Utah.

More recently, there have been a number of major leaps taken in genetic research at the Eccles Institute of Human Genetics. Scientists have found dozens of genes for human diseases including cancer, heart disease, neurological conditions, birth defects, and blindness. And, the Huntsman Cancer Institute is becoming an international leader in the discovery of new ways to diagnose, treat, cure, and prevent cancer.

The University of Utah has also played a central role in the development of Utah in the arts and athletics. In 1948, the Utah Symphony was invited to make its home on the campus, establishing the University as home for various cultural events for the public. For the past decade, the Modern Dance Department ranks among the top three in North America along with the ballet program, which is the nation's first college ballet degree program.

The University of Utah's skiing and women's gymnastics programs have each won ten national titles, and the Runnin' Utes basketball team made it to the NCAA national championship finals in 1998. The football team has made numerous bowl game appearances.

Of course, to me, as an alumnus of BYU, the best thing to come out of the University of Utah was in 1875 when the University's Provo branch was split off to become the Brigham Young Academy and eventually Brigham Young University. It would be impossible for any Utahn not to at least mention this historic rivalry.

It is difficult to do justice to the myriad of accomplishments of the University of Utah's faculty and alumni in this brief statement.

Suffice it to say that, after 150 years, the University of Utah still draws on the courageous and adventurous spirit of Utah's pioneers. The achievements and ideas of the faculty and graduates have multiplied across the geographic and academic frontiers of our country. The University's proud heritage and traditions have established its values and lighted the path; but, without a doubt, the trail is still being blazed.

I might add that as a young boy living in Pittsburgh, PA, wanting to support anything from Utah, I can remember the great University of Utah championship basketball teams with Arnie Ferrin, Vern Gardner, Wat Misaka, and others who were terrific athletes who made the University of Utah a household name in basketball during those years. Of course, they have been an inspiration to me ever since. In fact, it has been a thrill for me to meet some of those people, and especially become a friend of the great Arnie Ferrin who was the University of Utah's great All American during those years and later played professional basketball as well.

Again, my congratulations to the students, alumni, faculty, and administrators of the University of Utah on reaching this significant milestone. It is a great university. I support it very strongly, and I think everyone in Utah does as well. I am grateful to be able to make this statement on its behalf.

I yield the floor.

THE Y2K COMMITTEE

Mr. BENNETT. Mr. President, as I said, I have two items to commemorate. That is the first one, an item of some nostalgia looking forward. The second one actually is tomorrow, but I will take advantage of being here now to talk about something that comes to an end tomorrow.

The Presiding Officer was intimately involved, as he served as a member of the Senate's Special Committee on the Year 2000 Technology Problem, a committee that officially goes out of existence tomorrow. There were many who said, when the committee was formed: There is nothing so permanent as a temporary government program. You will find an excuse somehow, some way, to keep this committee alive for years.

It is with some pride I point out that we are not doing that. The committee was organized to deal with the year 2000 technology problem. The committee dealt with the problem. The committee was scheduled to go out of existence on February 29, when presumably the problem would be behind us. The problem is behind us, and the committee will disband as of tomorrow.

I pay tribute to the vice chairman of the committee, CHRISTOPHER DODD, the Senator from Connecticut. As chairman of the committee, I could not ask for a better partner. I could not ask for a more cooperative or dedicated partner in working on this particular problem. We acknowledge the other members of the committee, starting with the distinguished occupant of the Chair, Senator KYL from Arizona; Senator MOYNIHAN from New York; Senator SMITH from Oregon; Senator EDWARDS from North Carolina, who was preceded on the committee by Senator BINGAMAN from New Mexico; Senator LUGAR from Indiana, who was preceded on the committee by the junior Senator from Maine, Ms. COLLINS; and then, of course, the two ex officio members of the committee who attended committee hearings, paid attention to the committee activities, and contributed significantly to it, that is, the chairman and ranking member of the Senate Appropriations Committee, Senator STEVENS and Senator BYRD.

There are many people who say: Well, you really didn't have a problem, did you? You formed this committee, and then, look, nothing happened with respect to Y2K.

It reminds me a little of the story attributed to Bob Hope, who said: You know, I really don't appreciate the way the Army treats me when I go out on these USO tours over the holidays. At Christmas, I go all around the world to put on shows for the GIs. They tell me I am going into dangerous parts of the world, so they use me as a pin cushion; they fill me full of shots before I go. It is a complete waste of time because I have never gotten sick once in any of these places.

I think that can be said to a certain extent with respect to the Y2K problem. Many people are saying: Gee, you wasted all our time and money. Look, nothing happened.

The record is fairly clear that had we, as a Nation, not focused on this issue and dealt with it, we would have had very significant problems.

When the committee was formed, I set one goal, among others, which I believe we very much met and I feel very proud about having achieved. As we looked out over the Nation and, indeed, the world with respect to the Y2K problem, the one thing that was clear was that no one knew the extent of the problem. No one knew how it was going to play out, and there was no place one could go to get that information. So I challenged the staff as well as the members of the committee.

I said: If we do nothing else in this committee, we will become the repository of accurate information about Y2K. All over the world, people will know that if they want to find the best source of where things are with respect to Y2K, they will want to come to the Senate Special Committee on the Year 2000 Technology Problem.

I believe we met that challenge. I believe by the last few months of Y2K, it was recognized virtually around the world that the Senate reports on Y2K were the most authoritative, the most complete, and ultimately the most dependable.

A lot of people don't realize we were saying in those last few months: There will not be a Y2K problem in the United States. I used to say that in speeches, and I would have people challenge me: How can you say that? Sometimes they would quote my own earlier speeches back to me because early on I was raising the alarm and predicting significant problems. I was predicting those problems on the basis of the information then available. But as the committee fulfilled its function and became the repository of accurate information, committee spokesmen and women would stand and say again and again: We are probably not going to have any serious problems in the United States.

Then people said to us: Well, why did you miss it overseas? There weren't serious problems overseas?

I have two observations on that. First, we did not have the same degree of accurate information about situations overseas that we had in the United States. We were unable to reach the same level in dealing with information that came from outside the country as we did from information within the country. Second, we had more problems overseas than the press has reported. There were many people who were simply embarrassed about their Y2K problem and didn't talk about it. Indeed, we had some examples before the committee of problems that did exist and were later denied simply because of the embarrassment people would feel if they admitted they had had difficulties.

The ultimate question is: Was it worth it? Did we, in fact, make a contribution worth the amount of money we spent to staff this committee? I say without any hesitation, yes, it was very much worth it. We are seeing benefits over and above the contribution the committee made to alleviating the problem.

John Hamre, Deputy Secretary of Defense, has publicly stated: If it were not for the process we went through to deal with Y2K in the Defense Department, we would have had serious Y2K problems and we would not have the information we now have.

In responding to the pressure from Y2K, the Defense Department, for the first time in its history, now has an inventory of all of their computer systems together with a ranking as to which of those systems are mission critical and which are not. One might think in a straight management assignment the Defense Department would have that information anyway. They did not have it before we caused them, in an effort to respond to the inquiries from the committee, to go through the process of gathering it.

Alan Greenspan has been quoted as saying that in American industry at large, the effect of the Y2K remediation activity has caused American business men and women to understand

their vulnerability and dependability on computers in a way they never understood before and that the investment of bringing everything up to the highest possible level is an investment that will pay significant financial dividends for the economy in the years ahead.

So as I look back on those activities and those accomplishments, I express satisfaction for the work of the committee, a degree of satisfaction for whatever contribution I may have been able to make as its chairman but ultimately enormous gratitude to the members of the committee and to the members of the staff.

When Senator DODD and I were appointed, respectively, as vice chairman and chairman of this group, we made the determination we would not have a partisan staff. While it was partisan in the formal sense that there was a minority director and so on, it was housed in the same facility; the members of the staff were majority or minority and worked together on a daily basis. We had a number of detailees from a variety of agencies who came to us and brought a level of professional expertise we could never have achieved in any other way. We maintained throughout the entire exercise a determination to get the job done that was not interfered with by any attempt at staff bickering or posturing for any partisan purposes.

I pay tribute to Senator DODD for his willingness to join me and, indeed, for his leadership in pushing me in that direction, and to the people whom he appointed as minority members of the staff. I also pay tribute to the administration and John Koskinen, who held the position on behalf of the President. There, also, there was no partisanship and no posturing for any partisan advantage.

For the sake of the record, I want to read into the RECORD the names of the staffers who helped us with this accomplishment. They are: Robert Cresanti, staff director. Before being staff director, he worked with me on the Banking Committee to raise the initial alarm with respect to this possibility. T.M. Wilke Green, appointed by Senator DODD as minority staff director; John B. Stephenson, who came from the GAO, the deputy staff director. Then we had Thomas Bello, professional staff; Tania Calhoun, committee counsel; James P. Dailey, professional staff; Paul Hunter, professional staff—these people were absolutely magnificent in the degree of expertise and professionalism they brought to us—Unice Lieberman, minority press secretary; Sara Jane MacKay, legislative correspondent; Don Meyer, press secretary; J. Paul Nicholas, professional staff; Frank Reilly, professional staff; Noelle Busk Ringel, our archivist. The clerk was Amber Sechrist, who came out of my office in a very professional and solid way. We also had Ronald Spear, professional staff, and Deborah Steward, GPO representative.

To all of these men and women, I pay tribute and extend my warmest thanks and gratitude for the work they have done. Tomorrow, off the presses will come ''Y2K Aftermath—Crisis Averted, Final Committee Report.'' With the issuance of this report, the committee no longer exists. But as Secretary Hamre, Chairman Greenspan, and others have said, the benefits of the committee will live on over and above whatever benefits we had for averting the crisis.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

COMMENDING THE Y2K SPECIAL COMMITTEE

Mr. STEVENS. Mr. President, I am pleased to have been here as Senator BENNETT presented his report. He does deserve the credit he has rightly claimed, and his committee has done its work very well. I am most pleased to be able to congratulate him for a job well done.

GENERAL JOE RALSTON

Mr. STEVENS. Mr. President, later today I will join Senators IONUYE, WARNER and LEVIN in hosting a reception to bid farewell to Joe and Dede Ralston, as General Ralston concludes his second tour as Vice Chairman of the Joint Chiefs.

Happily, this event does not signify General Ralston's retirement, but his advancement to the position of Supreme Allied Commander Europe, in charge of all NATO forces, and all U.S. Forces stationed in Europe.

Joe Ralston has pursued a career of firsts, and breakthrough leadership success. His assignment as the first Air Force officer to command NATO is typical, and indicative, of his tremendous talents, and force of personality.

Remarkably, Joe Ralston has achieved success in several distinct military disciplines over his career, spanning more than 34 years.

Joe Ralton's military career is founded in his experience as a combat and command pilot during the Vietnam war. During two combat tours, in F–105 fighters and F–105 wild weasel jets, Joe honed his warfighting skills.

In the 1980's and early 1990's General Ralston played a key role in the technological revolution in air warfare. While many of these programs are still very sensitive, the direct impact of General Ralston's service in technology development and acquisition played a prominent role in our victories in Desert Storm and Kosovo.

Moving into more senior leadership positions, General Ralston contributed to reorganization of the Air Force during his tenure as commander of the 11th Air Force, Air Force Deputy Chief of Staff of Plans and Operations and Commander of the Air Combat Command.

Most recently, General Ralston served with great distinction as Vice Chairman of the Joint Chiefs.

Over these past four years, General Ralston has left and indelible mark on our nation's military, now, and for many years ahead.

An architect of the 1997 Quadrennial Defense Review, General Ralston helped shape the force structure and training doctrine now followed by our Nation's Armed Forces.

The modernization plan presented in the QDR has moved us forward on recaptilizing our air and naval forces, and achieving Secretary Cohen's goal of $60 billion for procurement for FY 2001.

These accomplishments proceeded during a period of overseas military activity across the globe unmatched since the end of the Second World War.

My colleagues here recognize that I have not always supported this administration's policies in the deployment of U.S. Forces overseas.

Regardless of how and why those deployments commenced, the performance and success of the U.S. military in these assignments reflects the leadership that General Ralston and all the Joint Chiefs have provided.

Looking ahead, to the continued opportunity for service General Ralston has accepted in moving to the Supreme Allied Commander job, this will be his toughest challenge.

General Ralston proceeds to Brussels following another great American Commander, General Wes Clark.

Having visited General Clark many times at his headquarters, and in the Balkans, there is no question that he provided the glue that held the alliance together in Bosnia and Kosovo.

General Clark did so facing limitations unlike those encountered by any previous alliance commander. He merits our accolades.

General Ralston succeeds General Clark in an era where our allies must decide the nature of their military forces in the future, and the role of Europe, compared to NATO, in future security matters.

To me, there is no officer in the U.S. military today better prepared, by experience or temperament, to accept this challenge.

While that is a strong claim, I make this comment to the Senate based on my personal experience in watching General Ralston command.

Catherine and I have known Joe and Dede Ralston since 1992, when they arrived in Alaska to take on the responsibility of commanding all U.S. military forces in my State.

Joe immediately established himself as not just a military commander, but a real Alaskan.

In fact, as Joe and Dede saw the close of this assignment as Vice Chairman of the Joint Chiefs approaching, they made plans to establish a home in Alaska—coming home as neighbors.

While disappointed that we cannot look forward to their imminent return to Alaska, I join all Alaskans in congratulating General Ralston on the successful conclusion of his tenure as

Vice Chairman of the Joint Chiefs, and wishing him well as he proceeds to this next position of military and diplomatic responsibility.

I am confident that I can also speak for my colleagues here in the Senate in that wish, and commitment to work with General Ralston to meet the needs of our own military forces in Europe, and foster continued close ties with NATO.

Let me also take one moment to welcome General Ralston's successor as Vice Chairman, General Dick Myers.

Senator INOUYE and I enjoyed a close relationship with General Myers during his tenure as commander of the Pacific Air Forces, which included units in our States of Alaska and Hawaii.

Most recently, General Myers served as Commander in Chief of the U.S. Space Command. I know he will bring the same skills and judgment to this position that he demonstrated in these earlier assignments.

All Senators are invited to the reception at 5 p.m. this afternoon in S–128, in honor of the conclusion of General Ralston's tenure as Vice Chairman.

Thank you, Mr. President, for the opportunity to take just a few minutes to express why so many of us are sad to see Joe and Dede leave Washington, but proud of their service, and the new challenges they will assume on behalf of our Nation.

I yield the floor.

Mr. THOMAS. Mr. President, I yield to the Senator from Iowa for 15 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

ENERGY PRICES

Mr. GRASSLEY. Mr. President, presently we are experiencing the country's highest petroleum prices this decade. And there is every indication the price is going to go higher and higher. I think we need to start looking at why and not look at where to place blame. I think we have to find a common sense solution to the situation because it's not going to get any better in the short term even if OPEC decides to pump more oil and ship more oil to the United States. The fact of the matter is that regardless whether OPEC complies with our wishes there are still two reasons we are bound to face a similar dilemma again in the future.

The No. 1 reason is that the United States and other energy-consuming nations are going to continue to consume a greater amount of gasoline and petroleum products over the next several decades. The demand is going to increase.

The second reason is that as long as OPEC remains a powerful cartel willing to violate the principles of a free marketplace and continue its stranglehold on the production of oil, it will be able to radically effect our economy and financial stability.

As I look at how this administration is responding to the high price of oil, all I can see is that Secretary of Energy Richardson has been dispatched to the various oil-producing nations. The administration in a sense is having the Secretary get down on his knees and beg for OPEC nations to produce more oil. Even if he is successful—some indications are that he might be to the tune of 1 million or 1½ million barrels—it is going to be another 60 days before that oil makes any impact on the price of gasoline at the pump in my State of Iowa or anyplace in the United States. Regardless of whether he is successful or not, this is a pretty poor energy policy.

Every time the price of oil gets so high that administration sends the Secretary of Energy around to beg for more oil to be produced, we ought to be looking at what we can do to be energy independent. This sort of extreme energy policy that President Clinton has seemingly implemented is gouging the consumers of America.

One example of something the President could do right now would be to develop greater reliance upon alternative energy and renewable sources. The President should be relying upon the ethanol and other renewable fuels instead of the ability of his Energy Secretary to be persuasive.

I am not only speaking for the economy of my State when I make this point about ethanol. I am talking about all renewable fuels. Ethanol is one of those renewable fuels. The reason I continue to hound the administration about ethanol is that right now the Environmental Protection Agency has an opportunity, if the President would bring it to their attention—and I called upon him in a letter last year to do this—to eliminate MTBE from gasoline nationwide and replace it with ethanol.

MTBE, a nonrenewable source of oxygenated fuel which is a competitor to ethanol, is already documented as poisoning water and has been outlawed in the State of California. The EPA should make the decision that MTBE ought to be outlawed in all 50 States, as the Governor of California has decided to do in the State of California. This action would encourage the production of ethanol and fill the void which MTBE has left in California.

The amount of ethanol that could be marketed in California is equal to the use of ethanol in all 50 States right now. The President, in making that decision, would be able to not only continue to use oxygenated fuel to clean up the air, he could also help agriculture, create new jobs, and make us less dependent upon foreign sources of oil, which strengthens our economy and national security. Obviously, since one-third of our trade deficit comes from the importation of oil, he would also reduce our trade deficit by relying on renewable fuels. But the most important aspect is that to the extent which we rely on domestically produced renewable sources of energy, we would not be forced to plead with OPEC every time they meet and decide they are going to gouge the American consumer.

Just the fact that the members of OPEC, many being Arab nations, agreed to reduce production and dramatically increase our cost bothers me tremendously. Is this how they show their respect for the Americans who shed their blood in the Persian Gulf war so that the region would not be dominated by Saddam Hussein? This surely is true of Kuwait, the third leading exporter of oil in the world. Kuwait ought to show a little sense of gratitude to the American military and American taxpayers for saving them from that sort of dominance. But this only goes to show me we are actually dealing with a domestic problem. We seemingly cannot force OPEC to act reasonable, because if these nations want to continue their monopolistic practice, unless we are willing to take retaliatory action, we are going to be beholding to them. Consequently, this extreme policy of having no domestic policy on energy is devastating the consumers of America. We need to have that reliance upon alternative fuels.

Another glaring problem with the Administration's energy policy is their policy has reduced the domestic production of energy, oil, natural gas, et cetera, by limiting the areas in the United States where exploration can take place.

If they had anticipated $30 oil, I don't think they would have followed that policy. They had other thoughts in mind when they adopted that policy and restricted the exploration of oil. Consequently, they have put the United States in a position where we have not had much drilling going on in the continental U.S. or offshore. Now we are paying the price.

In addition, there is a lot of regulatory red tape involved with the Federal Energy Regulatory Commission. One of the pipeline companies put in an application to build a pipeline to the Northeast. The Federal Energy Regulatory Commission put so many conditions upon the building of that pipeline, it became too costly and the pipeline company decided not to build.

If one wonders why the price is $2 a gallon for heating oil in New England—when a year ago it was only about 60 cents—it is because of a regulatory policy that makes it almost impossible for people who are willing to invest to derive economic benefit from their investment.

We ought to look at some of the regulations of this administration that tend to discourage exploration, that prohibit exploration, or that have made it very difficult to deliver the product from the refineries to the consumers.

OPEC's attempt to drive up the price of oil, at great cost to the US consumer, is causing economic instability which also serves to injure our national security. The United States has long been the locomotive preserving

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

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

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AFFORDABLE EDUCATION ACT OF 1999—Resumed

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

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

The assistant legislative clerk read as follows:

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

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

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

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

The PRESIDING OFFICER. The Senator from Nevada.

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

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

The PRESIDING OFFICER. Objection is heard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

With that, I yield the floor.

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

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

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

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

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

The PRESIDING OFFICER. The Senator from Arizona.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This resurrected Coverdell-Torricelli education IRA will allow families to

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

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

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

Again, as Senator TORRICELLI said,

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

I could not say it better.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. The Senator from Iowa.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

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

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

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

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

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

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

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

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

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

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

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

Mr. REID. That seems appropriate.

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

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

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

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

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

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

The PRESIDING OFFICER. The Senator from Texas is recognized.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

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

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

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

(Senator COVERDELL assumed the Chair.)

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

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

The PRESIDING OFFICER. The Chair thanks the Senator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

make a real difference to so many American families.

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

The PRESIDING OFFICER (Ms. COLLINS).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2854

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

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

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

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

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

The amendment is as follows:

At the end of title II, insert:

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

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

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

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

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

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

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

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

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

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

''(i) is—

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

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

''(ii) may—

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

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

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

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

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

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

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

''(2) ELIGIBLE TEACHER.—

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

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

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

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

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

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

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

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

''(c) DEFINITIONS.—

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

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

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

''(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Ms. COLLINS assumed the Chair.)

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

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

MORNING BUSINESS

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

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

BRAD SMITH'S NOMINATION TO THE FEC

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

ADVANCE NOTICE OF PROPOSED RULEMAKING

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

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

RECORD; therefore, I ask unanimous consent that the notice be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE VETERANS EMPLOYMENT OPPORTUNITIES ACT OF 1998: EXTENSION OF RIGHTS AND PROTECTIONS RELATING TO VETERANS' PREFERENCE UNDER TITLE 5, UNITED STATES CODE, TO COVERED EMPLOYEES OF THE LEGISLATIVE BRANCH—ADVANCE NOTICE OF PROPOSED RULEMAKING

SUMMARY

The Board of Directors of the Office of Compliance (''Board'') invites comments from employing offices, covered employees, and other interested persons on matters arising from the issuance of regulations under section 4(c)(4) of the Veterans Employment Opportunities Act of 1998 (''VEO''), Pub.L. 105–339, 112 Stat. 3186, codified at 2 USC §1316a.

The provisions of section 4(c) will become effective on the effective date of the Board regulations authorized under section 4(c)(4). VEO §4(c)(6). Section 4(c)(4) of the VEO directs the Board to issue regulations to implement section 4. Section 304 of the Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3, prescribes the procedure applicable to the issuance of substantive regulations by the Board. Upon initial review, the Board has concerns that a plain reading of VEO may yield regulations that are the same as the regulations of the executive branch yet provide veterans' preference rights and protections to no currently ''covered employee'' of the legislative branch. If that is the case, questions arise over the nature and scope of the Board's authority to modify the regulations in order to achieve a more effective implementation of veterans' preference rights and protections to ''covered employees.''

The Board issues this Advance Notice of Proposed Rulemaking (''ANPR'') to solicit comments from interested individuals and groups in order to encourage and obtain participation and information in the development of regulations.

Dates: Interested parties may submit comments within 30 days after the date of publication of this Advance Notice in the Congressional Record.

Addresses: Submit written comments (an original and 10 copies) to the Chair of the Board of Directors, Office of Compliance, Room LA 200, John Adams Building, 110 Second Street, S.E., Washington, DC 20540–1999. Those wishing to receive notification of receipt of comments are requested to include a self-addressed, stamped post card. Comments may also be transmitted by facsimile machine to (202) 426–1913. This is not a toll-free call. Copies of comments submitted by the public will be available for review at the Law Library Reading Room, Room LM–201, Law Library of Congress, James Madison Memorial Building, Washington, DC, Monday through Friday, between the hours of 9:30 a.m. and 4:00 p.m. For further information contact: Executive Director, Office of Compliance at (202) 724–9250. This notice is also available in the following formats: large print, Braille, audiotape, and electronic file on computer disk. Requests for this notice in an alternative format should be made to Mr. Rick Edwards, Director, Central Operations Department, Office of the Senate Sergeant at Arms, (202) 224–2705.

BACKGROUND

The Veterans Employment Opportunity Act of 1998[1] ''strengthen[s] and broadens''[2] the rights and remedies available to military veterans who are entitled, under the Veterans' Preference Act of 1944[3](and its amendments), to preferred consideration in appointment to the federal civil service of the executive branch and in retention during reductions in force (''RIFs''). In addition, and most relevant to this ANPR, VEO affords to ''covered employees'' of the legislative branch (as defined by section 101 of the CAA (2 USC §1301)) the rights and protections of selected provisions of veterans' preference law. VEO §4(c)(2). The selected statutory sections made applicable to such legislative branch employees by VEO may be summarized as follows.

A definitional section prescribes the categories of military veterans who are entitled to preference (''preference eligible''). 5 USC §2108. Generally, a veteran must be disabled or have served on active duty in the Armed Forces during certain specified time periods or in specified military campaigns to be entitled to preference. In addition, certain family members (mainly spouses, widow[er]s, and mothers) of preference eligible veterans are entitled to the same rights and protections.

In the appointment process, a preference eligible individual who is tested or otherwise numerically evaluated for a position in the competitive service is entitled to have either 5 or 10 points added to his/her score, depending on his or her military service, or disabling condition. 5 USC §3309. Where experience is a qualifying element for the job, a preference eligible individual is entitled to credit for having relevant experience in the military or in various civic activities. 5 USC §3311. Where physical requirements (age, height, weight) are a qualifying element, preference eligible individuals (including those who are disabled) may obtain a waiver of such requirements in certain circumstances. 5 USC §3312. For certain positions in the competitive service (guards, elevator operators, messengers, custodians), only preference eligible individuals can be considered for hiring, unless no one else is available. 5 USC §3310.

Finally, in prescribing retention rights during RIFs, the sections in subchapter I of chapter 35 of Title 5, USC, with a slightly modified definition of ''preference eligible,'' require that employing agencies give ''due effect'' to the following factors: (a) employment tenure (i.e., type of appointment); (b) veterans' preference; (c) length of service; and, (d) performance ratings. 5 USC §§3501, 3502. Such considerations also apply where RIFs occur in connection with a transfer of agency functions from one agency to another. 5 USC §3503. In addition, where physical requirements (age, height, weight) are a qualifying element for retention, preference eligible individuals (including those who are disabled) may obtain a waiver of such requirements in certain circumstances. 5 USC §3504.

Section 4(c)(4)(A) of the VEO authorizes the Board of Directors of the Office of Compliance established under the CAA to issue regulations to implement section 4(c) of the VEO pursuant to the rulemaking procedures of section 304 of the CAA, 2 USC §1384. Pursuant to that authority, the Board invites comments before promulgating proposed rules under section 4 of the VEO.

Section 4(c)(4)(B) of the VEO specifies that these regulations ''shall be the same as substantive regulations (applicable with respect to the executive branch) promulgated to implement . . . [the referenced statutory provisions] . . . except to the extent that the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' Section 4(c)(4)(C) further states that the ''regulations issued under subparagraph (A) shall be consistent with section 225 of the Congressional Accountability Act of 1995 (2 USC §1361).''

INTERPRETATIVE ISSUES

The Board has identified and reviewed the regulations issued by the Office of Personnel Management (OPM) to implement the relevant provisions of the veterans' preference laws. These regulations are integrated into the body of personnel regulations in Title 5 of the Code of Federal Regulations (CFR) issued by OPM under its authority to oversee and regulate civilian employment in the executive branch. See 5 USC §§1103, 1104, 1301, 1302. The Board's review has raised a number of interpretative issues concerning the identity of legislative branch employees affected by the statute and regulations; potential legal and factual bases, if any, for modification of the regulations; and the scope of the Board's statutory authority to promulgate certain of the regulations in place in the executive branch. Before discussing those issues, the Board summarizes below the pertinent executive branch regulations which implement the statutory sections of veterans' preference law made applicable to covered legislative branch employees by VEO.

5 CFR Part 211 implements the definitional section, 5 USC §2108, declaring the requirements that a military veteran or his family member must meet to be considered ''preference eligible.''

5 CFR §332.401 and §337.101 implement 5 USC §3309 which, in the appointment process, requires that a preference eligible individual who is tested or otherwise numerically evaluated for a position in the competitive service is entitled to have either 5 or 10 points added to his/her score.

5 CFR §337.101 also implements 5 USC §3311, which provides that, where experience is a qualifying element for the job, a preference eligible individual is entitled to credit for having relevant experience in the military or in various civic activities.

Subpart D of Part 330, 5 CFR, implements 5 USC §3310, which restricts to preference eligible individuals the positions of guards, elevator operators, messengers, and custodians in the competitive service.

5 CFR §339.204 and §339.306 implement 5 USC §3312, which provides that, where physical requirements (age, height, weight) are a qualifying element for an examination or appointment in the competitive service, preference eligible individuals (including those who are disabled) may obtain a waiver of such requirements in certain circumstances.

Finally, Part 351 of 5 CFR implements those provisions of subchapter I of chapter 35 of 5 USC, which prescribe retention rights during RIFs, including those instances where an agency function is transferred to another agency.

First. The statutory rights and protections that are applicable under VEO envision that veterans' preference is to be accorded in appointments to the ''competitive service.'' This presents an interpretative issue for the Board in proposing regulations that ''are the same'' as those in the executive branch because there is a substantial question whether any covered employee, as defined by VEO §4(c)(1), encumbers a position in the ''competitive service.'' The ''competitive service,'' as the term is used in the relevant statutes, is not a generic term descriptive of any personnel system in which applicants vie for appointment. Rather, the competitive service is an integral, specifically defined component of the federal civil service system, in which, for over a century, appointment to employment (mainly in the executive

Footnotes at end of article.

branch) has been determined through competitive examinations.

In the competitive service, Congress has prescribed that the ''selection and advancement shall be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition.'' 5 USC §2301(b)(1). Toward this end, Congress gave the President the authority to prescribe rules ''which shall provide, as nearly as conditions of good administration warrant, for . . . open, competitive examinations for testing applicants for appointment in the competitive service . . . .'' 5 USC §3304(a)(1) (emphasis supplied). In addition, OPM has been granted authority, ''subject to rules prescribed by the President under this title for the administration of the competitive service, [to] prescribe rules for, control, supervise, and preserve the records of, examinations for the competitive service.'' 5 USC §1302(a).

In this setting, the ''competitive service'' has a specific meaning. Congress has enacted a three-fold definition: First, the competitive service consists of ''all civil service positions in the executive branch,'' with exceptions for (a) positions specifically excepted from the competitive service by statute (known as the excepted service[4]); (b) positions requiring Senate confirmation, and (c) positions in the Senior Executive Service.[5] 5 USC §2102(a)(1) (A)–(C) (emphasis added). Second, the competitive service includes ''civil positions not in the executive branch which are specifically included in the competitive service by statute.'' 5 USC §2102(a)(2). Third, the competitive service encompasses those ''positions in the government of the District of Columbia which are specifically included in the competitive service by statute.'' 5 USC §2102(a)(3).

Arguably, the Board should take these statutory definitions into account in promulgating regulations. Under VEO, the regulations issued by the Board must be consistent with section 225 of the CAA (2 USC §1361), which in part requires as a rule of construction that, except where inconsistent with definitions and exemptions provided in the CAA, the definitions and exemptions in the laws made applicable by the CAA shall also apply. Applying this rule of construction to the foregoing definitions arguably yields the following conclusions. The first definition may not be relevant because legislative branch employees are not part of the executive branch. Similarly, the third definition may not be relevant because it pertains to employees of the government of the District of Columbia. In contrast, the second definition is arguably relevant because it includes ''civil positions not in the executive branch,'' within which category falls the legislative branch (and the judicial branch). However, upon an initial review of those legislative offices in which ''covered employees'' as defined by VEO can be employed,[6] it may be that no ''covered employee'' in the legislative branch satisfies the qualification in the second definition that the job position be ''specifically included in the competitive service by statute.'' Accordingly, insofar as the statute authorizes the Board to propose substantive regulations that are the same as the regulations of the executive branch, the Board could end up proposing regulations that apply to no one.

On the other hand, VEO mirrors the rulemaking provisions of the CAA in directing the Board upon good cause shown to modify executive branch regulations if it would be more ''effective for the implementation of rights and protections'' made applicable to covered employees.[7] Under this approach, the statute may authorize proposing modifications of the executive branch regulations to take account of the void in competitive service positions for covered employees. In other words, if the regulations are essentially ineffective because in practice they afford rights and protections to no one, should the Board authorize modifications that make them effective by applying the rights and protections of veterans' preference laws to some arguably analogous employees? If so, as a factual and legal matter, what modifications to the regulations does the statute authorize?

Second. While the applicable statutory appointment provisions (5 USC §§3309–3312) are directed with particularity to the competitive service, the applicable statutory retention provisions (5 USC chapter 35, subchapter I) with one exception are not. Section 3501(b) states that subchapter I ''applies to each employee in or under an Executive agency,'' without singling out the competitive service for specific coverage. Only §3504, which provides for waiver of physical requirements (including age, height, weight) for job retention purposes, is directed specifically to competitive service positions. Nonetheless, OPM has written major portions of the implementing regulations (found principally in 5 CFR Part 351) in terms of the competitive service and the excepted service. See, e.g., 5 CFR §351.501 (order of retention for competitive service), §351.502 (order of retention for excepted service). Were the Board simply to propose regulations that are the same as the executive branch's without modifications, there may not be any covered employees in the legislative branch who are in the competitive service or the excepted service, as defined by statute and regulation. Therefore, once again the issue of whether the statute authorizes a modification of these regulations arises.

Third. A survey of the regulations indicates that some of the rules promulgated by OPM[8] derive not from the statutory sections concerning veteran's preference that have been made applicable to the legislative branch through VEO but from OPM's overarching statutory authority to regulate and supervise civilian employment policies and practices in the executive branch pursuant to 5 USC §§1302–04. This latter supervisory authority arguably has not been bestowed upon the Board with respect to personnel management in the legislative branch. Therefore, a question is presented whether the Board's authority over veterans' preference is coextensive with OPM's authority to regulate personnel management in the executive branch. The Board must identify what parts of the veterans' preference regulations are an exercise of OPM's supervisory authority that arguably has not been bestowed upon the Board with respect to personnel management in the legislative branch, or determine that the statute authorizes the Board to exercise authority coextensive with OPM's authority to promulgate regulations governing the statutory sections made applicable through VEO.

Fourth. There is some indication that the Senate Committee on Veterans' Affairs was aware of the problem of applying the rights and protections of veterans' preference, including the regulations, to the legislative branch. The Senate Committee Report that accompanied the VEO bill included the following comment: ''The Committee notes that the requirement that veterans' preference principles be extended to the legislative and judicial branches does not mandate the creation of civil service-type evaluation or scoring systems by these hiring entities. It does require, however, that they create systems that are consistent with the underlying principles of veterans' preference laws.''[9] But in enacting the legislation Congress took no further steps to codify this precatory statement nor did it (or the Committee) provide any explanation of the intent of this highly general comment.[10] Therefore, the question is presented whether the statute requires the creation of ''systems that are consistent with the underlying principles of veterans' preference laws''? If so, how is this to be effectuated? If not, what effect if any does this Committee comment have?

Fifth. By virtue of the selectivity with which Congress made veterans' preference laws applicable, there are regulations relating to veterans' preferences in Title 5 CFR that are not being considered because they are linked to statutory provisions not made applicable by VEO. Examples include regulations in Part 302 pertaining to the excepted service,[11] which were promulgated to implement 5 USC §3320; those regulations in Part 332 that implement 5 USC §3314 and §3315, which afford rights to preference eligible individuals who either have resigned or have been separated or furloughed without delinquency or misconduct; and those regulations in Subpart D of Part 315 that implement 5 USC §3316, which addresses the reinstatement rights of preference eligible individuals. The task of promulgating regulations that are the ''same'' as those of the executive branch will entail in part identifying and excluding those whose statutory underpinning has not been made applicable by VEO to the legislative branch.

REQUEST FOR COMMENT

In order to promulgate regulations that properly fulfill the directions and intent of these statutory provisions, especially in light of the foregoing analysis, the Board needs comprehensive information and comment on a variety of topics. The Board has determined that, before publishing proposed regulations for notice and comment, it will provide all interested parties and persons with this opportunity to submit comments, with supporting data, authorities and argument, as to the content of and bases for any proposed regulations. The Board wishes to emphasize, as it did in the development of the regulations issued to implement sections 202, 203, 204, 205, and 220 of the CAA, that commentors who propose a modification of the regulations promulgated by OPM for the executive branch, based upon an assertion of ''good cause,'' should provide specific and detailed information and the rationale necessary to meet the statutory requirements for good cause to depart from the executive branch's regulations. It is not enough for commentors simply to propose a revision to the executive branch's regulations or to request guidance on an issue; rather, if commentors desire a change in the executive branch's regulations, they must explain the legal and factual basis for the suggested change. The Board must have these explanations and information if it is to be able to evaluate proposed regulations and make proposed regulatory changes. Failure to provide such information and authorities will greatly impede, if not prevent, adoption of proposals suggested by commentors.

So that it may make more fully informed decisions regarding the promulgation and issuance of regulations, in addition to inviting and encouraging comments on all relevant matters, the Board specifically requests comments on the following issues:

(1) What positions, if any, of the legislative branch encumbered by ''covered employees'' (as defined by §4(c)(1) of VEO) fall within the meaning of the ''competitive service'' as the latter term is used in 5 USC §§3309–3312?

(2) In the absence of any such ''competitive service'' positions in the legislative branch, what, if any, positions held by ''covered employees'' are subject to a merit-based system of appointment (which may include examinations, testing, evaluation, scoring and such

other elements that are common to the ''competitive service'' of the executive branch)?

(3) Does VEO authorize the Board to extend the rights and protections of veterans' preference for purposes of appointment to those positions identified in (2) above notwithstanding they are not technically ''competitive service'' positions?

(4) In order to provide for effective implementation of veterans' preference rights, could the Board, under the ''good cause'' provision of §4(c)(4)(B) of VEO, modify the most relevant substantive regulations of the executive branch pertaining to veterans' preference in the appointment of ''covered employees'' so as to make them applicable to the legislative branch without reference to the ''competitive service''?

(5) How would the rights and protections of subchapter I of chapter 35, Title 5 USC (pertaining to retention during RIFs), be applied to ''covered employees'' (as defined by §4(c)(1) of VEO)?

(6) Does VEO authorize the Board to extend the rights and protections of veterans' preference for purposes of retention during reductions in force to ''covered employees'' holding positions that are not technically within the ''competitive service'' or the ''excepted service''?

(7) In order to provide for effective implementation of veterans' preference rights, could the Board, under the ''good cause'' provision of §4(c)(4)(B) of VEO, modify the most relevant substantive regulations of the executive branch pertaining to veterans' preference in the retention of ''covered employees'' during reductions in force so as to make them applicable to the legislative branch without reference to the ''competitive service'' or the ''excepted service''?

(8) In view of the fact that VEO does not explicitly grant the Board the authority exercised by OPM under 5 USC §1103, §1104, §1301 and §1302 to execute, administer, and enforce the federal civil service system, does the Board have the authority to propose regulations that would vest the Board with responsibilities similar to OPM's over employment practices involving covered employees in the legislative branch?

(9) Is the Board empowered by the statute to give effect to the comment in the legislative history that employing offices of the legislative branch should ''create systems that are consistent with the underlying principles of veterans' preference laws,'' as discussed by the Senate Report accompanying the bill enacted as VEO (Sen. Rept. 105–340, 105th Cong., 2d Sess., at 17 (Sept. 21, 1998)? If so, how should such effect be given?

(10) Under VEO, what steps, if any, must employing offices of the legislative branch take to ''create systems that are consistent with the underlying principles of veterans' preference laws,'' as discussed by the Senate Report accompanying the bill enacted as VEO (Sen. Rept. 105–340 (105th Cong., 2d Sess. Sept. 21, 1998), at 17)?

(11) With respect to positions restricted to preference eligible individuals under 5 USC §3310, namely guards, elevator operators, messengers, and custodians, the Board seeks information and comment on the following issues and questions:

(a) The identity, in the legislative branch, of guard, elevator operator, messenger, and custodian positions within the meaning of these terms under 5 USC §3310.

(b) The identity of covered employing offices responsible for personnel decisions affecting employees who fill positions of guard, elevator operator, messenger, and custodian within the meaning of 5 USC §3310 and the implementing regulations.

(c) Would police officers and other employees of the United State Capitol Police be considered ''guards'' under the application of the rights and protections of this section to covered employees under VEO?

(d) Whether the current methods of hiring include an entrance examination within the meaning of 5 CFR §330.401 and, if not, whether the affected employing offices believe that the statute mandates the creation of such an examination and/or allows such an examination to be required of the employing offices?

(e) What changes, if any, in the regulations are required to effectuate the rights and protections of 5 USC §3310 as applied by VEO?

(12) Which executive branch regulations, if any, should not be adopted because they are promulgated to implement inapplicable statutory provisions of veterans' preference law or are otherwise inapplicable to the legislative branch?

(13) What modification, if any, of the executive branch regulations would make them more effective for the implementation of the rights and protections made applicable under VEO as provided by VEO §4(c)(4)(B)?

Signed at Washington, D.C. on this 16th day of February, 2000.

GLEN D. NAGER,
Chair of the Board,
Office of Compliance.

FOOTNOTES

[1] Pub. L. 105–339 (Oct. 31, 1998).

[2] Sen. Rept. 105–340, 105 Cong., 2d Sess. at 19 (Sept. 21, 1998).

[3] Act of June 27, 1944, ch. 287, 58 Stat. 387, amended and codified in various provisions of Title 5, USC.

[4] Generally, these are positions that are excepted by law, by executive order, or by the action of OPM placing a position or group of positions in what are known as excepted service Schedules A, B, or C. For example, certain entire agencies such as the Postal Service, the Federal Bureau of Investigation, and the Central Intelligence Agency are excepted by law. In other cases, certain jobs or classes of jobs in an agency are excepted by OPM. 5 CFR Part 213. This includes attorneys, chaplains, student trainees, and others.

[5] These generally are high-level, managerial positions in the executive department whose appointment does not require Senate confirmation. See 5 USC §3123 (a)(2), which defines the term ''Senior Executive Service position.''

[6] The definition of ''covered employee'' under section VEO §4(c)(1) has the same meaning as the term under section 101 of the CAA, 2 USC §1302, which includes any employee of the House of Representatives, the Senate, the Capitol Guide Service, the Capitol Police, the Congressional Budget Office, the Office of the Architect of the Capitol, the Office of the Attending Physician, the Office of Compliance, or the Office of Technology Assessment. Under VEO §4(c)(5), the following employees are excluded from the term ''covered employee'': (A) presidential appointees confirmed by the Senate, (B) employees appointed by a Member of Congress or by a committee or subcommittee of either House of Congress, and (C) employees holding positions the duties of which are equivalent to those in Senior Executive Service.

[7] Compare VEO §4(c)(3)(B) with CAA §§202(d)(2), 203(c)(2), 204(c)(2), 205(c)(2), 206(c)(2), 210(e)(2), 215(d)(2), 220(d)(2)(A).

[8] See, e.g. 5 CFR §351.205 (''The Office of Personnel Management may establish further guidance and instructions for planning, preparation, conduct and review of reductions in force through the Federal Personnel Manual System. OPM may examine an agency's preparations for reduction in force at any stage.'').

[9] Sen. Rept. 105–340, 105 Cong., 2d Sess. at 17 (Sept. 21, 1998).

[10] Compare Administrative Office of the United States Courts Personnel Act of 1990, Pub. L. 101–474, 104 Stat. 1097, §3. Individuals in this office of the judicial branch are afforded the right to veterans' preference ''in a manner and to an extent consistent with preference accorded to preference eligibles in the executive branch.'' §3(a)((11). However, the Congress also empowered the Director the Administrative Office to establish by regulation a personnel management system that parallels many of the features of the executive branch's personnel system regulated by OPM. VEO contains no comparable provisions giving similar powers to the Board or any other legislative branch entity.

[11] For a description of the ''excepted service,'' see note 4 *infra*.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Madam President, at the close of business Friday, February 25, 2000, the Federal debt stood at $5,748,251,779,017.69 (Five trillion, seven hundred forty-eight billion, two hundred fifty-one million, seven hundred seventy-nine thousand, seventeen dollars and sixty-nine cents).

One year ago, February 25, 1999, the Federal debt stood at $5,620,928,000,000 (Five trillion, six hundred twenty billion, nine hundred twenty-eight million).

Fifteen years ago, February 25, 1985, the Federal debt stood at $1,695,295,000,000 (One trillion, six hundred ninety-five billion, two hundred ninety-five million).

Twenty-five years ago, February 25, 1975, the Federal debt stood at $496,984,000,000 (Four hundred ninety-six billion, nine hundred eighty-four million) which reflects a debt increase of more than $5 trillion—$5,251,267,779,017.69 (Five trillion, two hundred fifty-one billion, two hundred sixty-seven million, seven hundred seventy-nine thousand, seventeen dollars and sixty-nine cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7714. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Adhesives and Components of Coatings and Paper and Paperboard Compounds'' (Docket No. 92F-0111), received February 24, 2000; to the Committee on Health, Education, Labor, and Pensions.

EC–7715. A communication from the Board Members, Railroad Retirement Board, transmitting the justification of budget estimates for fiscal year 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–7716. A communication from the President, James Madison Memorial Fellowship Foundation, transmitting the annual report for fiscal year 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–7717. A communication from the Managing Director, Federal Housing Finance Board, transmitting, pursuant to law, the report of a rule entitled ''Reorganization of Federal Housing Finance Board Regulations'' (RIN3069-AA87), received February 24, 2000; to the Committee on Banking, Housing, and Urban Affairs.

EC–7718. A communication from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Reporting and Procedures: Mandatory License Application Form for Unblocking Funds Transfers'' (31 CFR 501.801), received February 23, 2000; to the Committee on Banking, Housing, and Urban Affairs.

EC–7719. A communication from the Deputy Chief, National Forest System, Department of Agriculture transmitting, pursuant to law, detailed boundary maps for the East Fork Jemez and Pecos Rivers, NM; to the Committee on Energy and Natural Resources.

EC–7720. A communication from the Secretary of Energy, transmitting the ''Advanced Automotive Technologies'' annual report for fiscal year 1997; to the Committee on Energy and Natural Resources.

EC–7721. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the OMB cost estimate for pay-as-you-go calculations; to the Committee on the Budget.

EC–7722. A communication from the Assistant Secretary, Indian Affairs, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''25 CFR part 170, Distribution of Fiscal Year 2000 Indian Reservation Roads Funds'' (RIN1076-AD99), received February 24, 2000; to the Committee on Indian Affairs.

EC–7723. A communication from the Assistant Attorney General, Office of Justice Programs transmitting, pursuant to law, the report of a rule entitled ''Timing of Police Corps Reimbursement of Educational Expenses'' (RIN1121-AA50), received February 24, 2000; to the Committee on the Judiciary.

EC–7724. A communication from the Assistant Attorney General, Legislative Affairs transmitting a draft of proposed legislation to amend the Inspector General Act; to the Committee on the Judiciary.

EC–7725. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting a report relative to the Chemical Weapons Convention Implementation Act of 1998; to the Committee on Foreign Relations.

EC–7726. A communication from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting a draft of proposed legislation entitled ''Veterans' Compensation Cost-of-Living Adjustment Act of 2000''; to the Committee on Veterans' Affairs.

EC–7727. A communication from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury transmitting, pursuant to law, the report of a rule entitled ''Importation of Chemicals Subject to the Toxic Substances Control Act'' (RIN1515-AC04), received February 24, 2000; to the Committee on Finance.

EC–7728. A communication from the Commissioner of Social Security, transmitting a draft of proposed legislation relative to Social Security; to the Committee on Finance.

EC–7729. A communication from the Administrator, Risk Management Agency, Department of Agriculture transmitting, pursuant to law, the report of a rule entitled ''Common Crop Insurance Regulations; Forage Production Crop Provisions; and Forage Seeding Crop Provisions'', received February 24, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7730. A communication from the Administrator, Risk Management Agency, Department of Agriculture transmitting, pursuant to law, the report of a rule entitled ''General Administrative Regulations, Subpart-L Reinsurance Agreement-Standards for Approval; Regulations for the 1997 and Subsequent Reinsurance Years'', received February 24, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7731. A communication from the Secretary of Defense, transmitting, pursuant to the Federal Manager's Financial Integrity Act, the annual report for fiscal year 1999; to the Committee on Governmental Affairs.

EC–7732. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to the Procurement List, received February 24, 2000; to the Committee on Governmental Affairs.

EC–7733. A communication from the Director, Office of Administration, Executive Office of the President, transmitting, pursuant to the Federal Manager's Financial Integrity Act, the annual report for fiscal year 1999; to the Committee on Governmental Affairs.

EC–7734. A communication from the Chief Financial Officer, Export-Import Bank, transmitting, pursuant to law, the report of the Office of Inspector General for the period April 1, 1999, through September 30, 1999; to the Committee on Governmental Affairs.

EC–7735. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-225, ''Government Employer-Assisted Housing Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–7736. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-262, ''Transfer of Jurisdiction over Georgetown Waterfront Park for Public and Recreational Purposes, S.O. 84-230, Temporary Act of 1999''; to the Committee on Governmental Affairs.

EC–7737. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-250, ''Department of Health Functions Clarification Temporary Act of 1999''; to the Committee on Governmental Affairs.

EC–7738. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-254, ''District of Columbia Housing Authority Act of 1999''; to the Committee on Governmental Affairs.

EC–7739. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-256, ''Retail Electric Competition and Consumer Protection Act of 1999''; to the Committee on Governmental Affairs.

EC–7740. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Hurricane Floyd Property Acquisition and Relocation Grants; 65 FR 7270; 02/11/2000'', received February 17, 2000; to the Committee on Environment and Public Works.

EC–7741. A communication from the Assistant Administrator, Office of Administration and Resources Management, Environmental Protection Agency, transmitting, pursuant to law, a report relative to the designation of an Acting Deputy Administrator and the nomination of a Deputy Administrator; to the Committee on Environment and Public Works.

EC–7742. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Endangered Status for the Armored Snail and Slender Campeloma'' (RIN1018-AF29), received February 18, 2000; to the Committee on Environment and Public Works.

EC–7743. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Delisting of the Dismal Swamp Southeastern Shrew'', received February 22, 2000; to the Committee on Environment and Public Works.

EC–7744. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Determination of Endangered Status for the 'Sylvilagus bachmani riparius' (riparian Brush Rabbit) and 'Neotoma fuscipes Riparia' (riparian or San Joaquin Valley woodrat)'' (RIN1018-AE40), received February 16, 2000; to the Committee on Environment and Public Works.

EC–7745. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled ''Use of Collected PM2.5 Data and Parameter Occurrence Codes''; to the Committee on Environment and Public Works.

EC–7746. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled ''Lead-Based Paint Activities in Target Housing and Child-Occupied Facilities; State of California's Authorization Application''; to the Committee on Environment and Public Works.

EC–7747. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled ''Limited Request for Pre-Proposals Pilot Projects on Improved Drinking Water Management and Source Protection in Honduras''; to the Committee on Environment and Public Works.

EC–7748. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled ''Placement of Proceeds from CERCLA Settlements in Special Accounts''; to the Committee on Environment and Public Works.

EC–7749. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; Indiana'' (FRL # 6538-5), received February 15, 2000; to the Committee on Environment and Public Works.

EC–7750. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Tennessee: Approval of 111(d) Plan for Municipal Solid Waste Landfills in Knox County'' (FRL # 6539-6), received February 15, 2000; to the Committee on Environment and Public Works.

EC–7751. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report

of a rule entitled ''Approval and Promulgation of Implementation Plans; Indiana'' (FRL # 6538-5), received February 15, 2000; to the Committee on Environment and Public Works.

EC–7752. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''National Volatile Organic Compound Emission Standards for Architectural Coatings'' (FRL # 6539-2), received February 15, 2000; to the Committee on Environment and Public Works.

EC–7753. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendment: Requirements for Preparation, Adoption, and Submittal of State Implementation Plans'' (FRL # 6540-1), received February 15, 2000; to the Committee on Environment and Public Works.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–416. A resolution adopted by the Council of the Borough of Ship Bottom, NJ relative to the disposal of dredge materials at the Mud Dump site; to the Committee on Environment and Public Works.

POM–417. A petition from a citizen of the District of Columbia relative to the District of Columbia Housing Authority Act of 1999; to the Committee on Governmental Affairs.

POM–418. A resolution adopted by the National Conference of Insurance Legislators Executive Committee relative to the Federalism Act; to the Committee on Governmental Affairs.

POM–419. A resolution adopted by the Municipal Assembly of San Juan, PR relative to Vieques, PR; to the Committee on Armed Services.

RESOLUTION 35

Whereas, The Municipal Assembly of San Juan approved a resolution the 29 of April of 1999 requiring the United States Navy to cease immediately and permanently all military practices, bombardments and exercises in Vieques, as well as their total withdrawal from that island, returning to the people of Puerto Rico the lands that the Navy now occupies.

Whereas, The Assembly recognizes that the military practices, exercises, and bombardments in Vieques and its surroundings have been continuous during the last 50 years, affecting the 9,300 residents of that Municipality negatively;

Whereas, In addition to the continuous threat to the safety, health and human life that these military exercises mean in Vieques, they have had a harmful effect on the environment as a whole and in particular, on marine life and the natural beauty of this island.

Whereas, In an historical effort of solidarity regarding the suffering of the people of Vieques, the political, religious, and civic leadership of Puerto Rico, came together with the purpose of calling for the immediate cease of all military exercises by the Navy on soil and beaches of Vieques and for the unconditional and immediate exit of the Navy from this island-municipality, and hereby petition President, Hon. William Jefferson Clinton to that effect.

Whereas, The Mayor of San Juan, Hon. Sila M. Calderon, has made a particular effort to this effect as have other Puerto Rican leaders in Puerto Rico and in the United States.

Whereas, President Clinton has received pressures from the Pentagon and certain congressional leaders favoring the permanency of the Navy on Vieques, and has disappointed the people of Puerto Rico who had placed their hope in him. President Clinton emitted a decision, which permits the Navy to continue with their war exercises in Vieques for approximately five years. This decision does not establish a specific date for the absolute and total exit of the Navy from Vieques.

Whereas, The action taken by President Clinton is unacceptable to this City Council, as it is for all the Puerto Rican people who are allied in brotherhood with the people of Vieques: Now, therefore, be it

Resolved by the San Juan City Council:

Section 1, To express strong rejection of the President of the United States, Hon. William Jefferson Clinton's decision on the case of Vieques; to support the actions accomplished by the Puerto Rican leadership and in particular by the people of Vieques, for the Navy to leave that territory as soon as possible without imposing conditions; to support the negotiations of the Mayor of San Juan, Hon. Sila M. Calderon, in connection with this matter; and to urge the members of congress and elected officials of New York and other states to join the people of Puerto Rico in this effort.

Section 2, To send a copy of this resolution, duly translated to the English Language, to the President of the United States, Hon. William Jefferson Clinton; to the Congress, and to the press.

Section 3, This resolution will come into effect immediately after its approval.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and second time by unanimous consent, and referred as indicated:

By Mr. GRAMM (for himself, Mr. GRAMS, Mr. SCHUMER, and Mr. MACK):

S. 2107. A bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. TORRICELLI:

S. 2108. A bill to provide for disclosure of fire safety standards and measures with respect to campus buildings, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TORRICELLI:

S. 2109. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require local educational agencies and schools to implement integrated pest management systems to minimize the use of pesticides in schools and to provide parents, guardians, and employees with notice of the use of pesticides in schools, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KYL:

S. 2110. A bill to amend title XVIII of the Social Security Act to provide for payment of claims by health care providers against insolvent Medicare+Choice Organizations, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 2111. A bill to direct the Secretary of Agriculture to convey for fair market value 1.06 acres of land in the San Bernardino National Forest, California, to KATY 101.3 FM, a California corporation; to the Committee on Energy and Natural Resources.

By Mr. TORRICELLI (for himself, Mr. JEFFORDS, Mrs. MURRAY, Mr. KERRY, and Ms. LANDRIEU):

S. 2112. A bill to provide housing assistance to domestic violence victims; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ASHCROFT (for himself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. SANTORUM, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire):

S. Res. 263. A resolution expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (''OPEC'') cartel and non-OPEC countries that participate in the cartel of crude oil producing countries, before the meeting of the OPEC nations in March 2000, the position of the United States in favor of increasing world crude oil supplies so as to achieve stable crude oil prices; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KYL:

S. 2110. A bill to amend title XVIII of the Social Security Act to provide for payment of claims by health care providers against insolvent Medicare+Choice Organizations, and for other purposes; to the Committee on Finance.

BANKRUPTCY OF PREMIER HMO

Mr. KYL. Mr. President, I rise to bring to the attention of the Senate a serious problem facing many thousands of Medicare beneficiaries in Arizona. On November 16, 1999, Premier Health Care of Arizona went into receivership. The health care of more than 20,000 Medicare beneficiaries who were enrolled in Premier has been affected by this solvency.

Since Premier Medicare HMO was placed in receivership, I have been advised that some non-contract providers—providers outside of the HMO network—have asserted that Medicare beneficiaries are personally liable for unpaid claims and have referred the outstanding claims to collection agencies.

These unpaid claims—some of which may date back more than six months and amount to significant sums of money—have made it difficult for many contract and non-contract providers to continue to provide care to Medicare beneficiaries. Because Premier operated in a largely rural area where few alternative providers were accessible, this has created a dire health-care delivery situation for Medicare beneficiaries.

Mr. President, today I introduce legislation that addresses the Arizona situation, as well as future

Medicare+Choice insolvencies, wherever they may occur. This legislation mandates that, after a Medicare+Choice goes into receivership, the receiver—in this case, the state insurance commissioner—may apply to the Secretary of HHS for payment of all valid, unpaid provider claims for items or services furnished to Medicare enrollees before the date the receiver was appointed.

Contract providers will be paid at their contract rate, while non-contract providers will be paid for the ''reasonable cost'' of the covered item or service. Amounts needed to make these payments will be paid out of the Part A or Part B trust fund, as is appropriate based on which fund would have paid the claim on a fee-for-services basis.

To recover these amounts paid to providers, the bill establishes that HCFA will become a creditor of the receivership estate and assumes the priority position of the respective providers it has paid.

The bill also mandates that Medicare+Choice enrollees may not be held liable to contract or non-contract providers for any claims that are unpaid by the Medicare+Choice organization.

While the regulation of state-licensed Medicare+Choice organizations is primarily a state responsibility, the Medicare law makes clear that the Secretary of Health and Human Services and the administrator of HCFA have an ongoing ''responsibility to ensure that it (HCFA) contracts only with fiscally-sound Medicare+Choice organizations.''

To this end, Section 1857(d) gives the Secretary the right to audit and inspect any books and records that pertain either to the ability of the Medicare HMO to bear the risk of potential financial loss, or to the quality and timeliness of services provided for Medicare beneficiaries. See 42 CFR 422.502, 516 and 552.

My bill strengthens current law and regulation by requiring that, once HCFA determines that a Medicare+Choice organization may not be able to bear the risk of financial losses, the Secretary must promptly notify the appropriate state officials and provide those officials with the information on which that determination is based.

The bill also strengthens current law by requiring that, when Medicare+Choice organizations fail to provide prompt payments to providers, the Secretary must pay providers directly. Under my bill, if the Medicare+Choice plan fails to provide prompt payment of 10 percent of claims submitted for services and supplies furnished to enrollees within 60 days of the date on which the claim was submitted, the Secretary must pay contract and non-contract providers directly—there is no discretion as there is in current law.

To avoid a repeat of this problem with other carriers in the future, the bill requires that Medicare+Choice organizations post a surety bond of no less than $500,000, as well as meet any additional requirements related to bonding or escrow accounts that the Secretary deems necessary. The bond requirement may be waived if a comparable surety bond is required under state law.

Mr. President, this legislation will enable the government to fulfill its promise to those seniors who have chosen to receive their Medicare coverage through a Medicare+Choice organization. It will prevent seniors from being billed for covered services and providers from losing large sums in unpaid bills.

If providers aren't paid, many may be unwilling—or unable—to continue providing care. If quality care is not available through experienced providers, or if seniors are the subject of legal action for the bills of insolvent Medicare+Choice organizations, beneficiaries will lose confidence in the Medicare+Choice programs, and ultimately, in Medicare fee-for-service as well. We simply can't let that happen.

The Congress must ensure that providers are paid and Medicare beneficiaries are protected. This is a commitment we have made to seniors—it is a commitment we must fulfill.

By Mrs. FEINSTEIN:

S. 2111. A bill to direct the Secretary of Agriculture to convey for fair market value 1.06 acres of land in the San Bernardino National Forest, California to KATY 101.3 FM, a California corporation; to the Committee on Energy and Natural Resources.

LAND CONVEYANCE TO KATY

Mrs. FEINSTEIN. Mr. President. I am pleased to introduce this bill today to assist Katy Gill, the owner of KATY radio, a station broadcasting out of a one acre parcel of the San Bernardino Forest and acting as an important public service announcement source for the residents of Idylwood, California.

KATY radio has been caught up in some unfortunate circumstances involving an antennae site that the station had at one time, been leasing from GTE. When GTE decided to move out of the area, KATY was no longer able to legally operate. This bill will allow KATY to purchase at fair market value the title to 1.06 acres of land in San Bernardino National Forest so that the station could continue broadcasting.

This legislation is supported by the Forest Service and KATY radio station listeners throughout Idylwood, California. I know of no opposition to such legislation. Representatives MARY BONO, JERRY LEWIS and DON YOUNG have introduced similar legislation in the House. I look forward to working with my colleagues in the House and the relevant Senate committee members to ensure that we address this issue before the end of the 106th Congress.

By Mr. TORRICELLI (for himself, Mr. JEFFORDS, Mrs. MURRAY, Mr. KERRY, and Ms. LANDRIEU):

S. 2112. A bill to provide housing assistance to domestic violence victims; to the Committee on Banking, Housing, and Urban Affairs.

THE DOMESTIC VIOLENCE AND SEXUAL ASSAULT VICTIM'S HOUSING ACT

• Mr. TORRICELLI. Mr. President, I rise with my colleagues Senator JEFFORDS, Senator LANDRIEU, Senator MURRAY, and Senator KERRY to introduce ''The Domestic Violence and Sexual Assault Victim's Housing Act of 2000.'' This legislation provides funding for shelter assistance to women and children fleeing domestic violence, stalking, and sexual assault. Due to the fact that domestic violence victims often have no safe place to go and financial obstacles make it difficult to rebuild lives, this funding is needed to help support a continuum between emergency shelter and independent living.

In my home state of New Jersey, one act of domestic violence occurs approximately every six minutes and thirty-seven seconds. Nationally, it is estimated that a woman is beaten every fifteen seconds. Yet, many individuals and families fleeing domestic violence are forced to return to their abusers because of inadequate shelter or lack of money. Half of all homeless women and children are fleeing domestic violence. Even if they leave their abusers to go to a shelter, they often return home because the isolation from familiar surroundings, friends, and neighborhood resources makes them feel even more vulnerable. Shelters and transitional facilities are often located far from a victim's neighborhood. And, if emergency shelter is available, a supply of affordable housing and services are needed to keep women from having to return to a violent home.

The issue of homelessness for battered women goes beyond the ability to find a space in a domestic violence shelter. Because women escaping abusers often leave suddenly, they often have no money saved for a security deposit and first month's rent. This is especially problematic in New Jersey as rents are so expensive. New Jersey is the second most expensive state in the nation to rent a two-bedroom apartment and 45 percent of all New Jersey renters cannot afford the State's average rent for a two-bedroom apartment. And, many battered women may have to leave their jobs because of workplace stalking by their abusers. Women who leave violent situations often incur additional expenses as they must purchase clothing, cookware, and furniture. The lack of financial security hinders their ability to secure safe, decent, and affordable housing for themselves and their families.

This is why Senator's JEFFORDS, LANDRIEU, MURRAY, KERRY and I are introducing ''The Domestic Violence and Sexual Assault Victim's Housing Act of 2000.'' Under current law, domestic violence shelters must apply for federal homeless assistance along with

other organizations assisting the general homeless population. This legislation creates a specific grant targeted towards shelters providing assistance to individuals and families fleeing domestic violence, stalking, and sexual assault only. Funding is authorized through the Stewart B. McKinney Homeless Assistance Act for five years beginning at $50 million for fiscal year 2001. Non-profit, community-based housing organizations receive the funds through a competitive grant process administered by the Department of Housing and Urban Development. Groups would use the grant to provide emergency and transitional housing or direct financial assistance for rent, security deposit, and first month's rent. In addition, the legislation also requires organizations to provide a 25% match in funds for services such as child care, employment assistance, and healthcare. This assistance helps provide a stable home base so that those fleeing domestic violence learn new job skills, work full-time jobs, or search for adequate child care.

The Domestic Violence and Sexual Assault Victim's Housing Act of 2000 is supported by the National Coalition Against Domestic Violence and the NOW Legal Defense and Education Fund. Senators JEFFORDS, LANDRIEU, MURRAY, KERRY and I look forward to working with them and all others interested in helping us address the continuing national epidemic of domestic violence. I urge my colleagues to join us in our efforts to prevent victims of domestic violence from having to choose between violence and homelessness.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2112

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Domestic Violence and Sexual Assault Victims' Housing Act''.

SEC. 2. FINDINGS.

Congress finds as follows:

(1) Housing can prevent domestic violence and mitigate its effects. The connection between domestic violence and housing is overwhelming. Of all homeless women and children, 50 percent are fleeing domestic violence.

(2) Among cities surveyed, 44 percent identified domestic violence as a primary cause of homelessness.

(3) Women's poverty levels aggravate the problems of homelessness and domestic violence. Two out of three poor adults are women. Female-headed households are six times poorer than male-headed households. In 1996, of the 7,700,000 poor families in the country, 4,100,000 of them were single female-headed households. In addition, 5,100,000 poor women who are not in families are poor.

(4) Almost 50 percent of the women who receive Temporary Assistance to Needy Families funds cite domestic violence as a factor in the need for assistance.

(5) Many women who flee violence are forced to return to their abusers because of inadequate shelter or lack of money. Even if they leave their abusers to go to a shelter, they often return home because the isolation from familiar surroundings, friends, and neighborhood resources makes them feel even more vulnerable. Shelters and transitional housing facilities are often located far from a domestic violence victim's neighborhood. While this placement may be deliberate to protect domestic violence victims from their abusers, it can also be intimidating and alienating for a woman to leave her home, community, cultural support system, and all that she knows for shelter way across town. Thus, women of color and immigrant women are less likely to become shelter residents.

(6) Women who do leave their abusers lack adequate emergency shelter options. The overall number of emergency shelter beds for homeless people is estimated to have decreased by an average of 3 percent in 1997 while requests for shelter increased on the average by 3 percent. Emergency shelters struggle to meet the increased need for services with about 32 percent of the requests for shelter by homeless families going unmet. In fact 88 percent of cities reported having to turn away homeless families from emergency shelters due to inadequate resources for services.

(7) Battered women and their children comprise an increasing proportion of the emergency shelter population. Many emergency shelters have strict time limits that require women to find alternative housing immediately forcing them to separate from their children.

(8) A stable, sustainable home base is crucial for women who have left situations of domestic violence and are learning new job skills, participating in educational programs, working full-time jobs, or searching for adequate child care in order to gain self-sufficiency. Transitional housing resources and services provide a continuum between emergency shelter provision and independent living.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

For purposes of section 4, the authorization of appropriations under section 429(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11389(a)) shall be increased by $50,000,000 for fiscal year 2001 and by such sums as may be necessary for fiscal years 2002 through 2005.

SEC. 4. USE OF AMOUNTS FOR HOUSING ASSISTANCE FOR VICTIMS OF DOMESTIC VIOLENCE, STALKING, OR ADULT OR CHILD SEXUAL ASSAULT.

(a) IN GENERAL.—The additional amounts to be made available by section 3 under section 429 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11389) shall be made available by the Secretary only to qualified, nonprofit, nongovernmental organizations (as such term is defined in section 5) only for the purpose of providing supportive housing (as such term is referred to in subchapter IV of part C of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384)) and tenant-based rental assistance, financial assistance for security deposit, first month's rent, or ongoing rental assistance on behalf of individuals or families victimized by domestic violence, stalking, or adult or child sexual assault (as such terms are defined in section 5) who have left or are leaving a residence as a result of the domestic violence, stalking, or adult or child sexual assault. Each organization shall be required to supplement the assistance provided under this subsection with a 25 percent match of funds for supportive services (as such term is referred to in subchapter IV of part C of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11385)) from sources other than this subsection. Each organization shall certify to the Secretary its compliance with this subsection and shall include with the certification a description of the sources and amounts of such supplemental funds.

(b) DETERMINATION.—For purposes of subsection (a), an individual or a family victimized by domestic violence, stalking, or adult or child sexual assault shall be considered to have left or to be leaving a residence as a result of domestic violence, stalking, or adult or child sexual assault if the qualified, nonprofit, nongovernmental organization providing support, including tenant-based rental assistance, financial assistance for security deposit, first month's rent, or ongoing rental assistance under subsection (a) determines that the individual or member of the family who was a victim of the domestic violence, stalking, or adult or child sexual assault reasonably believes that relocation from such residence will assist in avoiding future domestic violence, stalking, or adult or child sexual assault against such individual or another member of the family.

(c) ALLOCATION.—Amounts made available pursuant to subsection (a) shall be allocated by the Secretary on the basis of a national competition among the qualified, nonprofit, nongovernmental organizations that submit applications to the Secretary that best demonstrate a need for such assistance, including the extent of service provided to underserved populations as defined in section 2003(7) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2(7)) and the ability to undertake and carry out a program under subsection (a), as the Secretary shall determine. Of the total funds appropriated under section 3 in any of the enumerated fiscal years, at least 5 percent shall be used for grants to Indian tribes or Indian tribal organizations that provide emergency shelter, transitional housing, or permanent housing or supportive services to individuals or families victimized by domestic violence, stalking, or adult or child sexual assault and Indian tribes or Indian tribal organizations which receive such grants may apply for and receive other grants from the total funds appropriated under this Act. All other grants awarded shall go to qualified, nonprofit, nongovernmental organizations. If, at the end of the 6th month of any fiscal year for which sums are appropriated under section 3, the amount appropriated has not been made available to a qualified, nonprofit, nongovernmental organization under subsection (a) for purposes outlined therein, the Secretary shall reallot such amount to qualified, nonprofit, nongovernmental organizations that are eligible for funding under subchapter IV of part C of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11381–11389). Funds made available by the Secretary through reallotment under the preceding sentence shall remain available for expenditure until the end of the fiscal year following the fiscal year in which such funds become available for reallotment.

SEC. 5. DEFINITIONS.

For purposes of this Act:

(1) DOMESTIC VIOLENCE.—The term ''domestic violence'' includes acts or threats of violence or extreme cruelty (as such term is referred to in section 216 of the Immigration and Nationality Act (8 U.S.C. 1186a)), not including acts of self-defense, committed by a current or former spouse of the victim, by a person with whom the victim has a child in common, by a person who is cohabiting with or has cohabited with the victim, by a person who is or has been in a continuing social relationship of a romantic or intimate nature

with the victim, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, or by any other person against a victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

(2) FAMILY VICTIMIZED BY DOMESTIC VIOLENCE, STALKING, OR ADULT OR CHILD SEXUAL ASSAULT.—

(A) IN GENERAL.—The term ''family victimized by domestic violence, stalking, or adult or child sexual assault'' means a family or household that includes an individual who has been determined under subparagraph (B) to have been a victim of domestic violence, stalking, or adult or child sexual assault, but does not include any individual described in paragraph (1), (2), or (3) who committed the domestic violence, sexual assault, or adult or child sexual assault. The term includes any such family or household in which only a minor or minors are the individual or individuals who was or were a victim of domestic violence, stalking, or sexual assault only if such family or household also includes a parent, stepparent, legal guardian, or other responsible caretaker for the child.

(B) DETERMINATION THAT FAMILY OR INDIVIDUAL WAS A VICTIM OF DOMESTIC VIOLENCE, STALKING, OR ADULT OR CHILD SEXUAL ASSAULT.—For purposes of subparagraph (A), a determination under this subparagraph is a determination that domestic violence, stalking, or adult or child sexual assault has been committed, which is made by any agency or official of a State, Indian tribe, tribal organization, or unit of general local government based upon—

(i) information provided by any medical, legal, counseling, or other clinic, shelter, sexual assault program or other program or entity licensed, recognized, or authorized by the State, Indian tribe, tribal organization, or unit of general local government to provide services to victims of domestic violence, stalking, or adult or child sexual assault;

(ii) information provided by any agency of the State, Indian tribe, tribal organization, unit of general local government, or qualified, nonprofit, nongovernmental organization that provides or administers the provision of social, medical, legal, or health services;

(iii) information provided by any clergy;

(iv) information provided by any hospital, clinic, medical facility, or doctor licensed or authorized by the State, Indian tribe, tribal organization, or unit of general local government to provide medical services;

(v) a petition, application, or complaint filed in any State, Federal, or tribal court or administrative agency, documents or records of action or decision of any court, law enforcement agency, or administrative agency, including any record of any protective order, injunction, or temporary or final order issued by civil or criminal courts, any self-petition or any police report; or

(vi) any other reliable evidence that domestic violence, stalking, or adult or child sexual assault has occurred.

A victim's statement that domestic violence, stalking, or adult or child sexual assault has occurred shall be sufficient unless the agency has an independent, reasonable basis to find the individual not credible.

(3) INDIAN TRIBE.—The term ''Indian tribe'' shall have the same meaning given the term in section 2002(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2(3)).

(4) QUALIFIED, NONPROFIT, NONGOVERNMENTAL ORGANIZATION.—The term ''qualified, nonprofit, nongovernmental organization'' means a private organization that—

(A) is organized, or has as one of its primary purposes, to provide emergency shelter, transitional housing, or permanent housing for victims of domestic violence, stalking, or adult or child sexual assault or is a medical, legal, counseling, social, psychological, health, job training, educational, life skills development, or other clinical services program for victims of domestic violence, stalking, or adult or child sexual assault that undertakes a collaborative project with a qualified, nonprofit, nongovernmental organization that primarily provides emergency shelter, transitional housing, or permanent housing for low-income people;

(B) is organized under State, tribal, or local laws;

(C) has no part of its net earnings inuring to the benefit of any member, shareholder, founder, contributor, or individual;

(D) is approved by the Secretary as to financial responsibility; and

(E) demonstrates experience in providing services to victims of domestic violence, stalking, or adult or child sexual assault.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(6) SEXUAL ASSAULT.—The term ''sexual assault'' means any conduct proscribed by chapter 109A of title 18, United States Code, whether or not the conduct occurs in the special maritime and territorial jurisdiction of the United States, on an Indian reservation, or in a Federal prison and includes both assaults committed by offenders who are strangers to the victims and assaults committed by offenders who are known to the victims or related by blood or marriage to the victim.

(7) STALKING.—The term ''stalking'' means engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear death, sexual assault, or bodily injury to himself or herself or a member of his or her immediate family, when the person engaging in such conduct has knowledge or should have knowledge that the specific person will be placed in reasonable fear of death, sexual assault, or bodily injury to himself or herself or a member of his or her immediate family and when the conduct induces fear in the specific person of death, sexual assault, or bodily injury to himself or herself or a member of his or her immediate family.

(8) STATE.—The term ''State'' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(9) TRANSITIONAL HOUSING.—The term ''transitional housing'' includes short-term housing and is given the meaning of subchapter IV, part C of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(b)).

(10) TRIBAL ORGANIZATION.—The term ''tribal organization'' means a private, nonprofit, nongovernmental, or tribally chartered organization—

(A) whose primary purpose is to provide emergency shelter, transitional housing, or permanent housing or supportive services to individuals or families victimized by domestic violence, stalking, or adult or child sexual assault;

(B) that operates within the exterior boundaries of an Indian reservation; and

(C) whose board of directors reflects the population served.

(11) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' has the meaning given the term in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).●

ADDITIONAL COSPONSORS

S. 60

At the request of Mr. GRASSLEY, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 60, a bill to amend the Internal Revenue Code of 1986 to provide equitable treatment for contributions by employees to pension plans.

S. 132

At the request of Ms. SNOWE, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 132, a bill to amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women.

S. 309

At the request of Ms. LANDRIEU, her name was added as a cosponsor of S. 309, a bill to amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence.

S. 345

At the request of Mr. ALLARD, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 542

At the request of Mr. ABRAHAM, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 542, a bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers.

S. 577

At the request of Mr. HATCH, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Texas (Mrs. HUTCHISON), the Senator from Georgia (Mr. CLELAND), and the Senator from North Dakota (Mr. DORGAN) were added as cosponsors of S. 577, a bill to provide for injunctive relief in Federal district court to enforce State laws relating to the interstate transportation of intoxicating liquor.

S. 660

At the request of Mr. BINGAMAN, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 660, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the medicare program of medical nutrition therapy services furnished by registered dietitians and nutrition professionals.

S. 792

At the request of Mr. MOYNIHAN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 792, a bill to amend title IV of

the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes.

S. 820

At the request of Mr. CHAFEE, LINCOLN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 820, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 1109

At the request of Mr. MCCONNELL, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1109, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1128

At the request of Mr. KYL, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from Maine (Ms. SNOWE), and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 1128, a bill to amend the Internal Revenue Code of 1986 to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to provide for a carryover basis at death, and to establish a partial capital gains exclusion for inherited assets.

S. 1262

At the request of Mr. REED, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1262, a bill to amend the Elementary and Secondary Education Act of 1965 to provide up-to-date school library medial resources and well-trained, professionally certified school library media specialists for elementary schools and secondary schools, and for other purposes.

S. 1357

At the request of Mr. JEFFORDS, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1357, a bill to amend the Internal Revenue Code of 1986 to enhance the portability of retirement benefits, and for other purposes.

S. 1593

At the request of Mr. DODD, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1593, a bill to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

S. 1696

At the request of Mr. MOYNIHAN, the name of the Senator from Texas (Mr. GRAMM) was added as a cosponsor of S. 1696, a bill to amend the Convention on Cultural Property Implementation Act to improve the procedures for restricting imports of archaeological and ethnological material.

S. 1762

At the request of Mr. COVERDELL, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1762, a bill to amend the Watershed Protection and Flood Prevention Act to authorize the Secretary of Agriculture to provide cost share assistance for the rehabilitation of structural measures constructed as part of water resources projects previously funded by the Secretary under such Act or related laws.

S. 1946

At the request of Mr. INHOFE, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 1946, a bill to amend the National Environmental Education Act to redesignate that Act as the ''John H. Chafee Environmental Education Act'', to establish the John H. Chafee Memorial Fellowship Program, to extend the programs under that Act, and for other purposes.

S. 2003

At the request of Mr. JOHNSON, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 2003, a bill to restore health care coverage to retired members of the uniformed services.

S. 2018

At the request of Mrs. HUTCHISON, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2018, a bill to amend title XVIII of the Social Security Act to revise the update factor used in making payments to PPS hospitals under the medicare program.

S. 2031

At the request of Mr. DODD, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 2031, a bill to amend the Fair Labor Standards Act of 1938 to prohibit the issuance of a certificate for subminimum wages for individuals with impaired vision or blindness.

S. 2037

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2037, a bill to amend title XVIII of the Social Security Act to extend the option to use rebased target amounts to all sole community hospitals.

S. 2050

At the request of Mr. ROBB, his name was added as a cosponsor of S. 2050, a bill to establish a panel to investigate illegal gambling on college sports and to recommend effective countermeasures to combat this serious national problem.

S. RES. 87

At the request of Mr. DURBIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. Res. 87, a resolution commemorating the 60th Anniversary of the International Visitors Program.

S. RES. 128

At the request of Mr. CHAFEE, LINCOLN, his name was added as a cosponsor of S. Res. 128, a resolution designating March 2000, as ''Arts Education Month.''

S. RES. 248

At the request of Mr. ROBB, the names of the Senator from North Carolina (Mr. EDWARDS), the Senator from New York (Mr. MOYNIHAN), and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. Res. 248, a resolution to designate the week of May 7, 2000, as ''National Correctional Officers and Employees Week.''

SENATE RESOLUTION 263—EXPRESSING THE SENSE OF THE SENATE THAT THE PRESIDENT SHOULD COMMUNICATE TO THE MEMBERS OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (''OPEC'') CARTEL AND NON-OPEC COUNTRIES THAT PARTICIPATE IN THE CARTEL OF CRUDE OIL PRODUCING COUNTRIES, BEFORE THE MEETING OF THE OPEC NATIONS IN MARCH 2000, THE POSITION OF THE UNITED STATES IN FAVOR OF INCREASING WORLD CRUDE OIL SUPPLIES SO AS TO ACHIEVE STABLE CRUDE OIL PRICES

Mr. ASHCROFT (for himself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. SANTORUM, Mr. HUTCHINSON, Mr. SMITH of New Hampshire, and Mr. GRAMS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 263

Whereas the United States currently imports roughly 55 percent of its crude oil;

Whereas ensuring access to and stable prices for imported crude oil for the United States and major allies and trading partners of the United States is a continuing critical objective of United States foreign and economic policy for the foreseeable future;

Whereas the 11 countries that make up the Organization of Petroleum Exporting Countries (''OPEC'') produce 40 percent of the world's crude oil and control 77 percent of proven reserves, including much of the spare production capacity;

Whereas beginning in March 1998, OPEC instituted 3 tiers of production cuts, which reduced production by 4,300,000 barrels per day and have resulted in dramatic increases in crude oil prices;

Whereas in August 1999, crude oil prices had reached $21 per barrel and continued rising, exceeding $25 per barrel by the end of 1999 and $27 per barrel during the first week of February 2000;

Whereas crude oil prices in the United States rose $14 per barrel during 1999, the equivalent of 33 cents per gallon;

Whereas the increase has translated into higher prices for gasoline and other refined petroleum products; in the case of gasoline, the increases in crude oil prices have resulted in a penny-for-penny passthrough of increases at the pump;

Whereas increases in the price of crude oil result in increases in prices paid by United States consumers for refined petroleum

products, including home heating oil, gasoline, and diesel fuel;

Whereas increases in the costs of refined petroleum products have a negative effect on many Americans, including the elderly and individuals of low income (whose home heating oil costs have doubled in the last year), families who must pay higher prices at the gas station, farmers (already hurt by low commodity prices, trying to factor increased costs into their budgets in preparation for the growing season), truckers (who face an almost 10-year high in diesel fuel prices), and manufacturers and retailers (who must factor in increased production and transportation costs into the final price of their goods): Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should immediately communicate to the members of the Organization of Petroleum Exporting Countries (''OPEC'') cartel and non-OPEC countries that participate in the cartel of crude oil producing countries that—

(A) the United States seeks to maintain strong relations with crude oil producers around the world while promoting international efforts to remove barriers to energy trade and investment and increased access for United States energy firms around the world;

(B) the United States believes that restricting supply in a market that is in demand of additional crude oil does serious damage to the efforts that OPEC members have made to demonstrate that they represent a reliable source of crude oil supply;

(C) the United States believes that stable crude oil prices and supplies are essential for strong economic growth throughout the world; and

(D) the United States seeks an immediate lifting of the OPEC crude oil production quotas;

(2) the President should review administrative policies that may put an undue burden on domestic crude oil producers, and should consider lifting unnecessary regulations that interfere with the ability of United States energy industries to supply a greater percentage of the energy needs of the United States; and

(3) the Senate, when it considers the fiscal year 2001 Federal budget, should appropriate sufficient funds for the development of alternative energy resources, including measures to increase the use of biofuels and other renewable resources, to reduce the dependence of the United States on foreign energy sources.

AMENDMENTS SUBMITTED

THE AFFORDABLE EDUCATION ACT OF 1999

HATCH AMENDMENT NO. 2823

(Ordered to lie on the table)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 1134) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount amount of contributions to such accounts; and for other purposes; as follows:

At the end of title II, insert:

SEC. . DEDUCTION FOR CERTAIN PROFESSIONAL DEVELOPMENT AND INCIDENTAL EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)(2) of section 62 (defining adjusted gross income) is amended by adding at the end the following new subparagraph:

''(D) CERTAIN PROFESSIONAL DEVELOPMENT AND INCIDENTAL EXPENSES FOR TEACHERS.—The deductions allowed by section 162 which consist of qualified professional development expenses paid or incurred by an eligible teacher.''.

(b) DEFINITIONS.—Section 62 is amended by adding at the end the following new subsection:

''(d) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (a)(2)(D)—

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

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

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

''(ii) qualified incidental expenses.

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

''(i) is—

''(I) at an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this subsection), or

''(II) a professional conference, and

''(ii) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the individual's teaching skills.

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

''(D) QUALIFIED INCIDENTAL EXPENSES.—

''(i) IN GENERAL.—The term 'qualified incidental expenses' means expenses in an amount not to exceed $125 for any taxable year for books, supplies, and equipment related to instruction, teaching, or other educational job-related activities of an eligible teacher.

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

''(2) ELIGIBLE TEACHER.—

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

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

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

HATCH (AND MACK) AMENDMENT NO. 2824

(Ordered to lie on the table.)

Mr. HATCH (for himself, and Mr. MACK) submitted an amendment intended to be proposed by them to the bill, S. 1134, supra; as follows:

At the end of title II, insert:

SEC. . ELIMINATION OF MARRIAGE PENALTY IN PHASEOUT OF EDUCATION LOAN INTEREST DEDUCTION.

(a) IN GENERAL.—Subparagraph (B) of section 221(b)(2) (relating to limitation based on modified adjusted gross income) is amended—

(1) by striking ''$60,000'' in clause (i)(II) and inserting ''$80,000'', and

(2) by inserting ''($30,000 in the case of a joint return)'' after ''$15,000'' in clause (ii).

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

ABRAHAM (AND WYDEN) AMENDMENT NO. 2825

(Ordered to lie on the table.)

Mr. ABRAHAM (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by them to the bill, S. 1134, supra; as follows:

At the appropriate place, insert:

SEC. . EXPANSION OF DEDUCTION FOR COMPUTER DONATIONS TO SCHOOLS.

(a) EXTENSION OF AGE OF ELIGIBLE COMPUTERS.—Section 170(e)(6)(B)(ii) (defining qualified elementary or secondary educational contribution) is amended by striking ''2 years'' and inserting ''3 years''.

(b) REACQUIRED COMPUTERS ELIGIBLE FOR DONATION.—Section 170(e)(6)(B)(iii) (defining qualified elementary or secondary educational contribution) is amended by inserting '', the person from whom the donor reacquires the property,'' after ''the donor''.

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

SEC. . CREDIT FOR COMPUTER DONATIONS TO SCHOOLS AND SENIOR CENTERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

''SEC. 45D. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS AND SENIOR CENTERS.

''(a) GENERAL RULE.—For purposes of section 38, the computer donation credit determined under this section is an amount equal to 30 percent of the qualified computer contributions made by the taxpayer during the taxable year as determined after the application of section 170(e)(6)(A).

''(b) QUALIFIED COMPUTER CONTRIBUTION.—For purposes of this section, the term 'qualified computer contribution' has the meaning given the term 'qualified elementary or secondary educational contribution' by section 170(e)(6)(B), except that—

''(1) such term shall include the contribution of a computer (as defined in section 168(i)(2)(B)(ii)) only if computer software (as defined in section 197(e)(3)(B)) that serves as a computer operating system has been lawfully installed in such computer, and

''(2) notwithstanding clauses (i) and (iv) of section 170(e)(6)(B), such term shall include the contribution of computer technology or equipment to multipurpose senior centers (as defined in section 102(35) of the Older Americans Act of 1965 (42 U.S.C. 3002(35)) described in section 501(c)(3) and exempt from tax under section 501(a) to be used by individuals who have attained 60 years of age to improve job skills in computers.

''(c) INCREASED PERCENTAGE FOR CONTRIBUTIONS TO ENTITIES IN EMPOWERMENT ZONES, ENTERPRISE COMMUNITIES, AND INDIAN RESERVATIONS.—In the case of a qualified computer contribution to an entity located in an empowerment zone or enterprise community designated under section 1391 or an Indian

reservation (as defined in section 168(j)(6)), subsection (a) shall be applied by substituting '50 percent' for '30 percent'.

''(d) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply.

''(e) TERMINATION.—This section shall not apply to taxable years beginning on or after the date which is 3 years after the date of the enactment of the [New Millennium Classrooms Act].''

(b) CURRENT YEAR BUSINESS CREDIT CALCULATION.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the computer donation credit determined under section 45D(a).''

(c) DISALLOWANCE OF DEDUCTION BY AMOUNT OF CREDIT.—Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following:

''(d) CREDIT FOR COMPUTER DONATIONS.—No deduction shall be allowed for that portion of the qualified computer contributions (as defined in section 45D(b)) made during the taxable year that is equal to the amount of credit determined for the taxable year under section 45D(a). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.''

(d) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF COMPUTER DONATION CREDIT BEFORE EFFECTIVE DATE.—No amount of unused business credit available under section 45D may be carried back to a taxable year beginning on or before the date of the enactment of this paragraph.''

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45C the following:

''Sec. 45D. Credit for computer donations to schools and senior centers.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after the date of the enactment of this Act.

TORRICELLI AMENDMENT NO. 2826

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

At the end of title II, add the following:

SEC. . CERTIFIED TEACHER CREDIT.

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

(1) Studies have shown that the greatest single in-school factor affecting student achievement is teacher quality.

(2) Most accomplished teachers do not get the rewards they deserve.

(3) After adjusting amounts for inflation, the average teacher salary for 1997–1998 of $39,347 is just $2 above what it was in 1993. Such salary is also just $1,924 more than the average salary recorded in 1972, a real increase of only $75 per year.

(4) While K–12 enrollments are steadily increasing, the teacher population is aging. There is a need, now more than ever, to attract competent, capable, and bright college graduates or mid-career professionals to the teaching profession.

(5) The Department of Education projects that 2,000,000 new teachers will have to be hired in the next decade. Shortages, if they occur, will most likely be felt in urban or rural regions of the country where working conditions may be difficult or compensation low.

(6) If our students are to receive a high quality education and remain competitive in the global market we must attract talented and motivated people to the teaching profession in large numbers.

(b) GENERAL RULE.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. CERTIFIED TEACHER CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an eligible teacher, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year $5,000.

''(2) YEAR CREDIT ALLOWED.—The credit under paragraph (1) shall be allowed in the taxable year in which the individual becomes a certified individual.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE TEACHER.—

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

''(B) CERTIFIED INDIVIDUAL.—The term 'certified individual' means an individual who has successfully completed the requirements for advanced certification provided by the National Board for Professional Teaching Standards.

''(2) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means a public elementary or secondary school which—

''(A) is located in a school district of a local educational agency which is eligible, during the taxable year, for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), and

''(B) during the taxable year, the Secretary of Education determines to have an enrollment of children counted under section 1124(c) of such Act (20 U.S.C. 6333(c)) in an amount in excess of an amount equal to 40 percent of the total enrollment of such school.

''(c) VERIFICATION.—The credit allowed by subsection (a) shall be allowed with respect to any certified individual only if the certification is verified in such manner as the Secretary shall prescribe by regulation.

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

(c) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or'' before ''enacted'' and by inserting before the period at the end '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Certified teacher credit.

''Sec. 36. Overpayments of tax.''

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

MACK (AND HATCH) AMENDMENT NO. 2827

(Ordered to lie on the table.)

Mr. MACK (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them to the bill, S. 1134, supra; as follows:,

In subsection (a) of section 101, add at the end the following:

(4) ELIMINATION OF THE MARRIAGE PENALTY IN THE REDUCTION IN PERMITTED CONTRIBUTIONS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended—

(A) by striking ''$150,000'' in subparagraph (A)(ii) and inserting ''$190,000'', and

(B) by striking ''$10,000'' in subparagraph (B) and inserting ''$30,000''.

GRAMM AMENDMENT NO. 2828

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

Strike section 303.

ROBB AMENDMENTS NOS. 2829–2830

(Ordered to lie on the table.)

Mr. ROBB submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2829

Beginning on page 4, strike subsection (b) and insert:

(b) 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 (5)). Such expenses shall be reduced as provided in section 25A(g)(2).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).''.

''(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

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) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

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

''(i) expenses for 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 school, and

''(ii) expenses for transportation, and supplementary items and services (including extended day programs) which are required or provided by a public school in connection with such enrollment or attendance

''(B) SCHOOL.—The term 'school' means any public 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:

''(E) 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, 1999, and before January 1, 2004, 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.—Section 530 is amended—

(A) by striking ''higher'' each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking ''HIGHER'' in the heading for subsection (d)(2).

AMENDMENT NO. 2830

Strike section 101 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, 2000, and ending before January 1, 2004).''

(3) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking ''$500'' and inserting ''the contribution limit (as defined in section 530(b)(4)) 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 and paragraphs (5) and (6) of subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(c) ENTITIES 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) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

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

''(5) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).''

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

''(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and'', and

(B) by striking ''DUE DATE OF RETURN'' in the heading and inserting ''JUNE''.

(e) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

''(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

''(i) CREDIT COORDINATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), subparagraph (A) shall not apply for any taxable year to any qualified higher education expenses with respect to any individual if a credit is allowed under section 25A with respect to such expenses for such taxable year.

''(II) SPECIAL COORDINATION RULE.—In the case of any taxable year beginning after December 31, 2000, and before January 1, 2004, subclause (I) shall not apply, but the total amount of qualified higher education expenses otherwise taken into account under subparagraph (A) with respect to an individual for such taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If the aggregate distributions to which subparagraph (A) and section 529(c)(3)(B) apply exceed the total amount of qualified higher education expenses otherwise taken into account under subparagraph (A) (after the application of clause (i)) with respect to an individual for any taxable year, the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

''(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.''

(B) Section 135(d)(2)(A) is amended by striking ''allowable'' and inserting ''allowed''.

(C) Section 530(b)(2)(A) is amended by striking '', reduced as provided in section 25A(g)(2)''.

(D) Section 530(d)(2)(D) is amended—

(i) by striking ''or credit'', and

(ii) by striking ''CREDIT OR'' in the heading.

(E) Section 4973(e)(1) is amended by adding ''and'' at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

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

SEC. 101A. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

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

(1) Record numbers of students are enrolled in our Nation's elementary and secondary schools and that record is expected to be broken every year through 2007. The record numbers are straining many school facilities. Addressing that growth will require an increasing commitment of resources to build and modernize schools, and to hire and train new teachers. In addition, the increasing use of technology in the workplace is creating new demands to incorporate computers and other high-technology equipment into the classroom and into curricula.

(2) The General Accounting Office (in this section referred to as the ''GAO'') has performed a comprehensive survey of the Nation's public elementary and secondary school facilities and has found severe levels of disrepair in all areas of the United States. The GAO report concluded that more than 14,000,000 children attend schools in need of extensive repair or replacement, 7,000,000 children attend schools with life safety code violations, and 12,000,000 children attend schools with leaky roofs.

(3) The General Accounting Office has found the problem of crumbling schools transcends demographic and geographic boundaries. At 38 percent of urban schools, 30 percent of rural schools, and 29 percent of suburban schools, at least one building is in need of extensive repair or should be completely replaced.

(4) The condition of school facilities has a direct effect on the safety of students and teachers and on the ability of students to learn. Academic research has provided a direct correlation between the condition of school facilities and student achievement. At Georgetown University, researchers have found the test scores of students assigned to schools in poor condition can be expected to fall 10.9 percentage points below the test scores of students in buildings in excellent condition. Similar studies have demonstrated up to a 20 percent improvement in test scores when students were moved from a poor facility to a new facility.

(5) Furthermore, a recent study by the Environmental Working Group concluded that portable trailers, utilized by many school districts to accommodate school over-crowding, can ''expose children to toxic chemicals at levels that pose an unacceptable risk of cancer or other serious illnesses.'' Because ventilation in portable trailers is poor, the pollution through the build-up of toxins can be significant. This is particularly hazardous to those children who have asthma. The prevalence of asthma in children increased by 160 percent between 1980 and 1994. The report also stated, ''Schools are facing two epidemics: an epidemic of deteriorating facilities and an epidemic of asthma among children.''

(6) The General Accounting Office has found most schools are not prepared to incorporate modern technology in the classroom. Forty-six percent of schools lack adequate electrical wiring to support the full-scale use of technology. More than a third of schools lack the requisite electrical power. Fifty-six percent of schools have insufficient phone lines for modems.

(7) The Department of Education has reported that elementary and secondary school enrollment, already at a record high level, will continue to grow over the next 10 years, and that in order to accommodate this growth, the United States will need to build an additional 2,400 schools.

(8) The General Accounting Office has determined the cost of bringing schools up to good, overall condition to be $112,000,000,000, not including the cost of modernizing schools to accommodate technology, or the cost of building additional facilities needed to meet record enrollment levels.

(9) Schools run by the Bureau of Indian Affairs (in this section referred to as the ''BIA'') for Native American children are also in dire need of repair and renovation. The General Accounting Office has reported that the cost of total inventory repairs needed for BIA facilities is $754,000,000. The December 1997 report by the Comptroller General of the United States states that, ''Compared with other schools nationally, BIA schools are generally in poorer physical condition, have more unsatisfactory environmental factors, more often lack key facilities requirements for education reform, and are less able to support computer and communications technology.''

(10) Across the Nation, schools will need to recruit and hire an additional 2,000,000 teachers during the period from 1998 through 2008. More than 200,000 teachers will be needed annually, yet current teacher development programs produce only 100,000 to 150,000 teachers per year. This level of recruitment is simply the level needed to maintain existing student-teacher ratios.

(11) The rapid growth in the student population, in addition to the imminent shortage of qualified teachers and recent efforts by Congress to help States reduce class size, present urgent infrastructure needs across the Nation.

(12) State and local financing mechanisms have proven inadequate to meet the challenges facing today's aging school facilities. Large numbers of local educational agencies have difficulties securing financing for school facility improvement.

(13) The Federal Government has provided resources for school construction in the past. For example, between 1933 and 1939, the Federal Government assisted in 70 percent of all new school construction.

(14) The Federal Government can support elementary and secondary school facilities without interfering in issues of local control, and should help communities leverage additional funds for the improvement of elementary and secondary school facilities.

(b) PUBLIC SCHOOL MODERNIZATION.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Public School Modernization Provisions

''Part I. Credit to holders of qualified public school modernization bonds.

''Part II. Qualified school construction bonds.

''Part III. Incentives for education zones.

"PART I—CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS

''Sec. 1400F. Credit to holders of qualified public school modernization bonds.

"SEC. 1400F. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified public school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified public school modernization bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified public school modernization bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND; CREDIT ALLOWANCE DATE.—For purposes of this section—

''(1) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND.—The term 'qualified public school modernization bond' means—

''(A) a qualified school construction bond, and

''(B) a qualified zone academy bond.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(e) OTHER DEFINITIONS.—For purposes of this subchapter—

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) PUBLIC SCHOOL FACILITY.—The term 'public school facility' shall not include any facility which is not owned by a State or local government or any agency or instrumentality of a State or local government.

''(f) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(g) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(h) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified public school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified public school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''(i) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding qualified public school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(j) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

''(k) CREDIT TREATED AS ALLOWED UNDER PART IV OF SUBCHAPTER A.—For purposes of subtitle F, the credit allowed by this section shall be treated as a credit allowable under part IV of subchapter A of this chapter.

''(l) REPORTING.—Issuers of qualified public school modernization bonds shall submit reports similar to the reports required under section 149(e).

''(m) TERMINATION.—This section shall not apply to any bond issued after September 30, 2005.

"PART II—QUALIFIED SCHOOL CONSTRUCTION BONDS

''Sec. 1400G. Qualified school construction bonds.

"SEC. 1400G. QUALIFIED SCHOOL CONSTRUCTION BONDS.

''(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—For purposes of this subchapter, the term 'qualified school construction bond' means any bond issued as part of an issue if—

''(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

''(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

''(3) the issuer designates such bond for purposes of this section, and

''(4) the term of each bond which is part of such issue does not exceed 15 years.

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

''(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

''(2) if such issuer is a large local educational agency (as defined in subsection (e)(4)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

''(c) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

''(1) $11,800,000,000 for 2001,

''(2) $11,800,000,000 for 2005, and

''(3) except as provided in subsection (f), zero after 2001 and before 2005, and after 2005.

''(d) SIXTY-FIVE PERCENT OF LIMITATION ALLOCATED AMONG STATES.—

''(1) IN GENERAL.—Sixty-five percent of the limitation applicable under subsection (c) for any calendar year shall be allocated among the States under paragraph (2) by the Secretary. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State to issuers within such State and such allocations may be made only if there is an approved State application.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year. For purposes of the preceding sentence, Basic Grants attributable to large local educational agencies (as defined in subsection (e)) shall be disregarded.

''(3) MINIMUM ALLOCATIONS TO STATES.—

''(A) IN GENERAL.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

''(i) the amount allocated to such State under this subsection for such year, and

''(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of the amount to be allocated under paragraph (1) for the calendar year.

''(B) MINIMUM PERCENTAGE.—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

''(4) ALLOCATIONS TO CERTAIN POSSESSIONS.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

''(5) ALLOCATIONS FOR INDIAN SCHOOLS.—In addition to the amounts otherwise allocated under this subsection, $200,000,000 for calendar year 2001, and $200,000,000 for calendar year 2005, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7871) shall be treated as qualified issuers for purposes of this subchapter.

''(6) APPROVED STATE APPLICATION.—For purposes of paragraph (1), the term 'approved State application' means an application which is approved by the Secretary of Education and which includes—

''(A) the results of a recent publicly-available survey (undertaken by the State with the involvement of local education officials, members of the public, and experts in school construction and management) of such State's needs for public school facilities, including descriptions of—

''(i) health and safety problems at such facilities,

''(ii) the capacity of public schools in the State to house projected enrollments, and

''(iii) the extent to which the public schools in the State offer the physical infrastructure needed to provide a high-quality education to all students, and

''(B) a description of how the State will allocate to local educational agencies, or otherwise use, its allocation under this subsection to address the needs identified under subparagraph (A), including a description of how it will—

''(i) give highest priority to localities with the greatest needs, as demonstrated by inadequate school facilities coupled with a low level of resources to meet those needs,

''(ii) use its allocation under this subsection to assist localities that lack the fiscal capacity to issue bonds on their own, and

''(iii) ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair in the State that would have occurred in the absence of such allocation.

Any allocation under paragraph (1) by a State shall be binding if such State reasonably determined that the allocation was in accordance with the plan approved under this paragraph.

''(e) THIRTY-FIVE PERCENT OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.—

''(1) IN GENERAL.—Thirty-five percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year. No qualified school construction bond may be issued by reason of an allocation to a large local educational agency under the preceding sentence unless such agency has an approved local application.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

''(3) ALLOCATION OF UNUSED LIMITATION TO STATE.—The amount allocated under this subsection to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in subsection (d)(1).

''(4) LARGE LOCAL EDUCATIONAL AGENCY.—For purposes of this section, the term 'large local educational agency' means, with respect to a calendar year, any local educational agency if such agency is—

''(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

''(B) 1 of not more than 25 local educational agencies (other than those described in subparagraph (A)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

''(5) APPROVED LOCAL APPLICATION.—For purposes of paragraph (1), the term 'approved local application' means an application which is approved by the Secretary of Education and which includes—

''(A) the results of a recent publicly-available survey (undertaken by the local educational agency or the State with the involvement of school officials, members of the public, and experts in school construction and management) of such agency's needs for public school facilities, including descriptions of—

''(i) the overall condition of the local educational agency's school facilities, including health and safety problems,

''(ii) the overcrowded conditions of the agency's schools and the capacity of such schools to house projected enrollments, and

''(iii) the extent to which the agency's schools offer the physical infrastructure needed to provide a high-quality education to all students,

''(B) a description of how the local educational agency will use its allocation under this subsection to address the needs identified under subparagraph (A), including a description of how the agency will—

''(i) give high priority to localities with the greatest needs, as demonstrated by inadequate school facilities coupled with a low level of resources to meet those needs,

''(ii) use its allocation under this subsection to assist localities that lack the fiscal capacity to issue bonds on their own,

''(iii) ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair in the State that would have occurred in the absence of such allocation, and

''(iv) ensure that the needs of both rural and urban areas are recognized, and

''(C) a description of how the local educational agency will ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, or repair in the locality that would have occurred in the absence of such allocation.

A rule similar to the rule of the last sentence of subsection (d)(6) shall apply for purposes of this paragraph.

''(f) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(1) the amount allocated under subsection (d) to any State, exceeds

''(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (d)(5) or (e).

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

''(1) IN GENERAL.—A bond shall not be treated as failing to meet the requirement of subsection (a)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

''(2) BINDING COMMITMENT REQUIREMENT.—Paragraph (1) shall apply to an issue only if, as of the date of issuance, there is a reasonable expectation that—

''(A) at least 10 percent of the proceeds of the issue will be spent within the 6-month period beginning on such date for the purpose for which such issue was issued, and

''(B) the remaining proceeds of the issue will be spent with due diligence for such purpose.

''(3) EARNINGS ON PROCEEDS.—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (a)(1) and paragraph (1) of this subsection.

''PART III—INCENTIVES FOR EDUCATION ZONES

''Sec. 1400H. Qualified zone academy bonds.

''SEC. 1400H. QUALIFIED ZONE ACADEMY BONDS.

''(a) QUALIFIED ZONE ACADEMY BOND.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'qualified zone academy bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

''(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

''(C) the issuer—

''(i) designates such bond for purposes of this section,

''(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

''(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

''(D) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1400G(g) shall apply for purposes of paragraph (1).

''(2) PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

''(B) QUALIFIED CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'qualified contribution' means any contribution (of a type and quality acceptable to the local educational agency) of—

''(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

''(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

''(iii) services of employees as volunteer mentors,

''(iv) internships, field trips, or other educational opportunities outside the academy for students, or

''(v) any other property or service specified by the local educational agency.

''(3) QUALIFIED ZONE ACADEMY.—The term 'qualified zone academy' means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

''(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

''(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

''(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

''(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

''(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the Richard B. Russell National School Lunch Act.

''(4) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified zone academy—

''(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

''(B) acquiring the land on which such facility is to be constructed with part of the proceeds of such issue,

''(C) providing equipment for use at such academy,

''(D) developing course materials for education to be provided at such academy, and

''(E) training teachers and other school personnel in such academy.

''(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

''(A) $400,000,000 for 1998,

''(B) $400,000,000 for 1999,

''(C) $400,000,000 for 2000,

''(D) $400,000,000 for 2001, and

''(C) except as provided in paragraph (3), zero after 2001.

''(2) ALLOCATION OF LIMITATION.—

''(A) ALLOCATION AMONG STATES.—

''(i) 1998 AND 1999 LIMITATIONS.—The national zone academy bond limitations for calendar years 1998 and 1999 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

''(ii) LIMITATION AFTER 1999.—The national zone academy bond limitation for any calendar year after 1999 shall be allocated by the Secretary among the States in the manner prescribed by section 1400G(d); except that in making the allocation under this clause, the Secretary shall take into account—

''(I) Basic Grants attributable to large local educational agencies (as defined in section 1400G(e)(4)).

''(II) the national zone academy bond limitation.

''(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State education agency to qualified zone academies within such State.

''(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

''(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(A) the limitation amount under this subsection for any State, exceeds

''(B) the amount of bonds issued during such year which are designated under subsection (a) (or the corresponding provisions of prior law) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess. Any carryforward of a limitation amount may be carried only to the first 2 years (3 years for carryforwards from 1998 or 1999) following the unused limitation year. For purposes of the preceding sentence, a limitation amount shall be treated as used on a first-in first-out basis.''

(c) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400F(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400F(d)(2)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(d) CONFORMING AMENDMENTS.—

(1) Subchapter U of chapter 1 is amended by striking part IV, by redesignating part V as part IV, and by redesignating section 1397F as section 1397E.

(2) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter X. Public school modernization provisions.''

(3) The table of parts of subchapter U of chapter 1 is amended by striking the last 2 items and inserting the following item:

''Part IV. Regulations.''

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to obligations issued after December 31, 1999.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—In the case of bonds to which section 1397E of the Internal Revenue Code of 1986 (as in effect before the date of the enactment of this Act) applies, the limitation of such section to eligible taxpayers (as defined in subsection (d)(6) of such section) shall not apply after the date of the enactment of this Act.

SEC. 101C. PUBLIC SCHOOL REPAIR AND RENOVATION.

Title XII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8501 et seq.) is amended to read as follows:

"TITLE XII—PUBLIC SCHOOL REPAIR AND RENOVATION

"SEC. 12001. FINDINGS.

''Congress finds the following:

''(1) The General Accounting Office estimated in 1995 that it would cost $112,000,000,000 to bring our Nation's school facilities into good overall condition.

''(2) The General Accounting Office also found in 1995 that 60 percent of the Nation's schools, serving 28,000,000 students, reported that 1 or more building features, such as roofs and plumbing, needed to be extensively repaired, overhauled, or replaced.

''(3) The National Center for Education Statistics reported that the average age for a school building in 1998 was 42 years and that local educational agencies with relatively high rates of poverty tend to have relatively old buildings.

''(4) School condition is positively correlated with student achievement, according to a number of research studies.

''(5) The results of a recent survey indicate that the condition of schools with large proportions of students living on Indian lands is particularly poor.

''(6) While school repair and renovation are primarily a State and local concern, some States and communities are not, on their own, able to meet the burden of providing adequate school facilities for all students, and the poorest communities have had the greatest difficulty meeting this need. It is, therefore, appropriate for the Federal Government to provide assistance to high-need communities for school repair and renovation.

"SEC. 12002. PURPOSE.

''The purpose of this title is to assist high-need local educational agencies in making urgent repairs and renovations to public school facilities in order to—

''(1) reduce health and safety problems, including violations of State or local fire codes, faced by students; and

''(2) improve the ability of students to learn in their school environment.

"SEC. 12003. AUTHORIZED ACTIVITIES.

''(a) IN GENERAL.—A recipient of a grant or loan under this title shall use the grant or loan funds to carry out the purpose of this title by—

''(1) repairing or replacing roofs, electrical wiring, or plumbing systems;

''(2) repairing, replacing, or installing heating, ventilation, or air conditioning systems;

''(3) ensuring that repairs and renovations under this title comply with the requirements of section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 relating to the accessibility of public school programs to individuals with disabilities; and

''(4) making other types of school repairs and renovations that the Secretary may reasonably determine are urgently needed, particularly projects to correct facilities problems that endanger the health and safety of students and staff such as violations of State or local fire codes.

''(b) LIMITATION.—The Secretary shall not approve an application for a grant or loan under this title unless the applicant demonstrates to the Secretary's satisfaction that the applicant lacks sufficient funds, from other sources, to carry out the repairs or renovations for which the applicant is requesting assistance.

"SEC. 12004. GRANTS TO LOCAL EDUCATIONAL AGENCIES WITH HIGH CONCENTRATIONS OF STUDENTS LIVING ON INDIAN LANDS.

''(a) GRANTS AUTHORIZED.—From funds available under section 12008(a), the Secretary shall award grants to local educational agencies to enable the agencies to carry out the authorized activities described in section 12003 and subsection (e).

''(b) ELIGIBILITY.—A local educational agency is eligible for a grant under this section if the number of children determined under section 8003(a)(1)(C) of this Act for that agency constituted at least 50 percent of the number of children who were in average daily attendance at the schools of the agency during the preceding school year.

''(c) ALLOCATION OF FUNDS.—The Secretary shall allocate funds available to carry out this section to eligible local educational agencies based on their respective numbers of children in average daily attendance who are counted under section 8003(a)(1)(C) of this Act.

''(d) APPLICATIONS.—Each eligible local educational agency that desires to receive a grant under this section shall submit an application to the Secretary that includes—

''(1) a statement of how the agency will use the grant funds;

''(2) a description of the steps the agency will take to adequately maintain the facilities that the agency repairs, renovates, or constructs with those funds; and

''(3) such other information and assurances as the Secretary may reasonably require.

''(e) CONSTRUCTION OF NEW SCHOOLS.—In addition to any other activity authorized under section 12003, an eligible local educational agency may use grant funds received under this section to construct a new school if the agency demonstrates to the Secretary's satisfaction that the agency will replace an existing school that is in such poor condition that renovating the school will not be cost-effective.

"SEC. 12005. GRANTS TO HIGH-POVERTY LOCAL EDUCATIONAL AGENCIES.

''(a) GRANTS AUTHORIZED.—From funds available under section 12008(b)(1), the Secretary shall make grants, on a competitive basis, to local educational agencies with poverty rates of 20 percent or greater to enable the agencies to carry out the authorized activities described in section 12003.

''(b) CRITERIA FOR AWARDING GRANTS.—In making grants under this section, the Secretary shall consider—

''(1) the poverty rate, the need for school repairs and renovations, and the fiscal capacity of each local educational agency; and

''(2) such other factors as the Secretary determines appropriate.

''(c) APPLICATIONS.—Each eligible local educational agency that desires to receive a grant under this section shall submit an application to the Secretary that includes—

''(1) a description of the agency's urgent need for school repair and renovation and of how the agency will use funds available under this section to meet those needs;

''(2) information on the fiscal effort that the agency is making in support of education and evidence demonstrating that the agency lacks the capacity to meet the agency's urgent school repair and renovation needs without assistance made available under this section;

''(3) a description of the steps the agency will take to adequately maintain the facilities that the agency repairs or renovates with the assistance; and

''(4) such other information and assurances as the Secretary may reasonably require.

"SEC. 12006. SCHOOL RENOVATION GRANTS AND LOANS.

''(a) GRANTS AND LOANS.—From funds available under section 12008(b)(2), the Secretary shall make grants, and shall pay the cost of loans made, on a competitive basis, to local educational agencies that lack the ability to fund urgent school repairs without a grant or loan provided under this section, to enable the agencies to carry out the authorized activities described in section 12003.

''(b) LOAN PERIOD.—Each loan under this section shall be for a period of 7 years and shall carry an interest rate of 0 percent.

''(c) CRITERIA FOR MAKING GRANTS AND LOANS.—In making grants and loans under this section, the Secretary shall consider—

''(1) the extent of poverty, the need for school repairs and renovations, and the fiscal capacity of each local educational agency; and

''(2) such other factors as the Secretary determines appropriate.

''(d) APPLICATIONS.—Each eligible local educational agency that desires to receive a grant or loan under this section shall submit an application to the Secretary that includes the information described in section 12005(c).

''(e) CREDIT STANDARDS.—In carrying out this section, the Secretary—

''(1) shall not extend credit without finding that there is reasonable assurance of repayment; and

''(2) may use credit enhancement techniques, as appropriate, to reduce the credit risk of loans.

"SEC. 12007. PROGRESS REPORTS.

''The Secretary shall require recipients of grants and loans under this title to submit progress reports and such other information as the Secretary determines necessary to ensure compliance with this title and to evaluate the impact of the activities assisted under this title.

"SEC. 12008. AUTHORIZATION OF APPROPRIATIONS.

''(a) GRANTS UNDER SECTION 12004.—For the purpose of making grants under section 12004, there are authorized to be appropriated $50,000,000 for fiscal year 2001 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(b) GRANTS UNDER SECTION 12005 AND GRANTS AND LOANS UNDER SECTION 12006.—For the purpose of making grants under section 12005, and grants and loans under section 12006, there are authorized to be appropriated $1,250,000,000 for fiscal year 2001 and such sums as may be necessary for each of the succeeding 4 fiscal years, of which—

''(1) 10 percent shall be available for grants under section 12005; and

''(2) 90 percent shall be available to make grants and to pay the cost of loans under section 12006.

''(c) LIMITATION ON LOAN VOLUME.—Within the available resources and authority, gross obligations for the principal amount of direct loans offered by the Secretary under section 12006 for fiscal year 2001 shall not exceed $7,000,000,000, or the amount specified in an applicable appropriations Act, whichever is greater.

"SEC. 12009. DEFINITIONS.

''For the purpose of this title, the following terms have the following meanings:

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given that term in section 14101(18)(A) and (B) of this Act.

''(2) PUBLIC SCHOOL FACILITY.—

''(A) IN GENERAL.—The term 'public school facility' means a public building whose primary purpose is the instruction of public elementary or secondary students.

''(B) EXCLUSIONS.—The term excludes athletic stadiums or any other structure or facility intended primarily for athletic exhibitions, contests, games, or events for which admission is charged to the general public.

''(3) REPAIR AND RENOVATION.—The term 'repair and renovation' used with respect to

an existing public school facility, means the repair or renovation of the facility without increasing the size of the facility.''.

SEC. 101D. USE OF NET PROCEEDS.

Notwithstanding any other provision of law—

(1) section 439(a) of the General Education Provisions Act shall apply with respect to the construction, reconstruction, rehabilitation, or repair of any school facility to the extent funded by net proceeds obtained through any provision enacted or amended by this Act,

(2) such net proceeds may not be used to fund the construction, reconstruction, rehabilitation, or repair of any stadium or other facility primarily used for athletic or non-academic events, and

(3) such net proceeds may be used to build small schools or create smaller learning environments within existing public school facilities.

ROTH AMENDMENTS NOS. 2831–2836

(Ordered to lie on the table.)

Mr. ROTH sumbitted six amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2831

Strike all after the first word and insert:

1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Affordable Education Act of 2000''.

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

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

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—EDUCATION SAVINGS INCENTIVES

Sec. 101. Modifications to education individual retirement accounts.

Sec. 102. Modifications to qualified tuition programs.

TITLE II—EDUCATIONAL ASSISTANCE

Sec. 201. Extension of exclusion for employer-provided educational assistance.

Sec. 202. Elimination of 60-month limit on student loan interest deduction.

Sec. 203. Exclusion of certain amounts received under the National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program.

TITLE III—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

Sec. 301. Additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities.

Sec. 302. Treatment of qualified public educational facility bonds as exempt facility bonds.

Sec. 303. Federal guarantee of school construction bonds by Federal Housing Finance Board.

TITLE I—EDUCATION SAVINGS INCENTIVES

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, 2000, and ending before January 1, 2004).''

(3) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking ''$500'' and inserting ''the contribution limit (as defined in section 530(b)(4)) for such taxable year''.

(b) 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 (5)).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).''

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—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) 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, and

''(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:

''(E) 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, 2000, and before January 1, 2004, 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.—Section 530 is amended—

(A) by striking ''higher'' each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking ''HIGHER'' in the heading for subsection (d)(2).

(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 subparagraphs (A)(ii) and (E) and paragraphs (5) and (6) of subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(d) ENTITIES 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) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

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

''(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).''

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

''(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and'', and

(B) by striking ''DUE DATE OF RETURN'' in the heading and inserting ''CERTAIN DATE''.

(f) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

''(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

''(i) CREDIT COORDINATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), subparagraph (A) shall not apply for any taxable year to any qualified

higher education expenses with respect to any individual if a credit is allowed under section 25A with respect to such expenses for such taxable year.

''(II) SPECIAL COORDINATION RULE.—In the case of any taxable year beginning after December 31, 2000, and before January 1, 2004, subclause (I) shall not apply, but the total amount of qualified higher education expenses otherwise taken into account under subparagraph (A) with respect to an individual for such taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If, with respect to an individual for any taxable year—

''(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

''(II) the total amount of qualified higher education expenses (after the application of clause (i)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

''(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.''

(B) Section 135(d)(2)(A) is amended by striking ''allowable'' and inserting ''allowed''.

(C) Section 530(d)(2)(D) is amended—

(i) by striking ''or credit'', and

(ii) by striking ''CREDIT OR'' in the heading.

(D) Section 4973(e)(1) is amended by adding ''and'' at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

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

SEC. 102. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(b)(1) (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(2) PRIVATE QUALIFIED TUITION PROGRAMS LIMITED TO BENEFIT PLANS.—Clause (ii) of section 529(b)(1)(A) is amended by inserting ''in the case of a program established and maintained by a State or agency or instrumentality thereof,'' before ''may make''.

(3) CONFORMING AMENDMENTS.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are each amended by striking ''qualified State tuition'' each place it appears and inserting ''qualified tuition''.

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are each amended by striking ''QUALIFIED STATE TUITION'' and inserting ''QUALIFIED TUITION''.

(C) The headings for sections 529(b) and 530(b)(2)(B) are each amended by striking ''QUALIFIED STATE TUITION'' and inserting ''QUALIFIED TUITION''.

(D) The heading for section 529 is amended by striking ''**STATE**''.

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking ''State''.

(b) EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

''(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this paragraph—

''(i) IN-KIND DISTRIBUTIONS.—No amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense.

''(ii) CASH DISTRIBUTIONS.—In the case of distributions not described in clause (i), if—

''(I) such distributions do not exceed the qualified higher education expenses (reduced by expenses described in clause (i)), no amount shall be includible in gross income, and

''(II) in any other case, the amount otherwise includible in gross income shall be reduced by an amount which bears the same ratio to such amount as such expenses bear to such distributions.

''(iii) EXCEPTION FOR INSTITUTIONAL PROGRAMS.—In the case of any taxable year beginning before January 1, 2004, clauses (i) and (ii) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

''(iv) TREATMENT AS DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

''(v) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—

''(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply for any taxable year to any qualified higher education expenses with respect to any individual if a credit is allowed under section 25A with respect to such expenses for such taxable year.

''(II) SPECIAL COORDINATION RULE.—In the case of any taxable year beginning after December 31, 2000, and before January 1, 2004, subclause (I) shall not apply, but the total amount of qualified higher education expenses otherwise taken into account under clause (i) with respect to an individual for such taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(vi) COORDINATION WITH EDUCATION IRAS.—If, with respect to an individual for any taxable year—

''(I) the aggregate distributions to which clauses (i) and (ii) and section 530(d)(2)(A) apply, exceed

''(II) the total amount of qualified higher education expenses otherwise taken into account under clauses (i) and (ii) (after the application of clause (iv)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clauses (i) and (ii) and section 530(d)(2)(A).''

(2) CONFORMING AMENDMENTS.—

(A) Section 135(d)(2)(B) is amended by striking ''section 530(d)(2)'' and inserting ''sections 529(c)(3)(B)(i) and 530(d)(2)''.

(B) Section 221(e)(2)(A) is amended by inserting ''529,'' after ''135,''.

(c) ROLLOVER TO DIFFERENT PROGRAM FOR BENEFIT OF SAME DESIGNATED BENEFICIARY.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking ''transferred to the credit'' in clause (i) and inserting ''transferred—

''(I) to another qualified tuition program for the benefit of the designated beneficiary, or

''(II) to the credit'',

(2) by adding at the end the following new clause:

''(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall only apply to the first 3 transfers with respect to a designated beneficiary.'', and

(3) by inserting ''OR PROGRAMS'' after ''BENEFICIARIES'' in the heading.

(d) MEMBER OF FAMILY INCLUDES FIRST COUSIN.—Section 529(e)(2) (defining member of family) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting ''; and'', and by adding at the end the following new subparagraph:

''(D) any first cousin of such beneficiary.''

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

TITLE II—EDUCATIONAL ASSISTANCE

SEC. 201. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127(d) (relating to termination of exclusion for educational assistance programs) is amended by striking ''December 31, 2001'' and inserting ''June 30, 2004''.

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—

(1) IN GENERAL.—The last sentence of section 127(c)(1) is amended by striking '', and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to expenses relating to courses beginning after December 31, 2000.

SEC. 202. ELIMINATION OF 60-MONTH LIMIT ON STUDENT LOAN INTEREST DEDUCTION.

(a) IN GENERAL.—Section 221 (relating to interest on education loans) is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(b) CONFORMING AMENDMENT.—Section 6050S(e) is amended by striking ''section 221(e)(1)'' and inserting ''section 221(d)(1)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any loan interest paid after December 31, 2000.

SEC. 203. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM AND THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking ''Subsections (a)'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a)'', and

(2) by adding at the end the following new paragraph:

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any amount received by an individual under—

''(A) the National Health Service Corps Scholarship Program under section

338A(g)(1)(A) of the Public Health Service Act, or

''(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code.''

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 1993.

TITLE III—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 301. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking ''$5,000,000'' the second place it appears and inserting ''$10,000,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2000.

SEC. 302. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', or'', and by adding at the end the following new paragraph:

''(13) qualified public educational facilities.''

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

''(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

''(A) part of a public elementary school or a public secondary school, and

''(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

''(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

''(A) under which the corporation agrees—

''(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

''(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

''(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

''(3) SCHOOL FACILITY.—For purposes of this subsection, the term 'school facility' means—

''(A) school buildings,

''(B) functionally related and subordinate facilities and land with respect to such buildings, including any stadium or other facility primarily used for school events, and

''(C) any property, to which section 168 applies (or would apply but for section 179), for use in the facility.

''(4) PUBLIC SCHOOLS.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

''(5) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

''(i) $10 multiplied by the State population, or

''(ii) $5,000,000.

''(B) ALLOCATION RULES.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

''(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).''

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''or (12)'' and inserting ''(12), or (13)'', and

(2) by striking ''and environmental enhancements of hydroelectric generating facilities'' and inserting ''environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities''.

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

''(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).''

(e) CONFORMING AMENDMENT.—The heading for section 147(h) is amended by striking ''MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS'' and inserting ''CERTAIN BONDS''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2000.

SEC. 303. FEDERAL GUARANTEE OF SCHOOL CONSTRUCTION BONDS BY FEDERAL HOUSING FINANCE BOARD.

(a) IN GENERAL.—Section 149(b)(3) (relating to exceptions) is amended by adding at the end the following new subparagraph:

''(E) CERTAIN GUARANTEED SCHOOL CONSTRUCTION BONDS.—Any bond issued as part of an issue 95 percent or more of the net proceeds of which are used for public school construction shall not be treated as federally guaranteed for any calendar year by reason of any guarantee by the Federal Housing Finance Board (through any Federal Home Loan Bank) under the Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.), as in effect on the date of the enactment of this subparagraph, to the extent the face amount of such bond, when added to the aggregate face amount of such bonds previously so guaranteed for such year, does not exceed $500,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2000.

AMENDMENT NO. 2832

Beginning on page 3, line 1, strike all through page 18, line 12, and insert:

TITLE I—EDUCATION SAVINGS INCENTIVES

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, 2000, and ending before January 1, 2004).''

(3) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking ''$500'' and inserting ''the contribution limit (as defined in section 530(b)(4)) for such taxable year''.

(b) 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 (5)).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).''

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—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) 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, and

''(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:

''(E) 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, 2000, and before January 1, 2004, 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.—Section 530 is amended—

(A) by striking ''higher'' each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking ''HIGHER'' in the heading for subsection (d)(2).

(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 subparagraphs (A)(ii) and (E) and paragraphs (5) and (6) of subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(d) ENTITIES 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) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

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

''(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).''

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

''(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and'', and

(B) by striking ''DUE DATE OF RETURN'' in the heading and inserting ''CERTAIN DATE''.

(f) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

''(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

''(i) CREDIT COORDINATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), subparagraph (A) shall not apply for any taxable year to any qualified higher education expenses with respect to any individual if a credit is allowed under section 25A with respect to such expenses for such taxable year.

''(II) SPECIAL COORDINATION RULE.—In the case of any taxable year beginning after December 31, 2000, and before January 1, 2004, subclause (I) shall not apply, but the total amount of qualified higher education expenses otherwise taken into account under subparagraph (A) with respect to an individual for such taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If, with respect to an individual for any taxable year—

''(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

''(II) the total amount of qualified higher education expenses (after the application of clause (i)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

''(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.''

(B) Section 135(d)(2)(A) is amended by striking ''allowable'' and inserting ''allowed''.

(C) Section 530(d)(2)(D) is amended—

(i) by striking ''or credit'', and

(ii) by striking ''CREDIT OR'' in the heading.

(D) Section 4973(e)(1) is amended by adding ''and'' at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

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

SEC. 102. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(b)(1) (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(2) PRIVATE QUALIFIED TUITION PROGRAMS LIMITED TO BENEFIT PLANS.—Clause (ii) of section 529(b)(1)(A) is amended by inserting ''in the case of a program established and maintained by a State or agency or instrumentality thereof,'' before ''may make''.

(3) CONFORMING AMENDMENTS.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are each amended by striking ''qualified State tuition'' each place it appears and inserting ''qualified tuition''.

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are each amended by striking ''QUALIFIED STATE TUITION'' and inserting ''QUALIFIED TUITION''.

(C) The headings for sections 529(b) and 530(b)(2)(B) are each amended by striking ''QUALIFIED STATE TUITION'' and inserting ''QUALIFIED TUITION''.

(D) The heading for section 529 is amended by striking ''**STATE**''.

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking ''State''.

(b) EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

''(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this paragraph—

''(i) IN-KIND DISTRIBUTIONS.—No amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense.

''(ii) CASH DISTRIBUTIONS.—In the case of distributions not described in clause (i), if—

''(I) such distributions do not exceed the qualified higher education expenses (reduced by expenses described in clause (i)), no amount shall be includible in gross income, and

''(II) in any other case, the amount otherwise includible in gross income shall be reduced by an amount which bears the same ratio to such amount as such expenses bear to such distributions.

''(iii) EXCEPTION FOR INSTITUTIONAL PROGRAMS.—In the case of any taxable year beginning before January 1, 2004, clauses (i) and (ii) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

''(iv) TREATMENT AS DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

''(iv) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—

''(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply for any taxable year to any qualified higher education expenses with respect to any individual if a credit is allowed under section 25A with respect to such expenses for such taxable year.

''(II) SPECIAL COORDINATION RULE.—In the case of any taxable year beginning after December 31, 2000, and before January 1, 2004, subclause (I) shall not apply, but the total amount of qualified higher education expenses otherwise taken into account under clause (i) with respect to an individual for such taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(v) COORDINATION WITH EDUCATION IRAS.—If, with respect to an individual for any taxable year—

''(I) the aggregate distributions to which clauses (i) and (ii) and section 530(d)(2)(A) apply, exceed

''(II) the total amount of qualified higher education expenses otherwise taken into account under clauses (i) and (ii) (after the application of clause (iv)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clauses (i) and (ii) and section 530(d)(2)(A).''

(2) CONFORMING AMENDMENTS.—

(A) Section 135(d)(2)(B) is amended by striking ''section 530(d)(2)'' and inserting ''sections 529(c)(3)(B)(i) and 530(d)(2)''.

(B) Section 221(e)(2)(A) is amended by inserting ''529,'' after ''135,''.

(c) ROLLOVER TO DIFFERENT PROGRAM FOR BENEFIT OF SAME DESIGNATED BENEFICIARY.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking ''transferred to the credit'' in clause (i) and inserting ''transferred—

''(I) to another qualified tuition program for the benefit of the designated beneficiary, or

''(II) to the credit'',

(2) by adding at the end the following new clause:

''(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall only apply to the first 3 transfers with respect to a designated beneficiary.'', and

(3) by inserting ''OR PROGRAMS'' after ''BENEFICIARIES'' in the heading.

(d) MEMBER OF FAMILY INCLUDES FIRST COUSIN.—Section 529(e)(2) (defining member of family) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting ''; and'', and by adding at the end the following new subparagraph:

''(D) any first cousin of such beneficiary.''

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

AMENDMENT NO. 2833

Beginning on page 18, line 15, strike all through page 19, line 9, and insert:

SEC. 201. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127(d) (relating to termination of exclusion for educational assistance programs) is amended by striking ''December 31, 2001'' and inserting ''June 30, 2004''.

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—

(1) IN GENERAL.—The last sentence of section 127(c)(1) is amended by striking '', and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to expenses relating to courses beginning after December 31, 2000.

AMENDMENT NO. 2384

Beginning on page 21, line 4, strike all through page 27, line 10, and insert:

TITLE III—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 301. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking ''$5,000,000'' the second place it appears and inserting ''$10,000,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2000.

SEC. 302. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', or'', and by adding at the end the following new paragraph:

''(13) qualified public educational facilities.''

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

''(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

''(A) part of a public elementary school or a public secondary school, and

''(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

''(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

''(A) under which the corporation agrees—

''(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

''(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

''(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

''(3) SCHOOL FACILITY.—For purposes of this subsection, the term 'school facility' means—

''(A) school buildings,

''(B) functionally related and subordinate facilities and land with respect to such buildings, including any stadium or other facility primarily used for school events, and

''(C) any property, to which section 168 applies (or would apply but for section 179), for use in the facility.

''(4) PUBLIC SCHOOLS.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

''(5) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

''(i) $10 multiplied by the State population, or

''(ii) $5,000,000.

''(B) ALLOCATION RULES.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

''(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).''

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''or (12)'' and inserting ''(12), or (13)'', and

(2) by striking ''and environmental enhancements of hydroelectric generating facilities'' and inserting ''environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities''.

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

''(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).''

(e) CONFORMING AMENDMENT.—The heading for section 147(h) is amended by striking ''MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS'' and inserting ''CERTAIN BONDS''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2000.

SEC. 303. FEDERAL GUARANTEE OF SCHOOL CONSTRUCTION BONDS BY FEDERAL HOUSING FINANCE BOARD.

(a) IN GENERAL.—Section 149(b)(3) (relating to exceptions) is amended by adding at the end the following new subparagraph:

''(E) CERTAIN GUARANTEED SCHOOL CONSTRUCTION BONDS.—Any bond issued as part of an issue 95 percent or more of the net proceeds of which are used for public school construction shall not be treated as federally guaranteed for any calendar year by reason of any guarantee by the Federal Housing Finance Board (through any Federal Home Loan Bank) under the Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.), as in effect on the date of the enactment of this subparagraph, to the extent the face amount of such bond, when added to the aggregate face amount of such bonds previously so guaranteed for such year, does not exceed $500,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2000.

AMENDMENT NO. 2835

Beginning on page 27, line 11, strike all through page 51, line 3.

AMENDMENT NO. 2836

On page 19, line 21, strike ''December 31, 1999'' and insert ''December 31, 2000''.

THE TEACHER PROFESSIONAL DEVELOPMENT ACT

DORGAN AMENDMENT NO. 2837

(Ordered to be referred to the Committee on Finance.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill (S. 1124) to amend the Internal Revenue Code of 1986 to eliminate the 2-percent floor on miscellaneous itemized deductions for qualified professional development expenses of elementary and secondary school teachers; as follows:

At the end, add the following:

TITLE —STANDARDIZED SCHOOL REPORT CARDS

SEC. 01. SHORT TITLE.

This title may be cited as the ''Standardized School Report Card Act''.

SEC. 02. FINDINGS.

Congress makes the following findings:

(1) According to the report ''Quality Counts 99'', by Education Week, 36 States require the publishing of annual report cards on individual schools, but the content of the report cards varies widely.

(2) The content of most of the report cards described in paragraph (1) does not provide parents with the information the parents need to measure how their school or State is doing compared with other schools and States.

(3) Ninety percent of taxpayers believe that published information about individual schools would motivate educators to work harder to improve the schools' performance.

(4) More than 60 percent of parents and 70 percent of taxpayers have not seen an individual report card for their area school.

(5) Dissemination of understandable information about schools can be an important tool for parents and taxpayers to measure the quality of the schools and to hold the schools accountable for improving performance.

SEC. 03. PURPOSE.

The purpose of this title is to provide parents, taxpayers, and educators with useful, understandable school report cards.

SEC. 04. REPORT CARDS.

(a) STATE REPORT CARDS.—Each State educational agency receiving assistance under the Elementary and Secondary Education Act of 1965 shall produce and widely disseminate an annual report card for parents, the general public, teachers and the Secretary of Education, in easily understandable language, with respect to elementary and secondary education in the State. The report card shall contain information regarding—

(1) student performance in language arts and mathematics, plus any other subject areas in which the State requires assessments, including comparisons with students from different school districts within the State, and, to the extent possible, comparisons with students throughout the Nation;

(2) attendance and graduation rates;

(3) professional qualifications of teachers in the State, the number of teachers teaching out of field, and the number of teachers with emergency certification;

(4) average class size in the State;

(5) school safety, including the safety of school facilities, incidents of school violence and drug and alcohol abuse, and the number of instances in which a student was determined to have brought a firearm to school under the State law described in the Gun-Free Schools Act of 1994;

(6) to the extent practicable, parental involvement, as measured by the extent of parental participation in school parental involvement policies described in section 1118(b) of the Elementary and Secondary Education Act of 1965;

(7) the annual school dropout rate, as calculated by procedures conforming with the National Center for Education Statistics Common Core of Data;

(8) student access to technology, including the number of computers for educational purposes, the number of computers per classroom, and the number of computers connected to the Internet; and

(9) other indicators of school performance and quality.

(b) SCHOOL REPORT CARDS.—Each school receiving assistance under the Elementary and Secondary Education Act of 1965, or the local educational agency serving that school, shall produce and widely disseminate an annual report card for parents, the general public, teachers and the State educational agency, in easily understandable language, with respect to elementary or secondary education, as appropriate, in the school. The report card shall contain information regarding—

(1) student performance in the school in language arts and mathematics, plus any other subject areas in which the State requires assessments, including comparisons with other students within the school district, in the State, and, to the extent possible, in the Nation;

(2) attendance and graduation rates;

(3) professional qualifications of the school's teachers, the number of teachers teaching out of field, and the number of teachers with emergency certification;

(4) average class size in the school;

(5) school safety, including the safety of the school facility, incidents of school violence and drug and alcohol abuse, and the number of instances in which a student was determined to have brought a firearm to school under the State law described in the Gun-Free Schools Act of 1994;

(6) parental involvement, as measured by the extent of parental participation in school parental involvement policies described in section 1118(b) of the Elementary and Secondary Education Act of 1965;

(7) the annual school dropout rate, as calculated by procedures conforming with the National Center for Education Statistics Common Core of Data;

(8) student access to technology, including the number of computers for educational purposes, the number of computers per classroom, and the number of computers connected to the Internet; and

(9) other indicators of school performance and quality.

(c) MODEL SCHOOL REPORT CARDS.—The Secretary of Education shall use funds made available to the Office of Educational Research and Improvement to develop a model school report card for dissemination, upon request, to a school, local educational agency, or State educational agency.

(d) DISAGGREGATION OF DATA.—Each State educational agency or school producing an annual report card under this section shall disaggregate the student performance data reported under section 4(a)(1) or 4(b)(1), as appropriate, in the same manner as results are disaggregated under section 1111(b)(3)(I) of the Elementary and Secondary Education Act of 1965.

THE AFFORDABLE EDUCATION ACT

COVERDELL AMENDMENTS NOS. 2838–2840

(Ordered to lie on the table.)

Mr. COVERDELL submitted three amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2838

At the appropriate place, insert the following:

TITLE —STUDENT SAFETY AND FAMILY CHOICE

SEC. . STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

(a) IN GENERAL.—Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

''SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

''(a) IN GENERAL.—Notwithstanding any other provision of law, if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school, in the same State as the school where the criminal offense occurred, that is selected by the student's parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

''(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

''(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

''(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

''(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

''(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

''(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

''(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

''(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

''(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

''(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

''(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall

comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis of race, color, or national origin.

''(h) ASSISTANCE; TAXES AND OTHER FEDERAL PROGRAMS.—

''(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

''(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

''(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.''.

SEC. . TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school.

(b) DEFINITIONS.—For the purpose of subsection (a), the terms ''elementary school'', ''secondary school'', ''local educational agency'', and ''State educational agency'' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

AMENDMENT NO. 2837

At the appropriate place, add the following:

TITLE —TEACHER LIABILITY PTOTECTION

SECTION . SHORT TITLE.

This Act may be cited as the ''Teacher Liability Protection Act of 1999''.

SEC. . FINDINGS AND PURPOSE.

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

(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

(A) the national scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers; and

(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of the children.

(b) PURPOSE.—The purpose of this Act is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

SEC. . PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—This Act preempts the laws of any State to the extent that such laws are inconsistent with this Act, except that this Act shall not preempt any State law that provides additional protection from liability relating to teachers.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This Act shall not apply to any civil action in a State court against a teacher in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this Act shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

SEC. . LIMITATION ON LIABILITY FOR TEACHERS.

(a) LIABILITY PROTECTION FOR TEACHERS.—Except as provided in subsections (b) and (c), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

(2) the actions of the teacher were carried out in conformity with local, State, or Federal laws, rules or regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

(c) EXCEPTIONS TO TEACHER LIABILITY PROTECTION.—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(d) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.—

(1) GENERAL RULE.—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(e) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

(1) IN GENERAL.—The limitations on the liability of a teacher under this Act shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(B) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

(C) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect subsection (a)(3) or (d).

SEC. . LIABILITY FOR NONECONOMIC LOSS.

(a) GENERAL RULE.—In any civil action against a teacher, based on an action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

(b) AMOUNT OF LIABILITY.—

(1) IN GENERAL.—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of

fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

SEC. . DEFINITIONS.

For purposes of this Act:

(1) ECONOMIC LOSS.—The term ''economic loss'' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) HARM.—The term ''harm'' includes physical, nonphysical, economic, and noneconomic losses.

(3) NONECONOMIC LOSSES.—The term ''noneconomic losses'' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) SCHOOL.—The term ''school'' means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), or a home school.

(5) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) TEACHER.—The term ''teacher'' means a teacher, instructor, principal, administrator, or other educational professional, that works in a school.

SEC. . EFFECTIVE DATE.

(a) IN GENERAL.—This Act shall take effect 90 days after the date of enactment of this Act.

(b) APPLICATION.—This Act applies to any claim for harm caused by an act or omission of a teacher where that claim is filed on or after the effective date of this Act, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.

AMENDMENT NO. 2840

On page 3, strike lines 13 through 16, and insert:

''(4) CONTRIBUTION LIMIT.—The term 'contribution limit' means $2,000.''

KYL AMENDMENTS NOS. 2841–2842

(Ordered to lie on the table.)

Mr. KYL submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2841

At the end of title II, insert:

SEC. . ELECTION OF CREDIT OR ABOVE-THE-LINE DEDUCTION TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) CREDIT ALLOWED.—

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

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

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

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

''(c) DEFINITIONS.—

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

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

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

''(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

(b) ABOVE-THE LINE DEDUCTION ALLOWED.—

(1) IN GENERAL.—Subsection (a)(2) of section 62 (defining adjusted gross income) is amended by adding at the end the following new subparagraph:

''(D) CERTAIN ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The deductions allowed by section 162 which consist of qualified elementary and secondary education expenses paid or incurred by an eligible teacher.''.

(2) DEFINITIONS.—Section 62 is amended by adding at the end the following new subsection:

''(d) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (a)(2)(D)—

''(1) IN GENERAL.—The terms 'eligible teacher' and 'qualified elementary and secondary education expenses' have the meanings given such terms by section 30B(c).

''(2) COORDINATION WITH CREDIT.—An individual shall not be treated as an eligible teacher for any taxable year, unless the taxpayer elects not to have section 30B apply for the taxable year.''.

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

AMENDMENT NO. 2842

At the end of title II, insert:

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

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

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

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

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

''(c) DEFINITIONS.—

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

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

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

''(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

GRAHAM AMENDMENTS NOS. 2843–2844

(Ordered to lie on the table.)

Mr. GRAHAM submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2843

At the appropriate place, insert:

TITLE —ADDITIONAL REVENUE OFFSETS

SEC. . EXTENSION OF HAZARDOUS SUBSTANCE SUPERFUND EXCISE TAXES.

(a) IN GENERAL.—Section 4611(e) is amended to read as follows:

''(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund Financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after February 29, 2000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on March 1, 2000.

SEC. . EXTENSION OF CORPORATE ENVIRONMENTAL INCOME TAX.

(a) IN GENERAL.—Section 59A(e) is amended to read as follows:

''(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 1999.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. . REPEAL OF LOWER-OF-COST-OR-MARKET METHOD OF ACCOUNTING FOR INVENTORIES.

(a) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

''(b) CERTAIN WRITE-DOWNS NOT PERMITTED; USE OF MARK-DOWNS REQUIRED UNDER RETAIL METHOD.—

''(1) IN GENERAL.—A taxpayer—

''(A) may not use the lower-of-cost-or-market method of accounting for inventories, and

''(B) may not write-down items by reason of being unsalable at normal prices or unusable in the normal way because of damage, imperfections, shop wear, changes of style, odd or broken lots, or other similar causes.

Subparagraph (B) shall not apply to a taxpayer using a mark-to-market method of accounting for both gains and losses in inventory values.

''(2) MARK-DOWNS REQUIRED TO BE TAKEN INTO ACCOUNT UNDER RETAIL METHOD.—The retail method of accounting for inventories shall be applied by taking into account mark-downs in determining the approximate cost of the inventories.

''(3) EXCEPTION FOR CERTAIN SMALL BUSINESSES.—Paragraph (1) shall not apply to any taxpayer for any taxable year if, for all prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the $5,000,000 gross receipts test of section 448(c).

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to wash-sale-type transactions.''

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 312(n)(4)(C) is amended to read as follows:

''(iii) INVENTORY AMOUNT.—The inventory amount of assets under the first-in, first-out method authorized by section 471 shall be determined using the method authorized to be used by the taxpayer under such section.''

(2) Subparagraph (C) of section 1363(d)(4) is amended to read as follows:

''(C) INVENTORY AMOUNT.—The inventory amount of assets under a method authorized by section 471 shall be determined using the method authorized to be used by the corporation under such section.''

(c) EFFECTIVE DATE.—

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

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

(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 the first taxable year beginning after such date.

SEC. . DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.—

''(1) IN GENERAL.—In determining liability for any tax under subtitle A, noneconomic tax attributes shall not be allowed.

''(2) NONECONOMIC TAX ATTRIBUTE.—For purposes of this subsection, a noneconomic tax attribute is any deduction, loss, or credit claimed to result from any transaction unless—

''(A) the transaction changes in a meaningful way (apart from Federal income tax consequences) the taxpayer's economic position, and

''(B)(i) the present value of the reasonably expected potential income from the transaction (and the taxpayer's risk of loss from the transaction) are substantial in relationship to the present value of the tax benefits claimed, or

''(ii) in the case of a transaction which is in substance the borrowing of money or the acquisition of financial capital, the deductions claimed with respect to the transaction for any period are not significantly in excess of the economic return for such period realized by the person lending the money or providing the financial capital.

''(3) PRESUMPTION OF NONECONOMIC TAX ATTRIBUTES.—For purposes of paragraph (2), the following factors shall give rise to a presumption that a transaction fails to meet the requirements of paragraph (2):

''(A) The fact that the payments, liabilities, or assets that purport to create a loss (or other benefit) for tax purposes are not reflected to any meaningful extent on the taxpayer's books and records for financial reporting purposes.

''(B) The fact that the transaction results in an allocation of income or gain to a tax-indifferent party which is substantially in excess of such party's economic income or gain from the transaction.

''(4) TREATMENT OF BUILT-IN LOSS.—The determination of whether a transaction results in the realization of a built-in loss shall be made under subtitle A as if this subsection had not been enacted. For purposes of the preceding sentence, the term 'built-in loss' means any loss or deduction to the extent that such loss or deduction had economically been incurred before such transaction is entered into and to the extent that the loss or deduction was economically borne by the taxpayer.

''(5) DEFINITION AND SPECIAL RULES.—For purposes of this subsection—

''(A) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity exempt from tax under subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if, by reason of such person's method of accounting, the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(B) SERIES OF RELATED TRANSACTION.—A transaction which is part of a series of related transactions shall be treated as meeting the requirements of paragraph (2) only if—

''(i) such transaction meets such requirements without regard to the other transactions, and

''(ii) such transactions, if treated as 1 transaction, would meet such requirements.

A similar rule shall apply to a multiple step transaction with each step being treated as a separate related transaction.

''(C) NORMAL BUSINESS TRANSACTIONS.—In the case of a transaction which is an integral part of a taxpayer's trade or business and which is entered into in the normal course of such trade or business, the determination of the potential income from such transaction shall be made by taking into account its relationship to the overall trade or business of the taxpayer.

''(D) TREATMENT OF FEES.—In determining whether there is risk of loss from a transaction (and the amount thereof), potential loss of fees and other transaction expenses shall be disregarded.

''(E) TREATMENT OF ECONOMIC RETURN ENHANCEMENTS.—The following shall be treated as economic returns and not tax benefits:

''(i) The credit under section 29 (relating to credit for producing fuel from a nonconventional source).

''(ii) The credit under section 42 (relating to low-income housing credit).

''(iii) The credit under section 45 (relating to electricity produced from certain renewable resources).

''(iv) The credit under section 1397E (relating to credit to holders of qualified zone academy bonds) or any similar program hereafter enacted.

''(v) Any other tax benefit specified in regulations.

''(F) EXCEPTIONS FOR NONBUSINESS TRANSACTIONS.—

''(i) INDIVIDUALS.—In the case of an individual, this subsection shall only apply to transactions entered into in connection with a trade or business or activity engaged in for profit.

''(ii) CHARITABLE TRANSFERS.—This subsection shall not apply in determining the amount allowable as a deduction under section 170, 545(b)(2), 556(b)(2), or 642(c).

''(6) ECONOMIC SUBSTANCE DOCTRINE, ETC., NOT AFFECTED.—The provisions of this subsection shall not be construed as altering or supplanting any rule of law referred to in section 6662(i)(2)(B) and the requirements of this subsection shall be construed as being in addition to any such rule of law.''

(b) INCREASE IN SUBSTANTIAL UNDERPAYMENT PENALTY WITH RESPECT TO DISALLOWED NONECONOMIC TAX ATTRIBUTES.—Section 6662 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF DISALLOWED NONECONOMIC TAX ATTRIBUTES.—

''(1) IN GENERAL.—In the case of the portion of the underpayment to which this subsection applies—

''(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

''(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

''(2) UNDERPAYMENTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to an underpayment to which this section applies

by reason of paragraph (1) or (2) of subsection (b) to the extent that such underpayment is attributable to—

''(A) the disallowance of any noneconomic tax attribute (determined under section 7701(m)), or

''(B) the disallowance of any other benefit—

''(i) because of a lack of economic substance or business purpose for the transaction giving rise to the claimed benefit,

''(ii) because the form of the transaction did not reflect its substance, or

''(iii) because of any other similar rule of law.

''(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer—

''(A) discloses to the Secretary within 30 days after the closing of the transaction appropriate documents describing the transaction, and

''(B) files with the taxpayer's return of tax imposed by subtitle A—

''(i) a statement verifying that such disclosure has been made,

''(ii) a detailed description of the facts, assumptions of facts, and factual conclusions with respect to the business or economic purposes or objectives of the transaction that are relied upon to support the manner in which it is reported on the return,

''(iii) a description of the due diligence performed to ascertain the accuracy of such facts, assumptions, and factual conclusions,

''(iv)(I) a statement (signed by the senior financial officer of the corporation under penalty of perjury) that the facts, assumptions, or factual conclusions relied upon in reporting the transaction are true and correct as of the date the return is filed, to the best of such officer's knowledge and belief, and

''(II) if the actual facts varied materially from the facts, assumptions, or factual conclusions relied upon, a statement describing such variances,

''(v) copies of any written material provided in connection with the offer of the transaction to the taxpayer by a third party,

''(vi) a full description of any express or implied agreement or arrangement with any advisor, or with any offeror, that the fee payable to such person would be contingent or subject to possible reimbursement, and

''(vii) a full description of any express or implied warranty from any person with respect to the anticipated tax results from the transaction.''

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

AMENDMENT NO. 2844

Beginning on page 15, line 16, strike all through page 16, line 17, and insert:

''(iv) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—The total amount of qualified higher education expenses otherwise taken into account under clause (i) with respect to an individual for any taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

FEINSTEIN AMENDMENTS NOS. 2845–2846

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2845

At the appropriate place, insert the following:

SEC. . ACHIEVEMENT STANDARDS AND ASSESSMENT OF STUDENT PERFORMANCE.

In order to receive Federal funds under the Elementary and Secondary Education Act of 1965 each local educational agency and State educational agency shall—

(1) require that students served by the agency be subject to State achievement standards in the core curriculum at key transition points, to be determined by the State, for all kindergarten through grade 12 students; and

(2) assess student performance in meeting the State achievement standards.

AMENDMENT NO. 2846

At the appropriate place, insert the following:

SEC. . POLICY PROHIBITING SOCIAL PROMOTION.

(a) POLICY.—No education funds appropriated under the Elementary and Secondary Education Act of 1965 shall be made available to a local educational agency in a State unless the State demonstrates to the Secretary of Education that the State has adopted a policy prohibiting the practice of social promotion.

(b) DEFINITION.—In this section, the term ''practice of social promotion'' means a formal or informal practice of promoting a student from the grade for which the determination is made to the next grade when the student fails to achieve a minimum level of achievement and proficiency in the core curriculum for the grade for which the determination is made.

(c) WAIVER PROHIBITED.—Notwithstanding any other provision of law, the Secretary of Education may not waive the provisions of this section.

GRAHAM AMENDMENT NOS. 2847–2848

(Ordered to lie on the table.)

Mr. GRAHAM submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2847

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Transition to Teaching Act''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) School districts will need to hire more than 2,000,000 teachers in the next decade. The need for teachers in the areas of mathematics, science, foreign languages, special education, and bilingual education, and for those able to teach in high-poverty school districts will be particularly high. To meet this need, talented Americans of all ages should be recruited to become successful, qualified teachers.

(2) Nearly 28 percent of teachers of academic subjects have neither an undergraduate major nor minor in their main assignment fields. This problem is more acute in high-poverty schools, where the out-of-field percentage is 39 percent.

(3) The Third International Math and Science Study (TIMSS) ranked United States high school seniors last among 16 countries in physics and next to last in mathematics. It is also evident, mainly from the TIMSS data, that based on academic scores, a stronger emphasis needs to be placed on the academic preparation of our children in mathematics and science.

(4) One-fourth of high-poverty schools find it very difficult to fill bilingual teaching positions, and nearly half of public school teachers have students in their classrooms for whom English is a second language.

(5) Many career-changing professionals with strong content-area skills are interested in a teaching career, but need assistance in getting the appropriate pedagogical training and classroom experience.

(6) The Troops to Teachers model has been highly successful in linking high-quality teachers to teach in high-poverty districts.

SEC. 3. PURPOSE.

The purpose of this Act is to address the need of high-poverty school districts for highly qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, needed by those school districts, by—

(1) continuing and enhancing the Troops to Teachers model for recruiting and supporting the placement of such teachers; and

(2) recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

SEC. 4. PROGRAM AUTHORIZED.

(a) AUTHORITY.—Subject to subsection (b), the Secretary is authorized to use funds appropriated under subsection (c) for each fiscal year to award grants, contracts, or cooperative agreements to institutions of higher education and public and private nonprofit agencies or organizations to carry out programs authorized by this Act.

(b) TROOPS TO TEACHERS.—

(1) IN GENERAL.—Before making awards under subsection (a) for any fiscal year, the Secretary shall first—

(A) consult with the Secretary of Defense and the Secretary of Transportation regarding the appropriate amount of funding needed to continue and enhance the Troops to Teachers program; and

(B) upon agreement, transfer that amount to the Defense Activity for Non-Traditional Education Support (DANTES) to carry out the Troops to Teachers program.

(2) CONTINUATION OF PROGRAM.—The Secretary may enter into a written agreement with the Departments of Defense and Transportation, or take such other steps as the Secretary determines are appropriate to ensure effective continuation of the Troops to Teachers program.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this Act, there are authorized to be appropriated $18,000,000 for each of fiscal years 2000 through 2005.

SEC. 5. APPLICATION.

Each applicant that desires an award under section 4(a) shall submit an application to the Secretary containing such information as the Secretary requires, including—

(1) a description of the target group of career-changing professionals upon which the applicant will focus in carrying out its program under this Act, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this Act;

(2) a description of how the applicant will identify and recruit program participants;

(3) a description of the training that program participants will receive and how that training will relate to their certification as teachers;

(4) a description of how the applicant will ensure that program participants are placed and teach in high-poverty local educational agencies;

(5) a description of the teacher induction services (which may be provided through existing induction programs) the program participants will receive throughout at least their first year of teaching;

(6) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, and support program participants under this Act, including evidence of the commitment of those institutions, agencies, or organizations to the applicant's program;

(7) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

(A) the program's goals and objectives;

(B) the performance indicators the applicant will use to measure the program's progress; and

(C) the outcome measures that will be used to determine the program's effectiveness; and

(8) an assurance that the applicant will provide to the Secretary such information as the Secretary determines necessary to determine the overall effectiveness of programs under this Act.

SEC. 6. USES OF FUNDS AND PERIOD OF SERVICE.

(a) AUTHORIZED ACTIVITIES.—Funds under this Act may be used for—

(1) recruiting program participants, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

(2) training stipends and other financial incentives for program participants, not to exceed $5,000 per participant;

(3) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of professionals who are changing their careers to teaching;

(4) placement activities, including identifying high-poverty local educational agencies with a need for the particular skills and characteristics of the newly trained program participants and assisting those participants to obtain employment in those local educational agencies; and

(5) post-placement induction or support activities for program participants.

(b) PERIOD OF SERVICE.—A program participant in a program under this Act who completes his or her training shall serve in a high-poverty local educational agency for at least 3 years.

(c) REPAYMENT.—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that program participants who receive a training stipend or other financial incentive under subsection (a)(2), but fail to complete their service obligation under subsection (b), repay all or a portion of such stipend or other incentive.

SEC. 7. EQUITABLE DISTRIBUTION.

To the extent practicable, the Secretary shall make awards under this Act that support programs in different geographic regions of the Nation.

SEC. 8. DEFINITIONS.

In this Act:

(1) HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.—The term ''high-poverty local educational agency'' means a local educational agency in which the percentage of children, ages 5 through 17, from families below the poverty level is 20 percent or greater, or the number of such children exceeds 10,000.

(2) PROGRAM PARTICIPANTS.—The term ''program participants'' means career-changing professionals who—

(A) hold at least a baccalaureate degree;

(B) demonstrate interest in, and commitment to, becoming a teacher; and

(C) have knowledge and experience that are relevant to teaching a high-need subject area in a high-need local educational agency.

AMENDMENT NO. 2848

At the end of title III, add:

SEC. . SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.

(a) IN GENERAL.—Paragraph (4)(C) of section 148(f) (relating to required rebate to the United States) is amended by adding at the end the following new clause:

''(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

''(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

''(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

''(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) shall apply to this clause.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1999.

SEC. . TREATMENT OF PUBLIC SCHOOL CONSTRUCTION BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS.

(a) IN GENERAL.—Clause (i) of subsection (b)(3)(B) of section 265 (relating to expenses and interest relating to tax-exempt income) is amended to read as follows:

''(i) IN GENERAL.—For purposes of subparagraph (A), the term 'qualified tax-exempt obligation' means a tax-exempt obligation—

''(I) which is issued after August 7, 1986, by a qualified small issuer, is not a private activity bond (as defined in section 141), and is designated by the issuer for purposes of this paragraph, or

''(II) which is a public school construction bond (within the meaning of section 148(f)(4)(C)(xviii)) issued by a qualified small education bond issuer (as defined in subparagraph (F)).''

(b) DEFINITION OF QUALIFIED SMALL EDUCATION BOND ISSUER.—Subsection (b)(3) of section 265 is amended by adding at the end the following new subparagraph:

''(F) QUALIFIED SMALL EDUCATION BOND ISSUER.—For purposes of subparagraph (B)(i)(II), the term 'qualified small education bond issuer' means, with respect to bonds issued during any calendar year, any issuer if the reasonably anticipated amount of public school construction bonds which will be issued by such issuer during such calendar year does not exceed $25,000,000.''

(c) CONFORMING AMENDMENT.—Section 265(b)(3)(B)(ii) is amended by striking ''(i)(II)'' in the matter preceding subclause (I) and inserting ''(i)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 1999.

KENNEDY AMENDMENT NO. 2849

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

Beginning on page 5, line 14, strike all through page 6, line 12, and insert:

''(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 school, and

''(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 school in connection with such enrollment or attendance.

DODD AMENDMENT NO. 2850

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

On page 5, line 14, strike ''tuition, fees,''.

KENNEDY AMENDMENT NO. 2851

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 134, supra; as follows:

Beginning on page 4, line 3, strike all through page 8, line 4.

BIDEN AMENDMENT NO. 2852

(Ordered to lie on the table.)

Mr. BIDEN submitted an amendment intended to be proposed by him to the bill, S. 1134, supra. as follows:

At the end of title II, add the following:

SEC. . MODIFICATION OF LIFETIME LEARNING CREDIT AND OPTIONAL DEDUCTION FOR TUITION EXPENSES.

(a) MODIFICATION OF LIFETIME LEARNING CREDIT.—

(1) INCREASE IN PERCENTAGE.—Section 25A(c)(1) (relating to per taxpayer credit) is amended by striking ''20 percent'' and inserting ''28 percent''.

(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

(A) IN GENERAL.—Section 25A(d)(2) (relating to amount of reduction) is amended to read as follows:

''(2) AMOUNT OF REDUCTION.—

''(A) HOPE SCHOLARSHIP.—In the case of the Hope Scholarship credit, the amount determined under this paragraph is the amount which bears the same ratio to the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $40,000 ($80,000 in the case of a joint return), bears to

''(ii) $10,000 ($20,000 in the case of a joint return).

''(B) LIFETIME LEARNING.—In the case of the Lifetime Learning credit, the amount determined under subparagraph (A) shall be determined by substituting '$50,000 ($100,000 in the case of a joint return)' for '$40,000 ($80,000 in the case of a joint return)' in clause (i)(II) of such subparagraph.''.

(B) CONFORMING AMENDMENT.—Section 25A(h)(2)(A) is amended by striking ''the $40,000 and $80,000 amounts'' and inserting ''each dollar amount''.

(b) DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES IN LIEU OF LIFETIME LEARNING CREDIT.—

(1) IN GENERAL.—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and inserting after section 221 the following new section:

''SEC. 222. QUALIFIED TUITION EXPENSES.

''(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

''(1) the qualified tuition and related expenses (within the meaning of section 25A(c)) paid by the taxpayer for the taxable year, or

''(2) $10,000 ($5,000 in the case of taxable years beginning in 2001 or 2002).

''(b) SPECIAL RULES.—

''(1) IN GENERAL.—Rules similar to the rules of section 25A(g) shall apply for purposes of this section.

''(2) RULES FOR DETERMINING EXPENSES.—Rules similar to the rules of section 25A(c)(2) shall apply for purposes of determining the qualified tuition and related expenses to be taken into account under subsection (a).

''(c) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—The amount which would (but for this subsection) be taken into account under subsection (a) for the taxable year shall be reduced (but not below zero) by the amount determined under section 25A(d)(2)(B) by applying the modified adjusted gross income as defined in section 25A(d)(3) and determined without regard to the deduction under this section.

''(d) COORDINATION WITH CERTAIN CREDITS.—No deduction shall be allowed under this section with respect to the qualified tuition and related expenses of any individual unless a taxpayer elects not to have section 25A apply for the taxable year with respect to—

''(1) such individual, in the case of the Hope Scholarship credit, and

''(2) the taxpayer, in the case of the Lifetime Learning credit.

''(e) COORDINATION WITH EXCLUSIONS.—No deduction shall be allowed under this section with respect to an individual for any taxable year if any portion of any distribution during such taxable year from an education individual retirement account is excluded from gross income under section 530(d)(2).''.

(2) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Section 62(a) (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

''(18) QUALIFIED TUITION AND RELATED EXPENSES.—The deduction allowed by section 222.''.

(3) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

''Sec. 222. Qualified tuition and related expenses.

''Sec. 223. Cross reference.''

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

GRAHAM AMENDMENT NO. 2853

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

At the appropriate place, add the following:

TITLE —TRANSITION TO TEACHING

SEC. 1. SHORT TITLE.

This title may be cited as the ''Transition to Teaching Act''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) School districts will need to hire more than 2,000,000 teachers in the next decade. The need for teachers in the areas of mathematics, science, foreign languages, special education, and bilingual education, and for those able to teach in high-poverty school districts will be particularly high. To meet this need, talented Americans of all ages should be recruited to become successful, qualified teachers.

(2) Nearly 28 percent of teachers of academic subjects have neither an undergraduate major nor minor in their main assignment fields. This problem is more acute in high-poverty schools, where the out-of-field percentage is 39 percent.

(3) The Third International Math and Science Study (TIMSS) ranked United States high school seniors last among 16 countries in physics and next to last in mathematics. It is also evident, mainly from the TIMSS data, that based on academic scores, a stronger emphasis needs to be placed on the academic preparation of our children in mathematics and science.

(4) One-fourth of high-poverty schools find it very difficult to fill bilingual teaching positions, and nearly half of public school teachers have students in their classrooms for whom English is a second language.

(5) Many career-changing professionals with strong content-area skills are interested in a teaching career, but need assistance in getting the appropriate pedagogical training and classroom experience.

(6) The Troops to Teachers model has been highly successful in linking high-quality teachers to teach in high-poverty districts.

SEC. 3. PURPOSE.

The purpose of this title is to address the need of high-poverty school districts for highly qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, needed by those school districts, by recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

SEC. 4. PROGRAM AUTHORIZED.

(a) AUTHORITY.—The Secretary is authorized to use funds appropriated under subsection (b) for each fiscal year to award grants, contracts, or cooperative agreements to institutions of higher education and public and private nonprofit agencies or organizations to carry out programs authorized by this title.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated $18,000,000 for each of fiscal years 2001 through 2006.

SEC. 5. APPLICATION.

Each applicant that desires an award under section 4(a) shall submit an application to the Secretary containing such information as the Secretary requires, including—

(1) a description of the target group of career-changing professionals upon which the applicant will focus in carrying out its program under this title, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this title;

(2) a description of how the applicant will identify and recruit program participants;

(3) a description of the training that program participants will receive and how that training will relate to their certification as teachers;

(4) a description of how the applicant will ensure that program participants are placed and teach in high-poverty local educational agencies;

(5) a description of the teacher induction services (which may be provided through existing induction programs) the program participants will receive throughout at least their first year of teaching;

(6) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, and support program participants under this title, including evidence of the commitment of those institutions, agencies, or organizations to the applicant's program;

(7) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

(A) the program's goals and objectives;

(B) the performance indicators the applicant will use to measure the program's progress; and

(C) the outcome measures that will be used to determine the program's effectiveness; and

(8) an assurance that the applicant will provide to the Secretary such information as the Secretary determines necessary to determine the overall effectiveness of programs under this title.

SEC. 6. USES OF FUNDS AND PERIOD OF SERVICE.

(a) AUTHORIZED ACTIVITIES.—Funds under this title may be used for—

(1) recruiting program participants, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

(2) training stipends and other financial incentives for program participants, not to exceed $5,000 per participant;

(3) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of professionals who are changing their careers to teaching;

(4) placement activities, including identifying high-poverty local educational agencies with a need for the particular skills and characteristics of the newly trained program participants and assisting those participants to obtain employment in those local educational agencies; and

(5) post-placement induction or support activities for program participants.

(b) PERIOD OF SERVICE.—A program participant in a program under this title who completes his or her training shall serve in a high-poverty local educational agency for at least 3 years.

(c) REPAYMENT.—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that program participants who receive a training stipend or other financial incentive under subsection (a)(2), but fail to complete their service obligation under subsection (b), repay all or a portion of such stipend or other incentive.

SEC. 7. EQUITABLE DISTRIBUTION.

To the extent practicable, the Secretary shall make awards under this title that support programs in different geographic regions of the Nation.

SEC. 8. DEFINITIONS.

In this title:

(1) HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.—The term ''high-poverty local educational agency'' means a local educational agency in which the percentage of children, ages 5 through 17, from families below the

poverty level is 20 percent or greater, or the number of such children exceeds 10,000.

(2) PROGRAM PARTICIPANTS.—The term ''program participants'' means career-changing professionals who—

(A) hold at least a baccalaureate degree;

(B) demonstrate interest in, and commitment to, becoming a teacher; and

(C) have knowledge and experience that are relevant to teaching a high-need subject area in a high-need local educational agency.

COLLINS (AND OTHERS) AMENDMENT NO. 2854

Ms. COLLINS (for herself, Mr. KYL, and Mr. COVERDELL) proposed an amendment to the bill, S. 1134, supra; as follows:

At the end of title II, insert:

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

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

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

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

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

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

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

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

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

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

''(i) is—

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

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

''(ii) may—

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

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

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

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

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

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

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

''(2) ELIGIBLE TEACHER.—

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

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

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

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

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

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

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

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

''(c) DEFINITIONS.—

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

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

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

''(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT AMENDMENTS OF 1999

CAMPBELL AMENDMENT NO. 2855

Mr. COVERDELL (for Mr. CAMPBELL) proposed an amendment to the bill (S. 400) to provide technical corrections to the Native American Housing Assistance and Self-Determination Act of 1986, to improve the delivery of housing assistance to Indian tribes in a manner that recognizes the right of tribal self-governance, and for other purposes; as follows:

On page 19, strike lines 2 through 10 and insert the following:

Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)) is amended—

(1) by striking ''Davis-Bacon Act (40 U.S.C. 276a-276a-5)'' and inserting ''Act of March 3, 1931 (commonly known as the 'Davis-Bacon Act') (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.)''; and

(2) by adding at the end the following:

''(3) APPLICATION OF TRIBAL LAWS.—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by 1 or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.''.

AFFORDABLE EDUCATION ACT OF 1999

COLLINS (AND OTHERS) AMENDMENT NO. 2856

(Ordered to lie on the table.)

Ms. COLLINS (for herself, Mr. KYL, and Mr. COVERDELL) submitted an amendment intended to be proposed by her to the bill, S. 1134, supra; as follows:

At the end of title II, insert:

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

(a) IN GENERAL.—Section 67(b) (defining miscellaneous itemized deductions) is amended by striking ''and'' at the end of

paragraph (11), by striking the period at the end of paragraph (12) and inserting ''; and'', and by adding at the end the following new paragraph:

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

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

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

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

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

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

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

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

''(i) is—

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

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

''(ii) may—

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

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

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

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

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

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

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

''(2) ELIGIBLE TEACHER.—

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

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

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

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on March 1, 2000, in SD–192 at 9 a.m. The purpose of this meeting will be to discuss the agriculture trade agreement with China.

COMMITTEE OR AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on March 2, 2000, in SR–328A a 10 a.m. The purpose of this meeting will be to discuss risk management/crop insurance and possibly other issues before the agriculture committee.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place on Friday March 10, 2000, at 9 a.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1892, a bill to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes. In addition, testimony will be taken from the Government Accounting Office and the Forest Service on the Government Accounting Office review of the Forest Service's appraisal for the acquisition of the Valles Caldera.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Mike Menge or Bill Eby at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. THOMAS. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, February 28, at 2 p.m., to receive testimony on ballistic missile defense programs and issues in review of the defense authorization request for fiscal year 2001 and the future years defense program.

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

COMMITTEE ON ARMED SERVICES

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, February 28, 2000, at 4 p.m., in open session to receive testimony on the national security implications of export controls and to examine S. 1712, the Export Administration Act of 1999.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Monday, February 28, 2000, to conduct a hearing on the Competitive Market Supervision Act.

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

ADDITIONAL STATEMENTS

AFRICAN AMERICAN HISTORY MONTH

• Mr. LEVIN. Mr. President, every February nationwide we celebrate African American History Month. We do so because in 1926, Dr. Carter G. Woodson, son of former slaves, proposed such a recognition as a way of preserving the history of the Negro and recognizing the enormous contributions of a people of great strength, dignity, faith and conviction—a people who rendered their achievements for the betterment and advancement of a Nation once lacking in humanity towards them. Throughout the Nation, we celebrate the many important contributions African Americans have made in all facets of American life.

Lerone Bennett, editor, writer and lecturer recently reflected on the life and times of Dr. Woodson. In an article he wrote earlier this month for Johnson's Publications, Bennett tells us that one of the most inspiring and instructive stories in African American history is the story of Woodson's struggle and rise from the coal mines of West Virginia to the summit of academic achievement:

> At 17, the young man who was called by history to reveal Black history was an untutored coal miner. At 19, after teaching himself the fundamentals of English and arithmetic, he entered high school and mastered the four-year curriculum in less than two years. At 22, after two-thirds of a year at Berea College [in Kentucky], he returned to the coal mines and studied Latin and Greek between trips to the mine shafts. He then went on to the University of Chicago, where he received bachelor's and master's degrees, and Harvard University, where he became the second Black to receive a doctorate in history. The rest is history—Black history.

Mr. President, in keeping with the spirit and the vision of Dr. Carter G. Woodson, I would like to pay tribute to two courageous women, claimed by my home state of Michigan, who played significant roles in addressing American injustice and inequality. These are two women of different times who would change the course of history.

Mr. President, Sojourner Truth, who helped lead our country out of the dark days of slavery, and Rosa Parks, whose dignified leadership sparked the Montgomery Bus Boycott and the start of the Civil Rights movement are indelibly echoed in the chronicle of not only the history of this Nation, but are viewed with distinction and admiration throughout the world.

Sojourner Truth, though unable to read or write, was considered one of the most eloquent and noted spokespersons of her day on the inhumanity and immorality of slavery. She was a leader in the abolitionist movement, and a ground breaking speaker on behalf of equality for women. Michigan recently honored her with the dedication of the Sojourner Truth Memorial Monument, which was unveiled in Battle Creek, Michigan on September 25, 1999. I commend Dr. Velma Laws-Clay who headed the Monument Steering Committee and Sculptor Tina Allen for making their dream, a true monument to Sojourner Truth, a reality.

Mr. President, Sojourner Truth had an extraordinary life. She was born Isabella Baumfree in 1797, served as a slave under several different masters, and was eventually freed in 1828 when New York state outlawed slavery. She continued to live in New York and became strongly involved in religion. In 1843, Baumfree, in response to a command from God, changed her name to Sojourner Truth and dedicated her life to traveling and lecturing. She began her migration West in 1850, where she shared the stage with other abolitionist leaders such as Frederick Douglass.

In 1851, Sojourner Truth delivered her famous ''Ain't I a Woman?'' speech at the Women's Convention in Akron, Ohio. In the speech, Truth attacked both racism and sexism. Truth made her case for equality in plain-spoken English when she said,

> Then that little man in black there, he says women can't have as much rights as men, cause Christ wasn't a woman? Where did your Christ come from? Where did your Christ come from? From God and a woman! Man had nothing to do with Him.

By the mid-1850s, Truth had settled in Battle Creek, Michigan. She continued to travel and speak out for equality. During the Civil War, Truth traveled throughout Michigan, gathering food and clothing for Negro volunteer regiments. Truth's travels during the war eventually led her to a meeting with President Abraham Lincoln in 1864, at which she presented her ideas on assisting freed slaves. Truth remained in Washington, D.C. for several years, helping slaves who had fled from the South and appearing at women's suffrage gatherings. Due to bad health, Sojourner Truth returned to Battle Creek in 1875, and remained there until her death in 1883. Sojourner Truth spoke from her heart about the most troubling issues of her time. A testament to Truth's convictions is that her words continue to speak to us today.

Mr. President, on May 4, 1999 legislation was enacted which authorized the President of the United States to award the Congressional Gold Medal to Rosa Parks. The Congressional Gold Medal was presented to Rosa Parks on June 15, 1999 during an elaborate ceremony in the U.S. Capitol Rotunda. I was pleased to cosponsor this fitting tribute to Rosa Parks—the gentle warrior who decided that she would no longer tolerate the humiliation and demoralization of racial segregation on a bus. Her personal bravery and self-sacrifice are remembered with reverence and respect by us all.

Forty four years ago in Montgomery, Alabama the modern civil rights movement began when Rosa Parks refused to give up her seat and move to the back of the bus. The strength and spirit of this courageous woman captured the consciousness of not only the American people but the entire world.

My home state of Michigan proudly claims Rosa Parks as one of our own. Rosa Parks and her husband made the journey to Michigan in 1957. Unceasing threats on their lives and persistent harassment by phone prompted the move to Detroit where Rosa Parks's brother resided.

Rosa Parks' arrest for violating the city's segregation laws was the catalyst for the Montgomery bus boycott. Her stand on that December day in 1955 was not an isolated incident but part of a lifetime of struggle for equality and justice. For instance, twelve years earlier, in 1943, Rosa Parks had been arrested for violating another one of the city's bus related segregation laws, which required African Americans to pay their fares at the front of the bus then get off of the bus and re-board from the rear of the bus. The driver of that bus was the same driver with whom Rosa Parks would have her confrontation 12 years later.

The rest is history—the boycott which Rosa Parks began was the beginning of an American revolution that elevated the status of African Americans nationwide and introduced to the world a young leader who would one day have a national holiday declared in his honor, the Reverend Martin Luther King Jr.

Mr. President, we have come a long way toward achieving justice and equality for all. But we still have work to do. In the names of Rosa Parks, Sojourner Truth, Dr. Carter G. Woodson, Dr. Martin Luther King, Jr., and many others, let us rededicate ourselves to continuing the struggle on Civil Rights and to human rights.●

TRIBUTE TO SERGEANT MAJOR CHARLES J. JOHNSON

● Mr. HUTCHINSON. Mr. President, I rise today to honor Command Sergeant Major Charles J. Johnson of the U.S. Army Communication-Electronics Command who is retiring from the United States Army after 30 years of active duty. Sergeant Major Johnson is an exceptional leader, a ''soldier's'' soldier and has served this great country with honor and dignity. He understands soldiering, leadership and selfless service. He is known for his dedication and integrity. He has tackled the tough issues that our Army has faced the passed few years while consistently focused on the proper care and concern for our soldiers and families. Through his hard work and efforts and the most significant contributions he has made our United States Army enters this new millennium as a strong, well-trained, proud fighting force. This wonderful American deserves a tremendous praise and thanks from a nation for which he has given so much and loves.

Sergeant Major Johnson was born on August 8, 1949. He was raised in Canton, Georgia, and entered the Army in April 1970 at Fort Knox, Kentucky, where he was trained in Basic Soldiering and Basic Combat Skills. Upon the completion of Basic Training he received advanced individual training as a Communications Center Specialist at Fort Gordon, Georgia. Throughout his career, Sergeant Major Johnson continued his military education completing numerous military schools but most notable: Defense Race Relations Institute, Advance Noncommissioned Course, Organizational Effectiveness Staff Officers Course, First Sergeant Course and the United States Army Sergeants Major Academy. Sergeant Major Johnson was also awarded a Bachelor of Science Degree from the University of Maryland.

Sergeant Major Johnson's initial assignment was with the Defense Communications Agency Southwest Asia Mainland Region (Vietnam). He was assigned to the Defense Communication Agency in Washington, DC, following duty in Vietnam. Sergeant Major Johnson has served over 24 years overseas to include six tours in Germany, one tour in Korea, and another combat tour in Southwest Asia.

Sergeant Major Johnson has served with distinction in every leadership position from Team Chief to Command Sergeant Major. He served as a First Sergeant of B Company, 440th Signal Battalion (Darmstardt, Germany) and as Command Sergeant Major of the 44th Signal Battalion (Mannheim, Germany), 22d Signal Brigade (Corps) (Darmstardt, Germany), U.S. Army Garrison, Fort Monmouth, New Jersey, and the Command Sergeant Major of the 1st Signal Brigade ''Voice of the ROK'' in Yongsan, Korea. Sergeant Major Johnson also served as an instructor at the Infantry Center and School at Fort Benning, Georgia and on both the Equal Opportunity and Organizational Effectiveness Staffs at

Headquarters, V Corps in Frankfurt, Germany.

Sergeant Major Johnson's awards and decorations include the Legion of Merit, Bronze Star Medal (with oak leaf cluster), Meritorious Service Medal (with fourth oak leaf cluster), Army Commendation Medal (with oak leaf cluster), Army Achievement Medal, Good Conduct Medal (10 Awards), Military Outstanding Volunteer Service Medal and numerous service and campaign medals for service in both Southeast and Southwest Asia. He has also been awarded the German Marksman Award and the Signal Corps Regimental Medal, the Silver Order of Mercury.●

NATIONAL YOUNG FARMER AWARD

● Mr. ASHCROFT. Mr. President, it is with great pleasure that I recognize and congratulate Mr. and Mrs. David Herbst, on receiving the National Young Farmer Award from the American Farm Bureau Federation. From their farm near Chaffee, Missouri, David and Leslie Herbst have set an example to our nation's agricultural industry about productive farming, land management, and environmental conservation.

The National Young Farmer Award is the highest award given for outstanding achievements, and it is given only to one farmer each year. David and Leslie Herbst were selected from a field of nominees submitted by state Farm Bureaus across the nation. It is an honor for Missouri to have such prominent examples of excellence in farming.

This prestigious award, presented to David and Leslie, is accompanied by some impressive prizes, including a 2000 Dodge Ram 4x4 truck and an Arctic Cat all terrain vehicle. They also won registration to conferences that will give them an opportunity to share their successes and perspectives on farming with other young farmers and ranchers.

David and Leslie are continuing the tradition of family farming in southeast Missouri. They are the fourth generation of Herbsts to farm in the region, and they have been particularly successful with a unique approach to environmental protection that will preserve their land and keep it fertile for future generations.

When I look to Missouri, I do not see a state defined only by its geography—spanning from the Missouri River to the Mississippi River. Nor do I simply define Missouri by its economic diversity—a state leading in farming and industry. I see the definition of Missouri as a place where Missourians, like the Herbsts, can work together to give the next generation more opportunity than we have today. It is a state of ascending opportunity.

Because of David and Leslie's careful stewardship of their land, prudent planning, and perseverance through the market crises of recent years, they will be able to advise the next generation of Missourians to continue the traditions of family farming and agri-business. The Herbsts can truly say ''the best is yet to come.''

It is my honor to wish David and Leslie continued success in agriculture. They have set an inspiring example for farmers across the nation, and indeed in Missouri.●

JIM GOODMON—VISIONARY

● Mr. HELMS. Mr. President, back in the mid-1960s, I was enjoying life as one of the guys active in the management of a very successful television station in my hometown of Raleigh. The company, Capitol Broadcasting Company, had been founded by a remarkable gentleman, Mr. A.J. Fletcher, born in the mountains of Western North Carolina, son of a circuit-riding Baptist preacher whose ministry included hundreds of mountain families who attended the many churches under the watchcare of the Reverend Mr. Fletcher.

Those were hard scrabble times and by today's standards, just about everybody whom Reverend Fletcher's ministry served was poor.

A.J. Fletcher had nonetheless begun a lifetime love affair with the music of opera. So he headed east, to Raleigh and Wake County; virtually penniless he nonetheless studied law at night and in the process developed an instinctive knowledge of business and investment. In the years that followed, neither A.J. Fletcher nor anyone else in his family ever lived another hard-scrabble day.

Mr. President, I developed a high respect and genuine friendship for and with Mr. Fletcher. What I have recited up to this point is intended to be a lead-in to a magazine article about one of Mr. Fletcher's remarkable grandsons, James Fletcher Goodmon who today is president and CEO of Capitol Broadcasting Company.

I will get to the article in a moment, Mr. President, but I am obliged to mention my earliest impressions of Jim Goodmon when he was in high school in Raleigh and worked every possible minute of every day (and night) that he could manage at the television station (WRAL–TV) which was to become the flagship station-to-be of an expanded Capitol Broadcasting Company.

I saw young Jim Goodmon frequently back in those days (and nights) as he concentrated on learning everything possible about the mysteries of keeping a television station on the air. Many times he was covered with grease, many times he was bound to have been tired, but Jim Goodmon was then, as he is today, a hard-charger. Grandpa Fletcher was proud of Jim—and so was I. I sensed back then that Jim Goodmon would one day be a leader in television—as he certainly has turned out to be.

A few words about Jim Goodmon's family. After attending Duke University, Jim Goodmon found a bride—a lovely one and a hard-charger herself—across the mountains in Tennessee. Barbara Lyons was a registered nurse then. Now, years later, Barbara Lyons Goodmon genuinely cares about people. She and Jim have three children and one grandchild. They complement each other; both stay busy but never so busy that they cannot help each other in their myriad of projects.

What I have stated is scarcely more than a snapshot of a remarkable family. Mr. A.J. Fletcher is long gone from the scene but I have a hunch that he is looking down from a Cloud Nine somewhere, nodding his approval of the way Jim and Barbara are doing things.

Let me hurriedly add that Jim Goodmon is president and owner of the Durham Bulls baseball team which plays its home games in its dandy new stadium about 20 miles away in Durham—and then I will proceed to calling attention to a profile about Jim Goodmon published in the latest issue of the magazine, Region Focus.

The article, by Betty Joyce Nash, is entitled ''James F. Goodmon, an industry visionary and community cheerleader defines the future.'' Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROFILE/JAMES F. GOODMON—AN INDUSTRY VISIONARY AND COMMUNITY CHEERLEADER DEFINES THE FUTURE

Jim Goodmon was fighting fatigue and a cold. He had just flown back to Raleigh, N.C., from Colorado where he helped pitch the Raleigh-Durham-Chapel Hill Triangle area as the site of the 2007 Pan American Games. Goodmon played a key role in luring the 1999 Special Olympics to the Triangle, so why not the Pan Am games?

It wasn't meant to be. San Antonio was chosen instead of the Triangle. But that's irrelevant, Goodmon says, his spirit hardly dampened by the loss, the jet lag, or sniffles. North Carolina, he says, showed initiative in planning and promoting the future.

''What's important is that we were working on something in 2007 and not for next week,'' says Goodmon, president and chief executive officer of Capitol Broadcasting Co. Inc. in Raleigh. Goodmon's grandfather, A.J. Fletcher, started the company in 1939 to serve the community. Still a family-owned enterprise, Capitol is a rarity in the rapidly consolidating broadcast industry.

So far, Goodmon has invested nearly $4 million to make Capitol's WRAL the nation's first television station to transmit television signals digitally. These high-definition transmissions provide flawless pictures and ''surround'' sound. WRAL–HD, the ''HD'' stands for high-definition, went on the air in 1996. Goodmon is still charged by the potential he sees in this medium. ''Not a day goes by that I'm not amazed that we can send pictures through the air,'' he says.

Capitol's other holdings include minor league baseball teams in Durham, N.C., and Myrtle Beach, S.C., a satellite communications firm, and office developments in downturn Durham.

But Goodmon's future includes a big role as community cheerleader. A sports fan, Goodmon tirelessly cheers for the Triangle. He is also president of his family's 50-year-old philanthropic foundation—the A.J. Fletcher Foundation—and is a chief promoter of Gov. Jim Hunt's Smart Start program for preschool-aged children.

''If you want to make a difference in the future, what's better than investing in kids?'' he asks.

Despite his prominent role in the community, Goodmon likes to work behind the scenes, says longtime friend Smedes York. A former Raleigh mayor who has known Goodmon since high school, York was also a member of the committee that tried to lure the Special Olympics and Pan Am Games to the Triangle. Goodmon is serious about this commitment to making things happen, York says, and backs up his promises with resources.

''He'll pick up two or three key things and put his time and resources into those,'' York says. ''He's not just talking. He's putting up major money and people in his organization he'll assign to work on these tasks.''

Goodmon may have a preference for the background, but he is a natural leader. For instance, he persuaded the owner of the new Hurricanes hockey team to use the name ''Carolina'' Hurricanes, not ''Raleigh'' Hurricanes.

While others might wring hands, Goodmon acts, says colleague Ben Waters. Waters should know. He is Capitol's vice president of administration and often is responsible for getting Goodmon's projects off the ground. One night in 1985, Waters recalls, Goodmon called him and asked if he had seen a news show about Ethiopia's starving children. Goodmon gave him a task.

''He said, 'Find out how we can help them. We can't sit back and not do anything,''' Waters remembers. Although Capitol was too late to aid Ethiopia, a program to funnel aid through a religious organization to another famine hot spot is ongoing.

The son of Fletcher's only daughter, Goodmon's legacy as a leader began at a young age. He was 12 years old when he took his first job as a gravedigger at a cemetery owned by his family. He earned 35 cents an hour. At age 13, he began his career in broadcasting by working odd jobs at WRAL. By age 15, he ran a camera as a member of the television production crew. U.S. Sen. Jesse Helms, R–N.C., one of Goodmon's supervisors back then, remembers him well.

''I can see him now,'' Helms recalls of the young Goodmon. ''I did a lot of evening work to catch up with my correspondence and I'd see him every evening in that engineering department. He could show some of our full-time engineers how to do it.''

The love of technology carried Goodmon to Duke University where he studied engineering. But he left without a degree in 1965 to join the U.S. Navy. The technology bug stayed with him.

A serviceman stationed in Memphis, Tenn., Goodmon also worked at a local television station. And it was in this city that he met his wife, Barbara, on a blind date. They played card games.

''Jim always said the reason he kept coming back to visit was that we had a color TV,'' Barbara Goodmon laughs. He often visited after he got off work at the television station. But when it was time to go, she had to help him start his car, an Austin Healy.

''The only way he could start it was to get underneath it,'' she says. ''I would get under the hood and hold something while he started it.''

The couple is still a formidable team when it comes to starting projects. As a member of the board of the Salvation Army, the matriarch has rallied family members to serve in soup kitchens and to participate in a variety of community projects. Although the couple's work is now less hands-on, it is more extensive. Their work with Healing Place is a prime example. The facility plans to offer shelter and rehabilitation services when it opens in November.

Healing Place was boosted by the A.J. Fletcher Foundation, which provided start-up office space and supplies. Capitol paid an employee to act as the facility's director. And the community ponied up $4.5 million for the project.

Sowing the seeds of self-sufficiency is a hallmark of the foundation, which now spends about $3.5 million a year to help fund worthy North Carolina projects and fledgling organizations. ''That's part of my future thing—getting things started,'' says Goodmon.

His energy appears limitless.

''He is up and down on the computer during the night with ideas,'' his wife says. ''The people who work for him say, 'We know how much he's been doing according to how many e-mails he has sent.'''

That relentless pace took its toll on Goodmon and led to a heart attack five years ago. He says the experience clarified his vision and forced him to work more efficiently and delegate better. Although always family-centered, he has a renewed commitment to spending time with family members, particularly his grandson, who is a toddler. He also watches Durham Bulls baseball games and attends movies with his family.

Still, Goodmon's vision is in high definition as he plugs his energy into projects that will make a difference 10 years into the future. ''Things don't just happen right; things don't just come out right by themselves,'' Goodmon says. ''You have to work on it.''●

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT AMENDMENTS OF 1999

Mr. COVERDELL. Madam President, I ask unanimous consent that the Senate now proceed to consideration of Calendar No. 374, S. 400.

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

The legislative clerk read as follows:

A bill (S. 400) to provide technical corrections to the Native American Housing Assistance and Self-Determination Act of 1996, to improve the delivery of housing assistance to Indian tribes in a manner that recognizes the right of tribal self-governance, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Indian Affairs, with an amendment in the nature of a substitute to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Native American Housing Assistance and Self-Determination Act Amendments of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Restriction on waiver authority.
Sec. 3. Assistance to families that are not low-income.
Sec. 4. Elimination of waiver authority for small tribes.
Sec. 5. Labor standards.
Sec. 6. Environmental compliance.
Sec. 7. Oversight.
Sec. 8. Allocation formula.
Sec. 9. Hearing requirement.
Sec. 10. Performance agreement time limit.
Sec. 11. Technical and conforming amendments.

SEC 2. RESTRICTION ON WAIVER AUTHORITY.

(a) IN GENERAL.—Section 101(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(b)(2)) is amended by striking ''if the Secretary'' and all that follows through the period at the end and inserting the following: ''for a period of not more than 90 days, if the Secretary determines that an Indian tribe has not complied with, or is unable to comply with, those requirements due to exigent circumstances beyond the control of the Indian tribe.''.

(b) LOCAL COOPERATION AGREEMENT.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended by adding at the end the following: ''The Secretary may waive the requirements of this subsection and subsection (d) if the recipient has made a good faith effort to fulfill the requirements of this subsection and subsection (d) and agrees to make payments in lieu of taxes to the appropriate taxing authority in an amount consistent with the requirements of subsection (d)(2) until such time as the matter of making such payments has been resolved in accordance with subsection (d).''.

SEC. 3. ASSISTANCE TO FAMILIES THAT ARE NOT LOW-INCOME.

Section 102(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(c)) is amended by adding at the end the following:

''(6) CERTAIN FAMILIES.—With respect to assistance provided by a recipient to Indian families that are not low-income families under section 201(b)(2), evidence that there is a need for housing for each such family during that period that cannot reasonably be met without such assistance.''.

SEC. 4. ELIMINATION OF WAIVER AUTHORITY FOR SMALL TRIBES.

Section 102 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

SEC. 5. LABOR STANDARDS.

Section 104(b)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)(1)) is amended—

(1) by inserting ''relating to 12 or more units of housing assisted under this Act'' after ''lease''; and

(2) by striking ''Davis-Bacon Act (40 U.S.C. 276a-276a-5)'' and inserting ''Act of March 3, 1931 (commonly known as the 'Davis-Bacon Act') (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.)''.

SEC. 6. ENVIRONMENTAL COMPLIANCE.

Section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115) is amended by adding at the end the following:

''(d) ENVIRONMENTAL COMPLIANCE.—The Secretary may waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with provisions of this section—

''(1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;

''(2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;

''(3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c)(1); and

''(4) may be corrected through the sole action of the recipient.''.

SEC. 7. OVERSIGHT.

(a) REPAYMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended to read as follows:

''SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING REQUIREMENT.

''If a recipient uses grant amounts to provide affordable housing under this title, and at any

time during the useful life of the housing the recipient does not comply with the requirement under section 205(a)(2), the Secretary shall take appropriate action under section 401(a).''.

(b) AUDITS AND REVIEWS.—Section 405 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4165) is amended to read as follows:

''SEC. 405. REVIEW AND AUDIT BY SECRETARY.

''(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE 31, UNITED STATES CODE.—An entity designated by an Indian tribe as a housing entity shall be treated, for purposes of chapter 75 of title 31, United States Code, as a non-Federal entity that is subject to the audit requirements that apply to non-Federal entities under that chapter.

''(b) ADDITIONAL REVIEWS AND AUDITS.—

''(1) IN GENERAL.—In addition to any audit or review under subsection (a), to the extent the Secretary determines such action to be appropriate, the Secretary may conduct an audit or review of a recipient in order to—

''(A) determine whether the recipient—

''(i) has carried out—

''(I) eligible activities in a timely manner; and

''(II) eligible activities and certification in accordance with this Act and other applicable law;

''(ii) has a continuing capacity to carry out eligible activities in a timely manner; and

''(iii) is in compliance with the Indian housing plan of the recipient; and

''(B) verify the accuracy of information contained in any performance report submitted by the recipient under section 404.

''(2) ONSITE VISITS.—To the extent practicable, the reviews and audits conducted under this subsection shall include onsite visits by the appropriate official of the Department of Housing and Urban Development.

''(c) REVIEW OF REPORTS.—

''(1) IN GENERAL.—The Secretary shall provide each recipient that is the subject of a report made by the Secretary under this section notice that the recipient may review and comment on the report during a period of not less than 30 days after the date on which notice is issued under this paragraph.

''(2) PUBLIC AVAILABILITY.—After taking into consideration any comments of the recipient under paragraph (1), the Secretary—

''(A) may revise the report; and

''(B) not later than 30 days after the date on which those comments are received, shall make the comments and the report (with any revisions made under subparagraph (A)) readily available to the public.

''(d) EFFECT OF REVIEWS.—Subject to section 401(a), after reviewing the reports and audits relating to a recipient that are submitted to the Secretary under this section, the Secretary may adjust the amount of a grant made to a recipient under this Act in accordance with the findings of the Secretary with respect to those reports and audits.''.

SEC. 8. ALLOCATION FORMULA.

Section 302(d)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4152(d)(1)) is amended—

(1) by striking ''The formula,'' and inserting the following:

''(A) IN GENERAL.—Except with respect to an Indian tribe described in subparagraph (B), the formula''; and

(2) by adding at the end the following:

''(B) CERTAIN INDIAN TRIBES.—With respect to fiscal year 2000 and each fiscal year thereafter, for any Indian tribe with an Indian housing authority that owns or operates fewer than 250 public housing units, the formula under subparagraph (A) shall provide that if the amount provided for a fiscal year in which the total amount made available for assistance under this Act is equal to or greater than the amount made available for fiscal year 1996 for assistance for the operation and modernization of the public housing referred to in subparagraph (A), then the amount provided to that Indian tribe as modernization assistance shall be equal to the average annual amount of funds provided to the Indian tribe (other than funds provided as emergency assistance) under the assistance program under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) for the period beginning with fiscal year 1992 and ending with fiscal year 1997.''.

SEC. 9. HEARING REQUIREMENT.

Section 401(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting each such subparagraph 2 ems to the right;

(2) by striking ''Except as provided'' and inserting the following:

''(1) IN GENERAL.—Except as provided'';

(3) by striking ''If the Secretary takes an action under paragraph (1), (2), or (3)'' and inserting the following:

''(2) CONTINUANCE OF ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1)''; and

(4) by adding at the end the following:

''(3) EXCEPTION FOR CERTAIN ACTIONS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, if the Secretary makes a determination that the failure of a recipient of assistance under this Act to comply substantially with any material provision (as that term is defined by the Secretary) of this Act is resulting, and would continue to result, in a continuing expenditure of Federal funds in a manner that is not authorized by law, the Secretary may take an action described in paragraph (1)(C) before conducting a hearing.

''(B) PROCEDURAL REQUIREMENT.—If the Secretary takes an action described in subparagraph (A), the Secretary shall—

''(i) provide notice to the recipient at the time that the Secretary takes that action; and

''(ii) conduct a hearing not later than 60 days after the date on which the Secretary provides notice under clause (i).

''(C) DETERMINATION.—Upon completion of a hearing under this paragraph, the Secretary shall make a determination regarding whether to continue taking the action that is the subject of the hearing, or take another action under this subsection.''.

SEC. 10. PERFORMANCE AGREEMENT TIME LIMIT.

Section 401(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(b)) is amended—

(1) by striking ''If the Secretary'' and inserting the following:

''(1) IN GENERAL.—If the Secretary'';

(2) by striking ''(1) is not'' and inserting the following:

''(A) is not'';

(3) by striking ''(2) is a result'' and inserting the following:

''(B) is a result'';

(4) in the flush material following paragraph (1)(B), as redesignated by paragraph (3) of this section—

(A) by adjusting the margin 2 ems to the right; and

(B) by inserting before the period at the end the following: '', if the recipient enters into a performance agreement with the Secretary that specifies the compliance objectives that the recipient will be required to achieve by the termination date of the performance agreement''; and

(5) by adding at the end the following:

''(2) PERFORMANCE AGREEMENT.—The period of a performance agreement described in paragraph (1) shall be for 1 year.

''(3) REVIEW.—Upon the termination of a performance agreement entered into under paragraph (1), the Secretary shall review the performance of the recipient that is a party to the agreement.

''(4) EFFECT OF REVIEW.—If, on the basis of a review under paragraph (3), the Secretary determines that the recipient—

''(A) has made a good faith effort to meet the compliance objectives specified in the agreement, the Secretary may enter into an additional performance agreement for the period specified in paragraph (2); and

''(B) has failed to make a good faith effort to meet applicable compliance objectives, the Secretary shall determine the recipient to have failed to comply substantially with this Act, and the recipient shall be subject to an action under subsection (a).''.

SEC. 11. TECHNICAL AND CONFORMING AMENDMENTS.

(a) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents—

(1) by striking the item relating to section 206; and

(2) by striking the item relating to section 209 and inserting the following:

''209. Noncompliance with affordable housing requirement.''.

(b) CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is repealed.

(c) TERMINATIONS.—Section 502(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4181(a)) is amended by adding at the end the following: ''Any housing that is the subject of a contract for tenant-based assistance between the Secretary and an Indian housing authority that is terminated under this section shall, for the following fiscal year and each fiscal year thereafter, be considered to be a dwelling unit under section 302(b)(1).''.

AMENDMENT NO. 2855

(Purpose: To ensure that laws or regulations relating to the payment of prevailing wages that are adopted by Indian tribes are not superseded by certain provisions of Federal law)

Mr. COVERDELL. Madam President, Senator CAMPBELL has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for Mr. CAMPBELL, proposes an amendment numbered 2855.

Mr. COVERDELL. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 19, strike lines 2 through 10 and insert the following:

Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)) is amended—

(1) by striking ''Davis-Bacon Act (40 U.S.C. 276a-276a-5)'' and inserting ''Act of March 3, 1931 (commonly known as the 'Davis-Bacon Act') (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.)''; and

(2) by adding at the end the following:

''(3) APPLICATION OF TRIBAL LAWS.—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by 1 or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.''.

Mr. COVERDELL. I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 2855) was agreed to.

Mr. COVERDELL. Madam President, I ask unanimous consent that the substitute amendment, as amended, be agreed to.

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

The committee amendment, as amended, was agreed to.

Mr. COVERDELL. Madam President, I ask unanimous consent that the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 400), as amended, was read the third time and passed, as follows:

S. 400

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Native American Housing Assistance and Self-Determination Act Amendments of 2000''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Restriction on waiver authority.
Sec. 3. Assistance to families that are not low-income.
Sec. 4. Elimination of waiver authority for small tribes.
Sec. 5. Labor standards.
Sec. 6. Environmental compliance.
Sec. 7. Oversight.
Sec. 8. Allocation formula.
Sec. 9. Hearing requirement.
Sec. 10. Performance agreement time limit.
Sec. 11. Technical and conforming amendments.

SEC 2. RESTRICTION ON WAIVER AUTHORITY.

(a) IN GENERAL.—Section 101(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(b)(2)) is amended by striking ''if the Secretary'' and all that follows through the period at the end and inserting the following: ''for a period of not more than 90 days, if the Secretary determines that an Indian tribe has not complied with, or is unable to comply with, those requirements due to exigent circumstances beyond the control of the Indian tribe.''.

(b) LOCAL COOPERATION AGREEMENT.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended by adding at the end the following: ''The Secretary may waive the requirements of this subsection and subsection (d) if the recipient has made a good faith effort to fulfill the requirements of this subsection and subsection (d) and agrees to make payments in lieu of taxes to the appropriate taxing authority in an amount consistent with the requirements of subsection (d)(2) until such time as the matter of making such payments has been resolved in accordance with subsection (d).''.

SEC. 3. ASSISTANCE TO FAMILIES THAT ARE NOT LOW-INCOME.

Section 102(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(c)) is amended by adding at the end the following:

''(6) CERTAIN FAMILIES.—With respect to assistance provided by a recipient to Indian families that are not low-income families under section 201(b)(2), evidence that there is a need for housing for each such family during that period that cannot reasonably be met without such assistance.''.

SEC. 4. ELIMINATION OF WAIVER AUTHORITY FOR SMALL TRIBES.

Section 102 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

SEC. 5. LABOR STANDARDS.

Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)) is amended—

(1) by striking ''Davis-Bacon Act (40 U.S.C. 276a–276a–5)'' and inserting ''Act of March 3, 1931 (commonly known as the 'Davis-Bacon Act') (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.)''; and

(2) by adding at the end the following:

''(3) APPLICATION OF TRIBAL LAWS.—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by 1 or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.''.

SEC. 6. ENVIRONMENTAL COMPLIANCE.

Section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115) is amended by adding at the end the following:

''(d) ENVIRONMENTAL COMPLIANCE.—The Secretary may waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with provisions of this section—

''(1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;

''(2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;

''(3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c)(1); and

''(4) may be corrected through the sole action of the recipient.''.

SEC. 7. OVERSIGHT.

(a) REPAYMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended to read as follows:

''SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING REQUIREMENT.

''If a recipient uses grant amounts to provide affordable housing under this title, and at any time during the useful life of the housing the recipient does not comply with the requirement under section 205(a)(2), the Secretary shall take appropriate action under section 401(a).''.

(b) AUDITS AND REVIEWS.—Section 405 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4165) is amended to read as follows:

''SEC. 405. REVIEW AND AUDIT BY SECRETARY.

''(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE 31, UNITED STATES CODE.—An entity designated by an Indian tribe as a housing entity shall be treated, for purposes of chapter 75 of title 31, United States Code, as a non-Federal entity that is subject to the audit requirements that apply to non-Federal entities under that chapter.

''(b) ADDITIONAL REVIEWS AND AUDITS.—

''(1) IN GENERAL.—In addition to any audit or review under subsection (a), to the extent the Secretary determines such action to be appropriate, the Secretary may conduct an audit or review of a recipient in order to—

''(A) determine whether the recipient—

''(i) has carried out—

''(I) eligible activities in a timely manner; and

''(II) eligible activities and certification in accordance with this Act and other applicable law;

''(ii) has a continuing capacity to carry out eligible activities in a timely manner; and

''(iii) is in compliance with the Indian housing plan of the recipient; and

''(B) verify the accuracy of information contained in any performance report submitted by the recipient under section 404.

''(2) ONSITE VISITS.—To the extent practicable, the reviews and audits conducted under this subsection shall include onsite visits by the appropriate official of the Department of Housing and Urban Development.

''(c) REVIEW OF REPORTS.—

''(1) IN GENERAL.—The Secretary shall provide each recipient that is the subject of a report made by the Secretary under this section notice that the recipient may review and comment on the report during a period of not less than 30 days after the date on which notice is issued under this paragraph.

''(2) PUBLIC AVAILABILITY.—After taking into consideration any comments of the recipient under paragraph (1), the Secretary—

''(A) may revise the report; and

''(B) not later than 30 days after the date on which those comments are received, shall make the comments and the report (with any revisions made under subparagraph (A)) readily available to the public.

''(d) EFFECT OF REVIEWS.—Subject to section 401(a), after reviewing the reports and audits relating to a recipient that are submitted to the Secretary under this section, the Secretary may adjust the amount of a grant made to a recipient under this Act in accordance with the findings of the Secretary with respect to those reports and audits.''.

SEC. 8. ALLOCATION FORMULA.

Section 302(d)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4152(d)(1)) is amended—

(1) by striking ''The formula,'' and inserting the following:

''(A) IN GENERAL.—Except with respect to an Indian tribe described in subparagraph (B), the formula''; and

(2) by adding at the end the following:

''(B) CERTAIN INDIAN TRIBES.—With respect to fiscal year 2000 and each fiscal year thereafter, for any Indian tribe with an Indian housing authority that owns or operates fewer than 250 public housing units, the formula under subparagraph (A) shall provide that if the amount provided for a fiscal year in which the total amount made available for assistance under this Act is equal to or greater than the amount made available for fiscal year 1996 for assistance for the operation and modernization of the public housing referred to in subparagraph (A), then the amount provided to that Indian tribe as modernization assistance shall be equal to the average annual amount of funds provided to the Indian tribe (other than funds provided as emergency assistance) under the assistance program under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437*l*) for the period beginning with fiscal year 1992 and ending with fiscal year 1997.''.

SEC. 9. HEARING REQUIREMENT.

Section 401(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting each such subparagraph 2 ems to the right;

(2) by striking ''Except as provided'' and inserting the following:

''(1) IN GENERAL.—Except as provided'';

(3) by striking ''If the Secretary takes an action under paragraph (1), (2), or (3)'' and inserting the following:

''(2) CONTINUANCE OF ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1)''; and

(4) by adding at the end the following:

''(3) EXCEPTION FOR CERTAIN ACTIONS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, if the Secretary makes a determination that the failure of a recipient of assistance under this Act to comply substantially with any material provision (as that term is defined by the Secretary) of this Act is resulting, and would continue to result, in a continuing expenditure of Federal funds in a manner that is not authorized by law, the Secretary may take an action described in paragraph (1)(C) before conducting a hearing.

''(B) PROCEDURAL REQUIREMENT.—If the Secretary takes an action described in subparagraph (A), the Secretary shall—

''(i) provide notice to the recipient at the time that the Secretary takes that action; and

''(ii) conduct a hearing not later than 60 days after the date on which the Secretary provides notice under clause (i).

''(C) DETERMINATION.—Upon completion of a hearing under this paragraph, the Secretary shall make a determination regarding whether to continue taking the action that is the subject of the hearing, or take another action under this subsection.''.

SEC. 10. PERFORMANCE AGREEMENT TIME LIMIT.

Section 401(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(b)) is amended—

(1) by striking ''If the Secretary'' and inserting the following:

''(1) IN GENERAL.—If the Secretary'';

(2) by striking ''(1) is not'' and inserting the following:

''(A) is not'';

(3) by striking ''(2) is a result'' and inserting the following:

''(B) is a result'';

(4) in the flush material following paragraph (1)(B), as redesignated by paragraph (3) of this section—

(A) by adjusting the margin 2 ems to the right; and

(B) by inserting before the period at the end the following: '', if the recipient enters into a performance agreement with the Secretary that specifies the compliance objectives that the recipient will be required to achieve by the termination date of the performance agreement''; and

(5) by adding at the end the following:

''(2) PERFORMANCE AGREEMENT.—The period of a performance agreement described in paragraph (1) shall be for 1 year.

''(3) REVIEW.—Upon the termination of a performance agreement entered into under paragraph (1), the Secretary shall review the performance of the recipient that is a party to the agreement.

''(4) EFFECT OF REVIEW.—If, on the basis of a review under paragraph (3), the Secretary determines that the recipient—

''(A) has made a good faith effort to meet the compliance objectives specified in the agreement, the Secretary may enter into an additional performance agreement for the period specified in paragraph (2); and

''(B) has failed to make a good faith effort to meet applicable compliance objectives, the Secretary shall determine the recipient to have failed to comply substantially with this Act, and the recipient shall be subject to an action under subsection (a).''.

SEC. 11. TECHNICAL AND CONFORMING AMENDMENTS.

(a) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents—

(1) by striking the item relating to section 206; and

(2) by striking the item relating to section 209 and inserting the following:

''209. Noncompliance with affordable housing requirement.''.

(b) CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is repealed.

(c) TERMINATIONS.—Section 502(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4181(a)) is amended by adding at the end the following: ''Any housing that is the subject of a contract for tenant-based assistance between the Secretary and an Indian housing authority that is terminated under this section shall, for the following fiscal year and each fiscal year thereafter, be considered to be a dwelling unit under section 302(b)(1).''.

ORDERS FOR TUESDAY, FEBRUARY 29, 2000

Mr. COVERDELL. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Tuesday, February 29. I further ask unanimous consent that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume debate on S. 1134, the education savings account bill.

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

Mr. COVERDELL. I further ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. for the weekly policy conferences to meet.

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

PROGRAM

Mr. COVERDELL. Madam President, for the information of all Senators, tomorrow the Senate will resume consideration of the education savings account legislation. It is expected that a special education amendment may be offered tomorrow morning. Other amendments are expected to be offered and debated during tomorrow's session, with votes occurring throughout the day. Due to the pending agreement, the cloture vote for tomorrow has been vitiated. It is hoped that the education savings account bill can be completed by midweek, and therefore Senators are encouraged to work with the bill managers to offer their amendments in a timely manner.

ADJOURNMENT UNTIL TUESDAY, FEBRUARY 29, 2000

Mr. COVERDELL. Madam President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:01 p.m., adjourned until Tuesday, February 29, 2000, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 28, 2000:

THE JUDICIARY

NICHOLAS G. GARAUFIS, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK VICE CHARLES P. SIFTON, RETIRED.

GERARD E. LYNCH, OF NEW YORK, TO BE A UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK VICE JOHN E. SPRIZZO, RETIRED.

DEPARTMENT OF JUSTICE

DANIEL MARCUS, OF MARYLAND, TO BE ASSOCIATE ATTORNEY GENERAL, VICE RAYMOND C. FISHER.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, February 29, 2000 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 1

9 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the agriculture trade agreement with China.
SD–192

9:30 a.m.
Energy and Natural Resources
To hold hearings on the President's proposed budget estimates for fiscal year 2001, focusing on the Department of the Interior.
SD–366

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Federal Emergency Management Agency, and Chemical Safety Board.
SD–138

Health, Education, Labor, and Pensions
Business meeting to markup S. 2, to extend programs and activities under the Elementary and Secondary Education Act of 1965, and to consider pending nominations.
SD–430

Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal year 2001 for the Deparment of Defense and the Future Years Defense Program.
SH–216

Appropriations
Interior Subcommittee
To hold hearings on the proposed budget estimates for fiscal year 2001 for the Indian Health Service, Department of Health and Human Services.
SD–124

Intelligence
To hold closed hearings on pending intelligence matters.
SH–219

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendation of the Disabled American Veterans.
345 Cannon Building

Judiciary
To hold hearings to examine Cuba's oppressive government.
SD–226

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of John Goglia, of Massachusetts, to be a Member of the National Transportation Safety Board; and Carol Jones Carmody, of Louisiana, to be a Member of the National Transportation Safety Board.
SR–253

10:45 a.m.
Foreign Relations
To hold hearings to examine the war in Chechnya, focusing on Russia's conduct, the humanitarian crisis and United States policy.
SD–419

1 p.m.
Environment and Public Works
Fisheries, Wildlife, and Drinking Water Subcommittee
To hold hearings to examine the Environmental Protection Agency's proposed rules regarding changes in the total maximum daily load and NPDES permit programs pursuant to the Clean Water Act.
SD–406

2 p.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Defense, focusing on Navy and Marine Corps programs.
SD–192

Judiciary
Administrative Oversight and the Courts Subcommittee
To hold hearings to examine contractual mandatory binding arbitration.
SD–226

Foreign Relations
To hold hearings on the nominations of N. Cinnamon Dornsife, of the District of Columbia, to be United States Director of the Asian Development Bank, with the rank of Ambassador, and Earl Anthony Wayne, of Maryland, to be Assistant Secretary of State Economic and Business Affairs.
SD–419

2:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine certain internet issues for the next generation.
SR–253

Indian Affairs
To hold oversight hearings on the National Association of Public Administrators' Report on Bureau of Indian Affairs Management Reform.
SR–485

MARCH 2

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on legislative recommendations of the Jewish War Veterans, Paralyzed Veterans of America, Blinded Veterans Association, and the Non Commissioned Officers Association.
345 Cannon Building

Energy and Natural Resources
To hold hearings on the President's proposed budget estimates for fiscal year 2001, focusing on the Department of Energy.
SD–366

10 a.m.
Appropriations
Commerce, Justice, State, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of State.
S–146 Capitol

Appropriations
Transportation Subcommittee
To hold hearings to examine the implementation of the Driver's Privacy Protection Act, focusing on the positive notification requirement.
SD–192

Governmental Affairs
To hold hearings to examine cyber attacks, focusing on the safety of the government.
SD–342

Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings to examine international trafficking in women and children.
SD–419

Agriculture, Nutrition, and Forestry
Business meeting to consider pending calendar business.
SR–328A

Health, Education, Labor, and Pensions
To hold hearings to examine the Ryan White Care Act, focusing on the challenges of an evolving HIV/AIDS epidemic.
SD–430

Judiciary
Business meeting to consider pending calendar business.
SD–226

Banking, Housing, and Urban Affairs
To hold hearings to examine the Financial Accounting Standards Board's pooling accounting regulation.
SD–628

10:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to examnine certain issues relating to the America Online/Time Warner merger.
SR–253

2 p.m.
Intelligence
To hold closed hearings on pending intelligence matters.
SH–219

2:30 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold oversight hearings on the United States Forest Service's proposed revisions to the regulation governing National Forest Planning.
SD–366

Armed Services
SeaPower Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 2001 for the Department of Defense, focusing on shipbuilding procurement and research and development programs and the Future Years Defense Program.
SR–222

MARCH 3

9:30 a.m.
Armed Services
Readiness and Management Support Subcommittee
To hold hearings to examine the management of Air Force depot maintenance.
SR–222

Joint Economic Committee
To hold hearings to examine the current United States employment situation.
1334 Longworth Building

10 a.m.
Banking, Housing, and Urban Affairs
Business meeting to consider S. 2097, to authorize loan guarantees in order to facilitate access to local television broadcast signals in unserved and underserved areas; S. 1452, to modernize the requirements under the National Manufactured Housing Construction and Safety Standards of 1974 and to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes; the nomination of Kathryn Shaw, of Pennsylvania, to be a Member of the Council of Economic Advisers; and the nomination of Jay Johnson, of Wisconsin, to be Director of the Mint.
SD–628

MARCH 7

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of the Retired Enlisted Association, Gold Star Wives of America, Military Order of the Purple Heart, Air Force Sergeants Association, and the Fleet Reserve Association.
345 Cannon Building

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Secretary of the Senate, and the Sergeant at Arms.
SD–124

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1755, to amend the Communications Act of 1934 to regulate interstate commerce in the use of mobile telephones.
SR–253

10 a.m.
Appropriations
Commerce, Justice, State, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Federal Bureau of Investigation, Drug Enforcement Administration, and Immigration and Naturalization Service, all of the Department of Justice.
SD–192

Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Food and Drug Administration.
SD–138

Environment and Public Works
Transportation and Infrastructure Subcommittee
To hold hearings on on proposed legislation authorizing funds for fiscal year 2001 for the Department of Transportation, focusing on the Federal Highway Administration.
SD–406

2:30 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on the President's proposed budget request for fiscal year 2001 for the Bureau of Reclamation of the Department of the Interior, and the Bonneville Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration, all of the Department of Energy.
SD–366

MARCH 8

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the ational Science Foundation, and the Office of Science and Technology Policy.
SD–138

Indian Affairs
Business meeting to consider pending committee business, and will be followed by an open hearing on the reauthorizattion of the Health Care Improvement Act.
SR–485

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Defense, focusing on medical programs.
SD–192

2:30 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold hearings on S. 972, to amend the Wild and Scenic Rivers Act to improve the administration of the Lamprey River in the State of New Hampshire; S. 1705, to direct the Secretary of the Interior to enter into land exchanges to acquire from the private owner and to convey to the State of Idaho approximately 1,240 acres of land near the City of Rocks National Reserve, Idaho; S. 1727, to authorize for the expansion annex of the historic Palace of the Governors, a public history museum located, and relating to the history of Hispanic and Native American culture, in the Southwest and for other purposes; S. 1849, to designate segments and tributaries of White Clay Creek, Delaware and Pennsylvania, as a component of the National Wild and Scenic Rivers System; and S. 1910, to amend the Act establishing Women's Rights National Historical Park to permit the Secretary of the Interior to acquire title in fee simple to the Hunt House located in Waterloo, New York.
SD–366

MARCH 9

10 a.m.
Judiciary
Business meeting to consider pending calendar business.
SD–226

Appropriations
Transportation Subcommittee
To hold hearings on the Department of Transportation Program oversight.
SD–124

Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia Subcommittee
To hold hearings to examnie managing human capital in the 21st century.
SD–342

MARCH 10

9 a.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 1892, to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture.
SD–366

9:30 a.m.
Armed Services
Readiness and Management Support Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 2001 for the Department of Defense and the Future Years Defense Program, focusing on the Service's infrastrutre accounts and Real Property Maintenance Programs and the National Defense Construction Request.
SR–222

MARCH 15

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the Legislative recommendation of the Veterans of Foreign Wars.
345 Cannon Building

MARCH 21

10 a.m.
Appropriations
Commerce, Justice, State, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Federal Communications Commission and the Securities and Exchange Commission.
S–146 Capitol

10:30 a.m.
Indian Affairs
To hold hearings on S. 2102, to provide to the Timbisha Shoshone Tribe a permanent land base within its aboriginal homeland.
SR–485

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on the President's proposed budget request for fiscal year

2001 for the Forest Service, Department of Agriculture.
SD–124

Indian Affairs
To hold hearings on the nomination of Thomas N. Slonaker, of Arizona, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior.
SR–485

Commerce, Science, and Transportation
To hold hearings on the nomination of Susan Ness, of Maryland, to be a Member of the Federal Communications Commission.
SR–253

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the Legislative recommendation of the Vietnam Veterans of America, the Retired Officers Association, American Ex-Prisoners of War, AMVETS, and the National Association of State Directors of Veterans Affairs.
345 Cannon Building

2:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine recent program and management issues at NASA.
SR–253

MARCH 23

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Environmental Protection Agency.
SD–138

10 a.m.
Appropriations
Commerce, Justice, State, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the National Oceanic and Atmospheric Administration of the Department of Commerce, and the Securities and Exchange Commission.
S–146 Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the Monetary Policy Report to Congress pursuant to the Full Employment and Balanced Growth Act of 1978.
SH–216

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to examine the current state of deployment of hi-speed Internet technologies, focusing on rural areas.
SR–253

MARCH 29

9:30 a.m.
Indian Affairs
Business meeting to consider pending calendar business; to be followed by hearings on S. 1967, to make technical corrections to the status of certain land held in trust for the Mississippi Band of Choctaw Indians, to take certain land into trust for that Band.
SR–485

Appropriations
Interior Subcommittee
To hold hearings on the President's proposed budget request for fiscal year 2001 for the Department of the Interior.
SD–124

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Defense, focusing on Air Force programs.
SD–192

MARCH 30

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Housing and Urban Development.
SD–138

APRIL 4

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on the President's proposed budget request for fiscal year 2001 for the Bureau of Indian Affairs and Office of the Special Trustee, Department of the Interior.
SD–138

APRIL 5

9:30 a.m.
Indian Affairs
To hold hearings on S. 612, to provide for periodic Indian needs assessments, to require Federal Indian program evaluations.
SR–485

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Defense, focusing on Army programs.
SD–192

APRIL 6

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Veterans Affairs.
SD–138

APRIL 11

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on the President's proposed budget request for fiscal year 2001 for the Department of Energy.
SD–138

APRIL 12

9:30 a.m.
Indian Affairs
To hold hearings on S. 611, to provide for administrative procedures to extend Federal recognition to certain Indian groups, and will be followed by a business meeting to consider pending committee business.
SR–485

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Defense, focusing on missile defense programs.
SD–192

APRIL 13

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the National Aeronautics and Space Administration.
SD–138

APRIL 26

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Defense.
SD–192

SEPTEMBER 26

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the Legislative recommendation of the American Legion.
345 Cannon Building

POSTPONEMENTS

MARCH 15

9:30 a.m.
Indian Affairs
Business meeting to consider pending calendar business; to be followed by hearings on the proposed Indian Health Care Improvement Act.
SR–485

APRIL 19

9:30 a.m.
Indian Affairs
Business meeting to consider pending calendar business; to be followed by hearings on S. 611, to provide for administrative procedures to extend Federal recognition to certain Indian groups.
SR–485

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S837–S898

Measures Introduced: Six bills and one resolution were introduced, as follows: S. 2107–2112, and S. Res. 263. **Page S867**

Measures Passed:

Native American Housing Assistance and Self-Determination Act Amendments: Senate passed S. 400, to provide technical corrections to the Native American Housing Assistance and Self-Determination Act of 1996, to improve the delivery of housing assistance to Indian tribes in a manner that recognizes the right of tribal self-governance, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **Pages S895–98**

Coverdell (for Campbell) Amendment No. 2855, to ensure that laws or regulations relating to the payment of prevailing wages that are adopted by Indian tribes are not superseded by certain provisions of Federal law. **Pages S896–97**

Affordable Education Act: Senate resumed consideration of S. 1134, to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, and to increase the maximum annual amount of contributions to such accounts, taking action on the following amendment proposed thereto: **Pages S847–62**

Pending:

Collins Amendment No. 2854, to eliminate the 2-percent floor on miscellaneous itemized deductions for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials. **Pages S860–62**

A unanimous-consent agreement was reached providing that all amendments be relevant to the subject matter of education and/or related to education taxes with the exception of a Wellstone amendment regarding a report on a TANF program. **Page S853**

A further unanimous consent agreement was reached providing that the cloture vote, scheduled for 3:30 p.m., on Tuesday, February 29, 2000, be vitiated. **Page S853**

A unanimous-consent agreement was reached providing for further consideration of the bill on Tuesday, February 29, 2000. **Page S898**

Nominations Received: Senate received the following nominations:

Nicholas G. Garaufis, of New York, to be United States District Judge for the Eastern District of New York vice Charles P. Sifton, retired.

Gerard E. Lynch, of New York, to be a United States District Judge for the Southern District of New York vice John E. Sprizzo, retired.

Daniel Marcus, of Maryland, to be Associate Attorney General. **Page S898**

Communications: **Pages S865–67**

Statements on Introduced Bills: **Pages S867–70**

Additional Cosponsors: **Pages S870–71**

Amendments Submitted: **Pages S872–92**

Authority for Committees: **Page S892**

Additional Statements: **Pages S892–95**

Adjournment: Senate convened at 12:04 p.m., and adjourned at 5:01 p.m., until 9:30 a.m., on Tuesday, February 29, 2000. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S898.)

Committee Meetings

(Committees not listed did not meet)

DEFENSE AUTHORIZATION

Committee on Armed Services: On Friday, February 25, Subcommittee on Strategic concluded open and closed hearings on proposed legislation authorizing funds for fiscal year 2001 for the Department of Defense and the Future Years Defense Program, focusing on the Department of Energy's National Nuclear Security programs, after receiving testimony from Rose E. Gottemoeller, Assistant Secretary for Nonproliferation and National Security, Laura S. H.

Holgate, Director, Office of Fissile Materials Disposition, and Brig. Gen. Thomas F. Gioconda, USAF, Acting Assistant Secretary for Defense Programs, all of the Department of Energy; and Adm. Frank L. Bowman, USN, Director, Naval Nuclear Propulsion Program.

DEFENSE AUTHORIZATION

Committee on Armed Services: Subcommittee on Strategic concluded hearings on proposed legislation authorizing funds for fiscal year 2001 for the Department of Defense and the Future Years Defense Program, focusing on Ballistic Missile Defense programs, after receiving testimony from Lt. Gen. Ronald T. Kadish, USAF, Director, and Maj. Gen. Willie B. Nance, Jr., USA, National Missile Defense Program Manager, both of the Ballistic Missile Defense Organization.

EXPORT CONTROLS

Committee on Armed Services: Committee concluded hearings to examine national security implications of export controls and related provisions of S. 1712, to provide authority to control exports, after receiving testimony from Senators Enzi and Johnson; and John J. Hamre, Deputy Secretary, and James Bodner, Principle Deputy Under Secretary for Policy, both of the Department of Defense.

ANTI-DRUG ASSISTANCE TO COLOMBIA

Committee on Foreign Relations: On Friday, February 25, Subcommittee on Western Hemisphere, Peace Corps, Narcotics and Terrorism concluded hearings on proposed emergency anti-drug assistance to Colombia, after receiving testimony from R. Rand Beers, Assistant Secretary of State, Bureau for International Narcotics and Law Enforcement Affairs; Brian E. Sheridan, Assistant Secretary of Defense for Special Operations and Low Intensity Conflict; William E. Ledwith, Chief of International Operations, Drug Enforcement Administration, Department of Justice; and Jose Miguel Vivanco, Human Rights Watch, and Michael Skol, Skol and Associates, both of Washington, D.C.

DAY TRADING

Committee on Governmental Affairs: On Friday, February 25, Permanent Subcommittee on Investigations concluded hearings to examine the practices of the day trading industry and its risks to investors, after receiving testimony from Lori A. Richards, Director, Office of Compliance Inspections and Examinations, United States Securities and Exchange Commission; Deborah R. Bortner, Washington State Department of Financial Institutions, Olympia; Barry R. Goldsmith, National Association of Securities Dealers Regulation, Inc., Washington, D.C.; Harvey I. Houtkin, All-Tech Direct, Montvale, New Jersey; Henry D. Fahman, Providential Securities, Fountain Valley, California; and James H. Lee, TRADESCAPE.com Securities, LLC, (Momentum Securities), Houston, Texas.

House of Representatives

Chamber Action

The House was not in Session. The House will meet at 12:30 p.m. on Tuesday, February 29 for morning-hour debates.

Committee Meetings

No Committee meetings were held.

Joint Meetings

KOSOVO'S DISPLACED AND IMPRISONED

Commission on Security and Cooperation in Europe: Commission concluded hearings to examine the plight of Kosovo's displaced and imprisoned civilians, after receiving testimony from John Menzies, Deputy Special Advisor to the President and Secretary of State for Kosovo Implementation, Department of State; Bill Frelick, Director of Policy, United States Committee for Refugees, Susan Blaustein, International Crisis Group, and Ylber Bajraktari, Kosovo Political Analyst, all of Washington, D.C.; His Grace Artemije, Serbian Orthodox Bishop of Prizren and Raska, Gracanica, Kosovo; and Andrzej Mirga, Council of Europe Specialists Group on Roma and Project on Ethnic Relations Romani Advisory Board, New Brunswick, New Jersey.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST, *p. D106)*

H.R. 1451, to establish the Abraham Lincoln Bicentennial Commission. Signed February 25, 2000. (P.L. 106–173)

S. 632, to provide assistance for poison prevention and to stabilize the funding of regional poison control centers. Signed February 25, 2000. (P.L. 106–174)

COMMITTEE MEETINGS FOR TUESDAY, FEBRUARY 29, 2000

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education, to hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Labor, Department of Health and Human Services, and Department of Education, 9:30 a.m., SD–124.

Subcommittee on Legislative Branch, to hold hearings on proposed budget estimates for the fiscal year 2001 for the Architect of the Capitol, General Accounting Office, and Office of Compliance, 9:30 a.m., SD–116.

Subcommittee on Military Construction, to hold hearings on proposed budget estimates for the fiscal year 2001 for Navy and Defense Agencies, 9:30 a.m., SD–138.

Subcommittee on Commerce, Justice, State, and the Judiciary, to hold hearings on proposed budget estimates for fiscal year 2001 for the Department of Justice, 10 a.m., SD–192.

Subcommittee on Agriculture, Rural Development, and Related Agencies, to hold hearings on proposed budget estimates for fiscal year 2001 for the assistance to producers and the farm economy, 2 p.m., SD–138.

Committee on Armed Services: to hold hearings on proposed legislation authorizing funds for fiscal year 2001 for the Department of Defense and the Future Years Defense Program, focusing on military strategy and operational requirements, 9:30 a.m., SH–216.

Subcommittee on Strategic Forces, to hold hearings on proposed legislation authorizing funds for fiscal year 2001 for the Department of Defense and the Future Years Defense Program, focusing on the Office of Environmental Management of the Department of Energy, 2 p.m., SR–222.

Committee on the Budget: to hold hearings on the President's proposed budget request for fiscal year 2001 for nuclear non-proliferation, stockpile stewardship, and other energy programs, 10 a.m., SD–608.

Committee on Energy and Natural Resources: Subcommittee on National Parks, Historic Preservation, and Recreation, to hold hearings on the President's proposed budget estimate for fiscal year 2001 for the operation of the National Park Service system, 9:30 a.m., SD–366.

Full Committee, to hold hearings on the President's proposed budget estimates for fiscal year 2001, focusing on the U.S. Forest Service, 2:30 p.m., SD–366.

Committee on Finance: to hold hearings on competition in the Medicare program, 10 a.m., SD–215.

Committee on Foreign Relations: to hold hearings on the future of the International Monetary Fund and International Financial Institutions, 10:30 a.m., SD–419.

Committee on Indian Affairs: business meeting to consider pending committee business, 12 p.m., SR–485.

Select Committee on Intelligence: to hold closed hearings on pending intelligence matters, 2 p.m., SH–219.

Committee on the Judiciary: to hold hearings to examine the AOL/Time Warner merger, 1 p.m., SD–226.

Subcommittee on Criminal Justice Oversight, to hold joint hearings with the House Committee on the Judiciary's Subcommittee on Crime to examine internet denial of service attacks and the federal response, 2 p.m., 2141 Rayburn Building.

House

Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, on FDA, 10 a.m., 2362–A Rayburn.

Subcommittee on Foreign Operations, Export Financing and Related Programs, hearing on Fiscal Year 2000 Emergency Supplemental Request for Assistance to Plan Colombia and Related Counter-Narcotics Program, 3 p.m., 2359 Rayburn.

Subcommittee on Interior, on the Secretary of the Interior, 10 a.m., B–308 Rayburn.

Subcommittee on Labor, Health and Human Services, and Education, on National Institute of General Medical Sciences, and the National Institute of Neurological Disorders and Stroke, 10 a.m., and on National Institute of Diabetes, Digestive and Kidney Diseases, and on the National Library of Medicine, 2 p.m., 2358 Rayburn.

Subcommittee on VA, HUD and Independent Agencies, on Corporation for National and Community Service, 9:30 a.m., H–143 Capitol.

Committee on Armed Services, Special Oversight Panel on the Merchant Marine, hearing on the Fiscal Year 2001 Maritime Administration authorization request and related matters, 1 p.m., 2216 Rayburn.

Subcommittee on Military Procurement, hearing on Navy shipbuilding programs, 2 p.m., 2118 Rayburn.

Subcommittee on Military Readiness, hearing on the adequacy of the Fiscal Year 2001 budget request to meet readiness needs, 2 p.m., 2212 Rayburn.

Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy and Human Resources, hearing on U.S./Mexico Counter-narcotics Efforts, 10 a.m., 2154 Rayburn.

Subcommittee on Government Management, Information, and Technology, hearing on the Results of the Internal Revenue Service's Fiscal Year 1999 Financial Statement Audit, 10 a.m., 2247 Rayburn.

Committee on the Judiciary, Subcommittee on Commercial and Administrative Law, hearing on H.R. 3312, Merit Systems Protection Board Administrative Dispute Resolution Act of 1999, 2 p.m., 2226 Rayburn.

Committee on Rules, to consider H.R. 1827, Government Waste Corrections Act of 1999, 6:30 p.m., H–313 Capitol.

Committee on Science, Subcommittee on Basic Research, to continue hearings on the National Science Foundation Fiscal Year 2001 Budget Authorization request, Part II: Education and Human Resources, 2 p.m., 2318 Rayburn.

Committee on Small Business, Subcommittee on Government Programs and Oversight, hearing on SPA's Proposed New Automated Loan Monitoring Program, 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Aviation, hearing on the FAA's Budget request and funding needs, 9:30 a.m., 2167 Rayburn.

Subcommittee on Coast Guard and Maritime Transportation, hearing on the Coast Guard and Federal Maritime Commission Fiscal Year 2001 budget requests, 10 a.m., 2253 Rayburn.

Subcommittee on Water Resources and Environment, hearing on the following bills: H.R. 3313, Long Island South Restoration Act; and H.R. 2957, Lake Pontchartrain Basis Restoration Act of 1999, 2 p.m., 2167 Rayburn.

Committee on Ways and Means, to mark up H.R. 5, Senior Citizens' Freedom to Work Act of 2000, 4:30 p.m., 1100 Longworth.

Subcommittee on Human Resources, hearing on unemployment compensation reform, 1:30 p.m., B–318 Rayburn.

Subcommittee on Oversight, hearing to review last year's repeal of the installment method of accounting for accrual basis taxpayers, 1 p.m., 1100 Longworth.

Permanent Select Committee on Intelligence, executive, hearing on the NSA, 2 p.m., H–405 Capitol.

Joint Meetings

Conference: Meeting of conferees on S. 761, to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, 10:30 a.m., SC–6, Capitol.

Joint Meetings: Senate Committee on the Judiciary, Subcommittee on Criminal Justice Oversight, to hold joint hearings with the House Committee on the Judiciary's Subcommittee on Crime to examine internet denial of service attacks and the federal response, 2 p.m., 2141, Rayburn Building.

Next Meeting of the **SENATE**

9:30 a.m., Tuesday, February 29

Senate Chamber

Program for Tuesday: Senate will continue consideration of S. 1134, Affordable Education Act.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for their respective party conferences.)

Next Meeting of the **HOUSE OF REPRESENTATIVES**

12:30 p.m., Tuesday, February 29

House Chamber

Program for Tuesday: Consideration of Suspensions (4 Bills):

1. H.R. 1749, Designation of Wilson Creek in Avery and Caldwell Counties, North Carolina to the National Wild and Scenic Rivers System;
2. S. 613, Indian Tribal Economic Development and Contract Encouragement Act;
3. H.R. 2484, Lease or transfer of land owned by the Lower Sioux Indian Community in the State of Minnesota; and
4. H.R. 1883, Iran Nonproliferation Act.

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