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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Loving Father, Your presence is with us even when we become busy and momentarily forget You. Thank You for continually breaking through the barriers of insensitivity with overtures of Your love. Sometimes we go for hours without thinking of You or asking for Your help. You are our closest friend as well as our God. Help us to keep that friendship in good working order.

Lord, you know us. We get so absorbed in our activities and begin to think we are capable of functioning without Your peace and power. Show us the mediocrity of our efforts without Your intervention and inspiration. We dedicate this day to live for Your glory and by Your grace, sustained by Your goodness. You are our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, 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.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Georgia is recognized.

SCHEDULE

Mr. COVERDELL. Mr. President, today the Senate will immediately resume consideration of the Robb school construction amendment. By previous consent, the Senate will proceed to vote on or in relation to the amendment at approximately 10 a.m.

Following the disposition of the Robb amendment, Senator ABRAHAM will be recognized to offer his amendment regarding computers. Other amendments will be offered, and therefore votes will occur throughout the day in an effort to complete the education savings account bill as soon as possible. An agreement is being discussed to have all first-degree amendments offered by 5 p.m. today.

I thank my colleagues for their attention. I yield the floor.

Mr. REID. Mr. President, I ask unanimous consent, because of confusion in the vote being scheduled at 10 and also giving 30 minutes for debate, that there be 30 minutes for debate equally divided and, by necessity, of course, the vote would occur a little after 10.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

AFFORDABLE EDUCATION ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1134 which the clerk will report.

The bill 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.

Pending:

Robb amendment No. 2861, to eliminate the use of education individual retirement accounts for elementary and secondary school expenses and to expand the incentives for the construction and renovation of public schools.

AMENDMENT NO. 2861

The PRESIDING OFFICER. Under the previous order, there will now be 30 minutes for debate equally divided on amendment No. 2861.

The Senator from Virginia.

Mr. ROBB. Mr. President, I ask unanimous consent that the Senator from Iowa be recognized to make a brief statement, and then I will continue.

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

Mr. HARKIN. Mr. President, I am proud to be a cosponsor of the pending amendment with my colleague from Virginia, Senator ROBB. Senator ROBB has been a great advocate for improving education for many years.

The facts about the need for this amendment to help modernize and upgrade our nation's public school facilities are well known.

The average school building is 42 years old. Nearly three-quarters of all public schools were built before 1970.

Fourteen million American children attend classes in schools that are unsafe or inadequate and the General Accounting Office estimates it will cost $112 billion to upgrade existing public schools to overall good condition.

Forty-six percent of schools lack adequate electrical wiring to support the full-scale use of technology.

Enrollment in elementary and secondary schools is at an all time high and will continue to grow over the next 10 years, making it necessary for the United States to build an additional 6,000 schools.

It is a national disgrace that the nicest places that our children see are shopping malls, sports arenas and movie theaters and the most run down place they see are their public schools. What signal are we sending them about the value we place on them, their education and future?

How can we prepare our kids for the 21st century in schools that did not make the grade in the 20th century?

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

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Last year I visited Hiatt Middle School in Des Moines. This school opened its doors in 1925 and students spend all but a few hours a week in classrooms built during a time when Americans could not imagine the technological advances that would occur by the end of the century.

In 1925, Americans were flocking to movie theaters to see—and hear—the first talking motion picture—Al Jolson's ''The Jazz Singer.'' The students who walked through the doors of the brand new Hiatt school that year could not imagine IMAX theaters with surround sound where a movie goer actually becomes a part of the film.

In 1925, consumers were lining up in department stores to buy novelties like electric phonographs, dial telephones, and self-winding watches. CD's, DVD players, cellular telephones, or palm pilots were unthinkable.

And, the introduction of state-of-the-art technologies like rural electrification and crop dusting were revolutionizing the lives of families and farmers alike.

There have been incredible technological and scientific advances in the past seven decades. Yet, our schools have not kept pace with the times. We continue to educate our children in schools built and equipped in bygone eras.

We must make sure that every child and every school can facilitate the technology of the 21st century. However, Iowa State University reports that we need at least $4 billion over the next ten years to repair and upgrade school buildings in Iowa and make sure they can effectively utilize educational technology.

The amendment we are offering is a comprehensive, two-prong response to this critical national problem.

First, we would authorize $1.3 billion to make grants and loans for emergency repairs to public schools.

Mr. President, the Iowa Fire Marshall reported a five-fold increase in the number of fires in schools over the past decade. During the 1990's there were 100 fires in Iowa schools. During the previous decade there were 20.

It is clear that public schools have an urgent need to make repairs now and these grants and no-interest loans will finance up to 8,300 repair projects. We will fix the roofs, upgrade the electrical systems, and repair the fire code violations.

The second part of our comprehensive strategy is to provide $25 billion in tax credits to modernize our nation's schools. These tax credits will subsidize the interest on new construction projects that will enable school districts to build new schools to replace outdated buildings or add more class rooms so they can reduce class size.

A few weeks ago I visited a school in Des Moines where students attend class in closets because there is no room. This is simply unacceptable.

In closing, I would like to share a few words from Tunisia, Washington, D.C. fifth grader in Jonathan Kozol's book, ''Savage Inequalities.''

> It's like this. The school is dirty. There isn't any playground. There's a hole in the wall behind the principal's desk. What we need to do is first rebuild the school. Build a playground. Plant a lot of flowers. Paint the classrooms. Fix the hole in the principal's office. Buy doors for the toilet stalls in the girl's bathroom. Make it a beautiful clean building. Make it pretty. Way it is, I feel ashamed.

Our amendment will make it possible to rebuild her schools. It will make it possible to fix the hole in the wall, put doors on the bathroom stalls and paint the classrooms. By modernizing and repairing Tunisia's schools we will make her feel a little less ashamed of herself and her school.

This is a serious national problem. And it demands a comprehensive national response. Our amendment is that response and I urge my colleagues to support this important amendment.

Mr. President, I am proud to be a cosponsor of the pending amendment with my colleague from Virginia, Senator ROBB. Senator ROBB has truly been one of the educational leaders over his tenure in the Senate. He has shown great leadership especially in this area that is so important as we are reducing class sizes around the country. I have visited schools in Iowa and other States recently where, because of the reduction of class sizes, they are out of room; they need more space. And we know the average school building in this country is 42 years old; 74 percent of our schools were built before 1970.

The Robb amendment addresses this very critical need in our country. I am proud to be a cosponsor. I congratulate him for his very strong leadership in the whole area of education but especially in the area of modernizing and rebuilding our schools.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. I thank the Chair.

I thank my distinguished colleague from Iowa for his statement this morning and for his continued leadership in education.

Mr. President, we are now considering amendment No. 2861. It is an amendment I sent to the desk yesterday afternoon but agreed to debate this morning.

I always welcome any opportunity to talk about education, about its importance to our society, about ways we can improve our system of education, and about how we at the Federal level can be better partners with our States, our localities, and our families.

We met yesterday morning with the Governors of our 50 States. During my own term as Governor of Virginia in the early 1980s, we took a great deal of pride in being able to pump over $1 billion of new money—over and above the baseline projections—into public education. That was back when $1 billion was still serious money.

Education is not the only engine of innovation fueling opportunity for economic prosperity; it is one of the most critical tools in maintaining a democracy. Thomas Jefferson said that ''an enlightened citizenry is indispensable to the proper functioning of a Republic.'' So when we have an opportunity to talk in this Chamber about education, we are really talking about our future as well as our past.

To my dismay, the opportunity we have today to engage in really productive and constructive debate about education is really a mirage. We have traveled this road before. We have debated this same bill and others similar to it, and the President has exercised his veto power and has promised to veto this bill again if it arrives in its current condition.

The Affordable Education Act, while it contains many admirable provisions that would primarily enhance the affordability of higher education, also contains a poison pill, one that many of us are simply unable to swallow. This bill, in essence, would allow the diversion of public moneys to private elementary and secondary schools. As stewards of public taxpayer dollars, any policy that diverts public money away from public schools, it seems to me, is both unwise and inequitable.

We have heard many times the figures about education savings accounts. The average tax benefit to parents whose children attend private schools would be $37 a year while the benefit to families whose children attend public schools would be just $7 a year. Yet we know that 90 percent of our schoolchildren attend public schools. We also know our classrooms are overcrowded and many are dilapidated to the point of being unsafe. We know we face a very real and imminent teacher shortage over the next 10 years. We know we need to continue our efforts to help States finish the business we started with Goals 2000. We need to help States align their new standards and assessments with their curricula. We know we need to encourage more professional development for teachers and administrators. I believe we need to give even greater flexibility to States and localities in the use of Federal dollars in exchange for improved academic performance. We need to do all of these things and more.

I wish to talk about one specific area that demands our immediate attention. As a member of the Finance Committee, I have frequently mentioned the need to build and modernize our Nation's schools. In fact, I introduced school modernization legislation last July. It has 21 cosponsors and has been endorsed by over 50 organizations, from education groups to professional organizations to the National Conference of Mayors.

Without good, safe, and modern facilities, the rest of the education debate becomes practically moot. When a roof collapses, teachers and administrators really care most about fixing the roof and reopening the school. When fuses blow because of poor electrical wiring, administrators know

they can't buy more computers before first rewiring the schools. Trailers may be a cheaper temporary fix to the problem of overcrowded classrooms, but even the most modern trailers are not adequate to accommodate 21st century learning.

One of the largest investments Congress ever made in our national infrastructure occurred under the leadership of a Republican President, Dwight Eisenhower. In the 1950s, we spent roughly $1 billion to build and renovate our Nation's schools. That was a time when $1 billion really meant something. My friends in Fairfax County tell me it now costs them over $25 million to build just one high school. My friends in Loudoun County need 22 more new schools in the next 5 to 6 years because of skyrocketing enrollments.

There are a lot of problems we face in the education arena, but we simply can't ignore the massive infrastructure problem we have anymore. Everyone, from civil engineers to architects to construction firms to the education community, recognizes that we have to help and we have to help now. All of our talk about reducing class size and improving technology education and investing in school safety really puts the cart before the horse when there are no new classrooms for the newly hired teachers, no electrical upgrades to handle the new computers, no new roofs to ensure the safety of our children.

Instead of talking about legislation which clearly is destined for defeat or veto, we could be talking about reauthorizing the Elementary and Secondary Education Act. Instead of talking about giving greater tax benefits to 10 percent of American families, we could be talking about how to better serve the 90 percent of American families who want the best education system that all levels of government can provide. Instead of talking about pouring money into private schools, I would rather be talking about pouring foundations for public schools.

So I offer an amendment with Senator HARKIN, Senator CONRAD, Senator LAUTENBERG, and Senator BINGAMAN that would authorize $25 billion in tax credit bonds for school modernization and renovation. The amendment would also authorize up to $1.3 billion a year for the next 5 years in grants and zero-interest loans to needy school districts so they could make urgent repairs such as those required to remedy fire code violations and other urgently needed safety repairs.

This amendment still helps families save money for college. It still increases the annual limit for education savings accounts to $2,000. It also helps our States and localities meet a massive infrastructure need.

In 1995, the GAO estimated we had $112 billion in repair needs and $73 billion in new construction needs. In a study just released by the National Education Association, the total unmet school infrastructure needs across the country now total $307 billion. These numbers were gathered from the individual State departments of education across the country. These are the dollars our States admit they can't come up with despite their surpluses. Even if every State used all of their available surpluses, that amount would still only meet 7.1 percent of the school construction needs that exist now nationwide.

I don't think this Congress has taken seriously the enormity of this particular problem. We can't just sit by and do nothing. Without the pending amendment, the school construction assistance provided in this bill is negligible. Our amendment would help build 6,000 schools and help make urgent repairs to some 25,000 schools. The underlying bill we are considering today will only build or renovate 200 schools. That is a stark contrast.

With over 12 million children attending schools with leaky roofs, our students deserve better. With over 3,000 trailers being used in my State of Virginia alone, our students deserve better. In Alabama, it is reported that the roof of an elementary school collapsed just after the children had left for the day. In Chicago, teachers place cheesecloth over air vents to keep lead-based paint flecks from getting into their classrooms. In Maine, some teachers are forced to turn out the lights when it rains because their wiring is exposed under leaking roofs. The list goes on and on.

Helping States and localities build schools doesn't interfere with local school control. We know the overwhelming majority of school districts face this particular infrastructure crisis. I simply do not accept the argument that the Federal Government cannot and should not play a role in this crisis. The needs are simply too great. If we can help States and localities build roads, we can certainly help them build schools. Both are critical to our sustained economic success.

We should expect great things from our Nation's schools and our Nation's students. They should expect real debate and results from Congress. But by choosing to rehash the same old debate about helping wealthy families pay for private school, we send a message to America that this Congress is more interested in sound bites than in solutions.

The American people, and many Members here, are thirsty for solution-oriented dialog. If this bill is passed without addressing some of the most urgent needs, we are not meeting our obligations and we are missing a very real opportunity to make a difference.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I'd like to focus on the issue of school construction. All of us, Democrats and Republicans, recognize the need for well constructed and well-maintained school facilities. Nobody wants an inadequate learning environment for our children.

Senator ROBB has offered an amendment on school construction. His amendment, as I understand it, basically contains the administration's school construction package. I opposed this package last year, and I continue to do so today.

Before I even talk about Senator ROBB'S amendment, I want to make a point that is often lost in this discussion. The Federal Government already provides a significant subsidy for school construction. Under current law, states and localities can issue debt that is exempt from federal taxation. This benefit allows them to finance school construction by issuing long-term bonds at a much lower cost than they otherwise could. The interest subsidy saves school districts money and allows them to stretch their resources to meet their needs.

Now let me comment on the substance of Senator ROBB'S amendment. Among other things, it creates a new type of bond—called a ''qualified school modernization bond'' and authorizes the issuance of up to $23.6 billion of these bonds. Unlike regular tax-exempt bonds, for which the holder receives tax-exempt interest payments, holders of these new qualified school modernization bonds would receive a federal tax credit, in an amount to be set by the Treasury Department.

This program involves a dramatic increase in federal bureaucracy, while at the same time striking at the heart of local control of education—which is the hallmark of our nationwide educational system.

In order to qualify for these bonds, a state or local school district would need to secure the approval of the Department of Education. In giving its OK, the Department of Education is supposed to consider whether a comprehensive survey of the district's renovation and construction needs had been completed, and how the state or locality would respond to the construction needs. In other words, federal officials in Washington would be micromanaging a local school district's renovation plans—in effect, second guessing the decision of state and local officials.

It just does not make sense for the Department of Education to get involved at this level. President Clinton himself stated in 1994 that ''the construction and renovation of school facilities has traditionally been the responsibility of state and local governments financed primarily by local taxpayers.'' In that respect at least, I agree with the President.

While I am on the subject of local control, I want to point out that state and local governments have, in fact, responded to the need for school construction and renovation. On March 3, 1999, the Finance Committee had a

hearing where we evaluated the appropriate federal role in school construction. At that time, Dr. Dennis Zimmerman of the Congressional Research Service explained that since the early 1990's, the approval rates for school bond issues and for total school construction dollars has increased substantially. From 1991 until 1998, the approval rate for new issues went from less than 50 percent to almost 67 percent. During those same years, the approval rates for new construction dollars went from about 48 percent to over 82 percent.

Additionally, the inflation adjusted annual growth rate of school bond volume—measured in dollars—during the last 20 years is 7.7 percent. This compares to an annual school age population growth rate of only 0.2 percent and an annual increase of 4.1 percent in state/local receipts. With respect to bond volume, in the first 6 months of 1996, voters approved $13.3 billion in school bonds, an increase of more than $4 billion over the first 6 months of 1995.

The bottom line is that many states and localities are doing their homework, passing bonds, building and renovating schools, and enjoying favorable treatment under the existing Tax Code. They are stepping up and meeting the challenge—and they are doing so without a massive intrusion by the Federal Government. One of the witnesses at our hearing, Bill Manning, the president of a large school district in my little State of Delaware, told us that if we really wanted to improve education at the local level, we should diminish the federal role, rather than increase it.

The package of school construction measures in the Finance Committee bill would retain state and local control, and would also work within the existing tax-exempt bond framework. The latter point is important because our purpose here is to provide state and local governments with incentives that they can use, and not concepts that are untested and uncertain.

For instance, 2 years ago, Congress enacted a tax credit bond program for school construction. Called qualified zone academy bonds (''QZABs''), the law provided for an authorization of $400 million in 1998 and $400 million in 1999. According to the Bond Market Association, however, few QZAB transactions have taken place.

Mr. President, in the extenders tax legislation last fall, we did extend the QZAB program through 2001. One of the reasons for this extension was to evaluate how this pilot program is performing. My point here is simply that setting up a big program with a high authorization does not always translate into a successful policy result. We need to look at how the program will play out in the real world—whether the rhetoric will translate into results. We need to look at how the program will play out in the real world.

The proposals in the Finance Committee bill provide local school districts with the flexibility they need to address the needs of their constituents. On this point, does anyone really believe Washington, DC, bureaucrats really understand local school construction needs better than the local school board?

How do we accomplish the objective of enhancing the financing of school construction activities, while maintaining local control, in this bill?

The answer is several important school construction measures.

The first proposal is directed at innovative financing for school districts. It expands the tax exempt bond rules for public/private partnerships set up for the construction, renovation, or restoration of public school facilities in these districts. In general, it allows states to issue tax-exempt bonds equal to $10 per state resident. Each state would receive a minimum allocation of at least $5 million of these tax-exempt bonds. In total, up to 600 million per year in new tax exempt bonds would be issued for these innovative school construction projects.

This proposal is important because it retains state and local flexibility. It does not impose a new bureaucracy on the states and it does not force the Federal Government to micromanage school construction.

The proposal also is important because it promotes the use of public/private partnerships. Many high-growth school districts may be too poor or too overwhelmed to take on a school construction project themselves. With these bonds, those districts can partner with a private entity—and still enjoy the benefits of tax-exempt financing.

Mr. President, there is a second bond provision in this bill. That provision is designated to simplify the issuance of bonds for school construction. Under current law, arbitrage profits earned on investment unrelated to the purpose of the borrowing must be rebated to the Federal Government. However, there is an exception—generally referred to as the small issuer exception—which allows governments to issue to $5 million of bonds without being subject to the arbitrage rebate requirement. We recently increased this limit to $10 million for government that issue at least $5 million of public school bonds during the year.

The provision in the Finance Committee bill increase the smaller issuer exemption to $15 million, provided that at least $10 million of the bonds are issued to finance public schools. This measure will assist localities in meeting school construction needs by simplifying their use of tax-exempt financing. At the same time, it will not create incentives to issue such debt earlier or in larger amounts than is necessary. It is a type of targeted provision that makes sense.

Mr. President, I also want to make sure that my colleagues realize that the Robb Amendment strikes the language in the bill relating to K–12 withdrawals from education savings accounts. This flexibility—the ability to use a family's savings for any of the family's education expenses—is a central component of this bill. Removing it sends the wrong message to American families and does nothing to help them meet the increasing need of education.

For these reasons, I oppose this amendment and urge my colleagues to do so as well.

Mr. President, I ask unanimous consent that the statement of Dr. Dennis Zimmerman of the Congressional Research Service and Mr. William Manning of the Red Clay Consolidated School District Board of Education be printed in the RECORD.

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

PREPARED STATEMENT OF DR. DENNIS ZIMMERMAN

State and local governments historically have assumed most of the financial responsibility for public elementary and secondary schools. They raised about 92 percent of total school revenue for school year 1995–96; the federal government contributed about eight percent of revenue.

Federal financial support can be divided into two major components. Direct federal support provided by on-budget spending programs in school year 1995–96 amounted to $19.1 billion (as measured by the states), 6.6 percent of total school revenue. The federal policy objectives of this direct federal spending are fairly clear: 55 percent of this assistance in fiscal year 1995 targeted disadvantaged children; another 22 percent targeted disabled children; 12 percent targeted school system support for such things as professional development and drug abuse education; and six percent targeted children whose parents live and/or work on federal property.(1)

Indirect federal support for capital facilities is provided through the tax system. The interest income individuals and businesses earn on state and local debt is excluded from their taxable income. This exclusion lowers the interest rate on state-local debt, a reduction in effect paid for by the federal tax revenue not collected on the excluded interest earnings. The estimated revenue loss on school facilities bonds amounted to $3.7 billion in 1996, about 1.2 percent of total education revenue.(2) The federal government imposes no limit on the amount of tax-exempt bonds state-local governments may issue for governmentally owned school facilities.

Unlike federal direct spending for public elementary and secondary schools, this tax subsidy is not motivated by a federal education policy objective. Its existence is a byproduct of the income tax structure established in 1913 which incorporated the concept that the various levels of government should refrain from taxing each other. As a result, the tax subsidy is identical for all state-local capital facilities—schools, roads, hospitals, parks, etc.—and does not affect state-local taxpayer choices among different types of facilities.

In summary, three facts stand out about federal financial support for public elementary and secondary schools:

It is minor compared to state-local support.

On-budget spending is targeted to four major policy objectives (the disadvantaged, the disabled, system support, and the federally impacted).

The major tax subsidy was not adopted to pursue a federal education policy objective,

and has been structured not to influence state-local taxpayer choice among capital facilities for different public services.

THE STATE-LOCAL SECTOR AND AMERICA'S PUBLIC SCHOOL FACILITIES

Attention recently has focused on the deficiencies of public elementary and secondary school capital facilities. Studies have suggested that as much as $112 billion of investment may be necessary to restore school facilities to good overall condition, and that the resources of many local school districts are inadequate to rectify the situation.(3)

It is useful to evaluate this information in an economic context. The gap between ''good overall condition'' of school facilities and their current condition is a serious problem not to be minimized that undoubtedly has an adverse impact on human capital formation. But budget constraints are a fact of life: our desire for both private and public spending (consumption) exceeds our ability to pay for it. It is likely that a similar study assessing the condition of state-local capital facilities for any function—roads, sewage treatment plants, prisons—would reach a similar conclusion.(4) A gap exists between the ''good overall condition'' of the capital stock we desire and the less-than-good overall condition we choose to live with.

When making budget allocation decisions, state-local decision makers decide where to spend additional tax revenue based in part upon their assessment of which activity will provide the highest return or value. It is a given that positive returns will result from additional investment in almost any activity funded by state-local budgets. But a ten percent return in education facilities will not be funded if decision makers judge a twelve percent return is available in sewage treatment facilities. In other words, one must consider the possibility that state-local decision makers made their spending decisions with complete information; that they chose the existing less-than-good condition of education facilities because they place a higher value on spending the available tax revenue for private consumption or other state-local services.

For the Nation as a whole, state-local taxpayers have not been neglecting education facilities. Table 1 presents referendum data on public elementary and secondary school bond issues for the years 1988 through 1998. The percentage of bond issues approved and the percentage of dollars approved appear in columns 2 and 3. Both series tell approximately the same story. Approval rates declined substantially in the early 1990s, reaching a low of 49.9 percent for Issues in 1991 and 48.4 percent for Dollars in 1993. Since those lows, the approval percentage for both Issues and Dollars has risen substantially. The 1998 approval rates of 66.8 percent for Issues and 82.4 percent for Dollars are now higher than the levels that prevailed in 1988.

TABLE 1. SCHOOL BOND REFERENDA 1988–1998: APPROVAL RATES FOR ISSUES AND DOLLARS

Year	Share of Issues	Share of Dollars
1988	0.657	0.776
1989	0.580	0.736
1990	0.573	0.707
1991	0.499	0.490
1992	0.532	0.604
1993	0.568	0.484
1994	0.592	0.516
1995	0.553	0.544
1996	0.586	0.691
1997	0.619	0.619
1998	0.668	0.824

Source: Securities Data Company.

The increasing approval rates are consistent with the 7.7 percent real annual growth rate of school bond volume (dollars of new issues) that occurred from 1979 through 1998. This is not surprising. We are now in the longest uninterrupted economic expansion in the Nation's history, during which the state-local surplus rose from $80.1 billion in 1990 to $148.7 billion in 1998. As real income rises, state-local taxpayers can be expected to spend more on a wide range of public services, including investment in schools. But these bond data do not provide evidence about how much of the growing bond volume was necessary to keep pace with growing student enrollment and whether schools were faring better or worse than other state-local services.

Table 2 compares the 7.7 percent real annual growth rate of school bond volume over the last two decades to the rates for school-age population (ages 5 to 19) and state-local receipts net of federal grants.

The school-age population grew at a 0.2% annual rate, so most of this 7.7 percent real annual increase in bond volume was devoted to maintaining or improving the facilities of a relatively stable school population. State-local receipts net of federal grants grew at a 4.1 percent real annual rate. These data suggest state-local taxpayers have been devoting an increasing share of own-financed revenue to schools, and school construction spending has fared better than all other functions combined.

TABLE 2. SCHOOL NEW-ISSUE BOND VOLUME AND OTHER ECONOMIC INDICATORS, 1979–1998: REAL ANNUAL GROWTH RATES

School Bond Volume	Population Ages 5–19	State-Local Receipts Net of Federal Grants
7.7%	0.2%	4.1%

Source: CRS calculations based upon data from Securities Data Company and Economic Report of the President, 1999.

Of course, these aggregate data undoubtedly mask a considerable amount of variation among states and school districts. Several circumstances arise which may cause school districts to provide grossly inadequate school facilities, and alleviation of some of these circumstances may be consistent with historical federal policy objectives for financing public elementary and secondary education.

A district might suffer from inadequate fiscal capacity; residents may be poor and the district may lack significant commercial and industrial property tax base. If its state does not have a vigorous fiscal equalization program for education finance, resources may not be available to provide minimal capital facilities.

Some school districts might experience a substantial influx of retirees, or be at the height of a long-term aging of their population. Retirees may feel they have done their duty by supporting school finance in their child-raising years. Seeing few direct benefits to themselves, they may be reluctant to support additional spending to maintain minimal services, particularly if they have relocated.

Some school districts have experienced rapid population growth (often resulting from immigration to the United States). A ''normal'' financing effort might prove to be inadequate to maintain minimal services when student enrollment expands rapidly.

Some states and local governments impose very tight borrowing restrictions and/or super-majority approval requirements for bond referenda that may frustrate the majority's spending preferences.

IN SUMMARY

The condition of America's school facilities may or may not be worse than the capital facilities for other state-local public services.

The proportion of school bond votes approved rose from a low of 50 percent in 1991 to 67 percent in 1998. The percentage of dollars approved in 1998 was 82 percent versus 49 percent in 1991.

State-local taxpayers have devoted an increasing share of their own-source revenue to school bond finance; over the last twenty years, the volume of new-issue school bonds has grown at a 7.7 percent real annual rate, while state-local own-source revenue has grown at a 4.1 percent real annual rate. Since the school-age population has grown at a mere 0.2 percent rate, most of this spending has been devoted to maintaining or improving facilities.

These data present a favorable picture for the Nation's school facilities, but may hide a subset of communities that find it difficult to maintain adequate school facilities due to: a high concentration of the poor; a concentration of retirees who are reluctant to support school spending; high population growth rates, sometimes resulting from an influx of immigrants; and very tight borrowing restrictions and/or super-majority requirements for approval of bond referenda.

TAX-EXEMPT BOND PROPOSALS

Several proposals have been introduced that would adjust the current tax treatment of state-local debt to increase federal financial support for school construction.(5) The Administration has proposed Tax Credits for Holders of Qualified School Modernization Bonds and Qualified Zone Academy Bonds; Representative Archer has proposed a lengthening of the period during which arbitrage can be earned and not rebated to the Treasury; Senator Graham has proposed allowing school facilities to be financed with private-activity bonds; and it has been proposed that the annual issuance ceiling to qualify for the small-issuer arbitrage rebate exemption be raised. The last two proposals were adopted by the Senate Finance Committee but not accepted by the Conference.

Each of these proposals is described. Each proposal's effect on the share of the debt service costs borne by state-local taxpayers is estimated, and the targeting of the proposal is compared to the targeting of federal on-budget spending for elementary and secondary education.

School Modernization Bonds

Description. This Administration proposal would authorize issuance of $11 billion of tax credit bonds in 2000 and $11 billion in 2001. School bond volume in 1998 was about $23 billion, so this proposal could be available to approximately 50 percent of the school bond market in 2000 and 2001.

Cost Reduction. Tax credit bonds pay 100 percent of state-local interest cost on bonds, as opposed to 25 to 30 percent of interest costs for traditional tax-exempt bonds. Thus, unlike tax-exempt bonds, tax credit bonds lower the cost of investing in school facilities relative to investing in capital facilities for any other public purpose. This lower relative cost would be a powerful incentive for state-local taxpayers to adjust their public budgets and provide more education services and less of all other services.

Targeting. Half of the annual borrowing authority would be reserved for the Nation's communities with the highest incidence of children living in poverty. The remaining half would be allocated to the states and qualifying school districts based upon the federal assistance they received under the Basic Grant Formula for Title I of the Elementary and Secondary Education Act of 1965 (based primarily upon incidence of low-income children). But states would not be constrained by the Title I formula and could use any appropriate mechanism for distributing the funds. Thus, half of the subsidy

would conform to the federal government's existing criteria for federal spending programs in education, and half could potentially be spent on other school districts.

Relaxation of Arbitrage Restrictions

Description. State-local arbitrage bonds are tax-exempt bonds issued where all or a major portion of the proceeds are used to acquire securities with a higher yield. Because state-local governments pay no federal income tax on their interest earnings, Congress has restricted their ability to earn arbitrage profits. Bonds for construction are allowed to earn arbitrage profits if they conform to a schedule for spending the bond proceeds: 10% within six months of issuance; 45% within 12 months of issuance; 75% within 18 months of issuance; 95% within 24 months of issuance; and the permissible 5% retainage (amounts by which the earlier targets are missed) within 36 months. Failure to comply triggers a requirement to rebate the arbitrage earnings to the U.S. Treasury.

This proposal would slow and lengthen the spend-down schedule that must be met for bonds issued to finance public school education facilities in order to qualify for exemption from arbitrage rebate. No rebate would be required if: 10 percent of bond proceeds is spent within 1 year of issuance; 30 percent is spent within 2 years; 50 percent is spent within 3 years; and 95 percent is spent within 4 years. The 5 percent retainage would have to be spent within 5 years. The proposal applies to all school bonds.

Cost reduction. Issuers must be cautious when attempting to earn arbitrage profits. Suppose the interest rate on the tax-exempt bond issue is 6 percent and the interest rate on a comparable long-term taxable bond is 8 percent. In theory, the issuer could earn 2 percent arbitrage profit by investing the tax-exempt bond proceeds in 8 percent long-term taxable securities. This is a risky investment strategy. The issuer's investment horizon is short because the spend-down rules require sale of all the securities within 36 months (60 months if this proposal is passed). Should interest rates have risen when the issuer must sell the taxable bond to pay for construction costs, the bond must be sold at a discount and the issuer will suffer a capital loss that could easily exceed the arbitrage earnings. Thus, the calculations in this testimony assume the issuer earns arbitrage profits of 0.75 percent, not the 2 percent yield differential. The important point here is not so much the share of the principal that could be paid off by the arbitrage profits, but the differential between current law and the proposed changes.

Assuming the issuer takes maximum advantage of arbitrage opportunities with a 0.75 percent profit, current law could provide arbitrage profits for tax-exempt bonds sufficient to pay for 1.05 percent of the amount borrowed. For tax credit bonds, this percentage would rise to 9.5.(6) Allowing a five-year spend-down period for tax-exempt bonds would increase the percentage borrowed that could be financed with arbitrage profits from 1.05 to 2.4 percent. If combined with tax credit bonds, the percentage would rise from 9.5 to 21.2 percent.

Targeting. The arbitrage proposal would apply to all school bonds. No attempt is made to target its availability to school districts that meet the federal government's targeting criteria for its on-budget spending programs.

Public School Construction Partnership Act

Description. This proposal introduced by Senator Graham in the 105th Congress would include public elementary and secondary education facilities in the list of exempt facilities eligible for the use of tax-exempt private-activity bonds. A state could issue bonds equal to the greater of $10 per resident or $5 million on behalf of corporations that would use the bond proceeds to build school facilities and lease the buildings to school districts. A corporation must charge a lease payment such that the building could be transferred to the school district at the end of the contract without further compensation to the corporation. The bonds would not be subject to the private-activity bond volume cap, so they would not compete with other private-activity bonds for scarce borrowing authority.

Cost reduction. This proposal might reduce the federal subsidy. Private-activity education facility bonds would be issued as revenue bonds whose debt service is secured by the corporation building and operating the facility rather than as general obligation bonds whose debt service is secured by the full faith and credit of the issuing school district. As a result, the interest rate on the private-activity school bonds is likely to be higher and the spread between the taxable interest rate and the interest rate on the school bonds is likely to be lower. The federal government would pay a smaller share of interest costs than it would pay on governmental tax-exempt school bonds.

A school district that chose this option could conceivably receive compensation sufficient to offset its higher interest cost in two ways. First, it might face very restrictive bond referenda requirements that preclude getting approval from the voters. Although private-activity bonds require the issuing jurisdiction to hold a public meeting, they do not require a vote. Second, the corporation might be a more efficient builder and operator of the facility, or it may be able to avoid compliance with a host of regulatory rules pertaining to government construction projects (such as the Davis-Bacon Act). These savings might enable the corporation to provide lease terms whose present discounted value is lower than would be the case for principal and interest payments on the debt.(7)

Targeting. All but $5 million must be allocated to high-growth school districts, defined as having: (1) a 5,000 or greater student enrollment in the second academic year preceding the date of the bond issuance; and (2) an increase in student enrollment of at least 20 percent in the 5–year period ending with that second academic year. It is not clear how many of the eligible districts would have characteristics that are targeted by federal on-budget education spending.

Small Issuer Arbitrage Exemption

Description. When the requirement for rebate of arbitrage earnings was enacted in 1986, governmental units that issued no more than $5 million of bonds per year were exempt. In 1997, the exemption limit was increased to $10 million, provided at least $5 million is used to finance public school construction. This proposal would increase the exemption limit to $15 million, provided at least $10 million is used to finance public school construction.

Cost reduction. The value of the small-issuer exemption is that the spend-down rules do not apply; the issuer can earn arbitrage profits on the amount borrowed for the entire three-year spend-down period. When considering a $5 million marginal investment on a variety of public functions, state-local taxpayers will likely notice that (under current law) school bonds could earn arbitrage profits sufficient to pay 2.3 percent of the amount borrowed, while bonds for other functions could earn arbitrage profits sufficient to pay only 1.05 percent of the amount borrowed. If tax credit bonds could be combined with the small-issuer exception (while retaining the three-year spend-down requirement), arbitrage profits would be sufficient to pay 20.3 percent of the amount borrowed.

Targeting. This provision would apply only to relatively small governmental units. It is not clear how many of these units would have the characteristics that are targeted by federal on-budget education spending.

ENDNOTES

(1) U.S. Library of Congress, Congressional Research Service, Public School Expenditure Disparities: Size, Sources, and Debates over Their Significance, No. 96–51 EPW by Wayne Riddle and Liane White, December 19, 1995, 31p.

(2) Indirect financial support is also provided by the deductibility of state-local income and property taxes from federal taxable income. This provision is not discussed here. The tax-exempt bond revenue estimate is based on a 1996 federal revenue loss from all outstanding bonds of $25 billion (Budget of the U.S. Government, Analytical Perspectives, Fiscal Year 1998), and assumes the school share of the outstanding stock of all state-local bonds is equal to the school share (14.7 percent) of new-issue state-local bonds issued in 1996. A small amount of tax credit bonds are also available for school districts with high concentrations of students receiving free lunch.

(3) U.S. General Accounting Office, School Facilities: America's Schools Not Designed or Equipped for 21st Century, GAO/HEHS–95–95, April 4, 1995; and GAO, School Facilities: Condition of America's Schools, GAO/HEHS–95–61, February 1, 1995.

(4) For an example, see Commission to Promote Investment in America's Infrastructure, Financing the Future: Report of the Commission to Promote Investment in America's Infrastructure, February 1993.

(5) The question of whether these proposed increased federal subsidies represent an improvement in economic efficiency is complex. The answer depends in part upon the extent to which returns from elementary and secondary education accrue to society rather than the individual and how widely these ''external'' benefits spill beyond state borders.

(6) Since the federal government pays 100 percent of the interest cost on tax credit bonds, arbitrage earnings would be 6.75 percent, not the 0.75 percent for tax-exempt bonds.

(7) Some have suggested the efficiencies in such public/private partnerships may be sufficiently great that school districts could reduce costs even if they used taxable debt. Ronald D. Utt, How Public-Private Partnerships Can Facilitate Public School Construction, Heritage Foundation Backgrounder No. 1257, February 25, 1999.

PREPARED STATEMENT OF WILLIAM E. MANNING

Bill Manning has been President of the Red Clay Consolidated School District Board of Education (Delaware's second largest school district) for nine years. An attorney by trade, Mr. Manning has been among Delaware's leaders in proposing and implementing a variety of educational reforms: public school choice, charter school legislation and rigorous academic standards statewide. Red Clay is currently the only district in Delaware to have reached an agreement with its teachers association pursuant to which Red Clay teachers will be evaluated based on student performance. Among other recognitions, Mr. Manning was honored, in October, 1998, as one of the nation's ''unsung heroes'' in education reform by the Center for Education Reform in Washington, DC.

Demographically, Red Clay is a composite of all cross sections of Delaware and America. It has both affluent areas and poverty

stricken areas; suburban and city. Red Clay students speak a variety of native languages, including a large component of Spanish-speaking children.

Red Clay's capital assets are probably typical of those found throughout America. No new schools have been built for more than 30 years and existing schools require repair and renovation. After one unsuccessful attempt, Red Clay received referendum approval both to make the most needed repairs to its buildings and invest in technology. That capital program, however, is much smaller than Red Clay would prefer, and new schools and renovations remain critical.

STATEMENT REGARDING THE FEDERAL ROLE IN SCHOOL CONSTRUCTION

I don't want to begin my testimony by assuming that the federal government should have any role at all in public education. Indeed, many of those in the education reform community believe that the federal government should diminish, rather than increase, its role in public education. Let me give you one good reason why that is so. With all of the talk regarding education reform these days, one particular notion is being identified as having preeminent importance: ''accountability.'' Indeed, it is acquiring buzzword status. Presidents, members of Congress, governors and school board members all over the country are talking about the importance of accountability and they are all correct. However, to the extent that you shift the locus of decision making from the school to the district to the state to the federal level, the more you have diminished the chances that those responsible for delivering educational services can be held accountable for their successes or failures. Put another way, if I am a school administrator and I can point to burdensome and inappropriate federal regulations as the reason for my failure to provide adequate facilities, I will.

All of that leads me to bring two messages today: (1) Don't do anything at all and, if you have loose change rattling around in the federal coffers, send it back to those who gave it to you in the first place. (2) If you must do something, make good on all the promises of local autonomy and flexibility that inevitably accompany all such programs. Don't let the public educational establishment claim that: ''But for this federal regulation or that federal guideline, we could have done the job.''

If you detect a note of cynicism about federal promises for local autonomy and flexibility, you are correct. That cynicism, however, is justified as we out in the states hear more and more about some of the proposals before you. For example, I understand that the President's proposal wants to encourage capital spending by school districts that would not have been possible without such financial assistance. Therefore, as a criterion for eligibility, one would not be surprised to see the Department of Education require an applicant to make some sort of showing that its proposed capital expenditure would not otherwise happen.

One imagines several responses to such a rule. First, the ''green eyeshade guys'' that exist within each school district will now slow down some projects, testing the political waters each day to see whether increased federal funding is soon to be available. After all, to move forward with capital projects at this time may be to render them ineligible at a later time. Thus, the games begin. Second, what is so wrong with providing assistance to a district that has already decided to ''bite the bullet'' and ignore other priorities in order to make capital repairs? It seems to me that this particular element of the President's proposal removes, rather than creates, incentive for local responsibility.

To take another example, one who is reading about the President's current proposal comes away with the sense that there will be significant means-testing within the eligibility criteria. I certainly hope, on behalf of my school district, that I will be able to use whatever capital assistance the federal government decides to give me anywhere in my district—whether it be in downtown Wilmington or out in the suburbs.

Please understand that any federal rules and regulations accompanying any new federal financial assistance will apply on top of a host of other regulations already imposed at the state level. Indeed, as I indicated, this hotchpot of regulations imposed upon local school districts at the state level already gives the establishment enough places to hide from true accountability as it is. It is almost inconceivable that a new regime of federal requirements would not be, in some ways, inconsistent with a body of regulations that, in my view, is already too large. Thus, the prospect of time wasted and projects left undone because of conflicts between federal and state regulation grows with every new federal program. Please make any program that results from the proposals before you serve as a testament that the federal government can, if it wants to, render meaningful assistance without creating matching unnecessary burdens.

Let me close with a few specific suggestions. First, I believe, as do many of you, that charter schools are already improving the educational landscape by offering variety, quality and single-school focus to those who previously had to pay to get those things. That's the good news. The bad news is that charter schools are still regarded by the educational establishment in some quarters as the enemy. Thus, the organization that owns our school buildings is sometimes stingy with them when it comes to housing charter schools. Nor do the funding formulae in many state charter school bills provide adequate capital—as opposed to operating—assistance to charter schools. In that environment, it would be particularly fitting if the federal government took special care to ensure that our new charter schools were well housed. Please don't overlook them.

As you review the variety of proposals before you, I suggest that you carefully review those that would render assistance to local school districts needing capital assistance and simultaneously reduce federal ''red tape.'' In Delaware, for example, we have several lending institutions that are members of the Federal Home Loan Bank—one of the Nation's few triple A rated institutions. If these lenders could offer the Federal Home Loan Bank's credit to support bond-financed school construction projects, then the cost of debt—even tax exempt debt—would go down. However, for reasons that appear only to have historical significance, Federal Home Loan Banks are not permitted, under Section 149 of the Internal Revenue Code, to provide such credit enhancement. Nor does it appear that those federal (and former federal) instrumentalities that are so authorized by Section 149 (Federal Housing Administration, Veteran's Administration, Fannie Mae, Freddie Mac, Ginnie Mae and Sallie Mae) are actually in the business of assisting school financing. Thus, Section 149 of the Internal Revenue Code should be amended to permit Federal Home Loan Banks to sell credit enhancement products—at least in the area of school construction finance if not all projects eligible for tax exempt financing.

I appreciate the opportunity to share my thoughts with the Committee. I realize that my plea to send those tax revenues that might otherwise have been spent by the federal government back to the taxpayers requires that Congress ignore the political head of steam building over this issue. So, if the federal government decides it wants or needs to play a role in building schools, please do it in a way that leaves school board members like me, as well as the administrators and teachers who we employ, exposed to the consequences of our failure, if that be the case, to do our job and deliver a quality education to each of our students.

Mr. ROTH. Mr. President, I yield the remainder of my time.

Mr. CONRAD. Mr. President, I rise in strong support of the amendment offered by Senator ROBB. During consideration of S. 1134, the Affordable Education Act last year in the Finance committee, I joined my colleague in offering a similar amendment during the markup. Regrettably, that amendment was not adopted.

Under the Robb amendment, an allocation of $24.8 billion in bonds would be authorized to permit states and local school districts, over the next 5 years, to issue bonds to modernize and renovate approximately 6,000 schools. Sixty-five percent of the bond authority would be allocated to states based on their title I allocation, and 35 percent to the 100 school districts with the largest number of low-income students. Additionally, $1.3 billion would be authorized for a new grant and zero-interest loan program to fund the most urgent school repair needs in local schools. There is also $400 million set aside for Bureau of Indian Affairs schools.

Today we are considering our first major education measure of the 21st century. It is critical that we weigh carefully the direction of that education policy. What should our priorities be as we enter the 21st century? How should we allocate our limited Federal resources in education? How do we respond to growing concerns about the digital divide, and what is the role of education in that debate?

Under S. 1134, the major provision of the bill would expand tax-free expenditures from the current higher education individual retirement account to permit student expenses for elementary and secondary education including private, parochial, or public education. S. 1134 would increase the limit on the annual contribution for an education IRA for a four-year period (2000-2003) to $2,000.

Expenses authorized for IRA expenditures would include traditional expenses including tuition, books, supplies, computer equipment, tutoring services, as well as student expenses for room, board, transportation and supplementary items. Additionally, S. 1134 makes a number of important changes, which I support, in prepaid tuition plans, employer-provided educational assistance, and student loan interest deduction.

There is no question, of the merits of encouraging families to save to meet the educational needs of their children. Education IRA's are one way to encourage this savings, and we know it

has been very helpful to families planning for higher education expenses. As we debate this legislation, however, it is critical that we define our national education priorities, and allocate our limited Federal resources to meet those objectives. Does an expansion of education IRA's respond to our national education priorities? Does the allocation of limited Federal resources for education IRA's respond to the education needs of our children into the 21st century?

In the past 5 years, a number of very respected organizations have alerted us to the critical elementary and secondary school infrastructure needs. In 1995, the GAO reported that $112 billion was needed to bring the nation's schools into good overall condition. The report cited that one-third of schools—about 25,000—were in need of extensive repairs. More recently, the National Center for Education Statistics released a report stating that the average public school in America is 42 years old. Many of these schools are also lagging in technology infrastructure and their effort to connect to the Internet.

I know the need for repairs in our schools is great from my visits to North Dakota schools and conversations with educators, and state officials. North Dakota State Superintendent of Schools, Wayne Sanstead, informed me last year during consideration of the markup of S. 1134, that costs associated with school modernization in the North Dakota would exceed $420 million. 88 percent of schools reported need to upgrade or repair facilities, and 62 percent reported unsatisfactory environmental conditions.

I ask unanimous consent Mr. President, that a letter from the N.D. Department of Public Instruction which outlines the critical school infrastructure needs in North Dakota be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CONRAD. It is critical that we ask whether an expansion of education IRA's for elementary and secondary education expenses is the best use of our limited Federal education dollars and responds to our national education priorities. We need to examine who will benefit from this IRA expansion as opposed to who will benefit from meeting school infrastructure needs.

According to the Department of Treasury, 70 percent of the proposed education IRA benefit would go to 20 percent of all taxpayers. Higher income families would derive the most benefit. Many families with incomes less than $55,000 would receive little benefit. Additionally, according to the Joint Committee on Taxation, the average annual benefit for children attending private and parochial schools would be limited to approximately $37.

On the other hand, 90 percent of our children attend public schools, and public school enrollments are increasing. According to the National Council on Education Statistics, a record 52.7 million children are enrolled in public schools, and that number is expected to increase to 54.3 million by 2008. It is estimated that at least 2,400 new school facilities will be needed to meet this student enrollment increase. Studies also show that building conditions and overcrowding in school facilities are linked to student achievement.

There is no question where our education resources should be directed. Although it is important to encourage families to save for their children's education, we have a more urgent need to ensure that a majority of our children have the best educational environment for learning. Regrettably, that is not the case in too many of our local school districts. Local school districts face many challenges in school modernization efforts. Interest payments on bonds are already a major expense for local taxpayers. Additionally, taxpayers are burdened with many unfunded Federal mandates and it becomes difficult to finance new construction or repairs through an expansion of bond authority. Also, many of our rural communities across the nation, including North Dakota, are experiencing declining enrollments in local school districts leaving many of these smaller, rural schools with more limited education resources, and very limited ability to undertake bond initiatives.

It is clear where Federal support for education should be directed. The importance of school modernization is underscored by the emphasis on technology in our economy in the 21st century. Information technology will play a key role in our continued economic growth. The condition of our public school facilities, including technology infrastructure and the ability to connect to the Internet, is critical in sustaining our current economic growth. It is also important in ensuring that our children are equipped to enter the job markets in the 21st century, and able to benefit from the extraordinary growth that we have experienced in recent years.

School modernization is critical for our children's success, and should be one of our key national education priorities as we enter the 21st century. Local communities cannot face the task of funding the necessary school building and technology infrastructure improvements on their own. They urgently need our help. I strongly urge my colleagues to vote in support of the amendment offered by Senator ROBB.

EXHIBIT 1

DEPARTMENT OF PUBLIC INSTRUCTION,
Bismarck, ND, March 2, 1999.

Hon. KENT CONRAD,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR CONRAD: I am writing this as a follow-up to our recent conversation concerning the Senate Finance Committee's plans to conduct hearings regarding funding for school modernization.

I am attaching the executive summary of a school facilities inventory completed by the Department of Public Instruction with assistance from the Barton Malow Company. The study was done in the fall of 1994 and the report was issued in January of 1995.

While some school construction has taken place since that time there is no reason to believe that the basic assumptions outlined in the executive summary about North Dakota's needs for school building renovation and upgrading have changed significantly. As the executive summary indicates the total projected costs to bring North Dakota's 453 public school facilities up to state-of-the-art facilities would be approximately $420 million or nearly one million dollars per building.

Our small rural North Dakota school districts in particular have extensive and potentially expensive school renovation needs which have been consistently deferred because of budget constraints due to fluctuations of our agricultural economy and the impacts of significant declining enrollment which further erodes school districts funding base.

Even in those few circumstances where some of these rural districts consider consolidation school renovation would still be needed. In fact, consolidation that appears to be required in some rural areas to sustain school programs will in turn require construction of updated larger facilities to accommodate consolidation enrollments. Clearly, North Dakota, and in this case, especially rural North Dakota would benefit from federal financial assistance for school renovation and construction.

In addition, North Dakota's Native American reservation schools are in some cases in desperate need of renovation and upgrading. While they have access to some funding through other federal programs, our experience is that the money available through those programs is not adequate and not available in a timely fashion. These districts would also benefit from a general federal infusion in the area of school construction and renovation.

In sum, I am encouraged and strongly support your efforts to pursue this source of funding to help our hard-pressed agricultural areas. If I can provide further information or be of advocacy assistance in this congressional effort please do not hesitate to contact me at any time.

I look forward to visiting with you and your staff when I once again preside over Council of Chief State School Officers Legislative Committee deliberations on March 15 and 16.

With best wishes,

Dr. WAYNE G. SANSTEAD,
State Superintendent.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I wish to address a couple of the issues raised by my distinguished colleague from Delaware. One of the issues the Senator from Delaware suggested was that this creates a whole new bureaucracy. But with all due respect, it does not create a whole new bureaucracy. States only have to keep a tally on how much bonding authority they have used. That is it. That is not a whole new bureaucracy.

Talking about the concern about assessments and making additional assessments, the truth is that most of the States have already made those assessments. So we are not talking about any additional burden.

When we talk about the QZAB as not having been used, 94 school districts in 15 States have utilized the QZAB, and that, indeed, is the model upon which these school modernization bonds are featured. We are not talking about an untested bill.

With respect to the number of students that we are trying to help under the circumstances, currently we have 52.7 million students in America's schools. In 8 years, that total will climb to 54.3 million students in our schools. We are talking about a significant increase in the number of students at the same time we are trying to decrease the number of students in individual classes. We know the schools are getting older and older, with the average age of the schools in this country today being 42 years old. We have a pressing, urgent problem.

With all due respect to my distinguished colleague from Delaware, I would recommend a visit to a number of the schools because the schools in many cases are in desperate need of infrastructure repair. And this is designed to provide Federal assistance in ways that do not get involved in local school control. I recognize and respect that particular feature.

This is simply designed to assess the financing of those greatly needed improvements, which I believe the Senator from Delaware and any other Senator in this Chamber will find if they visit the schools in their districts. They are old and getting older, and we can't meet the reduction in class size. The school population is increasing. Most of the children we are talking about for the years 2007 and 2008 are already born. We know the numbers. We have to be able to respond to the need. This is a way to do it without interfering with local control.

The basic difference between the two of us is whether or not we ought to put public moneys into private education or whether as stewards of the public purse we have a responsibility to make sure we fund public education first.

I respectfully request that my colleagues support this particular measure and stand up for the students and the future of education in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, let me remind my colleagues that we have already considered and rejected the President's school construction proposal in the past. In 1998, in connection with an education tax bill, Senator Moseley-Braun offered the President's package, and it was defeated by a vote of 56–42. Last year, my distinguished colleague, Senator ROBB, offered this school construction plan, and it was defeated 55–45.

We all agree on the need for well-built and well-maintained schools. There is no one in this body who wants our children to learn in a substandard learning environment. But the evidence shows the States are stepping up and meeting the challenge of providing schools for their students. We should not create a new Federal program that injects the Federal bureaucracy into additional State and local controls. For these reasons, I oppose the amendment, and I move to table it.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. L. CHAFEE). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I urge the Senate to support of Senator ROBB's amendment to provide funding for rebuilding and modernizing the nation's schools. The Coverdell bill does nothing for crumbling schools.

Schools, communities, and governments at every level have to do more to improve student achievement. Schools need smaller classes, particularly in the early grades. They need stronger parent involvement. They need well-trained teachers in the classroom who keep up with current developments in their field and the best teaching practices. They need after-school instruction for students who need extra help, and after-school programs to engage students in constructive activities. They need safe, modern facilities with up-to-date technology.

But, all of these reforms will be undermined if facilities are inadequate. Sending children to dilapidated, overcrowded facilities sends a message to these children. It tells them they don't matter. No CEO would tolerate a leaky ceiling in the board room, and no teacher should have to tolerate it in the classroom. We need to do all we can to ensure that children are learning in safe, modern buildings.

Nearly one third of all public schools are more than 50 years old. 14 million children in a third of the nation's schools are learning in substandard buildings. Half of all schools have at least one unsatisfactory environmental condition. The problems with ailing school buildings aren't the problems of the inner city alone. They exist in almost every community, urban, rural, or suburban.

In addition to modernizing and renovating dilapidated schools, large numbers of communities across the country need to build new schools, in order to keep pace with rising enrollments and to reduce class sizes. Elementary and secondary school enrollments have reached an all-time high again this year of 53.2 million students, and will continue to rise over the next ten years. The number will increase by 324,000 in 2000, by another 282,000 in 2001, by still another 250,000 in 2002, and continue on an upward trend in the following years.

Last year, the Senate heard testimony from a student in Clifton, Virginia whose high school is so overcrowded that fights often break out in the overflowing halls. The problem is called ''Hall Rage,'' and it's analogous to ''Road Rage'' on crowded highways. The violence in the hallways is bad enough. But it's even worse, because it's difficult for teachers to teach when students are distracted by the chaos in the hallways and outside the classrooms.

The Department of Education estimates that 2,400 new public schools will be needed by 2003 to accommodate rising enrollments. The General Accounting Office estimates that it will cost communities $112 billion to repair and modernize the nation's schools. Congress should lend a helping hand and do all we can to help schools and communities across the country meet this challenge.

In Massachusetts, 41 percent of schools report that at least one building needs extensive repairs or should be replaced. 80 percent of schools report at lest one unsatisfactory environmental factor. 48 percent have inadequate heating, ventilation, or air conditioning. And 36 percent report inadequate plumbing systems.

In Detroit, over half—150 of the 263—school buildings were built before 1930. Their average age is 61 years old, and some date to the 1800's. Detroit estimates that the city has $5 billion in unmet repair and new construction needs. Detroit voters recently approved a $1.5 billion, 15-year school construction program, but it's not enough.

In an elementary school in Montgomery, Alabama, a ceiling which had been damaged by leaking water collapsed only 40 minutes after the children had left for the day.

At Cresthaven Elementary School in Silver Spring, Maryland, a second-grade reading class has to squeeze through a narrow corridor with a sink on one side into a space about 14 ft. wide by 15 ft. long. The area used to be a janitor's office, and the teacher has no place to sit.

Schools across the country are struggling to meet needs such as these, but they can't do it alone. The federal government should join with state and local governments and community organizations to guarantee that all children have the opportunity for a good education in safe and up-to-date school buildings. The Robb amendment is an excellent start on this high priorities, and I urge the Senate to approve it.

Mr. BYRD. Mr. President, I oppose this amendment offered by Senator ROBB today to the Affordable Education Act which would remove the provision of the bill to expand the use of educational individual retirement accounts for elementary and secondary education expenses, and instead expand incentives for the construction and renovation of our nation's public schools.

While I understand the overwhelming need for additional resources to help repair and rebuild crumbling schools across the United States, this amendment would strip the legislation of its very admirable intent to assist parents in saving scarce resources for a child's elementary and secondary schooling

years. Parents should have the ability to make decisions about their own child's education, particularly in the early, formative years, as they do with higher education. I believe that the education savings accounts for elementary and secondary education are a step in the right direction in helping families to make these often difficult decisions about the education of their child.

This vote on the Robb amendment is a particularly difficult one for me to cast because I, too, am extremely concerned about the dilapidated state of our nation's schools. My home state of West Virginia has a school renovation and construction need in excess of $1.2 billion, and the nation a need totaling more than $250 billion. Mr. President, this is alarming! Our nation's schools are in disrepair and provide a less-than-appealing workplace for our students and faculties. They lack the basic infrastructure to allow our students to become ''ready'' for the age of technology, and many ill-equipped schools deny students the opportunity to engage in meaningful laboratory experiences in the sciences. Some schools are overcrowded, and many have become small communities of portable classrooms.

Mr. President, it is my hope that the Senate will revisit this important issue of funding for school construction in a context that would not pit one good initiative against another.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the motion to table amendment No. 2861. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 17 Leg.]

YEAS—57

Abraham	Feingold	Mack
Allard	Fitzgerald	McConnell
Ashcroft	Frist	Murkowski
Bennett	Gorton	Nickles
Bond	Gramm	Roberts
Brownback	Grams	Roth
Bunning	Grassley	Santorum
Burns	Gregg	Sessions
Byrd	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee, L.	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
DeWine	Lieberman	Torricelli
Domenici	Lott	Voinovich
Enzi	Lugar	Warner

NAYS—42

Akaka	Dorgan	Kohl
Baucus	Durbin	Landrieu
Bayh	Edwards	Lautenberg
Biden	Feinstein	Leahy
Bingaman	Graham	Levin
Boxer	Harkin	Lincoln
Breaux	Hollings	Mikulski
Bryan	Inouye	Moynihan
Cleland	Johnson	Murray
Conrad	Kennedy	Reed
Daschle	Kerrey	Reid
Dodd	Kerry	Robb
Rockefeller	Schumer	Wellstone
Sarbanes	Specter	Wyden

NOT VOTING—1

McCain

The motion was agreed to.

Mr. COVERDELL. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, under a previous order, it is my understanding we will now go to the amendment of Senator ABRAHAM of Michigan; am I correct?

The PRESIDING OFFICER. That is correct.

Mr. COVERDELL. I thank the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 2825

(Purpose: To amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and to allow a tax credit for donated computers, and for other purposes)

Mr. ABRAHAM. Mr. President, I ask unanimous consent that amendment No. 2825 be called up.

The PRESIDING OFFICER. Without objectiohn, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. ABRAHAM], for himself, Mr. WYDEN, Mr. DASCHLE, Mr. REID, Mr. SCHUMER, Mr. INOUYE, Mr. DURBIN, Mr. KERRY, Mr. DORGAN, Mrs. BOXER, and Mr. TORRICELLI, proposes an amendment numbered 2825.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is 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.

Mr. REID. Mr. President, before the Senator from Michigan begins the debate, I ask unanimous consent to add Senators DASCHLE, REID, SCHUMER, INOUYE, WYDEN, DURBIN, JOHN KERRY, DORGAN, BOXER, and TORRICELLI. We appreciate the work of the Senator from Michigan but also the work product of the Democrats who have been involved in this.

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

Mr. ABRAHAM. Mr. President, I comment to my colleague from Nevada, I appreciate the interest and support and efforts of all the Members he mentioned and those who previously were supporters of this legislation when it was introduced as a free-standing bill. I hope very much to ultimately succeed in bringing this legislation to final successful completion.

First, prior to a discussion on the amendment, I express my strong support for the Affordable Education Act and compliment Senator COVERDELL for his hard work on this effort. At a time when the new high-tech economy demands greater skills from our workers, our educational system is failing in its duty to provide enough of these skills.

At a time when the Department of Labor figures project our economy will produce more than 1.3 million information technology jobs over the next 10 years, our universities will produce, at least at the current pace, less than one-quarter of that number of graduates in related fields.

At a time when we enjoy a critical competitive edge in high tech, we are not giving our own children the skills they need to succeed in the high-tech economy, at least not, in my judgment, at an adequate level. We need to address that, and this amendment, in a small way, attempts to do so.

One crucial problem concerns the skyrocketing cost of education. According to the College Board, the average annual cost for tuition, room, and board at a public university is now $7,472. At a private college, it is a whopping $19,213 per year.

If costs continue rising as they have been, a 4-year college education will cost $75,000 at a public university and $250,000 at a private college by the time the average newborn begins attending in the year 2016.

The Affordable Education Act addresses this problem through practical, pragmatic reforms. I will not detail all of those at this time. Obviously, the proponents of the legislation have been doing an excellent job of outlining what this bill accomplishes.

I firmly believe the continuing growth and prosperity in America depends on continuing affordability of higher education. It is my firm belief we must do more, particularly in the area of closing what is regularly referenced as the digital divide between the digital haves and the digital have-nots.

The amendment I have offered is the full text of my New Millennium Classrooms Act, legislation I have been pursuing for some time in this body. In addition to the cosponsors who were just added, our bill, S. 542, includes the support of Senators WYDEN, COVERDELL, DASCHLE, HATCH, HARKIN, MCCONNELL, HOLLINGS, BURNS, BOXER, HELMS, BINGAMAN, KERREY, BENNETT, LIEBERMAN, and ASHCROFT, just to name a few of its Senate sponsors. I ask unanimous consent the entire list of cosponsors be printed in the RECORD.

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

COSPONSORS (30)

Senators: Allard, Ashcroft, Bennett, Bingaman, Bond, Boxer, Burns, Campbell, Cochran, Collins, Coverdell, Crapo, Daschle, Gorton, Grams, Hagel, Harkin, Hatch, Helms, Hollings, Hutchison, Jeffords, Johnson, Kerrey, Lieberman, McConnell, Santorum, Smith of Oregon, Warner, Wyden.

Mr. ABRAHAM. Mr. President, on July 29 of last year, the Senate unanimously adopted this amendment to the tax reduction bill. I urge the Senate to do so again today.

This amendment aims to address our shortage of skilled high-tech workers by addressing the shortage of computers and computer training in our schools.

Advanced technology has fueled unprecedented economic growth and transformed the way Americans do business and communicate with each other.

Despite these gains, however, this same technology is just beginning to have an impact on our classrooms and how we educate our children. Thirty-two percent of our public schools have only one classroom with access to the Internet.

It is imperative that we act now to provide our Nation's students with the training they need to succeed in tomorrow's high-tech workplace.

The Department of Education recommends there be at least one computer for every five students. According to the Education Testing Service, in 1997 there was only one computer for every 24 students on average. Not only are our classrooms sadly under-equipped, but the equipment they have is often obsolete, often incapable, for example, of accessing the Internet.

One of the more common computers in our schools today is the Apple IIc, a computer so archaic that it is now on display at the Smithsonian.

While this technological deficiency affects all of our schools, the students who are in the most need are receiving the least amount of computer instruction and exposure. According to the Secretary of Education, 75.9 percent of households with an annual income over $75,000 have computers, compared to only 11 percent of households with incomes under $10,000.

This disparity exists when comparing households with the Internet access as well. While 42 percent of families with annual incomes over $75,000 have online capability, only 10 percent of families with incomes of $25,000 or less have the same capability.

Rural areas and inner cities fall below the national average for households that have computers. Nationwide, 40.8 percent of white households have computers, while only 19 percent of African American and Hispanic households do. This disparity, unfortunately, is increasing, not decreasing. This unfortunate trend is not confined simply to individual households; it is present in our schools as well.

The Educational Testing Service statistics show schools with 81 percent or more economically disadvantaged students have only one multimedia computer for every 32 students, while a school with 20 percent or fewer economically disadvantaged students will have a multimedia computer for every 22 students.

That is a difference of 10 students per computer. Furthermore, schools with 90 percent or more minority students have only one multimedia computer for every 30 students. This is simply unacceptable.

It points up the importance of securing additional computers for use in our schools. Our schools should be great educational equalizers, providing resources and training to everyone, regardless of their race, class, or rural or urban location so all of our kids can succeed.

To achieve this end, our amendment expands the parameters of the existing tax deduction for computer deductions. It will also add a tax credit.

Specifically, it will do the following: First, it will allow a tax credit equal to 30 percent of the fair market value of the donated computer equipment. An increased tax credit provides a greater incentive for companies to donate computer technology and equipment to schools. This includes computers, peripheral equipment, software, and fiber optic cable related to computer use.

Second, it will expand the current age limit on donated computers to include equipment 3 years old or less. Many companies do not update their equipment within the existing 2-year period that currently is required for qualification for the existing tax deductions.

Yet 3-year-old computers equipped with Pentium-based or equivalent chips have the processing power, memory, and graphics capabilities to provide sufficient Internet and multimedia access and run any necessary software.

Third, the current limitation on original use will be expanded to include original equipment manufacturers or any corporation that reacquires the equipment. By expanding the number of donors eligible for the tax credit, the number of computers available will increase as well.

Lastly, it would implement enhanced tax credits equal to 50 percent of the fair market value of equipment donated to schools located within designated empowerment zones, enterprise communities, and Indian reservations.

Doubling the amount of the tax credits for donations made to schools in economically distressed areas will increase the availability of computers to the children who need it most.

Bringing our classrooms into the 21st century will require a major national investment.

According to a Rand Institute study, it will cost $15 billion, or $300 per student, to provide American schools with the technology needed to educate our young people; the primary cost being the purchase and installation of computer equipment.

At a time when the Government is planning to spend $2.25 billion to wire schools and libraries to the Internet, the demand for this sophisticated hardware will be even greater.

Meanwhile, the Detwiler Foundation estimates that if just 10 percent of the computers that are taken out of service each year were donated to schools, the national ratio of students-to-computers would be brought to 5 to 1 or less. This would meet, or even exceed, the ratio recommended by the Department of Education.

This amendment will provide powerful tax incentives for American businesses to donate top quality high-tech equipment to our Nation's classrooms. And it will do so without unduly increasing Federal Government expenditures or creating yet another Federal program or department.

Encouraging private investment and involvement, this act will keep control where it belongs—with the teachers, the parents, and the students.

At the same time, all our children will have an equal chance at succeeding in the new technological millennium.

In my mind, these are laudable goals, goals we must attain if we are going to provide the kind of future our children deserve.

In closing, I am hopeful our colleagues will uniformly join in support of this legislation. It seems to me, as I travel around my State and go into classrooms, there are a lot of places in Michigan—and I suspect in all the other States—where just a little bit more equipment would allow for more students to get the kind of high-tech training they need.

How do we match up a situation where, literally across this country, we have schools that do not have enough computer equipment, and we have countless businesses and enterprises that have used equipment they don't know what to do with? Can't we find a way? In my judgment, this legislation is the way.

If we pass this legislation, I think we will provide a major incentive to merge the used surplus computers that exist in the private sector with the needs of our schools. In doing so, we will provide more students with access to the technology they need to have in order to be able to pursue the jobs of the new century.

I offer this amendment for my colleagues' consideration. I appreciate the attention of the Chamber.

I yield the floor.

Mr. WYDEN. I am pleased to join today with my colleague from Michigan, Senator ABRAHAM, to offer the New Millennium Classrooms Act as an amendment to the Education Savings Account legislation. This is an issue on which he and I have worked for several years now.

The New Millennium Classrooms Act is about digital recycling. It gives companies an incentive to recycle technology. It says the computer Bill Gates may see as a dinosaur, is really a dynamic new opportunity for a student who has none.

The E-Rate program, authored by Senators ROCKEFELLER and SNOWE, has been an enormous success, helping to wire almost all of the nation's schools and a good portion of the nation's classrooms. What schools need now is good equipment. That's the purpose of this amendment.

We know that very early in this new Century 60% of all jobs will require high-tech computer skills. To prepare our children for the jobs of the future, they not only must have access to technology, but they must be trained to use it as well.

The purpose of our amendment is to build more bridges between the technology ''haves'' and the ''have nots;'' to build more on-ramps to the information superhighway. You can't get 21st Century classrooms, using Flintstones technology.

Technology is not cheap and school budgets are limited, making it tough for schools to upgrade their systems by themselves. The point of our amendment is to enhance existing incentives to businesses to donate computer equipment to schools.

There is a federal program in place, the 21st Century Classroom Act of 1997, but its use has been limited. It allows businesses to take a tax deduction for certain computer equipment donations to K–12 schools. But most businesses take longer to upgrade their computers than allowed for under the law.

The New Millennium Classrooms Act would make this law work the way it was intended. First, our legislation would increase the age limit from two to three years for donated equipment eligible for a tax credit. This more realistically tracks the time line businesses follow for their computer upgrades. It will cover hardware that possesses the necessary memory capacity and graphics capability to support Internet and multimedia applications.

Second, our bill expands the current limitation of ''original use'' to include both original equipment manufacturers and any corporation that reacquires their equipment. We believe that by expanding the number of donors eligible for the credit, we will expand the number of computers donated to schools.

Third, our bill provides for a 30% tax credit of the fair market value for school computer donations, and a 50% credit for donations to schools located in empowerment zones, enterprise communities and Indian reservations. The Department of Commerce report highlights the need to encourage computer donation in these notoriously underserved communities and we want to target donations toward these communities.

Finally, our bill requires an operating system to be included on a donated computer's hard drive in order to qualify for the tax credit. This will ensure students don't get empty computer shells, but the brains that drive the computers.

Our legislation is supported by a wide range of business and education groups. Leaders of technology associations, like the Information Technology Industry Council and TechNet, and the National Association of Manufacturers have joined education associations, such as the National Association of Secondary School Principals and the National Association of State University and Land Grant Colleges, in support of the amendment.

The Digital Millennium Classrooms Act promotes digital recycling. It will encourage companies to put their used computers into classrooms instead of into landfills. It will help build a safety net under students trying to cross the digital divide. I urge my colleagues to support this amendment, and again wish to commend Senator ABRAHAM for his leadership on this legislation.

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

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

Mr. ABRAHAM. I ask unanimous consent to add Senator HAGEL as a cosponsor to my amendment.

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

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

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

Mr. COVERDELL. Mr. President, I commend the Senator from Michigan for his amendment and his work on the New Millennium Classrooms Act. I joined him several months ago at a press conference where he announced his intentions. I think it is among the

more well-intended, helpful measures to deal with the reform and change we are all seeking in education across America.

There is a real need to bring more computers into our classrooms which is, of course, what the amendment is designed to do.

Sixty percent of all jobs will require high-tech computer skills. Yet 32 percent of our public schools have only one classroom with access to the Internet. It is almost an incongruity, when you read every day about what is happening on the Internet and where we have gotten in terms of access. It really does point to the digital divide we all speak of these days.

The change is occurring so quickly, and the large public educational system is not accustomed to it. In fact, many of us are not accustomed to it. But legislation such as that offered by the Senator from Michigan accelerates the ability of public education to stay up with high tech.

The Department of Education recommends that there be at least one computer for every five students. Yet according to the Educational Testing Service, on average, there is only one multimedia computer for every 24 students.

Since the passage of the 21st Century Classrooms Act of 1997, there has not been a significant increase in computer donations due to restrictions on the age of the donated equipment and the limitations on donor qualifications.

According to the Detwiler Foundation, a California-based nonprofit organization dedicated to providing schools nationwide with quality computers donated by individuals and industry, there are very few Pentium computers donated to schools through their organization. This number has not increased since the passage of the 21st Century Classrooms Act of 1997. Of those computers donated, even fewer qualified for the deduction because of the restrictions.

According to the Detwiler Foundation, if even just 10 percent of retired computers each year were donated to schools, we would easily achieve the Department of Education's recommendation of only five students for every one computer. The current deduction is not enough to offset the costs of the donation.

Without the addition of the tax credit, the high costs associated with the transport and installation of the computer equipment cancel out the current tax benefit.

The new millennium classrooms amendment addresses these restrictions without unduly increasing Federal Government expenditures or creating yet another Federal program or department. It encourages private investment and involvement and keeps control with the teachers, the parents, and the students. At a time when the Government is planning to spend $1.2 billion to wire schools and libraries to the Internet, the demand for this sophisticated equipment and technology will be greater than ever.

This amendment increases the age limit for eligible computers from 2 to 3 years; will allow computer manufacturers to donate equipment returned to them through trade-in and leasing programs; allows a 30-percent tax credit for qualified computer donations; allows a 50-percent tax credit for qualified computer donations to schools located within empowerment zones, enterprise communities and Indian reservations; requires that the donated computer must include an operating system.

Increasing the amount of the tax credits for donations made to schools in economically distressed areas will increase the availability of computers to the children who need it most. Educational Testing Service statistics show that schools with 81 percent or more economically disadvantaged students have only one multimedia computer for every 32 students, while a school with 20 percent or fewer economically disadvantaged students will have a multimedia computer for every 22 students. Again, the divide is a most dangerous thing for us to contemplate in education in America.

Public schools with a high minority enrollment had a smaller percentage of instructional rooms with Internet access than public schools with a low minority enrollment.

This bill is not another targeted tax break. Broad-based tax relief and reform efforts should work to lower tax rates across the board while continuing to retain and improve upon the core tax incentives for education, home ownership, and charitable contributions. The new millennium classrooms amendment expands the parameters and, thus, the effectiveness of an already existing education and charity tax incentive, one which will effectively bring top-of-the-line technology into all of our schools.

The 21st Century Classrooms Act tax deduction expires this year. It is imperative we act now to ensure that all our children have access to quality computer technology.

Again, I commend the Senator from Michigan and his cosponsors. This is, indeed, a most appropriate piece of legislation that will do great good in our education system.

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

Mr. REID. Mr. President, if the Senator will withhold that for a second, we have two Senators who are on their way to speak. The minority leader is on his way to speak on this issue, and Senator WYDEN, who is a cosponsor of the amendment, is in the House and is also on his way back. They should both be here momentarily.

Mr. COVERDELL. Mr. President, my estimate is that maybe in the next 15 minutes or so——

Mr. REID. I think it would probably be closer to 11:30 because both have prepared remarks.

Mr. COVERDELL. I know Senators are trying to plan their day. It is useful to clarify, even though we are not absolutely certain. The Senator thinks their statements are such that the next vote might occur at or about 11:30?

Mr. REID. I think that is probably when it will be.

Mr. COVERDELL. Mr. President, 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. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. DASCHLE. Mr. President, I rise in support of this amendment and applaud the authors. I am very hopeful that we can get good bipartisan support for this legislation, in large measure because it is exactly what we need to be doing right now, if, indeed, we are serious when we say we want more technology in schools.

I can't think of a better way to encourage more technology in schools than to ensure that companies are able to use the incentives that are there to maximize the opportunities for schools to acquire the kinds of hardware and software they need to fully equip every school across the country.

As I travel throughout South Dakota, it is with great pride that superintendents and principals will show me their computer room. They will show me how computer literate their students are. They show me how integrated technology is now becoming in schools. But the one consistent lament they have is that they just don't have the resources to ensure that they can acquire the equipment or, in a timely way, replace that equipment, knowing it is going to be outdated in 3 years, knowing they are going to be faced with the same budgetary decisions once again in a very short period of time. There is a longer life for acquiring sports equipment, books, desks, or almost anything else related to schools. The timeframe within which the technology becomes outdated, as we all know, is extremely short.

So this amendment is simply designed to acknowledge that fact—to acknowledge the fact that schools desperately need this technology and all of the equipment associated with it. They need to have the assurance that once they have acquired this technology, they are going to continue to get it in the future. This relatively minor tax incentive, from the perspective of a budgetary impact, will have profound consequences with respect to its effect on companies and the incentive it will create, and with its effect on what can happen in schools if we pass it.

Mr. President, I applaud Senators WYDEN, BAUCUS, ABRAHAM, and others for their effort to make this issue the prominent one it is with this debate on

how we might improve our educational opportunities. As I say, I think that as we look at the next 10 or 20 years, one of the biggest challenges schools are going to face—whether they are rural or urban, private or public—will be the insurmountable task of technology acquisition. I do hope they can overcome the fiscal challenges they all face. Whether or not they do, in part, will be dependent upon whether or not something as simple as this can be passed, creating an incentive that will ultimately provide companies with more reasons to support schools in their effort to acquire technology.

That is what this amendment is all about. It deserves our support. I am sure it will have our support, and I am sure it may not be the last word on what it is we need to do with regard to technology acquisition. But it is a good beginning. I applaud my colleagues—especially Senators WYDEN and BAUCUS—for all their efforts in bringing it to this point. I urge its passage.

I yield the floor and 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. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COVERDELL. Mr. President, I ask unanimous consent that the vote in relation to the Abraham amendment and with respect to the Bingaman accountability amendment be postponed to occur at 1 p.m. today. I further ask that no second-degree amendments be in order to either amendment prior to the votes and the time between now and 1 p.m. be equally divided for debate of both amendments.

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

Mr. COVERDELL. Many Senators thought we would be voting at about 11, so they need to pay particular attention to this change.

I thank the Chair.

Mr. BINGAMAN. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER (Mr. HUTCHINSON). There is an order for the Senator's amendment and the amendment of the Senator from Michigan to be debated concurrently, with a vote to occur at 1 o'clock.

AMENDMENT NO. 2863

(Purpose: To ensure accountability in programs for disadvantaged children and provide funds to turn around failing schools)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2863.

Mr. BINGAMAN. Mr. 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:

Strike section 101 and insert the following:

"SEC. 101 FUNDS FOR ACCOUNTABILITY AND SCHOOL IMPROVEMENT.

''(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $275,000,000 for fiscal year 2001 and such sums as may be necessary for each of the succeeding fiscal years.

''(b) NATIONAL ACTIVITIES.—From the amount appropriated for any fiscal year under subsection (a), the Secretary of Education ('the Secretary') may reserve not more than 3 percent to conduct evaluations and studies, collect data, and carry out other activities relevant to sections 1116 and 1117 of the Elementary and Secondary Education Act of 1965 (hereafter in this section referred to as ''the ESEA'').

''(c) ALLOCATIONS TO STATES.—The Secretary shall allocate the amount appropriated for any fiscal year under subsection (a) and not reserved under subsection (b) among the States in the same proportion in which funds are allocated among the States under part A of title I of the ESEA.

''(d) STATE USE OF FUNDS.—(1) IN GENERAL.—Each State educational agency shall use funds received under subsection (c) to—

''(A) make allotments under paragraph (2); and

''(B) carry out its responsibilities under sections 1116 and 1117 of the ESEA, including establishing and supporting the State educational agency's statewide system of technical assistance and support for local educational agencies.

''(2) ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Each State educational agency shall allot at least 70 percent of the amount received under this section to local educational agencies in the State.

''(B) PRIORITIES.—In making allotments under this paragraph, the State educational agency shall—

''(i) give first priority to schools and local educational agencies with schools identified for corrective action under section 1116(c)(5) of the ESEA; and

''(ii) give second priority to schools and local educational agencies with other schools identified for school improvement under section 1116(c)(1) of the ESEA.

''(e) LOCAL USE OF FUNDS.—.

''(1) CORRECTIVE ACTION.—Each local educational agency receiving an allotment under subsection (d)(2)(B)(i) shall use the allotment to carry out effective corrective action in the schools identified for corrective action.

''(2) SCHOOL IMPROVEMENT.—Each local educational agency receiving an allotment under subsection (d)(2)(B)(ii) shall use the allotment to achieve substantial improvement in the performance of the schools identified for school improvement.''

Mr. BINGAMAN. Mr. President, I am introducing this amendment to strike the part of the bill that provides the tax savings because I think there is a better use for that amount of funding. I am proposing an alternative use for that funding that I urge my colleagues to seriously consider.

My amendment strikes the part of the bill that provides the average family with a very small tax savings, and there are various estimates as to what that savings would be. Essentially, as I understand it, the Joint Tax Committee says the average benefit per child in public school would be something like $3 in 2001 and $4.50 in 2002.

I think it is clear, regardless of the precise number, that these are not tax savings that are going to help any child in this country get a better education. So my thought is that rather than do that with the funds we are expending through this bill—or proposing to expend—we use the money to provide crucial funds to turn around the failing public schools.

Public schools are where over 90 percent of our children are educated. I grew up in Silver City, NM where, if you want to go to school, you go to public school. That is the way it has always been, to my knowledge. It is going to be that way for some time. We need to be sure the schools that are not adequately training young people and educating young people get the assistance, the resources, the oversight, and the accountability they need in order to move ahead and solve that problem.

Let me talk a little bit more about the bill that is presently pending and then talk about my own amendment. The Joint Tax Committee did this analysis of the Coverdell proposal and indicated that it would, in their view, disproportionately help families with children already in private schools. Eighty-three percent of families with children in private schools would use this account, but only 28 percent of families in public schools would make use of it.

Essentially, the proposal is a way of diverting funds that are otherwise public funds into the private schools, at a time when we all recognize that the public schools have inadequate funds to do the job we are calling upon them to do.

Also, the pending Coverdell bill we are trying to amend has no mechanisms in it to ensure accountability of the use of the funds we are talking about. The bill does nothing to improve teacher quality. It does nothing to provide safe and modern environments for learning. It does nothing to raise academic standards or to impose upon the public schools or bring them to more accountability in the expenditure of the funds.

I believe we need to use Federal funds on initiatives that make a difference in our public schools. That is what my amendment intended to do.

The relevant section of the Coverdell bill costs the public an average of $275 million a year for the next 5 years. That is the cost to the taxpayers. I believe we can use that $275 million each year to ensure that higher standards and accountability are implemented throughout our public schools. We have made some progress in implementing higher standards.

Most States have adopted or are in the process of adopting statewide standards. This is due in part to the fact that Federal law applicable to the program for disadvantaged students—that is title I—requires that standards be adopted. Although States have

adopted standards, many States and districts have not had sufficient funds to ensure the accountability for meeting those standards they have set or to provide adequate resources to the schools that are failing to meet the standards. I think dedicating specific funds to this purpose is necessary in order to create the rewards and the penalties that will allow schools to be held accountable for the improvement in student performance.

The Federal Government directs over $8 billion in Federal funds to provide support programs through title I. But the accountability provisions in title I have not been adequately implemented because they haven't had the resources to do it at the State level, primarily.

Title I authorizes State school support teams to provide support for schoolwide programs to provide assistance to schools that are in need of improvement through activities such as professional developments for the teachers in those schools, and identifying resources for changing the way the instruction is provided.

In 1998, only eight States requiring these school support teams have been able to serve the majority of the schools that they have been identified as needing improvement. Less than half the schools identified as being in the need of improvement in the school year of 1997–1998 reported that having been designated as a school needing improvement actually got some professional development to accomplish that improvement.

Schools and school districts need additional support and resources in order to address the weaknesses that we identify. They need that support and those resources quickly after those weaknesses are identified. They need to be able to promote an intensive range of interventions, continuously assess the results of those interventions, and to implement some incentives for improvement.

The National Governors' Association asked us to provide funds for the purpose this amendment tries to address.

I have a letter that came to me last October when this same issue came before us in the Senate. I offered an amendment at that time which was not successful but which I believe had merit then, and I believe it has merit now.

Let me make it very clear so there is no misunderstanding. At that time, I was not proposing to strike the tax proposal that Senator COVERDELL brought forward and substitute this in its stead. The Governors were not responding to that specific striking aspect of my amendment of today, but they were talking about the need to have additional funds to ensure accountability and to ensure the implementation of these higher standards by the schools that are failing.

The amendment I am offering would provide $275 million to help improve failing schools. The money would be used to ensure the States and school districts have the necessary resources to implement the corrective action provisions of title I by providing immediate, intensive interventions to turn around low-performing schools.

Let me read part of this letter so that folks know what the Governors are saying. It is a letter to me by Mr. Raymond Scheppach, who is the executive director of the National Governors' Association.

It says:

> On behalf of the Nation's Governors, I write to express our strong support for your amendment to provide States with additional funds to help turn around schools that are failing to provide quality education for title I students.

That is what we are trying to do today.

He says further:

> As you know, under current law, States are permitted to reserve one-half of one percent of their title I monies to administer the title I program and provide schools with additional assistance. However, this small set aside—this is one-half of one percent—does not provide the States with sufficient funds to improve the quality of title I schools. A recent study by the U.S. Department of Education noted the ''capacity of State school support teams to assist schools in need of improvement of title I is a major concern.'' The programs authorized to fund such improvement efforts have not been funded. As a result, States have been unable to provide such services.

Then he goes on to various other points but essentially says:

> Your amendment would provide such funding. Therefore, NGA supports your amendment and will urge other Senators to support the adoption of it.

Let me make it very clear to people again. This was a letter related to an amendment to direct funds at accountability in the expenditure of public funds and help these failing schools. It does not include the proposal I am making today as well to strike the Coverdell amendment and substitute this instead as a better use of that money.

But the types of interventions the States and school districts could provide under these funds are things which I think we would all recognize are needed.

First, purchasing necessary materials, up-to-date textbooks, curriculum, technology.

I think we all encounter circumstances where teachers, school administrators, and students tell us about how they have outdated textbooks and inadequate lab materials or whatever in order to really pursue their studies as they would like to.

These funds could be used for that. They could be used for providing intensive, ongoing teacher training.

That clearly is a need, and I think it is a recognized need in the teaching profession.

The people who talk to me about the importance of more teacher training are the teachers. So this is not an attack on our public school teachers. This is a recognition that we need to do more to help them constantly stay abreast of the new developments in teaching and do a better job.

Third, this would provide access to distance learning.

We have the amendment that was talked about just prior to the amendment I am discussing about technology in our schools. All of us recognize there is a great opportunity, particularly in rural communities, to make better use of teacher learning.

This past weekend, I was in some communities in my State where there are very small high schools. I was in Eunice, NM; I was in Jal, NM. Those are communities with very small high schools. Frankly, they are not able to offer all of the courses they would like to offer for their students. They have the opportunity through distance learning, through the Internet, through interactive television, and through a variety of technologies to provide courses to some of their students even though they may not have a teacher in that school who is qualified to teach that course. We need to be sure the funds are there to do that. This amendment would help provide those funds.

These funds must be used to extend learning time for students—afterschool programs, Saturday programs, and summer school—to help them catch up and perform at least at grade level and, hopefully, better than grade level.

These funds could be used to provide rewards to low-performing schools that show significant progress, including cash awards or other incentives such as, in particular, release time for teachers to prepare for the next school year or whatever.

Also, these funds could be used for intensive technical assistance from teams of experts outside the schools to help develop and implement school improvement plans in failing schools.

These teams would determine the causes of low performance—for example, low expectations, outdated curriculum, poorly trained teachers, and unsafe conditions. They would assist in implementing research-based models for improvement.

I am persuaded there are today research-based whole school reform programs that have been developed that can dramatically improve the performance of our elementary schools. I have become most familiar with one which is called Success for All. There are others that are also showing very good results.

This Success for All program was developed at Johns Hopkins University. Bob Slavin was the key researcher who worked on it. This is a proven early grade reading program. It also covers other subjects. The core subject which most schools have adopted and are focused on is the reading. This is a program which, if implemented properly, can ensure substantial results. We have 50 elementary schools in New Mexico that are presently using this Success for All program and the results are impressive. At the end of the first grade, Success for All schools have averaged

reading scores almost 3 months ahead of those in other control schools where that program has not been implemented.

This amendment will not address all the issues of our schools. I believe sincerely that it is a positive step forward. It will be a more meaningful step forward in improving the educational quality in America than this alternative of providing a $5 a year, or whatever the right number is, tax benefit to the average American.

Clearly, we all want to see our schools improved.

Senator REED is on the floor and wishes to speak for a moment on this and then I understand Senator ROTH has an amendment he wishes to offer.

I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Rhode Island, Mr. REED.

Mr. REED. Mr. President, first, I will speak with respect to Senator BINGAMAN's amendment. Let me commend the Senator for his efforts not only today but throughout his career in the Senate to ensure that accountability is a central part of Federal educational legislation.

Senator BINGAMAN, in 1994, was one of the leaders in this body with respect to the issue of accountability. At that time, I was serving in the other body. Together we worked at the conference on accountability provisions in the 1994 reauthorization of the Elementary and Secondary Education Act. As a result of the efforts of Senator BINGAMAN and others, we were able, for the first time, to begin to focus significant attention on the issue of accountability. In fact, the 1994 reauthorization, together with Goals 2000 legislation, accelerated and encouraged a movement throughout the States to develop standards. Practically every State in the country today has standards.

We now have the opportunity to begin measuring how well schools are doing. That is at the heart, I believe, of Senator BINGAMAN's approach today. We need not only to measure how well they are doing but then hold States and localities accountable for those results.

What has happened in the last several years is that the States have not had the resources to fully exploit the opportunities to measure schools against standards and then improve those schools. Half of the schools in the country that are problematic, according to State standards, have not been able to have access to teams of improvement; they have not had access to the support they need to make themselves better. In addition, they have not had access to the professional development which they need to enhance the capabilities of their teachers. All of these efforts together suggest the American people's money would be best spent by devoting time and attention to accountability.

Again, I think the approach that the Senator from New Mexico is taking is exactly on target. As we spend $8 billion a year on title I, we should insist that the States live up to their responsibility to use these funds wisely as measured by the performance of their students. The best way we can do that is to give them the resources and, again, the impetus to take stock of their schools and then to apply corrective measures, remedial measures.

They have not been able to do that. I don't believe it is because they don't want to do it; I believe it is because they have not been able to find the resources to carry out this mission. Senator BINGAMAN's amendment would give them access to these resources. It will give them access not in a restrictive way but in a very open-ended way so they can pick and choose the best device to use in their particular school to ensure that school performance improves. That, again, is why I believe we are all here.

We have a special obligation at the national level to assist, particularly, low-income schools. Regrettably and unfortunately, many of the low-performing schools are low-income schools. Therefore, this effort to help support States to identify low-performing schools and to bring them up to the standards of the State is entirely consistent with the purpose of Federal legislation, which is to assist low-income students to have access to the opportunities that more affluent students and their families take for granted.

I believe what the Senator is proposing is entirely consistent with what we should be about, but also it will go to the heart of leveraging all of our programs and all the State programs to ensure we accomplish the ultimate goal that lies before the Senate of ensuring that every child in this country has access to excellent public education.

Coincidentally, both Senator BINGAMAN and I and others today are beginning the markup in committee of the reauthorization of the Elementary and Secondary Education Act. We will be pursuing these issues within the context of that legislation. Today, when we have a bill in this Chamber that purports to be a way to assist education, elementary and secondary education, in the United States, we have to seize this opportunity to point out that the heart of our efforts has to be the reinforcement of what we have already begun years ago, which is to develop within the States the capacity to evaluate their schools based upon their standards and then to intervene successfully to fix these schools.

Before we go on to more attenuated means to help education in the United States—such as tax credits and other proposals—we have a primary responsibility and, today, an opportunity to do what we started to do in 1994 to give the States the resources, further incentives to evaluate their schools, identify the schools that are failing, to step in with their choice of intervention strategies, and to fix the schools in America.

There are over 8,000 schools in this country that are not meeting State standards. Those figures come from our Department of Education. What is preventing the States and the localities from stepping in right now? There might be a host of issues, but one thing we can do to accelerate that intervention is to support the Bingaman amendment, to give them resources and give them the clarion call to step in and fix the schools so we can declare—as I hope we can at the end of this debate and certainly I hope at the end of the debate on the Elementary and Secondary Education Act—that we are not only committed but we are on a path to ensure that every school in this country is providing every American child with the opportunity to succeed. Every public school in this country is doing that.

I commend the Senator and I thank him for yielding time to me. I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself such time as I may consume off of the Abraham amendment debate time.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ROTH. Mr. President, I intend to offer a substitute amendment to S. 1134 later today. The underlying bill was reported out of the Finance Committee almost 1 year ago, in May 1999. My substitute amendment makes some important and necessary policy changes that were not done before—because of budget constraints 1 year ago. My amendment also updates the bill to account for the passage of time.

When the committee originally considered this education bill, we were operating under last year's budget scenario. Since that time, the surplus numbers have increased dramatically. In today's economic environment, I believe that it is appropriate to use the surplus to provide education tax incentives for American families. Through their hard work, the American people created these favorable economic conditions and the resulting budget surplus. They should be entitled to take some of that surplus back.

We should not have to raise taxes to offset these much needed education tax incentives. My amendment makes this legislation a true tax cut relief bill for education. With a growing Federal surplus created by their tax dollars, Americans should not be taxed again to pay for a national priority.

Accordingly, my substitute amendment strikes all of the revenue raisers in S. 1134. The cost of my amendment is but a small percentage of the projected budget surplus over the next 10 years.

Now let me explain some of the substantive changes that I make in the

substitute amendment. First, the underlying bill increases the maximum contribution amount for an Education IRA from $500 per year to $2,000 per year. The underlying bill also allows contributions to an Education IRA to be used for kindergarten through high school education expenses. These are both important and needed changes. But the underlying bill sunsets both of those benefits after the year 2003. That is not good policy. Accordingly, my bill removes the sunset—it makes permanent both the increase in the contribution limit and the flexibility in the use of the accounts.

Planning and saving for college should take place as early as possible. To help families make those important decisions, they need to know how much money they can put away and for what it can be used. Having provisions that sunset—and thus need to be renewed by Congress—takes away from that certainty. We need to make saving for college easier and more certain—not complex and uncertain.

I can easily see why a family would not want to take their hard earned savings and put them in a program where the terms could change in a few years. My amendment helps to solve that problem. We should not sunset our future—the education of our children.

Education IRAs are extremely important for a few reasons. First, they help families afford the escalating costs of higher education. The increase to $2,000 will make these accounts more attractive to families who want to use them and to institutions who want to offer them. Second, the existence of an education IRA gives an additional push to a student to attend college. Last month, the Senate Governmental Affairs Committee held a hearing on the rising cost of college tuition. One of the witnesses was Dr. Caroline M. Hoxby, an associate professor of economics at Harvard University.

Commenting on the behavioral incentives of an Education IRA, Dr. Hoxby noted that for an eighth grader, there is something different about knowing that there is money being put away for your college education and that you will lose it and the opportunity to go to college if you do not continue to do well. It makes sense that a child who is aware that there is a fund being built up for his or her future education would think longer and harder about going to college.

My amendment also fixes a trap for the unwary. Under current law, a student who takes a distribution from an Education IRA is not able to use the HOPE or Lifetime Learning Credit—even if different education expenses are allocated for the different tax benefits. Again, this is not right. We are providing these education tax incentives to families because they need them. We should not hold them out there—making people believe that they are available—and then take them away. Because of revenue constraints, the original Finance Committee bill fixed this coordination only for a few years. My amendment makes the coordination permanent, and makes sure that families continue to receive the full benefits from all these tax benefits.

My amendment also makes the tax-free treatment of employer-provided educational assistance permanent. In last year's Extenders bill, Congress extended the current tax-free treatment for a few years. That was the right move, but it did not go far enough. First, something as important and necessary as continuing education should not be wrapped up in the uncertainty of extenders legislation. Workers and companies need to plan ahead, and they need to know how these educational expenses will be treated under the Tax Code. Second, we should reinstitute the exclusion for graduate education expenses. Especially in today's dynamic economy—which is marked by high technology and innovation—it is important that workers have access to graduate education. My amendment recognizes that fact, and so it makes permanent tax-free treatment of employer-provided educational assistance for both undergraduate and graduate level courses.

Finally, my amendment updates the Finance Committee bill by changing the effective dates of the provisions. They would all be effective beginning in the year 2001. I should also note that my amendment takes into account the Senate's adoption of the Collins amendment yesterday—and so will include that amendment as well as any others that have been adopted.

Why are the permanent provisions in my amendment so important? Some Senators have tried to rationalize their opposition to this bill by claiming that it would not do enough to advance education. My amendment guarantees that this is simply not true.

My amendment would allow parents to contribute up to $2,000 annually toward their child's education—from the day of birth to the first day of college.

That is just $5.48 a day or $38.46 a week. That may not seem like a lot but, like a train, it may start slowly but it is very powerful. It will gain speed. It is a savings express to college.

By putting their child on the savings express, after 18 years when that child is ready to go to college, the parents will have $65,200, and that just assumes a 6 percent rate of interest—the rate on a Government security. Of course, other investments could yield even more, but a U.S. Government security is the safest in the world.

So parents would have at least $65,200 toward their child's education. $29,000 of that would be solely due to the power of compounding interest. And every cent of that $29,000 would be tax-free—it would go straight into education.

Maybe that still does not seem like a lot to some folks, but it sure seems like a lot to parents who are struggling today to insure college for their children tomorrow.

The average annual cost of college—tuition, room, and fees—in 1997–1998, was $9,536. At the University of Delaware, it is $9,984 for this school year. So the national average total cost is roughly $10,000 per year or $40,000 for the cost of a college education.

My amendment before us today will cover this. It will give parents and students peace of mind.

My amendment is a powerful incentive to save. It is an engine. It is the engine that can pull a long train of savings—and dreams.

Like the Little Engine that Could, my amendment makes this legislation the Education Savings Plan that Will. Parents and children getting on this savings train, will get off at college to a better future.

I am amazed that some people are trying to overlook the train and just see the caboose. I promise you the American people are not. America has waited for this college savings plan for 3 years. This legislation brings it home today. It is time the President got on board.

The measures in this bill are an important step forward. My amendment will not only take us another step forward but keep us on a permanent track to prosperity.

I urge my colleagues to join in a bipartisan effort to make education affordable for American families.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAMS). Who yields time? The Senator from Georgia.

Mr. COVERDELL. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The majority has 46 minutes; the minority has 33 minutes remaining.

Mr. COVERDELL. Mr. President, I want to speak briefly to the Bingaman amendment.

First, I associate myself with the remarks of the Senator from Delaware. The Senator talked about the train that could and the train that will, but it will not if we adopt the Bingaman amendment because the Bingaman amendment neuters, makes moot, the education IRA, the education savings account. He takes the funding that is in the bill that is before us and shifts it to the Department of Education. It may be a rational goal or not; that can be debated. The bottom line is that everything Senator ROTH of Delaware has just spoken to would be moot. All the advantages, the accumulation of funds that will allow families to more effectively deal with college costs or educational costs in general will disappear, end, be over, no train.

This is about the third attempt from the other side to bring ''an apple pie goal'' and use it as a tactic to defund educational savings accounts.

With regard to the Bingaman amendment and its issues of accountability, of course those are rightfully being discussed in the Elementary and Secondary Education Act which is in committee. It is being jump-started in a

very confrontational way in that the very essence of everything we have been talking about for the better part of 2 weeks would be moot if we allowed the funding that allows the creation of family education savings accounts to be shifted over to the Department of Education and all that bureaucratic morass in the name of a good goal.

Certainly, accountability is something for which we all strive. I do think we ought to remember that accountability in schools is primarily the responsibility of the State governments. Currently, of all the education funds available in America, some 13 percent are now provided by the Federal Government.

What is interesting is about 50 to 60 percent of the administrative overhead and regulations and those things that bog down principals and superintendents and teachers is a Federal mandate. We send off a check for 13 percent, but we demand about a 50-percent overhead on what all those local schools have to do.

We will be voting a little bit later on the Robb amendment which, of course, does the same thing. It creates a national school construction program, and if my colleagues read through the amendment, they will see it is going to take a building of lawyers to understand all the requirements and mandates.

I wanted to make the point that on the Bingaman amendment and, for that matter, the Robb amendment, both have the effect of defunding and making impossible the creation of the education savings account.

I will take a few more minutes to remind everybody that by Government predictions and estimates, the education savings account we are proposing will affect 14 million American families who are educating 20 million children. Because they are setting up this education savings account, they will invest—these are the American families—$12 billion over the next 10 years to be used to help their children for educational purposes.

So every time we confront one of these amendments that removes the funding to establish the education savings account, we are not only throwing the idea away, but we are throwing away $12 billion of volunteered money that would come from these 14 million families for their children. It will be one of the largest infusions of resources we have seen in public-private education in many years, and the Federal Government is not having to raise taxes to do it. They are not having to appropriate money to do it. We are simply saying we will allow the interest that will build up in these education savings accounts not to be taxed.

Over a 10-year period, it is a reasonably small number of tax revenue that is forfeited, and it makes the American public do massive things. Imagine saving $12 billion for the aid of kids who are trying to get through school and college.

I wanted to make it clear that these amendments, under these ''apple pie'' titles have the effect of closing down the idea that we will be opening an education savings account.

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

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

Mr. COVERDELL. Mr. President, I ask unanimous consent that the period of time that is consumed in the quorum call be equally divided.

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

Mr. COVERDELL. 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. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. COVERDELL. Mr. President, I ask unanimous consent that the pending consent agreement be amended to include a vote in relation to the Graham amendment and, therefore, those three votes be postponed to occur at 2 p.m. today. I further ask unanimous consent that no second-degree amendments be in order to either of the three amendments prior to the votes and the time between now and 2 p.m. be equally divided for debate of all three amendments.

The PRESIDING OFFICER (Mr. BURNS). Is there objection?

Mr. REID. Mr. President, reserving the right to object, it is my understanding the next 2 hours, then, are evenly divided between the minority and majority.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COVERDELL. Therefore, Mr. President, the next votes will occur at 2. The Senate was advised that it would be at 1 and there would be two votes. So the change is that we are able to work another amendment in, and we will have 3 votes at 2.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 2864

(Purpose: To provide funds to assist high-poverty school districts in meeting their teaching needs)

Mr. GRAHAM. Mr. President, I will be offering an amendment which is entitled Transition to Teaching. This amendment came to my attention as a result of a series of personal experiences.

One set of those experiences related to the military and specifically the U.S. Navy in Pensacola. Several years ago, facing the downsizing of the military and aware that there were going to be a lot of people with talents, particularly in areas such as science and mathematics, who would be looking for a second career, the U.S. Navy in Pensacola, the State university in Pensacola, and the University of West Florida formed a partnership. That partnership was to provide training for naval personnel who were within a few months or years of their retirement date so that when they did reach retirement, they would be prepared to go into the classrooms of America with full certification and commence a second career educating the next generation of young Americans.

This has been a very successful program. It has assisted scores of schools in my State and many more across the country. This program has been generally referred to as the Troops to Teachers Program.

Last August, I did one of my monthly workdays at North Marion High School north of Ocala, FL. There I met a man by the name of Bill Aradine. Bill teaches automobile mechanics at North Marion. North Marion, as do many schools in America, every year faces a major challenge in how to recruit enough young new teachers to fill the ranks.

We are facing, in the next decade, something on the order of 2 million American teachers who are going to retire. These are teachers who largely came to the classroom in the 1950s and 1960s, are now reaching their retirement period, and are going to create tremendous demands for new teachers to fill those ranks. Bill Aradine filled one of those positions at North Marion High School.

What is peculiar about Bill is not just the fact that he is considered to be an outstanding teacher who motivates his students and has prepared students for very good paying jobs upon their graduation from his automobile mechanics program, but what is most peculiar about Bill is the fact that he is a man who already had a career. The career was that, at first, he was an automobile mechanic and then the lead mechanic of one of the large automobile dealerships in Marion County, FL. So when he came to the classroom, he was a fully mature adult with a lot of experience in the area he was going to teach, credibility with the students, and the ability to be beyond a teacher, a mentor, a counselor, and the bridge from the classroom to employment for his students.

Now, Bill made that transition to the classroom out of his own grit, his interest in being able to share with young Floridians what he had learned in a lifetime of automobile mechanics. But Bill, unfortunately, is a rarer commodity than he should be. We ought to be encouraging more people at midcareer to consider the classroom as their second career. We ought to be facilitating their ability, as the Navy and the University of West Florida did, to get certified so they can move

seemlessly into the classroom. We ought to recognize the fact that a student at 40 is different than a student at 18, in terms of their class schedule and their other responsibilities, both family and economic; and we ought to try to make it easier for those Americans to be able to pursue their desire at a second career in the classroom.

That is what the transition to teaching legislation intends to do. It focuses on two of the principal inhibitors to persons pursuing a second career in education. The first of those occurs at the universities. The universities are very well prepared to train people who are right out of high school, who don't have many family or economic responsibilities, and who, at the age of 22 or 23, will go into the classroom. They are not so well prepared to deal with the student who is in their forties, who has all these responsibilities and has to have a greater degree of flexibility in their schedule. As the University of West Florida found, they had to redo their curriculum in order to be able to respond to the needs of the Navy personnel. I suggest the same thing is going to be required if we are going to move the Bill Aradines from a rare exception to a significant stream of persons coming into the classroom as a second career. So the first part of our transition to teaching is focused on the universities to provide them some stimulation and resources to commence the process of restructuring their curriculum so they can be responsive to the needs of the middle-age second career student. Second is to provide stipends to these students while they are undergoing this process of change, recognizing that they have other responsibilities, typically, in terms of supporting their families and the other obligations that an adult would typically have.

So those are the two targets of this legislation in order to facilitate more Americans being able to consider a second career in education and to be able to contribute to that 2 million new teachers that America is going to need in the next 10 years in order to meet the tremendous demands that will be caused by the impending retirements of many hundreds of thousands of current teachers.

I will offer, for purposes of consideration as an amendment to the legislation that is pending before us, an amendment on which I have been joined by Senators BINGAMAN and ROBB, entitled ''Transition to Teaching.'' I will urge its consideration and vote at the scheduled time of 2 o'clock.

Mr. GRAHAM. Mr. President, I now send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. ROBB and Mr. BINGAMAN, proposes an amendment numbered 2864.

Mr. GRAHAM. Mr. 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:

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 $25,000,000 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.

Mr. GRAHAM. Mr. President, when I introduced Transition to Teaching in October last year, I talked about my workday with Bill Aradine.

He teaches 150 students, from 9th to 12th grade at North Marion High School near Ocala, FL.

He teaches auto mechanics, and has sparked an interest in students that may lead to rewarding, lucrative, and challenging careers for them.

But Mr. Aradine brings something else to his first year in North Marion High School—eleven years of on-the-job experience.

He has years of experience in a local Chevrolet car dealership, and he is starting a second career in teaching.

The students look at him with a different perspective: When he says that ''you will need to know this to succeed'' they know that he knows.

Having just come from the automotive industry, he teaches at the cutting edge.

The information that he brings to his students is what he was actually doing in the workplace not that long ago.

Mr. Aradine is also a bridge between North Marion High students and the world of employment.

He offers them advice, counsel, and real-life connections to future jobs.

As Bill Aradine made the mid-career transition into the teaching profession, students gained a valuable instructor and mentor, and North Marion High School was able to fill a vacancy and ease its teacher shortage.

Every August and September—another school year begins for thousands of young Americans.

Almost every year at this time, I hear from school districts in Florida about teacher shortages:

Miami-Dade hired 1,700 new teachers for the 1999 school year, and still had 300 vacancies to fill on the first day of classes.

Hillsborough County hired 1,493 teachers for the start of the school year and were still 238 teachers short when the first class bell rang.

Orange County needed 1,300 teachers for the new year, and still had 50 vacancies several months after school started.

These concerns will only get worse: 40 percent of current schoolteachers are over age 50, on the verge of retirement.

Who will be the future role models to the next generation of Americans?

The importance of having high-quality teachers, and in sufficient numbers is crucial when we look at the challenges facing education in the future.

The American family structure will change in two key ways: Half of all children will spend some of their childhood in single-parent homes, and are more likely to live in poverty. And, of the children who grow up in a nuclear family, very often both parents will work, thus are less able to be involved in a child's school and schoolwork.

Second, societal expectations for students upon graduation will be greater.

In the middle of this century, 20 percent of the jobs needed skilled workers.

At the end of this century, 80 percent of jobs will need skilled workers.

Thus, the American student will need to graduate from school better prepared for the hi-tech world than ever before, but single parent families and dual-income families, in general, will face more challenges in being actively involved in their child's education.

These challenges, and others, will face the American educational system.

I rise today to take one step forward in easing the nationwide teacher shortage, and offering challenging new opportunities for America's professionals by introducing the Transition to Teaching Act of 1999.

Representatives JIM DAVIS of Florida and TIM ROEMER of Indiana have taken the lead in the House of Representatives on this issue.

We have a very successful model on which to build the Transition to Teaching program.

Since 1994, the ''Troops to Teachers'' program has brought more than 3,000 retired military personnel to our classrooms as math, science, and technology teachers.

Florida schools have the benefit of more than 270 individuals who have successfully completed the Troops to Teachers program, and are bringing their life-experience to the classroom today.

Troops to Teachers, and now Transition to Teaching, overcome two of the main obstacles that mid-career professionals face when becoming a teacher.

It streamlines the teaching certification process.

It provides money to mid-career professionals to become certified.

It's not impossible to do this now, as Mr. Aradine has shown, but this legislation will assist with and simplify the process.

The first issue that is addressed involves teaching colleges within universities.

They are often set up for traditional students, in their early-20's, just starting out in their professional lives.

These programs are generally taken over a multi-year period as a full-time college student.

This legislation encourages teaching colleges to develop curriculum suitable for an individual who has many years of work experience.

These programs are more streamlined, more flexible in school hours, and recognize that the professional brings more life and work experience than a traditional college student.

By developing such programs, colleges can maintain high standards, but allow a mid-career professional, making the change into teaching to become certified in a more efficient, streamlined manner.

Teaching colleges are also asked to develop programs to maintain contact with and support for these new teachers during at least their first year in the classroom.

Second, Transition to Teaching will assist teachers who come to the profession in mid-career in a very tangible way.

Grants will be awarded, up to $5,000 per participant, to offset the costs of becoming a certified teacher.

In return, the teacher agrees to teach in low-income schools for three years, as determined by the percentage of Title One students in the school population.

Thus, two of the biggest obstacles to becoming a teacher in mid-career are alleviated by this legislation:

First, the certification process is streamlined, and second, stipends are provided to offset the cost of this additional education.

By expanding the ''Troops to Teachers'' program into ''Transition to Teaching,'' law enforcement, attorneys, business leaders, scientists, entrepreneurs, and others in the private sector, should be encouraged to share their wisdom with students.

This amendment is timely. We are on the cusp of the retirement of millions of baby boomers.

By encouraging recent retirees, or mid-career professionals, to become certified through Transition to Teaching and spend a few years in the classroom, we will bring the life skills of experienced professionals to our youngest citizens.

I encourage my colleagues to support this amendment.

Our nation's children deserve our best efforts to provide them with a world class education.

Let me just add an economic component to this amendment. This amendment would be in the nature of an authorization. The President has in his budget an item of $25 million, which would be the basis of supporting this program, as well as the current Troops to Teachers Program.

It is estimated that approximately half of the persons who would be trained with that $25 million appropriation that has been recommended by the President would be military personnel and the other half would be civilian. As we begin to stabilize the reduction of the military, the proportion of those persons who would be trained for a second career in the classroom would probably begin to shift with a larger number being from the civilian sector. It is estimated that the cost per student for this program will be approximately $3,500 to $4,000 a year for their training, with the average person

taking between 1 and 2 years to be trained to the point they are certified to go into the classroom.

I believe this is a very reasonable and prudent investment for America to make in Americans who have demonstrated their accomplishments in a first career and are now ready to share their experiences with American youth in a second career in the classroom. This will help to facilitate that transition to teaching for the 21st century.

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

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

Mr. LAUTENBERG. Mr. President, I ask whether the floor is in any kind of a parliamentary situation at this time.

The PRESIDING OFFICER. The time is controlled and evenly divided until 2 o'clock on the pending amendment.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent to speak as if in morning business for a maximum of 15 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. COVERDELL. Mr. President, reserving the right to object, I mention to the Senator that in the context of these amendments that his side has invited Senator WELLSTONE to come to begin his amendment. If that were to come about, we would need to try to accommodate it. If the Senator would help us with that, I see no problem.

Mr. LAUTENBERG. I would be pleased to do that.

Mr. COVERDELL. I have no objection.

The PRESIDING OFFICER. The Senator from New Jersey.

GUN CONTROL

Mr. LAUTENBERG. Mr. President, none of us can possibly ignore what took place yesterday in Michigan. Another child killed by gunfire. Everywhere across the country we see children killing children. And then we see members of the immediate family their faces contorted by sadness. Anyone who has a child or grandchild has to be dismayed and upset by these tragedies.

I am fortunate enough to have seven grandchildren, the oldest of whom is 6. Nothing is more joyful than to see their smiling faces—to see them learning about life, reading, playing, and singing.

And when I think of my grandchildren, and the other children across this country, I ask myself what it will take to stop the gun violence. When will this Congress say we have enough killing? What does it take to change some minds, to say that guns do kill?

I am so tired of that foolish saying: ''guns don't kill people, people kill people.'' Of course, people kill people, but we would see much less deadly violence if we passed common sense gun safety measures. It is getting close to the 1-year anniversary of the tragedy at Columbine. I will never forget the picture of the child hanging out of the window at that school, looking for help, trying to get away from the terror. I thought that terrible violence—12 children killed and many more seriously injured—would force this Congress to act.

And yet there has been much more gun violence since Columbine. Shootings in Georgia; in Ft. Worth, Texas, at a prayer meeting. Those young people were gathered to worship and along comes someone with a gun and kills them. And then a gunman in California attacks children at a day care. After that terrible assault, the gunman goes on to kill a postal worker because he is Filipino and not white.

When will the National Rifle Association and its friends step up to the issue, not always appealing to the extremists, and say there is a sensible way to approach this problem and reduce the proliferation of guns? They should join with us and help close the gun show loophole that allows guns to be sold without a criminal background check.

A person could be one the 10 most wanted criminals in this country and say to one of the dealers: I have $500; give me a couple of guns. The dealer could sell them, and he would not be breaking the law. It is an outrage.

Of course, some who oppose gun safety legislation talk about the Second Amendment. But there is nothing in the Constitution that says citizens can buy a gun without identifying themselves. There is nothing in the Constitution that says, buy a gun, carry it anyplace you want. No, no; there are overriding considerations that say we have to protect our citizens. We put people in uniform to protect our citizens. Sometimes it is a military uniform, sometimes it is a police uniform. We do it to protect our citizens. Why don't we reduce the possibility that a gun might be introduced into a situation?

In 1996, Congress did pass my domestic violence gun ban. There was a huge fight on the floor of this Senate and the House. In cooperation with President Clinton, on the budget bill, we said anybody who has committed a misdemeanor of spousal abuse or abusing a child, that person should not have a gun. We fought like the devil. People said we have no right to take guns away from people who haven't done something serious.

But domestic violence is serious. And guns make domestic violence incidents even more dangerous. The trigger does not have to be pulled to traumatize a spouse or a child. Let a man put a gun to a woman's head and say: I will blow your brains out in front of your children. That is a wound that does not go away in a hurry. Doctors cannot see that wound on the skin, but it does not go away.

Mr. President, since that law went into effect, 33,000 purchases have been prevented. 33,000 of those wife abusers, spousal abusers, could not get a gun. I feel good about it. And I still cannot understand those people who opposed it and who continue to oppose gun safety measures. They seem to want guns for everyone, wherever they want, at any age, it doesn't matter, hide them, conceal them, do what you want.

That is irresponsible. And we should not have people hiding behind empty slogans like ''guns don't kill people''. Or trying to distort the meaning of the Second Amendment. No one has a right to hurt another. That is not in the Constitution.

Just a few minutes ago we learned that there was another shooting near Pittsburgh. We don't have all the details, but someone shot four people in a McDonald's and then went to a Burger King and shot someone else.

So the gun violence continues, week by week, day by day, hour by hour. Yesterday it was a six-year-old in Michigan killing another child. And we ask ourselves what can be done. Do you put a 6-year-old in jail? Do you lock him up in a cell? Or do you say to a parent or a friend: It is your responsibility?

If you own a car, you have no right to give it to somebody who doesn't know how to drive and tell them to have a good time. That can be criminally prosecuted if a person has an accident. Why is a gun different? Why shouldn't all guns be protected from access by unacceptable users, children, deranged people, et cetera?

We ought to do it. We keep avoiding it with silly excuses in this place. I hope people across America understand we ought to stop this now. We can require gun manufacturers to manufacture guns that don't work except in the hands of an authorized user. Thirteen children a day die from gunshots; over 4,500 kids a year. We can pass a bill that Senator DURBIN from Illinois has authored, the Child Access Prevention Act. It imposes criminal penalties on gun owners who allow children access to their guns.

And we ought to take stronger measures to prevent easy access to guns. Closing the gun show loophole which allows criminals to purchase firearms without a background check will help. Let me give a graphic example why we cannot afford to wait any longer to do this.

Every year, several gun shows are held in Portland, OR at the Expo Center. The Expo Center is managed by a commission established by the local government, the Metropolitan Exposition-Recreation Commission, called Metro for short. Metro officials were concerned about possible criminal activity at gun shows, so they looked at police records and put together a report. Here is what they found:

Investigative reports from the Portland Police Bureau demonstrate a continuing pattern of frequent significant criminal activity