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No. 46

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:

Almighty God, we praise You for Your guidance. As we begin the work of the Senate today, we pray with the Psalmist, "Show me Your ways, O Lord; teach me Your paths. Lead me in Your truth and teach me, for You are the God of my salvation; on You I wait all the day."—Psalm 25:4-5.

We acknowledge our total dependence on You. Revelation of Your truth comes in relationship with You; Your inspiration is given when we are illuminated with Your Spirit. Therefore, we prepare for this day by opening our minds to the inflow of Your Spirit. You know what is ahead today. Crucial issues for the future of our Nation confront us.

We praise You Lord that when this day comes to an end we will have the deep inner peace of knowing that You have heard and answered this prayer for guidance. In the name of our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the distinguished Senator from Georgia, is recognized.

SCHEDULE

Mr. COVERDELL. Mr. President, this morning the Senate will immediately proceed to a stacked series of rollcall votes. Following the stacked votes, it appears that there are up to four remaining first-degree amendments in order to the Coverdell education bill. It is hoped that these amendments will be offered and debated in a timely fashion

so that final passage can occur by early afternoon today. Therefore, Senators should expect rollcall votes throughout today's session with respect to the Coverdell bill or any other legislative or executive items cleared for action.

I thank my colleagues for their attention.

Mr. President, parliamentary inquiry. Is it not true that by previous agreement we will now begin three stacked votes?

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator is correct.

RESERVATION OF LEADER TIME

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

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2646, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Coats amendment No. 2297, to provide an additional incentive to donate to elementary and secondary schools or other organizations which provide scholarships to disadvantaged children.

Levin/Bingaman amendment No. 2299, to replace the expansion of education individual retirement accounts to elementary and secondary school expenses with an increase in the lifetime learning education credit for expenses of teachers in improving technology training.

Landrieu amendment No. 2301, to provide funding to carry out a program that recog-

nizes public and private elementary and secondary schools that have established standards of excellence.

Kempthorne modified amendment No. 2302 (to amendment No. 2301), to provide for student improvement incentive awards.

Levin amendment No. 2303 (to amendment No. 2299, as amended), to replace the expansion of education individual retirement accounts to elementary and secondary school expenses with an increase in the lifetime learning education credit for expenses of teachers in improving technology training.

AMENDMENT NO. 2297

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate prior to a vote on or in relation to the Coats amendment No. 2297.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Indiana.

Mr. COATS. Mr. President, this amendment Members will be voting on shortly simply adds an incentive to the current deduction that is allowed for individuals making contributions to tax-exempt organizations that provide scholarships for low-income children.

Currently it is 100 percent deductible. We are adding an additional 10 percent incentive so that these organizations, of which currently more than 30 exist around the country, can receive additional funds through this incentive so that they can offer additional scholarships to children trapped in an educational system which allows them no escape. There are currently programs operating in virtually every major city in the country. They are giving children a chance.

Those who say, "If you can't give everybody a chance, you can't give anybody a chance", are like those standing on the Titanic saying, "If we don't have enough lifeboats for all on this sinking ship, nobody gets to use the existing lifeboats."

These kids are condemned to failure with no way out of the plight they are in. Let us allow these organizations

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



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that are reaching out through private contributions a chance to give these kids a chance.

This is paid for. It is revenue neutral. Earlier the offset was an elimination of the gambling loss deduction. That has been replaced. There was controversy. We wanted the focus to be on this amendment. That has been replaced by two provisions of the Internal Revenue Code, changes that are approved by the Finance Committee. There should be no controversy on that.

I urge my colleagues to give children, low-income children in minority situations mostly in urban schools—let us give them a chance.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this week we were supposed to be debating our Nation's policy on education. Where our Nation's children are going to school is to the public school systems. We do not have anything against the private school system, but we ought to be testing every single recommendation against does it really help our public schools or are we taking needed funds away from our public schools?

This does absolutely nothing for our public schools. It gives no help and assistance to hard-working parents whose children are going to public schools. What it does do is it says we are going to give a preference in terms of charitable giving to these specific organizations over charitable giving to cancer, over charitable giving to heart disease, over charitable giving to Alzheimer's, over charitable giving to a wide range of other very worthwhile factors.

What is possibly the justification for that? We ought to consider tax policy in that respect, but this is not good education policy. It does not advance our common interest of moving the public schools toward greater academic achievement and accomplishment. That ought to be the test. This fails on the education standard, and it fails on tax policy.

Mr. President, I hope that the amendment will not be accepted.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 2297. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 46, nays 54, as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—46

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Roberts
Bennett	Grams	Santorum
Bond	Gregg	Sessions
Brownback	Hatch	Shelby
Burns	Helms	Smith (NH)
Campbell	Hutchinson	Smith (OR)
Coats	Hutchison	Snowe
Cochran	Inhofe	Stevens
Coverdell	Kempthorne	Thomas
Craig	Kyl	Thompson
D'Amato	Lieberman	Thurmond
DeWine	Lott	Warner
Domenici	Lugar	
Faircloth	Mack	

NAYS—54

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Grassley	Murkowski
Bryan	Hagel	Murray
Bumpers	Harkin	Nickles
Byrd	Hollings	Reed
Chafee	Inouye	Reid
Cleland	Jeffords	Robb
Collins	Johnson	Rockefeller
Conrad	Kennedy	Roth
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Specter
Dorgan	Kohl	Torricelli
Durbin	Landrieu	Wellstone
Enzi	Lautenberg	Wyden

The amendment (No. 2297) was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the next vote in this series be limited to 10 minutes in length.

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

AMENDMENT NO. 2302, AS MODIFIED

The PRESIDING OFFICER. Under the previous order there will now be 2 minutes of debate prior to the vote on or in relation to the Kempthorne amendment 2302, as modified.

The text of the amendment (No. 2302), as modified, is as follows:

AMENDMENT NO. 2302

(Purpose: To amend section 6201 of the Elementary and Secondary Education Act of 1965 to provide for student improvement incentive awards, and for other purposes)

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

101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

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

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

“(2) QUALIFIED EDUCATION EXPENSES.—

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

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

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

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

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

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

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

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

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

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

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

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

(3) SPECIAL RULES FOR APPLYING EXCLUSION TO ELEMENTARY AND SECONDARY EXPENSES.—

Section 530(d)(2) (relating to distributions for qualified higher education expenses) is amended by adding at the end the following new subparagraph:

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

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

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

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

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

(4) CONFORMING AMENDMENTS.—Subsections

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

(b) MAXIMUM ANNUAL CONTRIBUTIONS.—

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

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

adding at the end the following new paragraph:

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

(3) CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

(f) TECHNICAL CORRECTIONS.—

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

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

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

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

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

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

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

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

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

(g) EFFECTIVE DATES.—

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

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

SEC. 102. STUDENT IMPROVEMENT INCENTIVE AWARDS.

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

(1) in subsection (a)—

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

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

(C) by adding at the end the following:

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

(2) by adding at the end the following:

"(c) STUDENT IMPROVEMENT INCENTIVE AWARDS.—

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

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

"(A) shall—

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

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

"(B) may involve exit exams."

Mr. KEMPTHORNE addressed the Chair.

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

Mr. KEMPTHORNE. Mr. President, thank you very much.

Mr. President, this is a very straightforward amendment. This is a voluntary, incentive-based approach to help improve the academic excellence in our public schools. It allows each State, if they wish, to utilize Federal funds that they receive so they can reward excellence and encourage their schools. There is no new requirement of new Federal money. It uses existing Federal money. There is no new Federal bureaucracy put in place. It would be taken care of, again, voluntarily by the States. It is simply a concept that all of us believe in; that is, incentive and reward. We now give a new tool to our public schools to utilize these funds for that purpose, if the States so choose.

Thank you, Mr. President.

The PRESIDING OFFICER (Mr. FRIST). Who yields time?

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, let me ask my colleagues to join me in voting against the second-degree amendment to my underlying amendment on blue ribbon schools. This is a do-nothing amendment. The States actually can already do this with the money they receive. There is no reason for this amendment. The only thing that this amendment does, if by any chance it passes, is it limits our—

Mr. WELLSTONE. Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order.

Ms. LANDRIEU. Mr. President, this amendment is a do-nothing amendment. In some ways it could be harmful to the current blue ribbon program that is so excellent now in our country, because if this amendment would pass, you would not be able to reward private and parochial schools who are doing an excellent job. A wonderful thing about our blue ribbon school program is that it recognizes excellence across the board and helps us. It will give them more than a blue ribbon and a plaque; it will give them some financial incentive to continue to do good work.

I ask my colleagues to vote "no" on the Kempthorne amendment and then to support our blue ribbon amendment, which is the underlying amendment.

Thank you very much, Mr. President.

Mr. KEMPTHORNE. Mr. President, I greatly respect the Senator from Louisiana, but I totally disagree with the characterization of the Senator from Louisiana. This allows the States to finally utilize these funds so they can make financial rewards to our schools as they should do.

Thank you.

The PRESIDING OFFICER. The time has expired.

The yeas and nays have not yet been ordered.

Mr. COVERDELL. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 58, nays 42, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—58

Abraham	Collins	Grassley
Allard	Coverdell	Gregg
Ashcroft	Craig	Hagel
Bennett	D'Amato	Hatch
Bond	DeWine	Helms
Brownback	Domenici	Hutchinson
Burns	Enzi	Hutchison
Campbell	Faircloth	Inhofe
Chafee	Frist	Jeffords
Cleland	Gorton	Kempthorne
Coats	Gramm	Kyl
Cochran	Grams	Lieberman

Lott	Roberts	Specter
Lugar	Roth	Stevens
Mack	Santorum	Thomas
McCain	Sessions	Thompson
McConnell	Shelby	Thurmond
Murkowski	Smith (NH)	Warner
Nickles	Smith (OR)	
Reid	Snowe	

NAYS—42

Akaka	Feingold	Lautenberg
Baucus	Feinstein	Leahy
Biden	Ford	Levin
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Harkin	Moynihan
Bryan	Hollings	Murray
Bumpers	Inouye	Reed
Byrd	Johnson	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Torricelli
Dorgan	Kohl	Wellstone
Durbin	Landrieu	Wyden

The amendment (No. 2302), as modified, was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the amendment is modified to be a first-degree amendment.

The amendment (No. 2302), as modified further, reads as follows:

Strike section 101 and insert the following:
101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

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

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

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

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

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

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

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

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

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

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

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

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

“(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described

in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified edu-

cation expenses), as amended by subsection (a)(3), is amended by adding at the end the following new subparagraph:

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

(f) TECHNICAL CORRECTIONS.—

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

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

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

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

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

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

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

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

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

(g) EFFECTIVE DATES.—

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

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

SEC. 102. STUDENT IMPROVEMENT INCENTIVE AWARDS.

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

(1) in subsection (a)—

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

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

(C) by adding at the end the following:

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

(2) by adding at the end the following:

“(c) STUDENT IMPROVEMENT INCENTIVE AWARDS.—

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

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

- “(A) shall—
- “(i) determine the educational progress of students attending public schools within the State; and
- “(ii) allow for an objective analysis of the assessment on a school-by-school basis; and
- “(B) may involve exit exams.”.

AMENDMENT NO. 2301

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate prior to a vote on or in relation to the Landrieu amendment No. 2301. Who yields time?

Ms. LANDRIEU. Mr. President, could I have some order, please?

Mr. KENNEDY. Mr. President, may we have order? The Senator is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, as this body knows, many on both sides of this aisle support blue ribbon schools because we believe that we should begin rewarding excellence, funding results, and we should stop funding failures. Blue ribbon schools are chosen by their States every year. Some of them are public—many of them. Some of them are private. Some of them are parochial. When they achieve against the odds and when their students succeed, we call them to Washington and they come, 250 of them every year. We give them a beautiful, shiny plaque and a big blue ribbon and we send them home with nothing else but the plaque and the blue ribbon. They are happy to get it, but what they really want and need are some resources to continue doing their good work.

So I think this is a better way to spend the \$1.5 billion. Instead of helping just a few people in America, we can help all of our schools and begin rewarding results. That is what this amendment does, the blue ribbon school amendment. I ask my colleagues to support it.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time? The Senator from Georgia.

Mr. COVERDELL. Mr. President, there is certainly nothing wrong with an amendment that tries to improve blue ribbon schools. But the amendment by the Senator from Louisiana guts the underlying premise of the bill. What is substituted here is pretty simple. You have 250 schools that would receive a grant of \$100,000, or you have 20 million children and 14 million families that will benefit all across the Nation. In balance, there is just no comparison at all. So I would simply say again her amendment guts the underlying premise we have been debating for 6 months and exchanges assistance to

200-some-odd schools for 14 million families.

I urge the defeat of the amendment. The PRESIDING OFFICER. The yeas and nays have not yet been ordered.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll. The assistant legislative clerk called the roll.

The result was announced—yeas 34, nays 66, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—34

Akaka	Harkin	Mikulski
Bingaman	Hollings	Moseley-Braun
Boxer	Inouye	Moynihan
Bumpers	Johnson	Murray
Conrad	Kennedy	Reed
Daschle	Kerrey	Robb
Dodd	Kerry	Rockefeller
Dorgan	Kohl	Sarbanes
Durbin	Landrieu	Wellstone
Feingold	Lautenberg	Wyden
Ford	Leahy	
Glenn	Levin	

NAYS—66

Abraham	Domenici	Lugar
Allard	Enzi	Mack
Ashcroft	Faircloth	McCain
Baucus	Feinstein	McConnell
Bennett	Frist	Murkowski
Biden	Gorton	Nickles
Bond	Graham	Reid
Breaux	Gramm	Roberts
Brownback	Grams	Roth
Bryan	Grassley	Santorum
Burns	Gregg	Sessions
Byrd	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee	Helms	Smith (OR)
Cleland	Hutchinson	Snowe
Coats	Hutchison	Specter
Cochran	Inhofe	Stevens
Collins	Jeffords	Thomas
Coverdell	Kempthorne	Thompson
Craig	Kyl	Thurmond
D'Amato	Lieberman	Torricelli
DeWine	Lott	Warner

The amendment (No. 2301) was rejected.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Levin amendment No. 2303 on which there shall be 30 minutes of debate equally divided.

Mr. LEVIN addressed the Chair. The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I yield 1 minute to my good friend from Louisiana on an unrelated matter.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Thank you, Mr. President. I thank my colleague from Michigan.

TAKE OUR DAUGHTERS TO WORK DAY

Ms. LANDRIEU. Today, Mr. President, and colleagues, is a very special day in America. We are celebrating here in the Senate, and millions of people around our Nation are celebrating

this special day. It is “Take Our Daughters to Work Day.” And mothers and fathers and aunts and uncles and friends are taking their special charges to work with them to see perhaps a side of life that some young girls do not get to see.

It is the sixth year that our Nation has celebrated in this way. I wanted to just say for the record that we have made a lot of progress in our Nation in the past 30 years. In 1968, only 20 percent of 18- to 24-year-old women were enrolled in college. Today, thank goodness that number is climbing, and we are at 36 percent.

The median earnings for women in 1968 was only \$18,500. Today, women earn an average of \$23,000. We are making progress, but not enough.

I saw a statistic the other day that still 80 percent of all women who work out of the home earn less than \$25,000, earning 74 cents on every dollar earned by their male counterparts.

In 1968, women owned fewer than 5 percent of the Nation's businesses. That number has doubled, and I am proud to say that there are more people employed by women-owned businesses than all the Fortune 500 companies in the country. So we are making progress.

Today is a day to honor the progress that is being made. But it is also a day to encourage our young girls, particularly in the ages of 9 to 15, to reach for their dreams, to expand their horizons, to consider all the great options that are available for them as they think about beginning to make choices about their careers. They can balance home life and work life and they can chose careers that were unheard of just a few years ago.

I hope some of these young girls who are here today with us will think about the Senate, I say to our colleague from Michigan, to think about encouraging more young women to run here for the Senate.

So I thank my colleagues for giving me this time to recognize this day. I want to welcome my niece with me today, Gracie Landrieu, who came up—my daughter is only 10 months old, so she is a little too young to appreciate today. But she is going to be with me for a few minutes later today. But my niece, who is 10, can most certainly appreciate the great challenges before her. And I wish her all the best, as we do all of our daughters across America. Thank you.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2303

Mr. LEVIN. Mr. President, first I ask unanimous consent that Senators BINGAMAN and MURRAY be added as co-sponsors to my amendment.

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

Mr. LEVIN. Mr. President, this amendment provides a tax credit to