

which it has no proper title. States have obtained a legal right to this money. They gained this right through a properly constructed and affirmed legal settlement of lawsuits filed against product manufacturers, on behalf of all their residents, asserting a consumer protection and various other causes of action.

There is no federal medical claim involved. Thus HCFA has no right to these monies, and neither does any agency of the federal government.

The Administration's pursuit of monies from this settlement amounts to nothing more or less than a raw assertion of federal power. We must oppose it for the good of our states and for the good of our form of limited, federal government.

Ours is a limited government, Mr. President. It is limited in that the Constitution delegates only certain powers to the federal branches and their officials. Our Constitution includes a number of what James Madison called "auxiliary precautions" to keep federal officials within their proper bounds, thereby protecting our liberties. But Madison recognized that the primary check on those who would overstep their proper bounds must be the determination of elected officials to see that the Constitution's terms are respected.

A federal government that simply steps in to take money from the states is not respecting our Constitution. That federal government is taking us far down a dangerous path toward unrestrained central power. We must see that this does not happen.

In addition, Mr. President, as a practical matter it would be a mistake to allow the federal government to commandeer these funds. To begin with, were the federal government in Washington to take these funds from the states under the weak legal pretense put forward by the HCFA, the result would be long, wasteful litigation. That litigation will benefit no one, instead it will poison intergovernmental relations for years to come.

Indeed, if the HCFA begins to seize state settlement funds, it will do so by cutting federal Medicaid payments to the states. This will make it much more difficult for states to provide health care for children from low and moderate income families, the disabled and millions of others who depend on Medicaid. The real victims of this money grab will be the weakest members of our society, those least able to take care of themselves.

Of course, the Administration claims that it will use the states' money to benefit everyone. It seeks to take \$18.9 billion of the states' money over the next five years. No doubt the Administration will find attractive programs on which to spend this money. But the federal government already consumes more than 20 percent of our national income. We do not need yet another federal tax and spend policy.

As a nation what we need is more innovative policy making at the state and local level. And that is what these monies will produce, if only we will leave them in their proper place.

A number of states already have acted in reliance on the tobacco settlement, putting forward proposals and new programs that will greatly benefit their people.

For example, in my state of Michigan, Governor John Engler in his state of the state address a few short weeks ago proposed to endow a Michigan Merit Award Trust Fund with Michigan's share of the tobacco settlement.

Under this program, every Michigan high school graduate who masters reading, writing, math and science will receive a Michigan Merit Award—a \$2,500 scholarship that can be used for further study at a Michigan school of that student's choice.

In addition, all Michigan students who pass the 7th and 8th grade tests in reading, writing, math and science administered by the state will be awarded \$500. That means, Mr. President, that any Michigan student successfully completing secondary schooling will receive \$3,000 for further education.

The young people of Michigan will benefit tremendously from this program, Mr. President. Their motivation to do well in school will be significantly increased, as will their ability to afford and succeed in higher education.

We need programs like Michigan's to help kids do well in school and get ahead in life. The federal government should be learning from these kinds of programs and working to show other states how well they can work. It should not be taking money out of the pockets of Michigan's young people to put into the pockets of Washington bureaucrats.

We must protect the rights and the people of our states by seeing to it that tobacco settlement money stays where it belongs, and where it will do the most good—in the states.

I urge my colleagues to support this bipartisan legislation.●

THE PUBLIC SCHOOL MODERNIZATION ACT

● Mr. LAUTENBERG. Mr. President, I rise today to update my colleagues on the status of the Public School Modernization Act, which I introduced on January 19 as S. 223. The bill already has 15 cosponsors and I expect the list to continue to grow.

Mr. President, I was very pleased to see that the President's Budget for Fiscal Year 2000 will call for \$25 billion in nationwide bond authority through the Public School Modernization Act. This is a higher total than first contemplated in my bill, S. 223, but I want to make it clear to my colleagues that my cosponsors and I will gladly update

the numbers when my bill reaches the Senate floor as an amendment or a stand alone measure.

The President's FY 2000 Budget illustrates why the Public School Modernization Act is a great return on our Federal investment. The five year cost of this program will be \$3.7 billion, but it will create nearly \$25 billion in new bond authority for school districts all over the country. Of this authority, \$22.4 billion will be through the School Modernization Bond Program and \$2.4 billion will come through the Qualified Zone Academy Bond Program. In addition, \$400 million of bond authority will go to Native American tribes or tribal organizations for BIA funded schools.

Mr. President, I urge the Senate to support this effort to invest in our children's future. I ask all of my colleagues to join me in cosponsoring S. 223, the Public School Modernization Act of 1999.●

HUTCHISON/GRAHAM STATE TOBACCO SETTLEMENT

● Mr. MACK. Mr. President, I rise today in support of S. 346, a bill to amend title XIX of the Social Security Act to prohibit the recoupment of funds recovered by states from one or more tobacco manufacturers. Starting in 1989, several states filed lawsuits against tobacco companies to recover the costs of smoking related illnesses borne by states. The lawsuits led to final settlements between each state and the tobacco industry.

Now, after providing no assistance to states in their legal battles, the Administration, through the Health Care Financing Administration, is attempting to claim a portion of this money. It is my opinion that this money belongs to the individual states, and should be spent as each state sees fit. This legislation accomplishes exactly that goal.

The Health Care Financing Administration's pursuit of these monies also could jeopardize state programs all over the country. In Florida, Governor Jeb Bush announced an endowment, funded by tobacco monies, to insure the financial health of vital programs for children and seniors. The endowment fund is named in honor of the late Governor Lawton Chiles, who played a key role in obtaining the tobacco settlement for the people of Florida. Other programs, funded by the settlement, have already been put in place in Florida, and would be jeopardized if the funds were suddenly not available.

Additionally, the Health Care Financing Administration's plan to obtain these funds by withholding federal Medicaid payments to the states could very well affect the states' ability to provide much needed care for the millions of Americans who depend on Medicaid.