

annual report card under this section shall disaggregate the student performance data reported under section 4(a)(1) or 4(b)(1), as appropriate, in the same manner as results are disaggregated under section 1111(b)(3)(I) of the Elementary and Secondary Education Act of 1965.

**THE AFFORDABLE EDUCATION
ACT OF 1999**

**COVERDELL AMENDMENTS NOS.
2838-2840**

(Ordered to lie on the table.)

Mr. COVERDELL submitted three amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2838

At the appropriate place, insert the following:

**TITLE —STUDENT SAFETY AND
FAMILY CHOICE**

SEC. . STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

(a) IN GENERAL.—Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

“SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

“(a) IN GENERAL.—Notwithstanding any other provision of law, if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school, in the same State as the school where the criminal offense occurred, that is selected by the student's parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

“(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

“(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

“(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

“(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

“(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

“(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

“(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

“(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

“(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

“(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

“(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis of race, color, or national origin.

“(h) ASSISTANCE; TAXES AND OTHER FEDERAL PROGRAMS.—

“(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

“(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

“(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

“(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.”

SEC. . TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Fed-

eral public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school.

(b) DEFINITIONS.—For the purpose of subsection (a), the terms “elementary school”, “secondary school”, “local educational agency”, and “State educational agency” have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

AMENDMENT NO. 2837

At the appropriate place, add the following:

**TITLE —TEACHER LIABILITY
PROTECTION**

SECTION . SHORT TITLE.

This Act may be cited as the “Teacher Liability Protection Act of 1999”.

SEC. . FINDINGS AND PURPOSE.

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

(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

(A) the national scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers; and

(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of the children.

(b) PURPOSE.—The purpose of this Act is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

SEC. . PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—This Act preempts the laws of any State to the extent that such laws are inconsistent with this Act, except that this Act shall not preempt any State law that provides additional protection from liability relating to teachers.

(b) ELECTION OF STATE REGARDING NON-APPLICABILITY.—This Act shall not apply to any civil action in a State court against a teacher in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;
 (2) declaring the election of such State that this Act shall not apply, as of a date certain, to such civil action in the State; and
 (3) containing no other provisions.

SEC. ____ . LIMITATION ON LIABILITY FOR TEACHERS.

(a) **LIABILITY PROTECTION FOR TEACHERS.**—Except as provided in subsections (b) and (c), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

(2) the actions of the teacher were carried out in conformity with local, State, or Federal laws, rules or regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

- (A) possess an operator's license; or
 (B) maintain insurance.

(b) **CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.**—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

(c) **EXCEPTIONS TO TEACHER LIABILITY PROTECTION.**—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(d) **LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.**—

(1) **GENERAL RULE.**—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) **CONSTRUCTION.**—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law

would further limit the award of punitive damages.

(e) **EXCEPTIONS TO LIMITATIONS ON LIABILITY.**—

(1) **IN GENERAL.**—The limitations on the liability of a teacher under this Act shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(B) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

(C) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to affect subsection (a)(3) or (d).

SEC. ____ . LIABILITY FOR NONECONOMIC LOSS.

(a) **GENERAL RULE.**—In any civil action against a teacher, based on an action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

(b) **AMOUNT OF LIABILITY.**—

(1) **IN GENERAL.**—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) **PERCENTAGE OF RESPONSIBILITY.**—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

SEC. ____ . DEFINITIONS.

For purposes of this Act:

(1) **ECONOMIC LOSS.**—The term "economic loss" means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) **HARM.**—The term "harm" includes physical, nonphysical, economic, and noneconomic losses.

(3) **NONECONOMIC LOSSES.**—The term "noneconomic losses" means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) **SCHOOL.**—The term "school" means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), or a home school.

(5) **STATE.**—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) **TEACHER.**—The term "teacher" means a teacher, instructor, principal, administrator, or other educational professional, that works in a school.

SEC. ____ . EFFECTIVE DATE.

(a) **IN GENERAL.**—This Act shall take effect 90 days after the date of enactment of this Act.

(b) **APPLICATION.**—This Act applies to any claim for harm caused by an act or omission of a teacher where that claim is filed on or after the effective date of this Act, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.

AMENDMENT No. 2840

On page 3, strike lines 13 through 16, and insert:

"(4) **CONTRIBUTION LIMIT.**—The term 'contribution limit' means \$2,000."

KYL AMENDMENTS NOS. 2841–2842

(Ordered to lie on the table.)

Mr. KYL submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT No. 2841

At the end of title II, insert:

SEC. ____ . ELECTION OF CREDIT OR ABOVE-THE-LINE DEDUCTION TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) **CREDIT ALLOWED.**—

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

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

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

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

"(c) **DEFINITIONS.**—

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

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

"(3) **ELEMENTARY OR SECONDARY SCHOOL.**—The term 'elementary or secondary school' means any school which provides elementary

education or secondary education (through grade 12), as determined under State law.

“(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

(b) ABOVE-THE LINE DEDUCTION ALLOWED.—

(1) IN GENERAL.—Subsection (a)(2) of section 62 (defining adjusted gross income) is amended by adding at the end the following new subparagraph:

“(D) CERTAIN ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The deductions allowed by section 162 which consist of qualified elementary and secondary education expenses paid or incurred by an eligible teacher.”.

(2) DEFINITIONS.—Section 62 is amended by adding at the end the following new subsection:

“(d) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (a)(2)(D)—

“(1) IN GENERAL.—The terms ‘eligible teacher’ and ‘qualified elementary and secondary education expenses’ have the meanings given such terms by section 30B(c).

“(2) COORDINATION WITH CREDIT.—An individual shall not be treated as an eligible teacher for any taxable year, unless the taxpayer elects not to have section 30B apply for the taxable year.”.

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

AMENDMENT No. 2842

At the end of title II, insert:

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

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

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

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

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

“(c) DEFINITIONS.—

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

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

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

“(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

GRAHAM AMENDMENTS NOS. 2843–2844

(Ordered to lie on the table.)

Mr. GRAHAM submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT No. 2843

At the appropriate place, insert:

TITLE ____—ADDITIONAL REVENUE OFFSETS

SEC. ____ EXTENSION OF HAZARDOUS SUBSTANCE SUPERFUND EXCISE TAXES.

(a) IN GENERAL.—Section 4611(e) is amended to read as follows:

“(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund Financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after February 29, 2000.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on March 1, 2000.

SEC. ____ EXTENSION OF CORPORATE ENVIRONMENTAL INCOME TAX.

(a) IN GENERAL.—Section 59A(e) is amended to read as follows:

“(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years

beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 1999.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ____ REPEAL OF LOWER-OF-COST-OR-MARKET METHOD OF ACCOUNTING FOR INVENTORIES.

(a) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

“(b) CERTAIN WRITE-DOWNS NOT PERMITTED; USE OF MARK-DOWNS REQUIRED UNDER RETAIL METHOD.—

“(1) IN GENERAL.—A taxpayer—

“(A) may not use the lower-of-cost-or-market method of accounting for inventories, and

“(B) may not write-down items by reason of being unsalable at normal prices or unusable in the normal way because of damage, imperfections, shop wear, changes of style, odd or broken lots, or other similar causes.

Subparagraph (B) shall not apply to a taxpayer using a mark-to-market method of accounting for both gains and losses in inventory values.

“(2) MARK-DOWNS REQUIRED TO BE TAKEN INTO ACCOUNT UNDER RETAIL METHOD.—The retail method of accounting for inventories shall be applied by taking into account mark-downs in determining the approximate cost of the inventories.

“(3) EXCEPTION FOR CERTAIN SMALL BUSINESSES.—Paragraph (1) shall not apply to any taxpayer for any taxable year if, for all prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the \$5,000,000 gross receipts test of section 448(c).

“(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to wash-sale-type transactions.”.

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 312(n)(4)(C) is amended to read as follows:

“(iii) INVENTORY AMOUNT.—The inventory amount of assets under the first-in, first-out method authorized by section 471 shall be determined using the method authorized to be used by the taxpayer under such section.”.

(2) Subparagraph (C) of section 1363(d)(4) is amended to read as follows:

“(C) INVENTORY AMOUNT.—The inventory amount of assets under a method authorized by section 471 shall be determined using the method authorized to be used by the corporation under such section.”.

(c) EFFECTIVE DATE.—

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

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

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

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

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

SEC. ____ DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.—

“(1) IN GENERAL.—In determining liability for any tax under subtitle A, noneconomic tax attributes shall not be allowed.

“(2) NONECONOMIC TAX ATTRIBUTE.—For purposes of this subsection, a noneconomic tax attribute is any deduction, loss, or credit claimed to result from any transaction unless—

“(A) the transaction changes in a meaningful way (apart from Federal income tax consequences) the taxpayer’s economic position, and

“(B)(i) the present value of the reasonably expected potential income from the transaction (and the taxpayer’s risk of loss from the transaction) are substantial in relationship to the present value of the tax benefits claimed, or

“(ii) in the case of a transaction which is in substance the borrowing of money or the acquisition of financial capital, the deductions claimed with respect to the transaction for any period are not significantly in excess of the economic return for such period realized by the person lending the money or providing the financial capital.

“(3) PRESUMPTION OF NONECONOMIC TAX ATTRIBUTES.—For purposes of paragraph (2), the following factors shall give rise to a presumption that a transaction fails to meet the requirements of paragraph (2):

“(A) The fact that the payments, liabilities, or assets that purport to create a loss (or other benefit) for tax purposes are not reflected to any meaningful extent on the taxpayer’s books and records for financial reporting purposes.

“(B) The fact that the transaction results in an allocation of income or gain to a tax-indifferent party which is substantially in excess of such party’s economic income or gain from the transaction.

“(4) TREATMENT OF BUILT-IN LOSS.—The determination of whether a transaction results in the realization of a built-in loss shall be made under subtitle A as if this subsection had not been enacted. For purposes of the preceding sentence, the term ‘built-in loss’ means any loss or deduction to the extent that such loss or deduction had economically been incurred before such transaction is entered into and to the extent that the loss or deduction was economically borne by the taxpayer.

“(5) DEFINITION AND SPECIAL RULES.—For purposes of this subsection—

“(A) TAX-INDIFFERENT PARTY.—The term ‘tax-indifferent party’ means any person or entity exempt from tax under subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if, by reason of such person’s method of accounting, the items taken into account with respect to the transaction have no substantial impact on such person’s liability under subtitle A.

“(B) SERIES OF RELATED TRANSACTION.—A transaction which is part of a series of related transactions shall be treated as meeting the requirements of paragraph (2) only if—

“(i) such transaction meets such requirements without regard to the other transactions, and

“(ii) such transactions, if treated as 1 transaction, would meet such requirements.

A similar rule shall apply to a multiple step transaction with each step being treated as a separate related transaction.

“(C) NORMAL BUSINESS TRANSACTIONS.—In the case of a transaction which is an integral part of a taxpayer’s trade or business and which is entered into in the normal course of such trade or business, the determination of the potential income from such transaction shall be made by taking into account its relationship to the overall trade or business of the taxpayer.

“(D) TREATMENT OF FEES.—In determining whether there is risk of loss from a transaction (and the amount thereof), potential loss of fees and other transaction expenses shall be disregarded.

“(E) TREATMENT OF ECONOMIC RETURN ENHANCEMENTS.—The following shall be treated as economic returns and not tax benefits:

“(i) The credit under section 29 (relating to credit for producing fuel from a nonconventional source).

“(ii) The credit under section 42 (relating to low-income housing credit).

“(iii) The credit under section 45 (relating to electricity produced from certain renewable resources).

“(iv) The credit under section 1397E (relating to credit to holders of qualified zone academy bonds) or any similar program hereafter enacted.

“(v) Any other tax benefit specified in regulations.

“(F) EXCEPTIONS FOR NONBUSINESS TRANSACTIONS.—

“(i) INDIVIDUALS.—In the case of an individual, this subsection shall only apply to transactions entered into in connection with a trade or business or activity engaged in for profit.

“(ii) CHARITABLE TRANSFERS.—This subsection shall not apply in determining the amount allowable as a deduction under section 170, 545(b)(2), 556(b)(2), or 642(c).

“(6) ECONOMIC SUBSTANCE DOCTRINE, ETC., NOT AFFECTED.—The provisions of this subsection shall not be construed as altering or supplanting any rule of law referred to in section 6662(i)(2)(B) and the requirements of this subsection shall be construed as being in addition to any such rule of law.”

(b) INCREASE IN SUBSTANTIAL UNDERPAYMENT PENALTY WITH RESPECT TO DISALLOWED NONECONOMIC TAX ATTRIBUTES.—Section 6662 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

“(i) INCREASE IN PENALTY IN CASE OF DISALLOWED NONECONOMIC TAX ATTRIBUTES.—

“(1) IN GENERAL.—In the case of the portion of the underpayment to which this subsection applies—

“(A) subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’, and

“(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

“(2) UNDERPAYMENTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to an underpayment to which this section applies by reason of paragraph (1) or (2) of subsection (b) to the extent that such underpayment is attributable to—

“(A) the disallowance of any noneconomic tax attribute (determined under section 7701(m)), or

“(B) the disallowance of any other benefit—

“(i) because of a lack of economic substance or business purpose for the transaction giving rise to the claimed benefit,

“(ii) because the form of the transaction did not reflect its substance, or

“(iii) because of any other similar rule of law.

“(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer—

“(A) discloses to the Secretary within 30 days after the closing of the transaction appropriate documents describing the transaction, and

“(B) files with the taxpayer’s return of tax imposed by subtitle A—

“(i) a statement verifying that such disclosure has been made,

“(ii) a detailed description of the facts, assumptions of facts, and factual conclusions with respect to the business or economic purposes or objectives of the transaction that are relied upon to support the manner in which it is reported on the return,

“(iii) a description of the due diligence performed to ascertain the accuracy of such facts, assumptions, and factual conclusions,

“(iv)(I) a statement (signed by the senior financial officer of the corporation under penalty of perjury) that the facts, assumptions, or factual conclusions relied upon in reporting the transaction are true and correct as of the date the return is filed, to the best of such officer’s knowledge and belief, and

“(II) if the actual facts varied materially from the facts, assumptions, or factual conclusions relied upon, a statement describing such variances,

“(v) copies of any written material provided in connection with the offer of the transaction to the taxpayer by a third party,

“(vi) a full description of any express or implied agreement or arrangement with any advisor, or with any offeror, that the fee payable to such person would be contingent or subject to possible reimbursement, and

“(vii) a full description of any express or implied warranty from any person with respect to the anticipated tax results from the transaction.”

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

AMENDMENT NO. 2844

Beginning on page 15, line 16, strike all through page 16, line 17, and insert:

“(iv) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—The total amount of qualified higher education expenses otherwise taken into account under clause (i) with respect to an individual for any taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

FEINSTEIN AMENDMENTS NOS.
2845–2846

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2845

At the appropriate place, insert the following:

SEC. ____ ACHIEVEMENT STANDARDS AND ASSESSMENT OF STUDENT PERFORMANCE.

In order to receive Federal funds under the Elementary and Secondary Education Act of

1965 each local educational agency and State educational agency shall—

(1) require that students served by the agency be subject to State achievement standards in the core curriculum at key transition points, to be determined by the State, for all kindergarten through grade 12 students; and

(2) assess student performance in meeting the State achievement standards.

AMENDMENT NO. 2846

At the appropriate place, insert the following:

SEC. ____ . POLICY PROHIBITING SOCIAL PROMOTION.

(a) **POLICY.**—No education funds appropriated under the Elementary and Secondary Education Act of 1965 shall be made available to a local educational agency in a State unless the State demonstrates to the Secretary of Education that the State has adopted a policy prohibiting the practice of social promotion.

(b) **DEFINITION.**—In this section, the term “practice of social promotion” means a formal or informal practice of promoting a student from the grade for which the determination is made to the next grade when the student fails to achieve a minimum level of achievement and proficiency in the core curriculum for the grade for which the determination is made.

(c) **WAIVER PROHIBITED.**—Notwithstanding any other provision of law, the Secretary of Education may not waive the provisions of this section.

GRAHAM AMENDMENT NOS. 2847–2848

(Ordered to lie on the table.)

Mr. GRAHAM submitted two amendments intended to be proposed by him to the bill, S. 1134, supra; as follows:

AMENDMENT NO. 2847

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Transition to Teaching Act”.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) School districts will need to hire more than 2,000,000 teachers in the next decade. The need for teachers in the areas of mathematics, science, foreign languages, special education, and bilingual education, and for those able to teach in high-poverty school districts will be particularly high. To meet this need, talented Americans of all ages should be recruited to become successful, qualified teachers.

(2) Nearly 28 percent of teachers of academic subjects have neither an undergraduate major nor minor in their main assignment fields. This problem is more acute in high-poverty schools, where the out-of-field percentage is 39 percent.

(3) The Third International Math and Science Study (TIMSS) ranked United States high school seniors last among 16 countries in physics and next to last in mathematics. It is also evident, mainly from the TIMSS data, that based on academic scores, a stronger emphasis needs to be placed on the academic preparation of our children in mathematics and science.

(4) One-fourth of high-poverty schools find it very difficult to fill bilingual teaching positions, and nearly half of public school teachers have students in their classrooms for whom English is a second language.

(5) Many career-changing professionals with strong content-area skills are interested in a teaching career, but need assistance in getting the appropriate pedagogical training and classroom experience.

(6) The Troops to Teachers model has been highly successful in linking high-quality teachers to teach in high-poverty districts.

SEC. 3. PURPOSE.

The purpose of this Act is to address the need of high-poverty school districts for highly qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, needed by those school districts, by—

(1) continuing and enhancing the Troops to Teachers model for recruiting and supporting the placement of such teachers; and

(2) recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

SEC. 4. PROGRAM AUTHORIZED.

(a) **AUTHORITY.**—Subject to subsection (b), the Secretary is authorized to use funds appropriated under subsection (c) for each fiscal year to award grants, contracts, or cooperative agreements to institutions of higher education and public and private nonprofit agencies or organizations to carry out programs authorized by this Act.

(b) **TROOPS TO TEACHERS.**—

(1) **IN GENERAL.**—Before making awards under subsection (a) for any fiscal year, the Secretary shall first—

(A) consult with the Secretary of Defense and the Secretary of Transportation regarding the appropriate amount of funding needed to continue and enhance the Troops to Teachers program; and

(B) upon agreement, transfer that amount to the Defense Activity for Non-Traditional Education Support (DANTES) to carry out the Troops to Teachers program.

(2) **CONTINUATION OF PROGRAM.**—The Secretary may enter into a written agreement with the Departments of Defense and Transportation, or take such other steps as the Secretary determines are appropriate to ensure effective continuation of the Troops to Teachers program.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this Act, there are authorized to be appropriated \$18,000,000 for each of fiscal years 2000 through 2005.

SEC. 5. APPLICATION.

Each applicant that desires an award under section 4(a) shall submit an application to the Secretary containing such information as the Secretary requires, including—

(1) a description of the target group of career-changing professionals upon which the applicant will focus in carrying out its program under this Act, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this Act;

(2) a description of how the applicant will identify and recruit program participants;

(3) a description of the training that program participants will receive and how that training will relate to their certification as teachers;

(4) a description of how the applicant will ensure that program participants are placed and teach in high-poverty local educational agencies;

(5) a description of the teacher induction services (which may be provided through existing induction programs) the program participants will receive throughout at least their first year of teaching;

(6) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, and support program participants under this Act, including evidence of the commitment of those institutions, agencies, or organizations to the applicant's program;

(7) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

(A) the program's goals and objectives;

(B) the performance indicators the applicant will use to measure the program's progress; and

(C) the outcome measures that will be used to determine the program's effectiveness; and

(8) an assurance that the applicant will provide to the Secretary such information as the Secretary determines necessary to determine the overall effectiveness of programs under this Act.

SEC. 6. USES OF FUNDS AND PERIOD OF SERVICE.

(a) **AUTHORIZED ACTIVITIES.**—Funds under this Act may be used for—

(1) recruiting program participants, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

(2) training stipends and other financial incentives for program participants, not to exceed \$5,000 per participant;

(3) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of professionals who are changing their careers to teaching;

(4) placement activities, including identifying high-poverty local educational agencies with a need for the particular skills and characteristics of the newly trained program participants and assisting those participants to obtain employment in those local educational agencies; and

(5) post-placement induction or support activities for program participants.

(b) **PERIOD OF SERVICE.**—A program participant in a program under this Act who completes his or her training shall serve in a high-poverty local educational agency for at least 3 years.

(c) **REPAYMENT.**—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that program participants who receive a training stipend or other financial incentive under subsection (a)(2), but fail to complete their service obligation under subsection (b), repay all or a portion of such stipend or other incentive.

SEC. 7. EQUITABLE DISTRIBUTION.

To the extent practicable, the Secretary shall make awards under this Act that support programs in different geographic regions of the Nation.

SEC. 8. DEFINITIONS.

In this Act:

(1) **HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.**—The term “high-poverty local educational agency” means a local educational agency in which the percentage of children, ages 5 through 17, from families below the poverty level is 20 percent or greater, or the number of such children exceeds 10,000.

(2) **PROGRAM PARTICIPANTS.**—The term “program participants” means career-changing professionals who—

(A) hold at least a baccalaureate degree;

(B) demonstrate interest in, and commitment to, becoming a teacher; and

(C) have knowledge and experience that are relevant to teaching a high-need subject area in a high-need local educational agency.

AMENDMENT NO. 2848

At the end of title III, add:

SEC. ____ SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.

(a) IN GENERAL.—Paragraph (4)(C) of section 148(f) (relating to required rebate to the United States) is amended by adding at the end the following new clause:

“(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

“(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

“(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term ‘public school construction issue’ means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

“(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) shall apply to this clause.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1999.

SEC. ____ TREATMENT OF PUBLIC SCHOOL CONSTRUCTION BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS.

(a) IN GENERAL.—Clause (i) of subsection (b)(3)(B) of section 265 (relating to expenses and interest relating to tax-exempt income) is amended to read as follows:

“(i) IN GENERAL.—For purposes of subparagraph (A), the term ‘qualified tax-exempt obligation’ means a tax-exempt obligation—

“(I) which is issued after August 7, 1986, by a qualified small issuer, is not a private activity bond (as defined in section 141), and is designated by the issuer for purposes of this paragraph, or

“(II) which is a public school construction bond (within the meaning of section 148(f)(4)(C)(xviii)) issued by a qualified small education bond issuer (as defined in subparagraph (F)).”

(b) DEFINITION OF QUALIFIED SMALL EDUCATION BOND ISSUER.—Subsection (b)(3) of section 265 is amended by adding at the end the following new subparagraph:

“(F) QUALIFIED SMALL EDUCATION BOND ISSUER.—For purposes of subparagraph (B)(i)(II), the term ‘qualified small education bond issuer’ means, with respect to bonds issued during any calendar year, any issuer if the reasonably anticipated amount of public school construction bonds which will be issued by such issuer during such calendar year does not exceed \$25,000,000.”

(c) CONFORMING AMENDMENT.—Section 265(b)(3)(B)(ii) is amended by striking

“(i)(II)” in the matter preceding subclause (I) and inserting “(i)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 1999.

KENNEDY AMENDMENT NO. 2849

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

Beginning on page 5, line 14, strike all through page 6, line 12, and insert:

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

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

DODD AMENDMENT NO. 2850

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

On page 5, line 14, strike “tuition, fees,”.

KENNEDY AMENDMENT NO. 2851

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 134, supra; as follows:

Beginning on page 4, line 3, strike all through page 8, line 4.

BIDEN AMENDMENT NO. 2852

(Ordered to lie on the table.)

Mr. BIDEN submitted an amendment intended to be proposed by him to the bill, S. 1134, supra, as follows:

At the end of title II, add the following:

SEC. ____ MODIFICATION OF LIFETIME LEARNING CREDIT AND OPTIONAL DEDUCTION FOR TUITION EXPENSES.

(a) MODIFICATION OF LIFETIME LEARNING CREDIT.—

(1) INCREASE IN PERCENTAGE.—Section 25A(c)(1) (relating to per taxpayer credit) is amended by striking “20 percent” and inserting “28 percent”.

(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

(A) IN GENERAL.—Section 25A(d)(2) (relating to amount of reduction) is amended to read as follows:

“(2) AMOUNT OF REDUCTION.—

“(A) HOPE SCHOLARSHIP.—In the case of the Hope Scholarship credit, the amount determined under this paragraph is the amount which bears the same ratio to the amount which would be so taken into account as—

“(i) the excess of—

“(I) the taxpayer’s modified adjusted gross income for such taxable year, over

“(II) \$40,000 (\$80,000 in the case of a joint return), bears to

“(ii) \$10,000 (\$20,000 in the case of a joint return).

“(B) LIFETIME LEARNING.—In the case of the Lifetime Learning credit, the amount de-

termined under subparagraph (A) shall be determined by substituting ‘\$50,000 (\$100,000 in the case of a joint return)’ for ‘\$40,000 (\$80,000 in the case of a joint return)’ in clause (i)(II) of such subparagraph.”

(B) CONFORMING AMENDMENT.—Section 25A(h)(2)(A) is amended by striking “the \$40,000 and \$80,000 amounts” and inserting “each dollar amount”.

(b) DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES IN LIEU OF LIFETIME LEARNING CREDIT.—

(1) IN GENERAL.—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and inserting after section 221 the following new section:

“SEC. 222. QUALIFIED TUITION EXPENSES.

“(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

“(1) the qualified tuition and related expenses (within the meaning of section 25A(c)) paid by the taxpayer for the taxable year, or

“(2) \$10,000 (\$5,000 in the case of taxable years beginning in 2001 or 2002).

“(b) SPECIAL RULES.—

“(1) IN GENERAL.—Rules similar to the rules of section 25A(g) shall apply for purposes of this section.

“(2) RULES FOR DETERMINING EXPENSES.—Rules similar to the rules of section 25A(c)(2) shall apply for purposes of determining the qualified tuition and related expenses to be taken into account under subsection (a).

“(c) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—The amount which would (but for this subsection) be taken into account under subsection (a) for the taxable year shall be reduced (but not below zero) by the amount determined under section 25A(d)(2)(B) by applying the modified adjusted gross income as defined in section 25A(d)(3) and determined without regard to the deduction under this section.

“(d) COORDINATION WITH CERTAIN CREDITS.—No deduction shall be allowed under this section with respect to the qualified tuition and related expenses of any individual unless a taxpayer elects not to have section 25A apply for the taxable year with respect to—

“(1) such individual, in the case of the Hope Scholarship credit, and

“(2) the taxpayer, in the case of the Lifetime Learning credit.

“(e) COORDINATION WITH EXCLUSIONS.—No deduction shall be allowed under this section with respect to an individual for any taxable year if any portion of any distribution during such taxable year from an education individual retirement account is excluded from gross income under section 530(d)(2).”

(2) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Section 62(a) (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

“(18) QUALIFIED TUITION AND RELATED EXPENSES.—The deduction allowed by section 222.”

(3) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

“Sec. 222. Qualified tuition and related expenses.

“Sec. 223. Cross reference.”

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

GRAHAM AMENDMENT NO. 2853

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill, S. 1134, supra; as follows:

At the appropriate place, add the following:

TITLE ____—TRANSITION TO TEACHING**SEC. ____ 1. SHORT TITLE.**

This title may be cited as the "Transition to Teaching Act".

SEC. ____ 2. FINDINGS.

The Congress finds as follows:

(1) School districts will need to hire more than 2,000,000 teachers in the next decade. The need for teachers in the areas of mathematics, science, foreign languages, special education, and bilingual education, and for those able to teach in high-poverty school districts will be particularly high. To meet this need, talented Americans of all ages should be recruited to become successful, qualified teachers.

(2) Nearly 28 percent of teachers of academic subjects have neither an undergraduate major nor minor in their main assignment fields. This problem is more acute in high-poverty schools, where the out-of-field percentage is 39 percent.

(3) The Third International Math and Science Study (TIMSS) ranked United States high school seniors last among 16 countries in physics and next to last in mathematics. It is also evident, mainly from the TIMSS data, that based on academic scores, a stronger emphasis needs to be placed on the academic preparation of our children in mathematics and science.

(4) One-fourth of high-poverty schools find it very difficult to fill bilingual teaching positions, and nearly half of public school teachers have students in their classrooms for whom English is a second language.

(5) Many career-changing professionals with strong content-area skills are interested in a teaching career, but need assistance in getting the appropriate pedagogical training and classroom experience.

(6) The Troops to Teachers model has been highly successful in linking high-quality teachers to teach in high-poverty districts.

SEC. ____ 3. PURPOSE.

The purpose of this title is to address the need of high-poverty school districts for highly qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, needed by those school districts, by recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

SEC. ____ 4. PROGRAM AUTHORIZED.

(a) **AUTHORITY.**—The Secretary is authorized to use funds appropriated under subsection (b) for each fiscal year to award grants, contracts, or cooperative agreements to institutions of higher education and public and private nonprofit agencies or organizations to carry out programs authorized by this title.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this title, there are authorized to be appropriated \$18,000,000 for each of fiscal years 2001 through 2006.

SEC. ____ 5. APPLICATION.

Each applicant that desires an award under section ____4(a) shall submit an application to the Secretary containing such information as the Secretary requires, including—

(1) a description of the target group of career-changing professionals upon which the

applicant will focus in carrying out its program under this title, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this title;

(2) a description of how the applicant will identify and recruit program participants;

(3) a description of the training that program participants will receive and how that training will relate to their certification as teachers;

(4) a description of how the applicant will ensure that program participants are placed and teach in high-poverty local educational agencies;

(5) a description of the teacher induction services (which may be provided through existing induction programs) the program participants will receive throughout at least their first year of teaching;

(6) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, and support program participants under this title, including evidence of the commitment of those institutions, agencies, or organizations to the applicant's program;

(7) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

(A) the program's goals and objectives;

(B) the performance indicators the applicant will use to measure the program's progress; and

(C) the outcome measures that will be used to determine the program's effectiveness; and

(8) an assurance that the applicant will provide to the Secretary such information as the Secretary determines necessary to determine the overall effectiveness of programs under this title.

SEC. ____ 6. USES OF FUNDS AND PERIOD OF SERVICE.

(a) **AUTHORIZED ACTIVITIES.**—Funds under this title may be used for—

(1) recruiting program participants, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

(2) training stipends and other financial incentives for program participants, not to exceed \$5,000 per participant;

(3) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of professionals who are changing their careers to teaching;

(4) placement activities, including identifying high-poverty local educational agencies with a need for the particular skills and characteristics of the newly trained program participants and assisting those participants to obtain employment in those local educational agencies; and

(5) post-placement induction or support activities for program participants.

(b) **PERIOD OF SERVICE.**—A program participant in a program under this title who completes his or her training shall serve in a high-poverty local educational agency for at least 3 years.

(c) **REPAYMENT.**—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that program participants who receive a training stipend or other financial incentive under subsection (a)(2), but fail to complete their service obligation under subsection (b), repay all or a portion of such stipend or other incentive.

SEC. ____ 7. EQUITABLE DISTRIBUTION.

To the extent practicable, the Secretary shall make awards under this title that support programs in different geographic regions of the Nation.

SEC. ____ 8. DEFINITIONS.

In this title:

(1) **HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.**—The term "high-poverty local educational agency" means a local educational agency in which the percentage of children, ages 5 through 17, from families below the poverty level is 20 percent or greater, or the number of such children exceeds 10,000.

(2) **PROGRAM PARTICIPANTS.**—The term "program participants" means career-changing professionals who—

(A) hold at least a baccalaureate degree;

(B) demonstrate interest in, and commitment to, becoming a teacher; and

(C) have knowledge and experience that are relevant to teaching a high-need subject area in a high-need local educational agency.

**COLLINS (AND OTHERS)
AMENDMENT NO. 2854**

Ms. COLLINS (for herself, Mr. KYL, and Mr. COVERDELL) proposed an amendment to the bill, S. 1134, supra; as follows:

At the end of title II, insert:

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

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

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

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

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

"(1) **QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.**—

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

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

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

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

"(i) is—

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

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

"(ii) may—

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

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

“(iii) is tied to challenging State or local content standards and student performance standards.

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

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

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

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

“(2) ELIGIBLE TEACHER.—

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

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

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

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

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

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

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

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

“(c) DEFINITIONS.—

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

“(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term ‘qualified elementary and secondary education expenses’ means expenses for books, supplies

(other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible teacher in the classroom.

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

“(d) SPECIAL RULES.—

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

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

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

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

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

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

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

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

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT AMENDMENTS OF 1999

CAMPBELL AMENDMENT NO. 2855

Mr. COVERDELL (for Mr. CAMPBELL) proposed an amendment to the bill (S. 400) to provide technical corrections to the Native American Housing Assistance and Self-Determination Act of 1986, to improve the delivery of housing assistance to Indian tribes in a manner that recognizes the right of tribal self-governance, and for other purposes; as follows:

On page 19, strike lines 2 through 10 and insert the following:

Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)) is amended—

(1) by striking “Davis-Bacon Act (40 U.S.C. 276a-276a-5)” and inserting “Act of March 3, 1931 (commonly known as the ‘Davis-Bacon Act’) (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.)”; and

(2) by adding at the end the following:

“(3) APPLICATION OF TRIBAL LAWS.—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by 1 or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.”

AFFORDABLE EDUCATION ACT OF 1999

**COLLINS (AND OTHERS)
AMENDMENT NO. 2856**

(Ordered to lie on the table.)

Ms. COLLINS (for herself, Mr. KYL, and Mr. COVERDELL) submitted an amendment intended to be proposed by her to the bill, S. 1134, supra; as follows:

At the end of title II, insert:

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

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

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

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

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

“(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

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

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

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

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

“(i) is—

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

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

“(ii) may—

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

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

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

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

“(v) is of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible teacher in the classroom (which shall not include 1-day or