Currently, the State Grant program within IDEA receives $6.34 billion. Estimates by the Congressional Research Service suggest that the program needs to be funded at $17.1 billion for fiscal year 2002 to meet the targets established in 1975. Our amendment would obligate funding for IDEA annually in roughly $2.5 billion increments over the next six years and would put us on track to meet our goal of 40 percent funding.

In the early seventies, two landmark federal district court cases, PARC v. Commonwealth of Pennsylvania and Mills v. Board of Education of the District Court of Columbia, established that children with disabilities have a constitutional right to a free appropriate public education. In 1975, in response to these cases, Congress enacted the Education of Handicapped Children Act, EHA, the precursor to IDEA, to help states meet their constitutional obligations.

Congress enacted PL 94–142 for two reasons. First, to establish a consistent policy of what constitutes compliance with the equal protection clause of the 14th amendment with respect to the education of kids with disabilities. And, second, to help States meet their Constitutional obligations through federal funding. The Supreme Court reiterated this in Smith v. Robinson: ''EHA is a comprehensive scheme set up by Congress to aid the states in complying with their constitutional obligations to provide public education for handicapped children.''

It is Congress' responsibility to help States provide children with disabilities and education. That is why I strongly agree with the policy of this bill and the infusion of more money into IDEA. As Senator JEFFORDS has said before, this is a win-win for everyone. Students with disabilities will be more likely to get the public education they have a right to because school districts will have the capacity to provide such an education, without cutting into their general education budgets.

The Supreme Court's decision regarding Garret Frey of Cedar Rapids, Iowa underscores the need for Congress to help school districts with the financial costs of educating children with disabilities. While the excess costs of educating some children with disabilities is minimal, the excess costs of educating other children with disabilities, like Garret, is great.

Just last week, I heard from the Cedar Rapids/Iowa City Chamber of Commerce that more IDEA dollars will help them continue to deliver high quality educational services to children in their school districts. This bill would provide over $300 million additional dollars to Iowa over the next six years. I've heard from parents in Iowa that their kids need more qualified interpreters for deaf and hard of hearing children and they need better mental health services and better behavioral assessments. And the additional funds will help local and area education agencies build capacity in these areas.

In 1975, IDEA authorized the maximum award per state as being the number of children served times 40 percent of the national average per pupil expenditure, known as the APPE. The formula does not guarantee 40 percent of national APPE per disabled child served; rather, it caps IDEA allotments at 40 percent of national APPE. In other words, the 40 percent figure was a goal, not a commitment.

As the then ranking minority member on the House Ed and Labor Committee, Rep. Albert Quie, explained: ''I do not know in the subsequent years whether we will appropriate at those [authorized] levels or not. I think what we are doing here is laying out the goal. Ignoring other Federal priorities, we thought it acceptable if funding reaches that level.''

One of the important points in the Congressman's statement is that we cannot fund IDEA grant programs at the cost of other important federal programs. That is why historically the highest appropriation for special education funding was in FY79, when allocations represented 12.5 percent APPE.

Over the last six years, however, as Ranking Member on the Labor-H Appropriations Subcommittee, I have worked with my colleagues across the aisle to almost triple the IDEA appropriation so that we're now up to almost 15 percent of the funding formula.

This bill would help us push that number to 40 percent without cutting into general education programs.

We must redouble our efforts to help school districts meet their constitutional obligations. And this increased funding will allow us to increase dollars to every program under IDEA through appropriations. Every program under IDEA must get adequate funds.

As I said, we can all agree that states should receive more money under IDEA. I thank Senator HAGEL, Senator JEFFORDS, Senator KENNEDY and Senator DODD for their leadership on this issue. I encourage my colleagues to join us in support of this bill.

RECONCILIATION AND DEFICIT REDUCTION

Mr. HOLLINGS. Mr. President, yesterday I introduced Senate Concurrent Resolution 20, a budget resolution for fiscal year 2002 that stays the course with an emphasis on paying down the national debt. The resolution creates two reserve funds for tax reduction, one if the CBO reports the economy is in a recession and the other if CBO determines we have a true surplus. The resolution does not contain any instructions to committees with regard to reconciliation.

There has been a great deal of speculation, fueled by statements made by the Senate Republican Leadership, that the reconciliation process established in the Congressional Budget Act of 1974, would be used to enact the massive $1.6 trillion tax cut proposed by the President. This is an abuse of the budget process and contrary to the original purpose of the Act which was to establish fiscal discipline within the Congress when it made decisions regarding spending and tax matters. I am the only original member of the Senate Budget Committee and have served on the Committee since its inception in 1974. In fact, I chaired the Senate Budget Committee in 1980 and managed the first reconciliation bill with Senator DOMENICI, then the ranking minority member.

It disturbs me to see how the reconciliation process, designed to reduce the debt, is now being used to rush a huge tax cut through the Congress with limited debate and little if any opportunity to amend. An examination of the legislative history surrounding passage of the 1974 Act makes it clear that the new reconciliation process was intended to expedite consideration of legislation that only reduced spending or increased revenues in order to eliminate annual budget deficits. This view was supported by over two decades of practice in which Congress used the Act to improve the fiscal health of the federal budget. If Congress insists on enacting a massive tax cut, it should consider that bill in the normal course, not through the reconciliation process which makes a mockery of the Congressional Budget Act and its intended purpose. I ask unanimous consent to have printed in the RECORD a legislative history of the Congressional Budget Act of 1974 and a history of the use of the Senate reconciliation process.

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

ARGUMENTS AGAINST THE USE OF RECONCILIATION TO CONSIDER TAX CUT LEGISLATION

SUMMARY

I. The legislative history of the Congressional Budget Act of 1974 makes clear that the newly created reconciliation process was only intended to expedite consideration of legislation that reduced spending or increased taxes in order to eliminate annual budget deficits.

II. The authors of Congressional Budget Act of 1974 attempted to create a comprehensive new framework to improve fiscal discipline with minimum disruption to established Senate procedure and practice.

III. The provisions of the Congressional Budget Act of 1974 that provide expedited procedures to consider the budget resolution and reconciliation bills have always been construed strictly because they severely restrict the prerogatives of individual Senators.

IV. The Congressional Budget Act of 1974 has been amended numerous times to provide Congress the tools to improve fiscal discipline and over two decades of practice make clear that the reconciliation process has been used to reduce deficits.

V. The use of the reconciliation process to enact a massive tax reduction bill, absent

any effort to reduce the deficit, is inconsistent with the legislative history of the Congressional Budget Act of 1974, contrary to over two decades of practice and undermines the most important traditions of the Senate.

LEGISLATIVE HISTORY OF THE CONGRESSIONAL BUDGET ACT OF 1974

The contentious battles with the Nixon White House over the control of spending in 1973 and the chronic budget deficits that occurred in 25 of the previous 32 years convinced the Congress that it needed to establish it's own budget process. The Congress enacted the Congressional Budget Act of 1974, which was considered landmark legislation and the first attempt at major reform of the budget process since 1921. Through this effort the Congress sought to increase fiscal discipline by creating an overall budget process that would enable it to control federal spending and insure federal revenues were sufficient to pay for the operation of the government. The budget reconciliation process was an optional procedure, established under the 1974 Act. From it's inception, the reconciliation process was to facilitate consideration of legislation late in the fiscal year to eliminate projected deficits by changing current law to lower federal spending or to increase federal revenues in conformance with the spending ceiling and revenue floor established in the annual budget resolution.

Any analysis of the reconciliation process must be done in the context of the crisis the Congress faced in 1973 and the legislative history surrounding passage of the bill. The national debt had grown from approximately $1 billion at the turn of the century to almost $500 billion by 1973. The Congress was confronted by a President using his impoundment authority as a budget cutting device and to assert his own priorities on spending. In a message to Congress on July 26, 1973, President Nixon requested the enactment of a $250 billion ceiling on fiscal 1973 expenditures. The request was renewed later in the year in conjunction with legislation to raise the temporary debt limit. Congress rejected the proposed spending ceiling because it would have surrendered to the President its constitutional responsibility to determine national spending. However, Congress recognized the need for permanent spending control procedures and in Section 301(b) of Public Law 92–599 it established a joint committee to review—

* * * the procedures which should be adopted by the Congress for the purpose of improving congressional control of the budgetary outlay and receipt totals, including procedures for establishing and maintaining an overall view of each year's budgetary outlays which is fully coordinated with an overall view of anticipated revenues for that year.

From the beginning there was concern that any new budget process not impede the traditional role of the committees that had jurisdiction over these matters nor dramatically change the way each house of Congress conducted it's business. Consequently, 28 of the 32 members of the Joint Study committee came from the committees on Finance, Ways and Means and from the Appropriations Committee of both houses. The Joint Committees issued a final report on April 18, 1973 which was the starting point for the Senate Committee on Governmental Operations and the House Rules Committee in their work on the 1974 Act.

The sixteen members of the House that participated in the Joint Study Committee introduced H.R. 7130, the Budget Control Act of 1973, on April 18, 1973. The bill contained a simple reconciliation process and authorized a year end tax surcharge bill to increase taxes if the actual deficit was greater than projected or the actual surplus for that fiscal year was less than projected. The legislation provided for a narrowly targeted tax bill that would increase revenues sufficient to bring them in line with spending. H.R. 7130 was reported by the House Rules Committee on November 20, 1973 with a substitute amendment which modified the section on tax reconciliation and added a new section to create a reconciliation bill to rescind appropriations. The trigger for reconciliation was simplified in the reported version of the bill which required rescission of appropriated funds if actual spending was greater than the spending aggregate in the resolution and, or a tax surcharge bill if actual revenues were less than the revenue aggregates in the resolution. It was a minimalist approach to bring spending into compliance for that year with the budget resolution by rescinding funds appropriated earlier that year or by enacting a simple tax surcharge bill for receipts shortfalls.

The House Rules Committee Report described the reconciliation process as follows:

The September 15 concurrent resolution (and any permissible revision) would be considered under the same rules and procedures applicable to the initial budget resolution. This final budget resolution would reaffirm or revise the figures set forth in the first budget resolution and in so doing would take account of the actions previously taken by Congress in enacting appropriations and other spending measures. The final budget resolution may call upon the Appropriations Committees to report legislation rescinding or amending appropriations or the House Ways and Means and Senate Finance Committees to report legislation adjusting tax rates or the public debt limit. Congress may not adjourn until it has adopted the final budget resolution and any required implementing legislation.

Such implementing legislation would be contained in a budget reconciliation bill to be reported by the House Appropriations Committee. If the total new budget authority contained in the appropriation bills or the budget outlays resulting from them are in excess of the totals set forth in the final budget resolution, the Appropriations Committee would include rescissions or amendments to the appropriations bills in its budget reconciliation bill. This reconciliation bill would contain a provision raising revenues to be reported by the House Ways and Means Committee if estimated Federal revenues are less than the appropriate level of revenues set in the final budget resolution. (House Report 93–658, p. 40)

The Section by Section analysis of the bill in the House Rules Committee Report was more explicit:

Sec. 133. Budget reconciliation bill to be reported in certain cases

This section requires the House Appropriations Committee to report a budget reconciliation bill (containing any necessary rescissions or amendments to the annual appropriations bill for the fiscal year involved) if the total budget authority or budget outlays provided by such bills exceeds the applicable level established by the final budget resolution.

Sec. 134. Budget reconciliation bill to include tax measure in certain cases.

The section requires the House Ways and Means Committee to report (as a separate title in the budget reconciliation bill) a tax measure to raise the additional revenue needed if the estimated revenues for the fiscal year involved are less than those set forth in the final budget resolution. (House Report 93–658, p. 8).

The House Rules Committee rejected many of the most restrictive provisions in the bill as introduced and enunciated five principles that guided its consideration of the bill in Committee. The following excerpt from the House Committee Report demonstrates how important it was to the committee to craft a bill that improved fiscal discipline without riding roughshod over the prerogatives of members and dramatically altering the way in which the House and Senate functioned:

Your committee decided to remove these restrictive procedures and yet devise an alternative that accomplishes the important need for budget control. Our work has been guided by a number of principles.

First has been the commitment to find a workable process. Not everything that carries the label of a legislative budget can be made to work. If the 1947–49 debacle is not to be repeated, the new process must be in accord with the realities of congressional budgeting. The complicated floor procedures contained in the Joint Study Committee bill have been eliminated because they would inhibit the proper functioning of Congress.

Second, budget reform must not become an instrument for preventing Congress from expressing its will on spending policy. The original bill would have ruled out many floor amendments, it would have also stunted the free consolidation of appropriation measures, it would have bound Congress to unusual and oppressive rules, and it would have given one-third of the Members the power to thwart a majority's effort to revise or waive such rules. Points of order could have been raised at many stages of the process and legitimate legislation initiatives would have been blocked. The constant objective of budget reform should be to make Congress informed about and responsible for its budget actions, not to take away its powers to act.

Third, budget reform must not be used to concentrate the spending power in a few hands. All members must have ample opportunity to express their views and to vote on budget matters. On few matters is open and unfettered debate as vital as the budget which determines the fate of national programs and interest. While it may be necessary to establish new budget committees to coordinate the revenue and spending sides of the budget, these committees must not be given extraordinary power in the making of budget policies.

Fourth, the congressional budget must operate in tandem with and not override the well-established appropriations process. Through its power of appropriation, Congress is able to maintain control over spending. The power has been exercised responsibly and effectively over the years and it should not be diluted by the imposition of a new layer of procedures. The purpose of the budget reform should be to link the spending decisions in a manner that gives Congress the opportunity to express overall fiscal policy and to assess the relative worth of major functions.

Fifth, the budget controls procedures should deviate only the necessary minimum from the procedures used for the preparation and consideration of other legislation. Undue complexity could only mean the discrediting of any new reform drive. While we must not err with the simplistic approach taken in

1947–49, neither must we load the congressional budget process with needless and questionable details. (House Report 93–658, p. 29)

Senator Sam Ervin, Chairman of the Senate Government Operations Committee introduced S. 1541, to provide for the reform of congressional procedures with respect to the enactment of fiscal measures on April 11, 1973. In explaining the need for the legislation Senator Ervin stated:

''The congressional procedures with respect to spending the taxpayer's dollar are, to say the least, in dire need of a major overhaul, and have been for quite some time. Since 1960, Federal spending has tripled, the inflation rate has tripled, the dollar outflow abroad has quadrupled, and the dollar has been devalued twice—the first such devaluation since 1933, in the heart of the Great Depression. It has been 52 years since Congress has done anything about shaping its basic tolls for controlling Federal expenditures. The Budget and Accounting Act of 1921 was the last major reform of the congressional budgetary procedure, yet we are now spending nearly 100 times what we were spending yearly in the 1920's.'' (Congressional Record, April 11, 1973, p. 7074)

While S. 1541, as introduced, contained no reconciliation procedures, the bill reported by the Senate Government Operations Committee on November 28, 1973 included a somewhat convoluted enforcement process that relied on the rescission of appropriated funds and if that could not be accomplished, across the board cuts in spending. The bill as reported, summarized the reconciliation process as follows:

Reconciliation process: determination of the total of the appropriations enacted; in the event budget resolution ceilings are exceeded, reductions in certain of the appropriations should Congress desire in order to conform to the budget resolution; consideration and adoption of a second budget resolution should Congress desire to spend at levels in excess of the original ceilings established earlier; adjustments in certain appropriations to conform to the latest budget resolution; in the event of impasse on any of the foregoing steps, a pro rata reduction of all appropriations to conform the ceilings enacted in the latest budget resolution. (Senate Report 93–579 p. 17)

The Senate bill was subsequently referred to the Senate Rules Committee on November 30, 1973. Senator Robert C. Byrd, the Assistant Minority Leader and a member of the Rules Committee assembled a working group that made extensive revisions to the bill reported by the Senate Government Operations Committee. The group consisted of representatives of the Chairmen of the ten standing committees of the Senate, four joint committees, the House Appropriations Committee, the Congressional Research Service, and the Office of Senate Legislative Counsel. The Senate Rules Committee sought a more practical approach that minimized the impact on existing Senate procedure and practice. The Senate Rules Committee Report stated:

''The amendment in the nature of a substitute formulated by the Committee on Rules and Administration retains the basic purposes and framework of the bill. However, it makes a number of changes designed to tailor the new budgetary roles and relationships more closely to the existing methods and procedures of the Congress. The intent remains to equip Congress with the capability for determining Federal budget and priorities. However, the Committee sought to devise a balanced and workable process that recognizes the impact of budget reform on committee jurisdictions, legislative workloads, and floor procedures.'' (Senate Report 93–688 p. 4)

This is consistent with the view of the Senate Government Operations Committee which had reported the bill earlier that Congress. The Government Operations Committee Report stated:

''The changes proposed by the Committee, are, for the most part, designed to add a new and comprehensive budgetary framework to the existing decision making processes, with minimum disruption to established methods and procedures.'' (Senate Report 93–579 p. 15)

The Rules Committee explicitly rejected a reconciliation process that relied solely on rescission of appropriated fund to eliminate deficit spending. Section 310 of the reported bill authorized the Budget Committee (1) to specify the total amount by which new budget authority for such fiscal year contained in laws under the jurisdiction of the various committees was to be changed and to direct each committee to recommend such changes in law, (2) if that is unfeasible, direct that all budget authority be changed on a pro rata basis (3) specify the total amount by which revenues are to be changed and to direct the Finance Committee to recommend such changes and (4) specify the amount which the statutory limit on public debt was to be changed. The bill reported by the Senate Rules Committee broadened the application of reconciliation to all committees, not just appropriations. It required that all committees with jurisdiction over direct spending be required to participate in budget reductions and allowed for the inclusion of tax measures to eliminate budget deficits. The Rules Committee report specifically identified revenue shortfalls as a major contributor to budget deficits. Approximately one and one-half pages were devoted to a discussion of revenue shortfalls in the two page description of the reconciliation process. The following is an excerpt from the report describing reconciliation and emphasizes the importance the committee attached to examining the tax base and increasing revenues when necessary:

Perhaps the most significant weakness in the bill referred to the Committee was the failure to give sufficient attention to the revenue aspect of Congressional budgeting. This is not surprising in light of the fact that criticisms of Congressional spending provided the principal impetus to the development of this legislation. But it is a serious omission when the source of the large Federal deficit (in the years preceding the creation of the Joint Study Committee on Budget Control) is more clearly identified.

On closer inspection, this large and unexpected addition to the debt—which some observers believe contributed to the inflationary pressures—resulted largely from the revenue side of the balance sheet, and not from higher spending. The difference between budget estimates and actual receipts for those three years is $27.7 billion, or 65% of the difference between estimated and actual deficits.

These three years are typical only in that there were three consecutive shortfalls in revenue. Moreover, for each year, the administration submitted a later estimate, which was even further from the actual results that the original budget estimate. The typical overestimate or underestimate for a given year is not far different from those for 1970–1972. And, for fiscal policy purposes, an error in either direction may be equally significant.

Difference between revenue estimates and actual receipts can, of course, be explained by several factors. One is the failure of the economy to perform at predicted levels. But there are cases where the estimates were wide of the mark, even when the economic forecasts were relatively accurate. There is also the action of Congress in not following the President's recommendations to increase taxes, or in reducing taxes when he has not proposed it. In any case, it is clear that a sound congressional budget policy cannot be based on the assumption that control of spending levels is sufficient to achieve desirable economic results. (Senate Report 93–688 p. 868–9)

During floor consideration of S. 1541, the Senate adopted the amendment proposed by the Senate Rules Committee, in lieu of that of the Senate Government Operations Committee. The House and Senate passed their respective bills without amendment to the reconciliation proceedings reported by the House and Senate Rules Committees. The Senate incorporated its amendment into H.R. 7130, and went to conference on the House bill. The conference committee reported the bill and retained much of the Senate language regarding the scope of reconciliation with the exception of the provision authorizing pro rata reductions in spending bills. While the reconciliation process has evolved since 1974, Section 310(a) of the Act regarding the scope of reconciliation has not changed significantly. The conference report was adopted overwhelmingly by both houses and signed into law to become Public Law 93–44.

The conference committee on H.R. 7130 adopted the Senate's language regarding the scope of reconciliation and included in the statement of managers a scant summary of the new process. It was not necessary to elaborate since both the House and Senate Rules Committees were explicit in their reports that reconciliation was to be used at the end of the fiscal year to reduce spending or increase taxes in order to eliminate budget deficits. It is inconceivable, given the legislative history of the 1974 Act and the budget crisis confronting the Congress, that the conferences would create an expedited process to either reduce taxes or increase spending. Under the Act, Congress was required to adopt two budget resolutions. Congress would pass its first budget resolution at the beginning of the session that would provide non-binding targets and create the budgetary framework for the appropriations and other spending bills. Subsequently, Congress would pass the necessary spending bills. Congress was then required to pass a second budget resolution no later than September 15 which could be enforced by reconciliation allowing the Congress to consider a bill or resolution to bring spending and revenue into compliance with the second resolution.

In addition to a reconciliation bill, the conference committee created an alternative reconciliation process that authorized the delay in the enrollment of previously passed appropriation and entitlement bills until the amounts were reconciled with the budget resolution. The reconciliation resolution would direct the Secretary of the Senate or the Clerk of the House to correct the enrollment of previously passed bills prior to submitting them to the President for signature. This optional reconciliation process, added in conference strongly suggests that the conference were not trying to expand the scope of reconciliation, but instead were looking for a quick way to make minor, last minute, changes to previously passed legislation in

order to avoid budget deficits during the last two weeks of the fiscal year.

THE ABUSE OF THE RECONCILIATION PROCESS

The Congressional Budget Act of 1974 was intended to provide a process that complemented existing House and Senate rules not supplant them. There is ample support in the House and Senate Committee reports for the proposition that the authors of the Act wanted to minimize conflict with existing proceedings. There has been a constant tension between expediting the consideration of the budget and maintaining the important rights members enjoy under the Senate rules and precedents. The hallmark of Senate procedure is the ability of members to engage freely in debate, to offer amendments and the thread that ties all Senate procedure is the importance placed on preserving the rights of any minority in the Senate. This, and this alone, is what distinguishes Senate procedure from that of the House of Representatives and forces Democrats and Republicans to come to a consensus when considering major policy matters. Since the reconciliation bill would be considered late in the session and would be narrow in scope providing expedited procedures which severely limit debate and the ability to amend seemed like a reasonable trade off in 1974.

The Congressional Budget Act has been amended numerous times since 1974 in a continuing effort to impose greater fiscal discipline on budgetary matters. Congress has abandoned the practice of adopting a second budget resolution and now passes one binding resolution that can include reconciliation instructions if necessary. Additional enforcement mechanisms have been added that can be employed during the fiscal year when considering tax and spending bills that should have made it less likely that Congress would need to act at the end of the year to reconcile the fiscal goals contained in the budget resolution with the legislation it passes during the year.

Just the opposite has occurred and Congressional leaders soon realized that reconciliation could not be used to make major changes in revenue and direct spending laws because of the compressed time for debate and the severe restrictions imposed on individual Senators. Despite the continued reforms and the improving fiscal health of the federal budget, there is still a strong interest in enacting, through expedited procedures, major legislation that has nothing to do with the deficit reduction. Because of procedural protections, reconciliation bills have proven to be almost irresistible vehicles for Senators to move all types of legislation.

This abuse of the reconciliation process has been rectified in the past by Congress collectively insisting that the Senate's traditions be maintained. In 1981, the Senate Budget Committee reported a reconciliation bill, S. 1371, the Omnibus Reconciliation Act of 1981, which contained hundreds of pages of authorization provisions that had no impact on the deficit. The bill was viewed by the Senate authorizing committees as a convenient vehicle to pass numerous authorizations, many of which could not be passed as free standing bills. Both Republicans and Democrats viewed this as an abuse of the reconciliation process. Then Majority Leader Howard Baker called up and adopted an amendment which was co-sponsored by Minority Leader Robert C. Byrd, and the Chairman and Ranking Minority Member of the Budget Committee, Senators Domenici and Hollings which struck significant parts of the bill. The following is a colloquy during debate on the amendment:

Mr. BAKER. Aside from its salutary impact on the budget, reconciliation also has implications for the Senate as a institution . . . I believe that including such extraneous provisions in a reconciliation bill would be harmful to the character of the U.S. Senate. It would cause such material to be considered under time and germaneness provisions that impede the full exercise of minority rights. It would evade the letter and spirit of rule XXII.

It would create an unacceptable degree of tension between the Budget Act and the remainder of Senate procedures and practice. Reconciliation was never meant to be a vehicle for an omnibus authorization bill. To permit it to be treated as such is to break faith with the Senate's historical uniqueness as a form for the exercise of minority and individual rights.''

Mr. BYRD. Mr. President, if the reconciliation bill is adopted in its present form, it will do violence to the budget reform process. The reconciliation measure contains many items which are unrelated to budget savings. This development must be viewed in the most critical light, to preserve the principle of free and unfettered debate that is the hallmark of the U.S. Senate.

The ironclad parliamentary procedures governing the debate of the reconciliation measure should by no means be used to shield controversial or extraneous legislation from free debate. However, language is included in the reconciliation measure that would enact routine authorizations that have no budget impact whatsoever. In other cases, legislation is included that makes drastic alterations in current policy, yet, has no budgetary impact.

The reconciliation bill, if it includes such extraneous matters, would diminish the value of rule XXII. The Senate is unique in the way that it protects a minority, even a minority of one, with regard to debate and amendment. The procedures that drive the reconciliation bill set limits on the normally unfettered process of debate and amendment, because policy matters that do not have clear and direct budgetary consequences are supposed to remain outside its scope. (Congressional Record, June 22, 1981, P. S6664-66)

The traditions and precedents of the Senate were adhered to during consideration of President Reagan's tax and spending cut proposals in 1981. Appropriately, Congress used the reconciliation procedures to implement the spending cuts contained in the Omnibus Budget Reconciliation Act of 1981. However, the President's tax cuts were brought before the Senate as a free-standing bill. More than one hundred amendments were debated and disposed of in twelve days of debate.

On October 24, 1985, the Senate debated and adopted the Byrd Rule by a vote of 96-0, as an amendment to the Consolidated Omnibus Budget Reconciliation Act of 1985. The rule was expanded in an effort to further limit the scope of the reconciliation process to deficit reduction and became Section 313 of the Congressional Budget Act. The following are excerpts from the debate on the amendment:

Mr. BYRD. Mr. President, the Senate is a deliberative body, and the reconciliation process is not a deliberative process. It (is) not a deliberative process. Such an extraordinary process, if abused, could destroy the Senates deliberative nature. Senate committees are creatures of the Senate, and, as such, should not be in the position of dictating to the Senate as is being done here. By including material not in their jurisdiction or matter which they choose not to report as separate legislation to avail themselves of the non deliberative reconciliation process, Senate committees violate the compact which created both them and the reconciliation process.

* * * * *

Mr. DOMENICI. Mr. President, as I was saying, I commend the distinguished minority leader. Frankly, as the Chairman of the Budget Committee, I am aware of how beneficial reconciliation can be to deficit reduction. But I am also totally aware of what can happen when we choose to use this kind of process to basically get around the Rules of the Senate as to limiting debate. Clearly, unlimited debate is the prerogative of the Senate that is greatly modified under this process.

I have grown to understand that this institution, while it has a lot of shortcomings, has some qualities that are rather exceptional. One of those is the fact it is an extremely free institution, that we are free to offer amendments, that we are free to take as much time as this U.S. Senate will let us to debate and have those issues thoroughly understood both here and across this country. (Congressional Record, October 24, 1985, p. S14032–37)

On October 13, 1989, the Senate exercised a stringent application of the Byrd Rule. Majority Leader Mitchell, on behalf of himself, and Minority Leader Robert Dole, offered a leadership amendment to strike extraneous provisions from the reconciliation bill, S. 1750. The amendment went further than the text of the Byrd Rule in order to limit the scope of the bill to deficit reduction matters. The debate follows:

Mr. MITCHELL. Mr. President, the purpose and effect of this amendment may be summed up in a single sentence. The purpose of the reconciliation process is to reduce the deficit.

The amendment is lengthy, consisting of many pages, words and numbers, but it has that fundamental objective. As I said when I addressed the Senate a week ago Thursday, the reconciliation process has in recent years gone awry. The special procedures included in the Budget Act as a way of facilitating deficit reduction items became a magnet to other legislation which is unrelated to the objective of reducing the deficit.

Mr. DOMENICI. There are a few things about the U.S. Senate that people understand to be very, very significant. One is that you have the right, a rather broad right, the most significant right, among all parliamentary bodies in the world to amend freely on the floor. The other is the right to debate and to filibuster.

When the Budget Act was drafted, the reconciliation procedure was crafted very carefully. It was intended to be used rather carefully because, in essence, Mr. President, it vitiated those two significant characteristics of this place that many have grown to respect and admire. Some think it is a marvelous institution of democracy, and if you lose those two qualities, you just about turn this U.S. Senate into the U.S. House of Representatives or other parliamentary body. (Congressional Record, October 13, 1989, p. S13349–56)

In recent years, the use of reconciliation has changed. The procedural protections of the reconciliation process are not being used to enact stand alone legislation that simply reduces taxes. In 1996, the FY 1997 budget resolution contained reconciliation instructions to create three separate reconciliation bills that if enacted would have resulted in a net reduction in the deficit. The House and

Senate committees were authorized to report three separate bills, one to reduce Medicaid costs through welfare reform, the second to reduce Medicare costs and the third to reduce taxes. Democratic Leader Daschle argued that this was an abuse of process because it directed the Finance Committee to reconcile several subject matter specific spending bills and for the first time contained instructions to reconcile a stand alone tax reduction bill. The conferees knew that consideration of a tax reduction bill in reconciliation was a great departure from past practices and the statement of managers accompanying the conference report justified it by arguing that the reconciliation tax cut bill was one of three reconciliation bills when taken together would still provide overall deficit reduction. The report states: ''while this resolution includes a reconciliation instruction to reduce revenues, the sum of the instructions would not only reduce the deficit, but result in a balanced budget by 2002.''

However, during floor debate on the FY 1997 budget resolution, Senate Budget Committee Chairman Domenici went far beyond the justification for tax cuts contained in the conference report and argued that a 1975 incident involving Senator Russell Long, supported what seemed to be a novel idea in 1996, that reconciliation was not intended solely for deficit reduction and could be used to enact tax cuts. A year after the 1974 Act was passed, Senate Finance Committee Chairman Russell Long came to the floor and announced that a small $6 billion bill to reduce taxes was a reconciliation bill, even though there was never any reference to reconciliation as the Finance Committee moved the bill through the Senate. In fact, the budget resolution was passed six months after the tax bill in question had passed the House and been referred to the Senate Finance Committee. Note the exchange that took place between Senator Muskie, the Chairman of the Senate Budget Committee and Senator Vance Hartke regarding the use of this new process:

Mr. HARTKE. In other words, the chairman of the Committee on the Budget has made an assumption that this is a reconciliation bill.

Mr. MUSKIE. No, may I say, the chairman of the Committee on Finance has told me it is a reconciliation bill.

Mr. HARTKE. The chairman of the Finance Committee can make a statement, but that does not make it the situation. The Committee on Finance has not acted upon this being a reconciliation bill. There is no record of its being a reconciliation bill; there is no mention of it in the report as being a reconciliation bill. Therefore, I think a point of order would not be well in regard to any amendment, because it is not a reconciliation bill. This is a tax reduction bill. I can see where the Senator may assume, but it is an assumption which is not based on a fact.

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Mr. HARTKE. I am not chasing my tail. I will point out, very simply, that in my judgment, this is a case where two Senators have gotten together and agreed that this is a reconciliation bill and there is nothing in the record to show that it is a reconciliation bill. (Congressional Record, December 15, 1975, p. ?)

This 1975 incident was ignored and not relied upon until 1996, during consideration of the FY 1997 budget resolution when it was used by the Republican Leadership to prop up the argument for a stand alone tax reduction bill in reconciliation. Prior to that, it was viewed as an aberration that occurred at a time when Congress was trying to figure out how to implement the new Budget Act. The 1975 incident was never viewed as a valid precedent on reconciliation, since it basically contradicted two decades of practice where the sole focus of reconciliation has been deficit reduction. The Chairman and Ranking Member of the Senate Budget Committee, Senators Hollings and Domenici did not give any credence to the 1975 incident when they announced in 1980 that the budget resolution under consideration that year, would be the first time Congress attempted to use the reconciliation process provided in the Budget Act. Senator Hollings, then the Chairman of the Senate Budget Committee made the following statement.

''Today, we will take another step in the practical application of the Budget Act's design. The reconciliation procedure has never before been employed. The action we take today will set an important precedent for making the budget stick.'' (Congressional Record, June 30, 1980)

Senator Domenici concurred with his Chairman and made the following statement:

''Mr. President, I rise today to support the reconciliation bill that is now before the Senate. This is an historic moment, both for the institution and for the budget process that this institution devised for itself in 1974. The first attempt to use the reconciliation provisions in the Budget Act was made last fall on the second budget resolution for fiscal year 1980.'' (Congressional Record, June 30, 1980)

In addition, Congress passed the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act in 1985 which further clarified the scope of reconciliation and made moot, any arguments that the 1975 incident opened the door to a broader application of reconciliation. Section 310(d) was added to the Congressional Budget Act to severely restrict amendments to reconciliation bills that did not have the affect of reducing the deficit. The language of Section 310(d)(2) is as follows:

(2) It shall not be in order in the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of decreasing any specific budget outlay reductions below the level of such outlay reductions provided (in such fiscal years) in the reconciliation instructions . . . or would have the effect of reducing Federal revenue increases below the level of such revenue increases provided (for such fiscal years) in such instructions relating to such bill or resolution. . . .

While the provision limits floor amendments, the clear inference when read in the context of the overall section is that reconciliation dealt only with decreasing spending or increasing taxes and any amendment offered during reconciliation had to have an offset so as not to thwart deficit reduction.

In 1966, during consideration of the FY 1997 budget resolution, Democratic Leader Daschle made several inquiries of the Chair and the responses by the Presiding Officer could be used to argue for a broader application in the use of reconciliation. However, the point of order raised against the budget resolution by Senator Daschle, the ruling of the Chair and the subsequent appeal, all of which carry much more weight in Senate procedure, were quite narrow and allowed this precedent to be distinguished in order to preserve the integrity of the reconciliation process. The point of order raised by the Democratic Leader, given the particular reconciliation instructions at issue can be summarized as follows: It is inappropriate to consider a stand alone reconciliation bill to cut taxes, even if the net impact of the three reconciliation bills taken together reduced the deficit. The point of order raised by the Democratic Leader was not sustained and the appeal of the ruling by the full Senate was not successful. Note the point of order and the ruling of the Chair.

Mr. DASCHLE. I argue that, because it creates a budget reconciliation bill devoted solely to worsening the deficit, it should no longer deserve the limitations on debate of a budget resolution. Therefore, I raise a point of order that, for these reasons, the pending resolution is not a budget resolution.

The PRESIDING OFFICER. All right. The Chair will rule that the resolution is appropriate and the point of order is not sustained. (Congressional Record, May 21, 1996, p. S5415–7)

The Senate's decision in 1996 to use reconciliation to consider a stand alone tax cut bill, even in the context of overall deficit reduction, was a major departure from the past practice and over two decades of experience in applying the Act. The 1996 precedent can and must be distinguished from recent efforts to use reconciliation to enact tax cuts where there is absolutely no attempt at deficit reduction. The procedural issues raised by using the reconciliation process to enact tax reductions, absent an overall effort to reduce the deficit, have not yet been joined by the Senate and remain an open question.

While the reconciliation instructions of the FY 1997 budget resolution taken as a whole arguably met the intended deficit reduction goals, recent reconciliation instructions have completely perverted the intent of the 1974 Act. In 1999, the reconciliation process was used by the Republican leadership to allow for a $792 billion tax cut to be brought to the Senate floor. Unlike the FY 1997 budget resolution, no argument was made that the tax cut would actually lead to increased revenues or spending reductions. It was the first time that reconciliation instructions were issued and a revenue bill reported pursuant to those instructions, mandated a worsening of fiscal discipline for the federal government. Again, in 2000, reconciliation was used to limit consideration of a major tax cut proposal that had nothing to do with deficit reduction.

There has been a great deal of speculation, fueled by the Senate Republican Leadership, that President Bush's tax plan will be brought to the Senate floor with reconciliation protections. It is expected the legislation will provide for at least $1.6 trillion and perhaps as much as $2.6 trillion in tax cuts over 10 years. The legislation is not expected to contain any reductions in spending and the result of the proposed tax bill will be a worsening the fiscal position of the federal government. If Congress provides sufficient room in the FY2002 budget resolution to enact tax reductions there is absolutely no reason to consider the bill in reconciliation, except to completely preclude the minority from participating in fashioning the bill.

The Senate is at a point, as it was in the 1980's, when the use of reconciliation to enact legislation unrelated to deficit reduction, threatens to undermine the most important traditions and precedents of the Senate and make a mockery of the congressional budget process. In a recent article entitled, ''Budget Battles, Government by Reconciliation,'' in the National Journal on January 9, 2001, the author, Mr. Stan Collender, an expert on the federal budget process, who served as senior staff member of the House Budget Committee in the 1970's states:

''. . . At this point, there is talk about at least five different reconciliation bills—three for different tax proposals and two for various entitlement changes. Still more are being considered. Taking advantage of the reconciliation procedures in this way would not be precedent-shattering, though it would clearly be an extraordinary extension of what has been done previously. Nevertheless, it would be the latest in what has become a steady degradation of the congressional budget process. Reconciliation, which was created to make it easier to impose budget discipline, would instead be used to make it easier to get around other procedural safeguards with the result being more spending and lower revenues.''

THE FUTURE OF PROJECT IMPACT

Mr. EDWARDS. Mr. President, I rise today to express my disappointment in President Bush's decision to discontinue funding for the Federal Emergency Management Agency's Project Impact.

Project Impact is a nationwide public-private partnership designed to help communities become more disaster resistant. Each year, Congress appropriates literally billions of dollars in disaster relief money. Project Impact is our only program that provides financial incentives and support to State and local governments that want to mitigate the damage of future disasters.

Project Impact involves all sectors of the community in developing a mitigation plan that meets that community's unique needs. One of the program's pilot projects is in Wilmington, NC. In that coastal community, the city government has teamed with the State and county government and private groups like Lowe's Hardware Store to retrofit schools and shelters to make them less vulnerable to the frequent hurricanes that plague my State. The University of North Carolina at Wilmington also provides support for the city's efforts. That is the great thing about the Project Impact communities—they are using all available agencies and organizations to ensure safe and smart development.

Project Impact is a relatively new program, but it has already shown important results. In his recent budget submission to Congress, the President described Project Impact as ''ineffective.'' I strongly disagree, and there are community leaders around the Nation that would take exemption to this description. For example, one of the first Project Impact communities was Seattle, WA. Experts agree that without the area's mitigation efforts spurred by Project Impact, the damage from last week's earthquake could have been much worse.

We cannot stop a hurricane, an earthquake, or a tornado. But we can save precious lives and limited Federal resources by encouraging States and local governments to take preventative measures to mitigate the damage. By discontinuing funding for Project Impact, this administration will severely undercut ongoing mitigation programs in all 50 States. Most importantly, by discontinuing this program rather than working to refine it, the administration sends a dangerous signal to States and local governments that the Federal Government no longer supports their efforts.

I call on President Bush to reassess the benefits of this program and include it in his final budget he sends to Congress. For the nearly 300 Project Impact communities that are working to make their communities safer, fully funding Project Impact is the least we can do.

ADDITIONAL STATEMENTS

ONE OF DELAWARE AND THE NATION'S FINEST

• Mr. BIDEN. Mr. President, Delaware, officially called ''the First State'' is sometimes called, ''the Diamond State'' and ''the Small Wonder'' because of the amazing quality Delawareans bring and have brought to this Nation. One of the gems in the Diamond State is a company hidden near the center in the small town of Frederica, DE. That company is ''ILC Dover.'' ILC is best known as the sole designer, developer, and manufacturer of the Apollo and Shuttle Space Suits.

The man who has outfitted America's astronauts for 40 years and helped make manned space flight possible—serving the past 17 years as president and general manager of ILC—is retiring. Homer Reihm, better known to his friends and co-workers as ''Sonny,'' is a local legend. It was Sonny Reihm who was ILC's program manager for the Apollo program on July 20, 1969, when Neil Armstrong wore ILC's space suit on the Moon.

ILC has continued to be true to its space heritage by making the suits worn by astronauts in the Shuttle and Space Station missions. As America has gone further into space, so has ILC, most recently by producing the Pathfinder Airbags that landed on Mars on July 4, 1997. In 1998, in recognition of ILC's history of excellence in the service of America's space missions, Sonny Reihm accepted NASA's top quality award—known as the George Low award—honoring ILC's 100 percent mission success in planetary and space environments.

While Mr. Reihm's career has paralleled the NASA space program, under his leadership ILC has gone much farther to produce important advances for the military including the M–40 series protective masks used by our soldiers since the end of Desert Storm, the Demilitarized Protective Ensemble, Aircrew protective mask systems, collective protection Chem-Bio shelters, and lighter-than-air Aerostats used for monitoring and detection. ILC has leveraged these initiatives into commercial applications of protective suits, flexible containment devices for the Pharmaceutical industry, and advertising airships like the blimps seen so often at ball games.

Sonny Reihm is a Delawarean through and through. He was born and raised on a farm in the Middletown/Odessa/Townsend area of Delaware. He graduated from the University of Delaware in 1960. Upon graduation, he joined ILC as a project engineer when ILC was bidding on the Apollo program. After leading the effort to successfully field the Apollo Space Suit, Mr. Reihm became the general manager of ILC in 1975. His mandate was to diversify the company to survive the post-Apollo mission, while still holding true to ILC's tradition of serving America with its unique technical knowledge. Almost ten years later, in 1984, after meeting the diversification challenge, Sonny became President and general manager of ILC. From 1975 to today, he helped build ILC from a 25-employee corporation, to a major business player in our State and Nation. With 450 employees today, ILC continues to provide needed innovations for NASA, for the military, and for other American businesses.

As outstanding as it has been, Sonny Reihm's business success is only one portion of his larger commitment to public service. He has served local and national communities throughout his life through his involvement in the University of Delaware Board of Trustees, the Delaware Manufacturing Association, the National Defense Industrial Association, the Soldier Biological Chemical Command Acquisition Reform Initiatives, the USO in Delaware, and the United Way.

On a more personal note, I am proud to call Sonny and his wife Nancy dear friends. After his long, prodigious—indeed astronomic—career, Sonny has earned many years of enjoyment in his retirement with his wife, two daughters and grandchildren. He exemplifies the commitment to excellence and the national good that make Delaware the Small Wonder and keep this Nation strong. It is my honor today to salute him and his many years of business and community service.•

THE ELEVENTH ANNUAL NATIONAL SPORTSMANSHIP DAY

• Mr. CHAFEE. Mr. President, today is the 11th annual National Sportsmanship Day, a day designated to promote ethics, integrity, and character in athletics. I am pleased to say that National Sportsmanship Day was a creation of Mr. Daniel E. Doyle, Jr., Executive Director of the Institute for International Sport at the University of Rhode Island. Participation this