HOUSE OF REPRESENTATIVES—*Wednesday, April 29, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BLUNT).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 29, 1998.

I hereby designate the Honorable ROY BLUNT to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Our prayer, gracious God, is that Your mercy will be overwhelming and Your grace sufficient for our every need. With our humble petitions and with sincere hearts, we open our very souls to Your spirit and ask that we be filled with Your gifts of truth, honor, joy, perseverance and patience. We admit that when we become too involved in the details of the day, our eyes do not always see the width and breadth and height of our responsibility, a responsibility to express the unity and the wholeness of Your creation. From Your hand, O God, we have been created, and we pray that we will express that unity now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from California (Mrs. CAPPS) come forward and lead the House in the Pledge of Allegiance.

Mrs. CAPPS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 one-minutes from each side.

VOUCHERS FOR D.C. SCHOOL CHILDREN

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, tomorrow we will take up a bill on this floor that would allow $7 million worth of new money introduced in the D.C. school system for the purpose of providing scholarships to 2,000 low-income families for their children, 2,000 opportunities for a better education for the children of D.C. Today there will be the selection of 1,000 youngsters through a fair and impartial process through private funding sources for these scholarships.

When the people of Washington, D.C. found out the announcement of the availability of these scholarships, almost 8,000 people, families, mothers and fathers, applied for these scholarships, because they wanted something better for their children. By the time we finish this awarding today, there will still be almost 7,000 children and their families that will have had that opportunity unrealized. On Thursday, we could make available another 2,000.

What distresses me is the tone of the debate in the people who oppose this opportunity for these children. They call it a cruel hoax. They say it is a cruel hoax for us to fight for this opportunity for 2,000 children because the President has already said he would veto it. The hoax is not in fighting for the children. The hoax is in making a big deal about putting people first and then pledging to veto the opportunity for the children out of consideration for the teachers union.

There is a cruel hoax going on, ladies and gentlemen, but it is not in the children, it is not in their parents, it is not in all those kind, generous people that have provided private funding for these little boys and girls. It is in those people who pretend they are for the kids, wrap their politics of greed in the language of love, and then betray the kids with a veto pen.

RECOGNIZING INNOVATIVE CHILD CARE PROGRAMS

(Mrs. TAUSCHER asked and was given permission to address the House for 1 minute.)

Mrs. TAUSCHER. Mr. Speaker, I rise today to draw attention to three innovative child care programs in the 10th Congressional District of California.

Kimballs Kids Club, in partnership with the Antioch School District, serves over 100 families in East Contra Costa County. They believe that parental involvement is invaluable, so they hold monthly parent education meetings and have established a Parent Advisory Board to guide programs at Kimballs Kids Club.

Kid's Country, located in Danville, offers parents a safe option for after-school child care. Because Kid's Country uses existing school ground facilities, they do not need to put resources into building costs. This enables them to lower child care costs.

Finally, Child Care Links, located in the southern part of my district, supports providers through orientation and training programs. They also furnish parents with information on child care options and they act as a consultant to employers to help them plan their child care programs.

Please join me in recognizing these three outstanding programs. They are true leaders in the field of child care and I am honored that they are part of my constituency.

ONGOING WHITE HOUSE INVESTIGATION

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, is there not a single Democrat in this House that is offended by the fact that the White House has hired private investigators to look into the private lives of Federal investigators and smear their political enemies?

Is there not a single Democrat in this House that is even bothered that the Independent Counsel is being publicly smeared and vilified by the White House attack team in open violation of the law?

Is there not a single Democrat in this House that does not find repugnant the tactics used by the White House spin machine to attack its accusers using tactics that would have made Joe McCarthy proud?

Is there not a single Democrat that has had enough of the lies and

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stonewalling and routine destruction of lives and reputations of any and all who dare to investigate what Attorney General Reno herself has said requires investigation?

It was discovered that the White House was illegally in possession of 900 FBI files, all just happen to be Republican, and no one knows anything?

Is there not someone on the other side who will speak up about all the abuse by the White House?

NEIGHBORHOOD SCHOOLS MUST BE STRENGTHENED

(Mrs. CAPPS asked and was given permission to address the House for 1 minute.)

Mrs. CAPPS. Mr. Speaker, I rise today on behalf of the families of the Central Coast of California, and I believe the families of this Nation, who send their children to school each day trusting that they will learn and also that they will be safe and healthy. The school day is often a long one with before and after school care, rec programs, tutorials, sports and other activities.

I speak from 20 years of experience as a school nurse in my community. In the health office, we bandage scraped knees, but we do a lot more. We assess and refer child abuse, family violence, drug use, suicide attempts, and, sadly more and more, violence at school. We teach healthy lifestyles, prevention skills, and the values families care about. Neighborhood schools must be strengthened as safe and healthy centers for learning in each of our communities.

IN OPPOSITION TO NEEDLE EXCHANGE PROGRAM

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, the scourge of illegal drug use in this country has reached epidemic proportions. Countless hours and lives have been lost fighting to free our communities from the grasp of these drugs.

Given the severity of the situation, how does the Clinton Administration plan to continue the fight? They want to give out free needles to drug addicts.

Shoot me up, Mr. Speaker. What next? Free drugs?

This cannot be his brilliant battle plan to win the war on drugs. If it is, Mr. Speaker, I shudder to think of the President's plan for the rest of society's ills. Are we going to give out free pornography to sex offenders? Heaven forbid the United States should in any way inconvenience those who are breaking the law.

It is discouraging to see the White House embrace such a defeatist policy. It goes against the values upon which this great country was founded.

I urge my colleagues to join me in opposing this free needle policy.

PUT PRAYER BACK IN THE PUBLIC SCHOOL

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, after the Arkansas tragedy where four students and a teacher were killed by two youngsters, the shooting death of Pennsylvania teacher John Gillette has shocked America. Experts are confused and, they say, searching for answers. The irony is these same experts, with all their degrees, have one thing in common: most of them oppose school prayer. In fact, time and time again, they have employed constitutional mumbo jumbo to kill school prayer.

They just do not get it. A school without God is a school without education. A school without God is a school without discipline. A school without God is a school without values, ladies and gentlemen. Maybe experts will finally get the message that a school without God is a playground for the demon. The Congress should allow school prayer.

I yield back any common sense left in Washington.

ELIMINATION OF ETHANOL PROGRAM A DEVASTATING BODY BLOW TO FARMERS

(Mr. MINGE asked and was given permission to address the House for 1 minute.)

Mr. MINGE. Mr. Speaker, the spring of 1998 finds tens of thousands of American family farmers facing financial crisis. Agriculture is virtually the only sector of the economy to suffer a loss in 1997. The Republican farm bill has exacerbated this financial crisis.

Now the House Republican transportation bill would eliminate our Nation's ethanol program. This is another devastating body blow to farmers. This will depress prices paid for corn and other feed grains and ruin the 20 plus farmer-owned ethanol producing cooperatives. It will also rob our country of the environmental and national security benefits of ethanol.

Who benefits? Railroads get a tax break at the expense of farmers, the very railroads that provided atrocious service in 1997 and caused devastating losses to farmers and many other sectors of the economy. Who else? Big oil. They dispatch competition from a domestically produced renewable fuel. This is an unconscionable program.

IMMUNITY FOR KEY WITNESSES IN CAMPAIGN FINANCE OVERSIGHT INVESTIGATION

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, Congress has run into a wall, a massive stonewall in its attempts to carry out its constitutional oversight responsibility. This stonewall is unprecedented and absolutely breathtaking in its audacity.

The Committee on Government Reform and Oversight has worked closely with the Justice Department on the issue of granting immunity so that key witnesses will testify. I have here in my hand four letters from the Justice Department stating that the Justice Department has no opposition to the committee's granting of immunity to four key witnesses in the campaign finance oversight investigations.

Mr. Speaker, the Democrats on the committee have refused to grant immunity to these witnesses. I have heard of stonewalling before. The Democrats on the committee have been stonewalling investigators for over 2 years, but now they are stonewalling their own Justice Department. They got away with it before, so maybe they figure they can stonewall all they want and no one will hold them accountable.

Let us grant these witnesses immunity and get to the truth. I think it is the best way to get to the truth, and I think Americans deserve the truth.

DEMOCRATS NOT INTERESTED IN DISCOVERING THE TRUTH

(Mr. BOB SCHAFFER of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I am holding in my hand four letters from the Clinton Justice Department.

Now these letters state that the Justice Department does not oppose granting of immunity to four key witnesses to the House Committee on Government Reform and Oversight's investigation into illegal campaign contributions in the President's 1996 campaign.

Again, these letters are from the Justice Department, and they state that the Justice Department does not oppose the immunization of four witnesses so their testimony may be heard, and yet the Democrats on the committee refuse to grant immunity to these four witnesses in opposition to their own Justice Department.

Now we have the mother of all stonewalls. Democrats on the committee are now stonewalling even the Clinton Justice Department. American fatigue over the endless scandals and investigations is exceeded only by the fatigue of the investigators who meet with stonewalling, delay tactics, evasion, convenient memory losses, document shredding and total noncooperation everywhere they turn.

Mr. Speaker, the truth is there for all to see. The Democrats are simply not interested in discovering the truth.

ONLY IN INVESTIGATIONS OF ORGANIZED CRIME HAVE SO MANY WITNESSES FLED THE COUNTRY

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, obeying the law should be the first tenet of campaign finance reform. The White House insists time and time again that they are cooperating fully with the various investigators charged with finding the truth about illegal campaign contributions in the 1996 elections. However, the facts show otherwise.

Ninety-two witnesses, that is 92 witnesses, either have fled the country or have taken the fifth amendment or refused to testify. If there is nothing to hide, why would 92 witnesses flee the country or refuse to testify?

Fifty-four House and Senate witnesses have asserted their fifth amendment rights, and 38 witnesses have fled the country. In fact, so many witnesses who have fled the country are taking the fifth that FBI Director Louis Freeh was asked last year if he had ever seen so many, and he said often he has seen this kind of activity only in investigations of organized crime.

Mr. Speaker, the White House says it is cooperating fully, but no one is cooperating. And then the same White House turns around and asks why the investigators are taking so long. If the American citizens are becoming cynical about their government, House investigators are becoming even more cynical about this White House.

SUPPORT THE HIGHER EDUCATION AMENDMENTS

(Mr. CALVERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CALVERT. Mr. Speaker, early this year several news organizations in the southern California area conducted a poll to identify issues of concern to the citizens of that region. Improving the education system was far and away the highest priority among those polled. A staggering 80 percent of respondents supported requiring that teachers take competency tests on a regular basis. The survey clearly illustrated that most Americans want training for teachers so they are better equipped for the classroom.

This week in the House we will be considering H.R. 6, the Higher Education Amendments, which establishes a competitive grant system designed to improve the quality of teacher training in colleges and universities. The bill would hold institutions of higher education accountable for preparing teachers in the subjects in which they plan to teach.

Mr. Speaker, today's youths are tomorrow's leaders. We must give them every opportunity to succeed. I urge all of my colleagues to support education reform and support H.R. 6.

TOBACCO COMPANIES ARE THE LARGEST CORPORATE CONTRIBUTORS TO THE REPUBLICAN PARTY

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the Republican leadership is playing politics with their refusal to act on one of the most addictive drugs around: nicotine.

The truth is that, according to the Center for Disease Control, teens who smoke are three times more likely than nonsmokers to use alcohol, eight times more likely to use marijuana, and 22 times more likely to use cocaine. Yet the Republican leadership refuses to bring legislation to the floor of this House that could drastically reduce teen smoking, perhaps because the tobacco companies are the single largest corporate contributors to the Republican Party. Every day the Republican leadership fails to schedule debate on the tobacco issue, 3,000 more American kids will pick up this deadly habit, and 1,000 of them will eventually die of a tobacco-related illness.

Mr. Speaker, if the Republican leadership truly wants to save lives, they should schedule a vote on comprehensive tobacco legislation today.

SCHOOL CHOICE IS ABOUT SAVING THE CHILDREN FIRST

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, how can Congress and the President stand by and consign yet another generation of poor children to failed schools and limited futures in our nation's capital, Washington, D.C.? What do the American people want Congress to do about education? Let me quote from a letter from Mrs. Jan Horan of Westminster, Maryland, and I quote:

> Enough is enough, and the American people have had enough. When is the Congress of this country going to realize that the government is the problem and not the solution?
>
> For years, the Congress has continued to throw money at what they perceive to be the problem. The government at all levels has thrown money at education, and our educational system continues to deteriorate.

And I continue to quote:

> When are you, the elected officials, going do wake up and come out of your glass bubble and see what you are doing to this Nation?

Mrs. Horan, I could not agree more, and I hope everyone in Congress will listen and support the District of Columbia Student Opportunity Scholarship Act. Instead of throwing money at the education bureaucracy as liberals want, it will assure that families at all income levels have the opportunity to secure a quality education for their children. School choice will give all of our children the chance for a better future that a good education can provide. We must save the children first.

THE TRUTH ABOUT STOPPING TEENAGE SMOKING

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute.)

Mr. WATTS of Oklahoma. Mr. Speaker, some people say their primary reason for supporting new tobacco taxes is protecting children, but these same people have constantly dropped the ball when it comes to protecting children in other areas. So I get a little suspicious when I am asked to support a cigarette tax as a way to save the children.

Consider this. Many folks who say they support a cigarette tax as a way of protecting teenagers are all too happy to allow my 13-year-old daughter to go to a Title 10 clinic and be counseled on having an abortion without my or her mother's consent. So much for protecting children from dangerous influences. So much for saving children.

Furthermore, many people who support a cigarette tax as a way to stop teenage smoking will not lift a finger to stop some public schools from giving my daughters free condoms without my permission. So much for protecting children from dangerous influences.

Also, Mr. Speaker, some people who say they are working to prevent teenagers from smoking will not lift a finger to prevent kids from getting access to free drug needles. So much for protecting children from dangerous influences.

Furthermore, some who say they are in favor of a cigarette tax as a means to protect children are not in favor of allowing kids to organize prayer in school. Thanks to these people, groups of kids cannot organize prayer and talk about protection today.

Think about it, America. Is a cigarette tax a plan to save our children from smoking cigarettes or is it really a plan about helping Washington, D.C., helping itself to more power and more money to fund more government bureaucracy?

ATTORNEY GENERAL RENO SHOULD DEMAND THE WHITE HOUSE STOP INTERFERING WITH JUDGE STARR'S INVESTIGATION

(Mr. BRADY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADY. Mr. Speaker, what is happening right now to Judge Kenneth Starr is just shameful. Attorney General Janet Reno, the President's own appointment, chose Judge Starr to investigate solid allegations of perjury and obstruction of justice. Judge Starr was appointed by the Attorney General because he has a track record of very distinguished and honorable service. In fact, many of those who attack him today on the Democratic side praised him for his honesty and his fairness and his balance.

Mr. Speaker, if Judge Starr has acted improperly in any manner, he should be removed immediately as independent counsel. If he has shown himself to be conducting in an unfair, partisan manner the investigation, he must be removed.

But if he is not acting, if he has not done anything wrong or improper, Attorney General Reno should make a statement now demanding that friends of the White House stop interfering with his investigation and stop the campaign to destroy him. Because how else will we ever get to the truth?

THOSE WHO BROKE THE LAW NEED TO BE BROUGHT TO JUSTICE

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, the frustration level on my committee is very high. We know that millions of dollars in illegal campaign contributions have come in from foreign sources from places like Communist China, Macao and Taiwan and South America. We do not know what these people who contributed this money got for their money. Did it affect our foreign policy? Did it alter our defense strategies? Did it endanger in some way the United States of America down the road?

Mr. Speaker, we need to know these things, and those who broke the law need to be brought to justice.

Now we have been trying to get people to testify. Ninety-two people have fled the country or taken the fifth amendment, 92. Can my colleagues imagine that many people, 92, fleeing the country or taking the fifth amendment, many very close friends of the President who worked in the administration? They would not talk.

Now we have four people who are willing to talk, and they want immunity in order to talk, and the Justice Department has said they have no objection to immunity, and yet 19 of the Democrats on my committee, every single Democrat, voted against immunity. They have erected a stone wall against the facts so the American people will not know what is going on.

The American people have a right to know whether our foreign policy was altered or sold by anybody in the administration.

REPUBLICANS EITHER DEFENDING THE TOBACCO INDUSTRY OR ATTACKING DEMOCRATS ON THE CAMPAIGN FINANCE INVESTIGATION

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, there is an interesting intersection today very visible in the comments on the Republican side of the aisle. They are talking about two issues. They are either defending the tobacco industry or they are trying to attack Democrats on the campaign finance investigation.

Mr. Speaker, they want to speak for the tobacco industry because they have received millions of dollars in campaign contributions from that industry and refuse to investigate the corrupting influence of that industry on some of the official actions of their own leadership.

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They are criticizing Democrats for not participating in what has clearly been a reckless, partisan investigation in which the gentleman from Indiana (Mr. BURTON), the chairman of the committee, has abused his powers. These are not just my words. These are the words of The Hill newspaper today which declares we have "A Chairman Out of Control."

I am pleased Speaker GINGRICH is now focusing attention on the Burton committee. He did not respond to our letters asking for a joint investigation. He ought to now debate these issues, and I challenge him to come forward and debate whether this investigation and his role in tobacco deserves further scrutiny.

A QUESTION OF PRIORITY

(Mr. DELAY asked and was given permission to address the House for 1 minute.)

Mr. DELAY. Mr. Speaker, hypocrisy is a very tough word, so I will not use it in the context of the President's stance on tobacco. But let me just say that the President has his priorities wrong when it comes to his policies regarding children's health.

While he spends much of his time bashing tobacco, he has turned a blind eye to the skyrocketing problem of drug abuse in this country. Over 20,000 children a year die as a result of illegal drugs in this country, but the President's response has been to throw in the towel when it comes to the war on drugs. In fact, last week he not only condoned, but endorsed the free distribution of needles to heroin addicts. While the President is taking a cigarette from a teenager, he is giving them a condom and a needle to shoot up with heroin.

I think the President needs to get his priorities straight, Mr. Speaker. We should stop children from smoking, but first, we need to stop children from using illegal drugs.

GIVE CHOICE A CHANCE

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Mr. Speaker, I just want to alert my colleagues that tomorrow the House will vote on a bill that represents the best chance that thousands of District of Columbia parents will have all year to see real hope in their lives.

The bill, which will be offered by majority leader DICK ARMEY is the D.C. Student Opportunity Scholarship Act, which the Senate has already passed. This is very modest legislation, but it would give low-income parents a scholarship up to $3,200 so that they could select the school and the education that is most appropriate and best suited for their children. It would give D.C. parents an option of sending their children to a school where real learning takes place, where standards of discipline are enforced and their kids will be safe.

But the liberal Democrats who say they care passionately about public education are adamantly opposed to this bill and ironic it is that these liberals who would not accept for one second having their own children in these dangerous, dysfunctional schools stand in the way of District of Columbia parents having the choice to send their children to a school that performs and is safe.

This is hypocrisy at its worst, and the Washington, D.C. parents who desperately want to give their kids a real chance in life know it. It is time to give choice a chance, because when parents have the choice, their children have a chance.

PROHIBITING THE EXPENDITURE OF FEDERAL FUNDS FOR DISTRIBUTION OF NEEDLES OR SYRINGES FOR HYPODERMIC INJECTION OF ILLEGAL DRUGS

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 409 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 409

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3717) to prohibit the expenditure of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) two hours of debate on the bill equally divided and controlled by Representative Wicker of Mississippi or his designee and a Member opposed to the bill; and (2) one motion to recommit.

The SPEAKER pro tempore (Mr. BLUNT). The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, I would ask for every Member to turn on and watch this debate, because it affects every child in this country and every future child in the next generations to come.

Mr. Speaker, for the purposes of debate only, I yield half of our time to the gentlewoman from Rochester, New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, Mr. Speaker, all time yielded is for the purposes of debate only.

Mr. Speaker, I mentioned just a few minutes ago that I would wish that every Member would either come to the floor or would listen to this debate that is about to take place, because it does affect all of my children, my grandchildren, all of your children, your grandchildren, and future generations to come.

Mr. Speaker, this bill provides for consideration of H.R. 3717. It is a bill to prohibit the expenditure of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs under a closed rule. The rule provides 2 hours of debate in the House, equally divided and controlled by the gentleman from Mississippi (Mr. WICKER) and an opponent; and finally, the rule provides one motion to recommit.

Now, Mr. Speaker, I say to my colleagues, this bill was introduced on April 23 by myself, by the gentleman from Mississippi (Mr. WICKER), the gentleman from Illinois (Mr. HASTERT), the gentleman from Georgia (Mr. BARR), and our majority whip, the gentleman from Texas (Mr. DELAY). This legislation initiative and its counterpart in the Senate is a proactive response to recent disturbing events in the Clinton administration with respect to the needle exchange policy of the United States.

In recent weeks, it was reported that the Department of Health and Human Services Secretary Donna Shalala was going to ask the use of Federal funds in a needle exchange program as an effort to halt the spread of AIDS.

Now, Mr. Speaker, last Monday President Clinton, after I had contacted Erskine Bowles, the Chief of Staff of the President, President Clinton did not go along with that policy and changed his mind. He endorsed the use of needle exchange programs while refusing to allow Federal funds to be spent to subsidize it, and that is what this bill does here today.

Mr. Speaker, the point is, illegal drug use in this country is of critical importance to the health and to the safety of our entire Nation, but especially our children. The Clinton administration's endorsement of needle exchange programs is part of an intolerable message to our Nation's children sent by the White House that drug use is a way of life. Mr. Speaker, we cannot let that happen. This legislation says once and for all that there is no way that this government will take taxpayers' money and spend one penny of it to support a deadly drug habit.

We have heard a lot of rhetoric recently about saving lives and treating drug addiction by handing out free needles. Well, it is time for this Congress to stand up once again and to deliver a resounding message that drug use kills, and that the best way to deal with the addiction is to never use drugs in the first place, just like Nancy Reagan used to say when she was here, just say no. That is the message we ought to be sending, not handing out needles to these people. Hundreds of our children are falling prey to these killer drugs every single day, and thousands of them are killing themselves.

According to studies by the President's own, this is President Clinton's own Office of National Drug Control Policy, listen to this: 352 new young people try heroin every day, 352 more children, these are children, not adults; with more than 4,000 deaths attributed to overdoses every year. My gosh, what are we doing here?

Other studies have shown that drug use, and this is something I think that all of my colleagues ought to listen to, drug use is the common denominator in 75 percent of violent crime against women and children. That means that 75 percent of all of the crime against our children and our wives are drug-related.

Mr. Speaker, the bottom line is that needle exchange programs increase illegal drug use, and that is what we have to pay attention to in this debate. The evidence is absolutely clear. In 1986, in Switzerland, the Swiss began experimenting with needle exchange programs in an attempt to counter their drug problem. Within months, I say to my colleagues, the distribution stations turned into chaos centers. Needle exchanges grew to 15,000 per day in the major city in Switzerland. One park opened for needle distribution became a war zone between rival drug-dealing gangs, and that is true up in Montreal, it is true in Vancouver, it is true in Amsterdam, Holland, and it is true in the United States where there are needle programs.

Furthermore, the largest supporters of the Swiss needle exchange program are vocal proponents, that means they are supporters of, a nationwide heroin distribution program in Switzerland. In other words, this is giving away free heroin. And what has this great experiment given to this once wonderful country of Switzerland? Switzerland now has the highest heroin addiction rate and the second highest HIV infection rate in all of Europe.

And just across our border, as I just mentioned a minute ago, Vancouver, Canada has one of the largest needle exchange programs in the world. It has distributed over 1 million needles annually for the last 10 years, 1 million needles annually.

According to a study by the Office of National Drug Control Policy earlier this month, and this again is the President's own drug control policy, the HIV rates among participants in this program are higher than the HIV rates among injected drug users who do not participate in the programs. There is proof positive if we are going to give away these needles, we are going to increase heroin drug use. The death rate due to illegal drugs in Vancouver has skyrocketed since 1988 when this policy was first instituted, and during the month of March, the death rate in Vancouver was averaging 10 deaths due to drugs per week, 10 a week, deaths of a human being.

Furthermore, and this is, I think, so important, too, because some people will probably come to this floor and say that they want to help their neighborhoods by establishing these programs. Listen to this: The highest rate of property crime in Vancouver are within two blocks of these needle exchange distribution centers. In other words, they attract the drug sellers, they attract the criminals. As the number of needles exchanges grow, drug use rises, violent crime increases, and more people died in Vancouver. These are absolute facts.

Mr. Speaker, needle exchange programs do not save lives, they destroy lives. They destroy hope, they destroy opportunity, they ruin families, and they ruin communities, and in some cases they are actually destroying a Nation, like the Netherlands and like Switzerland. We cannot let that happen in this country.

I urge all of my colleagues to stand with General Barry McCaffrey, the President's drug czar, even though the President does not agree, the Director of the Office of National Drug Control Policy is, in his opposition to these needle exchange programs, says it would be a disaster.

Mr. Speaker, what is even worse is the President, even though he took our advice and said no Federal funds, but still supports the program, he is opposing this bill simply by having Mrs.

Donna Shalala out here right now. I will bet that there are Members that are receiving phone calls from her; even worse, they are receiving phone calls from the Surgeon General Satcher, and he is making calls rights today in Members' offices asking them to oppose this bill. Now, which way is it? Is the President supporting our bill, or is he not, because of the people that have worked for him who are out here trying to defeat him.

I urge all of my colleagues to reject the culture of heroin, which brings only despair and destruction, and embrace hope and opportunity. As elected officials we have a crucial responsibility right here in this House to tell our children that drugs are not hip, they are not cool, and I told my granddaughter that up at Saint Lawrence University up on the Canadian border where they are subject to so many drugs coming across that border every day now, it is turning into another Mexico with drugs coming across.

We need to provide leadership on this issue where the White House is missing. Drugs and crime kill and destroy families. Needle exchange programs exacerbate these problems, and we can prevent that by supporting this rule today which will bring to this floor the bill which, when signed into law by the President, will prevent Federal funds from funding these programs that are going to kill our children.

Mr. Speaker, I would ask Members who are interested in this debate to come over to this floor. It is vital to our children.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from New York for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, I want to talk about process this morning, because I think it is important. During my tenure here as a Member of the House of Representatives, I chaired an organization called the Organization on Study and Review, which set the rules of the House. And since the beginning, the inception of this Republic, this House has followed the rules. We set up the committee process because we wanted a full and thorough airing of every bill that came to the floor.

As the gentleman from New York (Mr. SOLOMON) has said, this bill was filed last Friday. It has had no process at all. It has simply gone to the Committee on Rules and directly to the floor, and, Mr. Speaker, it is going on a closed rule. No hearings have been held. As I mentioned, no committee action has been taken.

□ 1045

Now, the unfortunate thing here is that the Committee on Rules ignored the committee of jurisdiction. The ranking members of the committee and the subcommittee of jurisdiction asked for an opportunity to review, to amend, and to state their views on the legislation through hearings, markup, and committee reports; the process, Mr. Speaker, by which we operate. They were not allowed to have their wishes heard.

Mr. Speaker, one may ask what new, unanticipated crisis has caused the House to abandon its usual legislative process. Why do we have to deal with this immediately without the opportunity for the Committee on Commerce to examine the scientific and epidemiological facts that would enable the House to make an informed decision? It may simply be that, as usual, the House has nothing else to do. But in any case, these questions remain unanswered.

This bill would merely continue the existing administration policy. The rule is unusual in several other ways as well. The vast majority, almost all of our rules allow for only one hour of general debate which is controlled by the Chair and the ranking member of the committee or subcommittee of jurisdiction. That is our process, again.

This rule allows two hours of debate controlled for the majority by a Member who is not even on the committee of jurisdiction. The control of the minority time is left to a Member "opposed to the bill." The lack of due process, the closed rule, its unusual provisions, and the haste simply to confirm what is already current policy might lead a cynic to believe that this debate is not designed to help Members make a difficult choice about the best public health policy. No, this process and this rule do not foster deliberation, but are more conducive to a 2-hour campaign sound bite designed to label political opponents as less than vigorous in opposing illegal drug abuse.

Mr. Speaker, the Committee on Commerce and the full House should be thoroughly considering how best to stop the spread of HIV infection, not reaffirming a circumstance that already exists. The spread of HIV continues to rise in this Nation.

But in addition to opposing this procedure, I have concerns about the bill made in order by this rule. H.R. 3717 would place a permanent ban on the use of Federal funding for needle exchange programs.

Last week, Health and Human Services Secretary Donna Shalala announced that the administration would not, would not use Federal funds for these programs. This decision was made in spite of the fact that studies have demonstrated conclusively that needle exchange programs reduce AIDS transmission and do not, do not encourage illegal drug use.

This bill, Mr. Speaker, is a solution in search of a problem. The Secretary has stated in no uncertain terms that the administration will not use Federal funds for needle exchange programs, but here we are today on the House floor taking up a bill that offers a "me too" response an already announced decision. With our budget resolution already 2 weeks overdue, the House of Representatives should be using Members' valuable time to consider pressing new business, rather than reaffirming the status quo.

Mr. Speaker, I oppose this closed rule because it circumvents thoughtful consideration on an important public health issue.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

Mr. Speaker, I rise to oppose the rule and to express my strong opposition to the manner in which this legislation was reported to the floor of the House for today's vote.

This legislation was referred to the Committee on Commerce. The members of this committee, the Committee on Commerce, are entitled to review, to amend, to express their views on legislation referred to the committee through hearings, through markup, and through committee reports. Unfortunately, the Committee on Commerce members, Republicans and Democrats alike, Committee on Commerce members on both sides of the aisle were denied this opportunity.

As the ranking member of the Subcommittee on Health and Environment of the Committee on Commerce, I believe rushing this complicated and controversial legislation to the House floor without proper review is clearly at odds with the best interests of the House and ultimately the American people. This body does not produce the best public policy in the best interests of this Nation when we rush legislation to the floor in this manner.

Mr. Speaker, the issue of needle exchange programs and whether they help control the spread of HIV and AIDS or promote illegal drug use is highly controversial. Experts from across the country are deeply divided over this issue. Historically, needle exchange programs have been the subject of deliberations by the Committee on Commerce and the Subcommittee on Health and Environment.

In the 105th Congress, Mr. Speaker, neither H.R. 3717 nor comparable legislation has been subject to any such review. For these reasons I urge my colleagues, Republicans and Democrats alike, because Republicans and Democrats alike were denied the opportunity to discuss and amend and to talk about

this legislation, I urge my colleagues to oppose this rule and respect the regular order of the House of Representatives.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentleman from Ohio (Mr. BROWN), the previous speaker for whom I have a great deal of respect, he is a fine Member, but I do not think anybody knows more about the regular rules of the House than this Member who has been here for 20 years. I can almost recite this Bible, and perhaps some time the gentleman would like to sit down and talk about it.

But let me tell the gentleman what regular rules are. This bill was brought to the floor under regular rules. But what is even more important is that the bill must be on the floor today because tomorrow another life might be lost. Another life might be lost.

As far as public hearings on this, as far as the committee jurisdiction is concerned, this bill was debated last year at length with all kinds of hearings. A vote came on this floor and it passed 266 to 158. This is not a new issue coming to this floor. This is the same issue. And over the last year we have had more and more children ages 12 and 13 who have now taken up a drug habit; 12 and 13 years old, and there are even those that are 10 and 11 years old. And when we go a little bit higher in the 14 and 15-year-olds, I urge Members to go into their schools. Have they not done that? Do they not see what is happening?

Mr. Speaker, I had a very prominent businessman come to me, and he traveled a lot. He is a CEO of a company. Has a daughter who is an eleventh grader, and now she is hooked and he did not even know it. And we want to stand here and let needles be passed out to that girl? She will not live another 6 months.

Mr. Speaker, that is what this debate is all about.

Mr. Speaker, I reserve the balance of my time, before I say some things I should not, which I can do once in a while.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume, just to ask the gentleman from New York (Mr. SOLOMON), my friend, what part of his book and Bible over there says we file them on Friday and go to the floor on Wednesday. I would like to see it, if the gentleman could cite that for me.

Mr. Speaker, I yield 3½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

Mr. Speaker, for the very reason that the gentleman from New York (Mr. SOLOMON), my good friend, rises to the floor, I likewise rise in opposition both to the rule and the complete unreal proposition that this legislation offers. I also apologize to the American people for 3 hours of political infighting that this legislation suggests.

Mr. Speaker, I agree with both of my friends who have spoken before me that, one, this is a bad rule, and in fact it is a bad rule because it has not had a public hearing, it has not been considered before any committee in the House, and it is being rushed to the floor under a procedure which completely shuts out any amendments. That we can say is true. It is a closed rule for a very vital and crucial discussion.

I think it is important when we discuss issues of importance to the American people that we tell the truth as to what they want. I think the American people want a Patient's Bill of Rights. They want the ability to select their own physician, and yet that legislation is far from coming to the floor of the House. They want, most of all, for us to do a job that responds to their concerns.

Republicans and Democrats alike abhor the illegal use of drugs. All of us have come to the floor of the House and regularly voted or offered legislation to stem the tide of the devastation of drug use. We cry with our constituents, we attend funerals we would like not to attend, and we hope to God that some day we will be victorious.

This legislation is a travesty and a blight upon true medical science, and it plays into the hands of those who would use the lives of our children and those addicted for political purposes.

Mr. Speaker, this needle exchange program is not a program directed toward children using drugs. It is directed toward known addicted heroin addicts who through their use of dirty needles perpetrate, pass on the devastation of HIV.

These programs are programs that are orderly and conducted under medical precisions and medical procedures. These programs are combined with telling and teaching these heroin addicts about stopping and finding other ways and being treated. These programs are combined with intervention and prevention. These programs are combined with health care.

What are we saying to the HIV community? That we can pass funds on one hand to say that we support the Ryan White bill, but we cannot face reality? The Clinton administration's policy is a policy that I may not agree with, but it is a policy that allows for existing and viable programs to continue.

Mr. Speaker, this is legislation that is unneeded, redundant, repetitious, political. It is not about saving lives. It is wrongly here on the floor of the House. It is here without hearings. It is here without assessment of the medical science.

Mr. Speaker, this is a bad rule. This is a bad piece of legislation. I am going to err on the side of supporting saving lives, adult lives who engage in this terrible dastardly use of illegal drugs. Support the idea of using clean needles with supportive programs as well as funding, but most importantly, let us vote down this devastating piece of legislation that does nothing but kill Americans.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me respond to the previous speaker. The gentlewoman from Texas (Ms. JACKSON-LEE) is one of the most respected Members of this body on the other side of the aisle. Certainly I know she speaks from the heart, and reasonable people can disagree.

Mr. Speaker, the gentlewoman from the District of Columbia (Ms. NORTON) came to me and said, "JERRY, I am going to have to oppose you and I am going to be very, very emphatic about it." But she feels just as the gentlewoman from Texas does, and I respect those feelings.

But let me just say that I do not believe we should be pitting one constituency against another. I know we are all sincere in trying to do something about this terrible, terrible problem. And let me give an example of even why my constituency is at fault, a lot of them.

I mentioned before that 75 percent of all the crime against women and children is drug-related. But what props up the price and what makes this so terrible is that 75 percent of all the drug use in America today does not come from the inner cities, it does not come from the constituency of the gentlewoman from Texas. It comes from suburbia.

I am so ashamed to say that the upper middle-class people who use drugs recreationally on the weekend, this is where 75 percent of the drug use is. They are what causes these territories to be developed in the inner cities, because they drive their Pontiac Firebirds that cost more money than I can afford into the inner cities and buy these drugs, and take them back out and say it is okay to sniff a little cocaine on the weekend. We do not do it all the time, so we are not addicted. We are going to smoke a little marijuana. So my constituency is at fault the same as that of the gentlewoman from Texas, and maybe mine even more so.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, first of all I know that I have already acknowledged my sadness in the exciting retirement announcement made by the gentleman from New York (Mr. SOLOMON) yesterday. We have worked together, and I do appreciate

the point that the gentleman made about pitting constituencies against each other.

I will just close with this. We have both, Republicans and Democrats, risen at any different time to fight against illegal drugs.

Mr. SOLOMON. Yes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would raise the concern, the gentleman mentioned cocaine and marijuana. The needle exchange specifically focuses on the dastardly use of heroin by addicted persons. My concern is on this legislation, that I have, and maybe also in suburbia, many individuals who, and let me just say in the inner city, who would benefit from the program. We are specifically talking about a clean needle which ultimately may result in the passage or the transmitting of HIV.

Mr. Speaker, I do welcome the gentleman's point about not pitting constituencies against each other. I hope we do not. And I look forward to working with the gentleman.

□ 1100

Mr. SOLOMON. Mr. Speaker, I thank the gentlewoman. Again I have great respect for her.

Mr. Speaker, I am using up all of our time over here, but let me yield such time as he might consume, and I hope it is not more than 4 or 5 minutes, to one of the outstanding orators of this body, the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I thank the chairman for yielding to me. And I, too, as the gentlewoman from Texas (Ms. JACKSON-LEE) has stated, am sad to hear about the gentleman from New York leaving us and shocked a little bit.

America is overrun with narcotics, and I am trying to figure Congress out. I was a sheriff, and I ran the drug treatment program for 11 years. So help me, God, if there is any common sense left, I cannot find it.

Well, 70 percent of our narcotics, heroin, cocaine, come across the Mexican border, and Congress allows the Mexican border to be technically wide open. And out of frustration to stop all of this, now there are those that want free needles to stop the spread of AIDS. Unbelievable.

Every study shows that free needles produce and perpetuate more dependence, more overdose, more violence, more despair, but out of frustration, Congress is willing to try anything but some common sense. Tons and tons of heroin and cocaine are coming across the border, and we are debating free needles.

But it takes me back to something else here. Over the years, if anybody is watching this debate or really cares, and they do, we allow Communists to work in our defense factories. The Constitution, they say, ensures that mass murderers shall have law libraries, free condoms to protect us from all this elicit sex, and now free needles to combat this great problem.

But after all of this, many people say the Constitution says no school prayer is allowed. Condoms, drugs, needles, Communists, that is all okay when stretched under some code of the Constitution, but school prayer is not. Is it any wonder we are so screwed up in America and we are so overrun with narcotics?

I believe we have so many do-gooders around here that they have abused the Constitution to the point where our country is limping into the next century, literally. I believe these do-gooders mean well, but, in my opinion, they have no common sense, and they are so dumb, if they throw themselves on the ground, they will miss the floor.

I say America would be better off with school prayer and without condoms and needles. And if we do not get back to a little common sense, I do not know what is left. But if we want more addiction, more violence, more dependence, then go ahead with free needles, because those addicts that are out there now will not even be responsible to return the needles they are using now. They will continue to irresponsibly share needles provided by the government.

I do not normally support closed rules, but I support the rule. I support the bill. I would like to stand up for a little bit of common sense if there is anything left under such guise in our country.

Ms. SLAUGHTER. Mr. Speaker, I want to comfort my friend, the gentleman from Ohio (Mr. TRAFICANT), to remind him that there will be no Federal money being used for needle exchange. What we are doing this morning is simply restating the obvious.

Mr. Speaker, I yield 5 minutes to the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN).

Ms. CHRISTIAN-GREEN. Mr. Speaker, I would like to thank the gentlewoman from New York for yielding me this time.

Mr. Speaker, I rise to oppose the rule and bill, H.R. 3717. I consider it a privilege to be a Member of this august body, as I represent the Virgin Islands. It is truly a pleasure to serve with you and my colleagues.

I must admit, however, to one recurring frustration, and that is that too often research findings, even scientific or social, do not dictate or influence our policies or our legislation.

Mr. Speaker, this is unacceptable, which brings me to H.R. 3717. The time has come to stop fighting the war against AIDS on the altar of political correctness and treat this disease as the public health crisis that it is. The reality is that our people are dying, and they are dying in epidemic numbers.

Among women and children with AIDS, African Americans and Hispanics have especially been affected, representing approximately 75 percent of cases reported among women and more than 80 percent of cases reported in children. And 63 percent of all AIDS cases among women are related to sharing needles and syringes for the injection of drugs or through sex with an intravenous drug user.

Mr. Speaker, we know that needle exchange programs can reduce HIV infection by more than 30 percent, and that making available clean needles is an important part of a broader-based strategy to reduce HIV infection and deaths from AIDS. Other important factors which also must be addressed are improved and effective prevention strategies and increased access to treatment.

While it has never been shown that providing clean needles encourages drug abuse, what we do know is that drug addicts or drug-addicted individuals who are not under treatment will not stop using drugs just because sterile needles are unavailable. They will simply continue to use contaminated and often infected needles, continuing to infect innocent women and children.

In 1995, the cost of treating the 25,000 cases of needle- or syringe-sharing related AIDS cases was more than $3 billion. Hundreds of millions of dollars are spent on mindless ads against drugs and AIDS, which will be ineffective, while, by comparison, a fraction of those dollars will support a program that has been unequivocally proven effective at preventing HIV/AIDS transmission.

Mr. Speaker, we represent all of the American people and are sent here to protect and serve their best interest. We have an obligation to do what we know can save lives when we know that those women and children are at risk.

As a physician and former public health official, I am compelled to support the use of Federal programs for needle exchange, and I would urge all of us to do so. But if we do not fully understand the issue or have concerns about these programs, or even if we disagree, there is one thing we should all be able to agree on, and that is amending the Public Health Service Act is a serious matter and must not be done hastily without having been given due consideration by the committee of jurisdiction.

My colleagues, I plead with you to be guided by sound scientific research and the thinking of our best public health minds, not politics. Let us value the lives of all Americans, oppose the rule, and vote no on H.R. 3717.

Ms. SLAUGHTER. Mr. Speaker, I yield 5½ minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, first let me join those who regretted to hear

the leaving of this battlefield from one of our great warriors, someone that speaks his mind and has very strong convictions.

Mr. Speaker, I was interested in identifying to the gentlewoman from Texas (Ms. JACKSON-LEE) where we are finding so much abuse in the white middle-class suburban area. I remember, over 35 years ago, I was trying to convince people in America that drugs would not be confined to the inner city, that we cannot just identify a minority group because they are poor and hopeless and think that the profiteer people would not enlarge their market.

For those who want to say that this Nation has not done enough to deal with this devastating problem, which I think is a threat to our national security, I am certainly prepared to join hands with those Republicans and Democrats to do just that.

We cannot go into this next century having a million and a half people locked up in jail where 80 percent are there because it is a drug-related crime. I think I share in the sentiments of most people to believe that we have to resort to the distribution of sterile needles to deal with a health crisis that we have in this country.

The gentleman from New York (Mr. SOLOMON) and I may agree that we are not tackling this problem the way that we should, but just saying no, just saying no is not even looking for a solution to this problem. If we wanted to find out whether or not the support of Federal-supported needle exchange is going to increase the problem, if we wanted to find out does it really decrease the spread of HIV, if we want to find out whether lives could be saved, whether Federal dollars could be saved, whether this terrible and tragic disease could be held back, we do not do this with a resolution, we do these things with hearings. We search for the truth. We do not ask Members just to say no.

There are a lot of answers that we are searching for, but to ask Members to come to this floor just to direct that our Federal Government defy all scientific evidence before we have had an opportunity to weigh it, and when we know that we are talking about the saving of lives, if we are wrong, how many lives will be lost? They are doing this anyway. Our soul would not be any more cleansed if this thing passes than if we waited to see what the results are going to be.

But what I am afraid is happening is that this is not a legislative body that we are dealing with anymore. This is a campaign committee. It is how many issues can we vote on to determine how we stand on something.

One of the major issues that we are facing today is getting rid of the IRS, pulling up the Code by its roots. But when it comes to legislation, what we vote on is a supermajority in order to increase taxes.

One of the major issues we have today is whether or not the Social Security system is going to be strong enough for our children and our children's children. What are we voting on today? To have some horse and pony show run around the country and discuss the issue.

One of the serious issues we have today is whether or not drug addiction is going to expand, whether or not we can control AIDS, whether or not people can live, whether or not people can die, and whether or not the distribution of needles can save lives. Are we going to study this? Are we going to have hearings? Are we going to have the experts in? Are we going to have the scientists in? Or do we just say no?

I wish this issue had not come before this floor in this present body, because what we are saying is that we do not trust the United States Congress. We do not trust Democrats. We do not trust Republicans. We do not trust committees. We do not trust subcommittees. Why? Because the Committee on Rules knows best.

Did the Committee on Rules have hearings? Did the Committee on Rules bring in experts? Did the Committee on Rules know that we are not talking politics? The people that have taken to this floor trained in medicine are talking about lives and not talking about drug policy.

We say we do not want to divide groups. The only way that we can avoid this, and I believe the gentleman from New York is sincere, is that we say that the appropriate committees study this issue and report back to the House of Representatives. With all due respect to the Committee on Rules, it is not a legislative body. It has not had hearings. This issue is too serious just for us to say no.

Mr. SOLOMON. Mr. Speaker, would you identify the amount of time remaining for each side.

The SPEAKER pro tempore (Mr. BLUNT). The gentleman from New York (Mr. SOLOMON) has 12 minutes remaining. The gentlewoman from New York (Ms. SLAUGHTER) has 11 minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I do say to my good friend, the gentleman from New York City, New York (Mr. RANGEL), I mentioned earlier that I have great respect for the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentlewoman from the District of Columbia (Ms. NORTON). If it is possible, I have even greater respect for that gentleman. The gentleman from New York knows it.

The gentleman from New York and I disagree on many things, but we listen to each other. I listened to him back in 1990 when I read the USA Today on November 8 when my good friend the gentleman from New York (Mr. RANGEL) said our goals should be to eliminate drug abuse, not to find a cleaner, safer way to do it.

□ 1115

Sure, IV drug abusers put themselves at risk of AIDS through sharing needles, and certainly we want to slow its spread, but there are better ways than giving addicts needles to do their drugs.

And the gentleman, I know times change and I know he still feels that way, but, again, there are probably reasons why he might feel a little differently today. But he is absolutely right. We cannot just say no. That does not accomplish it all. We still have to have a Federal policy of interdiction to stop these drugs from coming across the borders wherever, and he has been a leader on this, Mr. Speaker. We have to have an education program, and we have to have a treatment program.

So it is not, just say no. The gentleman is so right. It takes a lot. But at least we ought to be focusing and setting the example here in this Congress and not using the Federal dollars, as he stated back in 1990.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Athens, Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the chairman of the Committee on Rules, the gentleman from New York (Mr. SOLOMON) for yielding me this time; and I rise in support of the rule.

I really and truly believe that needle exchange programs are an unintended, very cruel thing to do to addicts. I believe it is the equivalent of giving an anvil to a drowning man and saying, well, here is something to stand on; maybe you can get your head above the water.

I think the Democrats basically feel this way, despite the rhetoric we hear today. Because they really do not want to fund needle exchange programs. And, as they know, President Clinton does not want to either. So to say that needle exchange programs have a consensus among the Democrats is probably wrong, too.

There is a lot to be discussed here. Let us look at the Vancouver case. Now, the Vancouver needle exchange program started 10 years ago. They have given out, since that time, millions and millions of needles, in fact, two-and-a-half million needles last year alone. During that period of time, HIV, among participants, is higher than the HIV rate of those who do not participate. The death rate has skyrocketed.

In 1988, in Vancouver, there were about 18 drug-related deaths. In 1993, there were 200 drug-related deaths. In terms of property crime, in the two-block area around the needle exchange program, Vancouver has the highest property crime rate in the whole city.

Does it work? I would say, well, maybe we cannot just prove everything because of the dismal Vancouver results, but the fact is that surely this scares people and gives us cause for alarm.

The administration is very obsessed with tobacco. There are a lot of good ways, and there is the bill of the gentleman from Georgia (Mr. SANFORD BISHOP) that I think would greatly reduce teen tobacco usage. But the administration and the Democrats are not talking about the Bishop Democrat bill because it does not raise money.

What the tobacco debate still seems to be about is putting a tax on America's working poor and creating 17 new Federal Government agencies with hundreds of Washington bureaucrats who can run our lives. That is why the Democrats seem to be obsessed with tobacco.

And while I am very concerned about it and while I think the Bishop bill has a lot to offer and I do plan to support it to crack down on teen smoking, what is interesting is that the Democrats really are not interested in that. They are just interested in growing the government and raising taxes, and because of that they have ignored the drug problem.

During the Clinton administration, albeit teen smoking rates have gone up, drug usage rates have gone up a lot more. During that period of time, convictions have gone down. We need, as we crack down on the drug use and get active in the drug war, we need more convictions, we need more interdiction, and we need more treatment.

Let me close with this sentence from the head of the Vancouver-Richmond Health Board who said, "I can have all the needles I want, but they won't give me a single drug treatment bed." If we want to help people who are addicted to these horrible drugs, we need to give them treatment, not free needles.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume to add to the litany of things mentioned by the gentleman from New York (Mr. RANGEL) that we wish we were doing on the floor of the House.

I have a piece of legislation to protect every American from loss or exorbitant costs of health insurance because of their genetic makeup. It has almost 200 sponsors in this House, bipartisan, over 100 outside groups that collectively represent a third of the American population, yet I cannot even get an answer from the committee chair to give us a hearing. But, nonetheless, the process has gone by the way; and today we are doing what we are doing.

Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I rise in opposition to the rule and to the Solomon bill which would permanently prohibit Federal funding for needle exchange programs.

First, let me say that I am deeply disappointed with the administration's recent decision not to restore Federal funding for the program, and I hope in the future the administration will listen to the scientific community, the public health experts that have spoken so eloquently because of the studies that have clearly demonstrated that lives are being saved and more lives can be saved by funding the program.

This legislation that we are debating today would end any hope that this decision could ever be corrected. As the AIDS epidemic continues, we have to continue to support efforts by local authorities. There has been so much talk in this Congress that we should pay attention to what is going on in the States and in local government. Well, they have demonstrated by the implementation of the needle exchange programs that they use all the prevention methods that are available and that this is prevention. It helps to prevent the spread of this dreaded disease and save lives.

Numerous scientific studies demonstrate that needle exchange is effective in preventing HIV infection amongst drug users, their spouses and their children. And this group today now represents nearly 50 percent of new HIV infections. In more than 50 cities, needle exchange programs operate on shoestring budgets, and many are run by volunteers. Despite these difficulties, the programs have been largely effective in reducing the spread of AIDS.

Now, what has not happened, what has not happened, and I think this is very important for us to state this, because it has been documented, it has not demonstrated a use of more drugs. That is not the case. Very easy to come to this floor and use inflammatory language and say that this is going to increase the use of drugs. It is not what has been demonstrated at all.

But there are those that would come to the floor under the guise of being tough on drugs and crime and state that that is the case. It is not.

The studies demonstrate that needle exchange does not lead to increased drug use among participants in the programs, does not increase crime, and does not encourage first-time drug use.

One of my colleagues came to the floor and said that all common sense has been lost. I was taught that the most uncommon of the senses is common sense. It is very easy to come here and rail. It is another thing to have read the studies by some of the leading scientific experts in our country.

So I come to the floor today, really, on an issue that I know can be used against some Members of Congress that would have the courage to come here and say that needle exchange does work. We can indeed save lives. It is the right thing to do.

Do not allow politics to come before science. I ask my colleagues to vote against the rule and the bill.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to note that the gentlewoman from California's comment that the Solomon bill prohibiting Federal funds being used for needle exchange programs is permanent is true. It sends the very strongest message that we can that we do not want to encourage the use of drugs.

However, any law is only as permanent as this Congress wants it to be. Day after tomorrow, this Congress could change its mind and pass another law making it legal. So I wanted to make that point.

Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Speaker, I want to thank the chairman of the Committee on Rules for bringing this bill to the House floor and particularly for this rule, because I think it is important that we have an opportunity to debate one of the leading causes of crime in America today and that is the use of illegal drugs. We have seldom an opportunity to debate this, and I am delighted that the gentleman has this measure on the floor today.

I find it ironic that the Clinton administration and many on the other side of the aisle spend most of their time talking about reducing teenage smoking, and that is very important, but that is not the immediate threat to young people today as is the use of illegal drugs.

As far as scientific studies and experts, I would just like to read an article from the New York Times which is quoting Dr. James Curtis, a professor of psychiatry at Columbia University's medical school, relating to needle exchange, which many people on the other side of the aisle want to advocate.

He says,

> For the past 10 years, as a black psychiatrist specializing in addiction, I have warned about the dangers of needle-exchange policies, which hurt not only individual addicts but also poor and minority communities. There is no evidence that such programs work. An addict is enrolled anonymously, without being given an HIV test to determine whether he or she is already infected. The addict is given a coded identification card exempting him or her from arrest for carrying drug paraphernalia. There is no strict accounting of how many needles are given out or returned. And the studies found that those addicts who took part in such exchanges were two or three times more likely to become infected with HIV than those who did not participate.

So I would send a challenge to this administration and our friends on the other side of the aisle. Let us get serious about the real problem facing the youth of today. It is not so much teenage smoking as it is the use of illegal drugs.

Once again, I commend the chairman for bringing this issue to the floor.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, as I listen to the debate, I wondered why do we have this bill up at this moment? There is no urgency, except for the fact that we read last week that the number of HIV infections is going up, even as more people with AIDS are living longer because of drug therapy. Today, we are not spending Federal dollars for needle exchange programs, although some people think it might be a good public health strategy to reduce the spread of AIDS.

Ordinarily, when we get people saying a policy is worthwhile and others saying it is not, we would hold hearings and we try to find out the truth. But this bill is being brought up without the committee that has jurisdiction holding any hearings, without hearing from the Surgeon General, the American Medical Association, and the public health community to learn the truth. This bill is being brought up now, it seems to me, for political reasons.

What would be the political reasons involved? Well, it is always great politics for someone to say they are against drug addiction. We can all say that. We are all against drug addiction. But there is another political reason. It seems to me that if I were part of the Republican leadership and my party had received millions of dollars from the tobacco companies, I would want to change the subject. I would want to talk about drugs. It is an important issue, but it is not being handled in a responsible way that an important issue should be handled.

I would want to talk about how the Administration is trying to go after kids and tobacco and also want to talk about drug abuse. Of course, today's debate is not about drug abuse and kids. This is about HIV and drug abuse prevention programs that work, not with Federal funds but at the local level.

So I think that the American people ought to understand what is going on here today. If I were going to try to take people's minds off the fact that over 450,000 people die each year in this country from smoking-related diseases, while only a fraction of that number of people die from illicit drug use. Tobacco is such an enormous problem, that I would try to minimize that problem by trying to change the subject.

If we are going to do a scientific evaluation of needle exchange, we ought to ask the people who know about it to give us some guidance. The Secretary of Health and Human Services has done that, and she concluded that needle exchange programs lead IV drug users into drug treatment programs to rid themselves of drug addiction.

□ 1130

This is a very worthwhile result. But she also said that the National Institutes of Health that have looked at needle exchange and determined that it has reduced not only the incidence of illicit drug use, but reduced the spread of HIV infection.

Congress wrote a law that was responsible for this evaluation. We said we do not want any Federal funds to be used for needle exchange programs unless we can be clear that it is not only a good strategy to stop the spread of HIV, but it is also going to discourage, or at least not encourage, the use of illegal drugs. And if there were a positive finding on both of those areas, Federal funds could be then available. The Secretary made a finding that both circumstances apply to these needle exchange programs; yet the administration's position is no Federal funds still would be permitted.

So why do we have this bill up today? This bill says no matter what we learn from experiments, we will never allow federal funding of needle exchange programs. Why should we take that kind of position? Why should we determine forever what the policy will be, especially in the face of so much evidence that is extremely effective in stopping the spread of HIV and also in discouraging people from using illegal drugs?

The regular order of Congress should be to permit the committees that have jurisdiction and Members that have knowledge, to hold hearings and evaluate these issues. What we are being told today is to pass a rule, to take it away from the committee, to have no hearings, to not think about the issue beyond a few slogans and cliches, and to immediately pass a bill so we can go home and claim we have done something, when in fact no real-world result will come from our efforts.

The SPEAKER pro tempore (Mr. BLUNT). The gentlewoman from New York (Ms. SLAUGHTER) has 2½ minutes remaining, and the gentleman from New York (Mr. SOLOMON) has 5 minutes remaining.

Mr. SOLOMON. Mr. Speaker, before I yield, let me just say to my good friend, the gentleman from California (Mr. WAXMAN) that I have great respect for him. I am surprised, though, that he brought the politics into the debate. We have tried to keep this on the highest plane, and I commend all the Members for having done so.

Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from New Jersey (Mr. PAPPAS), a new Member of this body.

Mr. PAPPAS. Mr. Speaker, I thank my friend the gentleman from New York for yielding me the time.

My colleagues, America is watching. This debate is probably one of the most significant debates that we will be having, because the future of our young people are so dependent upon the drug culture in our country.

Members of this body meet with children. I do. Just as I was walking into this building just a few moments ago, there were four or five Members speaking with young people from their districts. When I interact with the young people from my district, I ask them a question: "What are the issues that you are most concerned about?"

Nine out of ten speak to me about their concern for drugs and the drug culture that they are facing and that we all are exposed to of the illegal drugs. They talk about how quickly they can purchase it if they choose to. They talk about how they do not understand how the system does not seem to support efforts to cut down on drug usage and to punish those that are using drugs. They are frustrated that their teachers and school administrators do not seem to have the support of the system, as they put it, to discipline those young people who are undertaking drug usage and dealing with it.

Today there are 10 young people who are members of the 4-H program from my district that I am going to have lunch with in just less than half an hour, and I am going to speak to them about this debate and encourage them to be a part of it, as so many young people are.

Mr. Speaker, this is a mixed message that we are sending to our country, and I applaud the efforts of my colleagues in this House to bring this resolution forward. We owe it to our young people.

Ms. SLAUGHTER. Mr. Speaker, I yield 1¼ minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, the issue here today is whether or not we are going to make decisions on the basis of science, or are we going to have the politics of gesture.

Now, there is clear evidence that the program that has been operating in the Northwest for the last few years has been very effective. And, in fact, the article by the authors from British Columbia that is widely quoted as saying the needle exchange does not work contains the sentence that says, "The authors must point out that the officials who have used this information have misrepresented our research."

The fact is that in the Northwest, it is operating in nine counties. The AIDS infection rate in Seattle and Tacoma is 3 percent among drug addicts; whereas, in the South and in the East, in New York City and in other places, it is between 20 and 30 percent. There is clear evidence that this is effective in reducing the infection rate.

Mr. Speaker, I include for the RECORD the following article that appeared in the New York Times today called "The Politics of Needles and AIDS" and also an article in the Seattle Post Intelligencer by the Superintendent of Public Instruction, Judith Billings:

[From the New York Times, Apr. 9, 1998]

THE POLITICS OF NEEDLES AND AIDS

(By Julie Bruneau and Martin T. Schechter)

Debate has started up again in Washington about whether the Government should renew its ban on subsidies for needle-exchange programs, which advocates say can help stop the spread of AIDS. In a letter to Congress, Barry McCaffrey, who is in charge of national drug policy, cited two Canadian studies to show that needle-exchange plans have failed to reduce the spread of H.I.V., the virus that causes AIDS, and may even have worsened the problem. Congressional leaders have cited these studies to make the same argument.

As the authors of the Canadian studies, we must point out that these officials have misinterpreted our research. True, we found that addicts who took part in needle exchange programs in Vancouver and Montreal had higher H.I.V. infection rates than addicts who did not. That's not surprising. Because these programs are in inner-city neighborhoods, they serve users who are at greatest risk of infection. Those who didn't accept free needles often didn't need them since they could afford to buy syringes in drugstores. They also were less likely to engage in the riskiest activities.

Also, needle-exchange programs must be tailored to local conditions. For example, in Montreal and Vancouver, cocaine injection is a major source of H.I.V. transmission. Some users inject the drug up to 40 times a day. At that rate, we have calculated that the two cities we studied would each need 10 million clean needles a year to prevent the re-use of syringes. Currently, the Vancouver program exchanges two million syringes annually, and Montreal, half a million.

A study conducted last year and published in The Lancet, the British medical journal, found that in 29 cities worldwide where programs are in place, H.I.V. infection dropped by an average of 5.8 percent a year among drug users. In 51 cities that had no needle-exchange plans, drug-related infection rose by 5.9 percent a year. Clearly these efforts can work.

But clean needles are only part of the solution. A comprehensive approach that includes needle exchange, health care, treatment, social support and counseling is also needed. In Canada, local governments acted on our research by expanding needle exchanges and adding related services. We hope the Clinton Administration and Congress will provide the same kind of leadership in the United States.

[From the Seattle Post-Intelligencer]

NEEDLE EXCHANGES HELP STEM FLOW OF AIDS/HIV

(By Judith A. Billings)

As a woman living with AIDS, I am angry that our government's silence on needle exchange programs has led to new HIV infections and needless human suffering. I am angry because politics, not sound public policy, continue to block needle exchange programs that could save thousands of lives.

The statistics are too grim to ignore. Every day, 33 Americans contract HIV through injection drug use. More than half of all new HIV infections occur among injection drug users, their partners and their children. According to the Centers for Disease Control, an estimated 85 percent of new AIDS cases among heterosexuals, and 66 percent of the cases among women, were linked to injection drug use. The overwhelming majority of children born with HIV infection have a parent who injected drugs.

Across the nation, communities of color bear an overwhelming share of the burden, with injection drug use representing nearly half of all new HIV infections among African Americans and Latinos. We cannot allow that to continue.

As a member of the President's Advisory Council on HIV/AIDS and as chairwoman of our state's Governor's Advisory Council on HIV/AIDS, I join other advocates in calling for the removal of federal restrictions on funding for needle exchange programs. Scientific evidence, backed by the American Medical Association and the American Public Health Association, demonstrates that needle exchange programs prevent the spread of HIV without contributing to drug use.

President Clinton and Health and Human Services Secretary Donna Shalala have the ability to advance the policy debate by publicly supporting needle exchange programs. Shalala should exercise her authority to declare that the programs meet congressional eligibility requirements for federal funding: Needle exchange helps prevent HIV infections and does not increase drug use. Five federally funded studies have recommended removing the ban on federal funding for needle exchange programs. The scientific evidence mandates such a move.

Yet the Clinton administration is divided from within on the issue. A public battle has developed, pitting two of Clinton's respected advisers. Sandra Thurman, the White House director of national AIDS policy, is the first person in her position to publicly call for the removal of the ban on federal funding for all needle exchange programs. She knows that thousand of injection drug users, their partners and their children have died unnecessarily as a result of current policy.

On the other side, Gen. Barry McCaffrey, director of national drug policy, maintains that needle exchange programs send a message of tolerance to young people and are contrary to our nation's war on drugs. That is refuted by a National Institutes of Health research panel, convened at the request of Shalala, who found that needle exchange programs do not increase and may, in fact, decrease drug use. The misguided belief that exchanging sterile needles for contaminated ones will encourage young people to use drugs continues to drive the spread of HIV.

Needle exchange also reduces the financial cost of the AIDS epidemic. Health officials estimate that by preventing just one HIV infection, a needle exchange program saves taxpayers $119,000 in medical costs. The programs saves lives and financial resources. But needle exchange programs are not available everywhere, with the consequence of placing thousands at risk for HIV infection.

Washington state has led by example. Our state is home to the first needle exchange program in North America. Local public health authorities, working with community-based organizations, embraced needle exchange programs as one tool in a comprehensive HIV-prevention strategy. Needle exchange programs now operate in eight Washington counties, serving most metropolitan areas. The programs are credited with keeping the percentage of HIV-positive injection drug users in Washington lower than in regions that waited to establish needle exchange programs. In Seattle and Tacoma, less than 3 percent of injection drug users are estimated to be HIV-positive, compared to 20 percent to 30 percent in some East Coast and Southern cities.

I applaud local public health authorities and community-based organizations for allowing science, rather than political rhetoric to dictate policy on needle exchange. Our state has saved thousands of lives and has helped hundreds of addicts seek drug treatment. Given this success, our state's congressional delegation should lead the effort to ensure a full federal-state partnership in the fight against AIDS.

Other states and communities deserve the opportunity to prevent new infections through needle exchange programs. Our communities need to send one clear message to Congress and the Clinton administration: Immediately remove federal restrictions on funding for local needle exchange programs.

Today, 33 of our friends, neighbors, coworkers and children will wish we had done so earlier.

Ms. SLAUGHTER. Mr. Speaker, I yield 1¼ minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentlewoman for yielding me the time.

I ask fervently for the defeat of this provision based on its wording: "Directly or indirectly," it says. That is a virtual death sentence, especially for black and Hispanic men, women, and children, who, in hugely disproportionate numbers, are dying of AIDS, and the science tells us now that this is needless.

A third of all AIDS cases come through needles. We are setting a terribly dangerous precedent here. The Committee on Appropriations said, let us not do something dumb. Let us ask the world-class scientific investigators.

Now they have asked, and they have heard the answers. Three criteria we said had to be met: No spread of drugs, no spread of AIDS, and save lives. They tell us, dramatic saving of lives. NIH, NAS, GAO. And the most that Mr. McCaffrey, who should resign, can think to do is try to pick off members of the Black Caucus, who rise, almost all of us, to say that indeed this disease which is spreading (and it is the leading killer in our community) can, in fact, be eradicated if we can get to the hard-core addicts, clean needle for dirty needle, until we finally lure them into treatment.

Do not vote for death in our communities. Vote for the science. Do not say, look, give us the facts, and then say, we do not want to be confused by the facts, we choose death.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON) has 3 minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Again, the gentlewoman from the District of Columbia (Ms. NORTON) was not on the floor when I heaped praise on her and told the body how much I thought of her; and I really do.

But Mr. Speaker, Members have come to this floor, I guess, all from that side of the aisle, and I do not try to play politics in saying that, but like Mr. WAXMAN before, he has asked for a delay of this bill, and he asked what is the urgency; and my colleagues, the urgency is that one more child should not

be hooked on drugs. It is so, so pathetic.

Let me just read the bill. It is a one-paragraph, simple bill. It does not require a lot of hearings. Everyone knows how they are going to vote on this bill. It says, "Notwithstanding any other provision of law, none of the amounts made available under any Federal law for any fiscal year may be expended directly or indirectly to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug."

Mr. Speaker, first of all, it is a fact, the exchange needle programs increase drug use. Go with me to any city, any area in any city in the United States or in this world, in Amsterdam, in Switzerland, in Montreal just above my district.

This Federal Government should be doing everything that it possibly can, not to just say no, but we need to, in fact, direct all of our attention to interdiction to try to keep these drugs out of the hands of our children. We ought to do all we can to treat those that are unfortunate enough to have already been taken over by these illegal drugs. And then we should do all that we can to educate our children. It is their lives we are talking about. And by creating a program that is encouraging the use of illegal drugs, we just cannot do it.

Ms. NORTON. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Mr. Speaker, I do not have any time, or I would. But there is going to be 2 hours of general debate coming up, and I will be glad to enter into a colloquy with the gentlewoman.

But I just hope that Members come over here and vote for the rule, and then let us have the dialogue between us. Let us talk about the problems. But let us try to keep the politics out of it because we are not talking politics. We are talking about the lives of our children, and that means so much to all of us. I urge support of the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

Mr. WICKER. Mr. Speaker, pursuant to House Resolution 409, I call up the bill (H.R. 3717) to prohibit the expenditure of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H.R. 3717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION REGARDING ILLEGAL DRUGS AND DISTRIBUTION OF HYPODERMIC NEEDLES.

Part B of title II of the Public Health Service Act (42 U.S.C. 238 et seq.) is amended by adding at the end the following section:

"PROHIBITION REGARDING ILLEGAL DRUGS AND DISTRIBUTION OF HYPODERMIC NEEDLES

"SEC. 247. Notwithstanding any other provision of law, none of the amounts made available under any Federal law for any fiscal year may be expended, directly or indirectly, to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.".

SEC. 2. CONFORMING AMENDMENT.

Section 506 of Public Law 105-78 is repealed.

The SPEAKER pro tempore. Pursuant to House Resolution 409, the gentleman from Mississippi (Mr. WICKER) and the gentlewoman from California (Ms. PELOSI) each will control 1 hour.

The Chair recognizes the gentleman from Mississippi (Mr. WICKER).

Mr. WICKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first take this opportunity to commend and thank the gentleman from New York (Mr. SOLOMON) for the legislation which is before us today. Although my colleague still has several more months remaining in this Congress and a lot more work to do, let me be among the many to express my gratitude to him for his service to his community, to the military, to this institution, and to his State and Nation.

I also at this point want to note the leadership and tireless efforts of the gentleman from Georgia (Mr. GINGRICH) in leading the war on drugs and the significant contribution of the gentleman from Illinois (Mr. HASTERT), chairman of the Task Force for a Drug-Free America, who is working with Members of Congress and communities across the country in an effort to stem the tide of illegal drug use.

I rise today in strong support of this legislation, which has at its center a very simple premise: The Federal Government should not be in the business of supplying IV needles or syringes to drug addicts.

Let me point to this graphic. Mr. Speaker, this photograph very vividly points out the sad, regrettable, dangerous, and even deadly issue that we are talking about today.

□ 1145

Under a needle exchange program, an individual such as the one depicted here uses a hypodermic needle to inject an illegal and harmful and deadly drug, such as cocaine or heroin, then hands over that contaminated needle at a facility in exchange for a clean needle which can then be used in further illegal activity. In many cases, the illegal drug user will be given a permission slip which would authorize him or her to carry the otherwise illegal drug paraphernalia. A needle exchange program facilitates an act which is in fact illegal, which is in fact a felony in most of the United States of America.

The festering disease of illegal drugs is eating away at our society. We have witnessed a dramatic rise in drug use during the last several years, particularly among our young people. The failure of our country to have a coherent drug policy which emphasizes education, prevention and a strong anti-use theme is having a disastrous effect.

This very day, more than 8,000 young people across America will use an illegal drug for the first time. Illegal drug use is tearing at our social fabric, ripping apart families and corrupting our children. Fifty-four percent of high school children have used illegal drugs. The use of heroin, a drug which is almost exclusively injected intravenously, has quadrupled, has increased fourfold, just since 1994. According to a University of California study last year, the social cost of drug abuse amounts to $67 billion per year.

Clearly we must act. It is our duty, our obligation to society and to our children to act promptly, to act responsibly and to eliminate the scourge of illegal drugs. The government does indeed have an important role in winning the war on drugs in America. But using tax dollars to hand out free needles to drug addicts is not the right way to go about addressing the crisis of drugs in our communities. In fact, it is exactly the wrong way.

To begin winning the war on drugs, we should instead be emphasizing an approach which gets tough on the supply side of illegal drugs by dramatically stepping up interdiction. Then on the demand side we must concentrate our efforts on education and prevention to fight the devastating effects illegal drugs have on our society.

Unfortunately, last week, President Clinton announced to the American people that his administration endorses the use of needle exchange programs for drug users. But he stopped short of funding such programs. In effect, the President tried to have it both ways. This headline is devastating: "Clinton Supports Needle Exchanges But Not Funding." That is the message which the President of the United States, the highest elected official in our land, sent out across this land to the young people, that needle exchange programs are a good thing.

Mr. Speaker, the President could hardly have sent a more destructive and harmful and confusing message to the American people. The President argues forcefully that we must protect our children from tobacco, and I agree. But in his next breath, he endorses needle exchange programs, the exchange of one piece of illegal drug paraphernalia for the other.

Thankfully the administration's own national drug policy adviser, General Barry McCaffrey, courageously took the opposite view and stated just last

week, and I quote General McCaffrey, "Needle exchange programs are magnets for social ills, pulling in crime, violence, addicts, prostitution, dealers and gangs and driving out hope and opportunity."

If the President will not listen to his own drug czar, who will he listen to? Perhaps he will listen to this body. It is time for this body once again to stand up for what is right. We have debated this issue on the floor before. Last September a bipartisan majority of this House said "No" to Federal funding for needle exchanges during the Labor-HHS appropriation bill for FY 1998. The moratorium which banned funding for these programs has now expired and it is time for us to put into place a permanent ban on funding for needle exchanges.

Mr. Speaker, the underlying assumption of a needle exchange program is that we can somehow encourage "responsible drug users." That is an oxymoron if ever I have heard one. Advocates of needle exchange programs hope that drug users will not share their needles with other drug users. But let's consider the kind of clientele that we are hoping will act "responsibly." We are talking about drug addicts who often commit violent crime to support their habits, who often sell their own bodies just to get high or to sustain their drug habits. Do we really believe that individuals engaged in this type of harmful, illegal and even deadly activity are going to be worried about whether their needles are clean?

On the floor today we will hear, as we have already heard, proponents of needle exchanges talk about the alleged benefits of these programs in reducing the spread of HIV and AIDS. But there are no reliable scientific studies to back up that charge. In fact, the opposite is true.

The 1996 Montreal Study demonstrated that intravenous drug addicts who used needle exchange programs were more than twice as likely to become infected with HIV as addicts who did not take part in exchange programs. Needle exchange programs are simply based on a flawed theory, and they will not work to solve the problem of AIDS.

I wish we could find a cure for AIDS. I hope that we will. This Congress is funding research to do just that. But I am opposed to spending more taxpayer dollars on programs that do not work and which send the wrong message to the children of America.

H.R. 3717 will prevent the administration from moving ahead on a risky program of handing out free needles. This bill is brief and goes straight to the point by amending title II of the Public Health Service Act to prevent any funds from being expended, either directly or indirectly, to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

Mr. Speaker, I urge my colleagues to join me in supporting this straightforward bill to ban Federal funding for needle exchange programs. In so doing, we will be sending the right message to America's young people, that the Federal Government does not condone and will not be a party to illegal drug use in any form.

Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume. I too want to join my colleagues in commending the distinguished gentleman from New York (Mr. SOLOMON) for his fine service in this House of Representatives. I consider him a friend and I have fought with him on his side on many battles in this Congress. He will be sorely missed by all of us. I thank the gentleman from New York for his service. He has served his constituents well. I know they are very proud of him.

So it is with great regret that I rise today to oppose the Solomon amendment. But I do so, Mr. Speaker, with the confidence that in standing here I stand with the great scientists of our country in stating that needle exchange programs help reduce the spread of HIV and AIDS and do not contribute to increasing substance abuse, indeed in many instances reduce substance abuse. There are many issues that will be raised during this debate on this bill, but there is one clear message that is irrefutable now and will be equally irrefutable at the close of business. That message is, the leading scientists in this country have examined the evidence and determined that needle exchange programs, again, help stop the spread of HIV infection and do not encourage drug use.

We give the National Institutes of Health, we appropriate for FY 1998, the year we are in, $13.6 billion. What does this Congress want to do? Ignore the recommendations of the NIH. There are special orders and Dear Colleagues around here to double the funding in 5 years for the National Institutes of Health. But what does this body want to do today? Ignore the findings of the National Institutes of Health. Mr. Speaker, I want to not have my colleagues take my word for it but listen to the words of the scientists themselves:

> After reviewing all of the research, we have unanimously agreed that there is conclusive scientific evidence that needle exchange programs, as part of a comprehensive HIV prevention strategy, are an effective public health intervention that reduces the transmission of HIV and does not encourage the use of illegal drugs.

Signed, Dr. Harold Varmus, Director, National Institutes of Health, and I might add, a winner of the Nobel prize himself; Dr. Anthony Fauci, Director, National Institute of Allergy and Infectious Diseases, the institute that does the research on HIV and AIDS; Dr. Alan Leshner, Director, National Institute on Drug Abuse; and Dr. David Satcher, the Surgeon General. This memorandum is dated April 1998. That is the determination of the Nation's leading scientists.

In 2 hours we will see how this House of Representatives will side with the scientists or side with the politics. I would not think of asking my colleagues in this body to vote for an item that would increase drug abuse in this country.

I have heard others on the other side of this issue question the motivation of those of us who support the needle exchange program. I do not question their motivation. I say that every single person in this body is fully committed to ridding our country of this terrible scourge of substance abuse, and also of the spread of HIV and AIDS.

H.R. 3717 would impose a permanent ban on Federal funding for needle exchange programs, a position which contradicts the enormous body of scientific research. For that reason, I urge my colleagues to vote "no" on the bill.

It is cruelly ironic, as I said earlier, in a year when there seems to be consensus to increase the funding at NIH, that we are at this time considering throwing out the science and basing public policy on politics. I will speak to the science and the role of needle exchange in fighting the AIDS epidemic. I have said what the scientists have said, and I will say that this statement by Dr. Varmus and others clearly states what the facts are.

I would say to the gentleman from Ohio who said a word about common sense, is it common sense to ignore the opinion of the leading scientists in the country? Is that common sense, when we ourselves fund their scientific research? Something is not right here.

The NIH panel also concluded that individuals in areas with needle exchange programs have increased likelihood of entering drug treatment programs. In the fight to reduce drug abuse, we need to understand that needle exchange is a valuable opportunity to help drug abusers into treatment.

Leading private organizations see the value of needle exchange as well. They include the American Medical Association, the American Public Health Association, the National Academy of Sciences, American Nurses Association, the American Academy of Pediatrics, the U.S. Conference of Mayors, and the American Bar Association.

Something is wrong with this picture. When I hear this debate in this body that the science is so conclusive, one would think we were having a meeting of the Flat Earth Society. How can we turn our back to the science?

In making our decision on needle exchange, we need to ask, who is affected

negatively if we use political expediency rather than science to fight a public health emergency? The answer to that question is also clear. Among women of childbearing age, more than 70 percent of HIV infections are related either directly or indirectly to injection drug use. Of babies diagnosed with HIV infection, more than 75 percent were infected as a direct or indirect result of injection drug use by a parent.

□ 1200

When we fail to fund needle exchange, we are foregoing a proven intervention that can save the lives of women and children. We are giving up the opportunities to help the drug users get treatment.

I have more to say on this subject, Mr. Speaker, but my colleagues are very eager to get into this debate. I will just close by saying by ignoring the science, that ignoring, that ignorance, is not bliss. That ignorance equals death. And I say without any fear of contradiction to my colleagues that a vote against the Solomon amendment, which I am requesting of them, is a vote to save lives.

Mr. Speaker, I reserve the balance of my time.

Mr. WICKER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, I appreciate my friend yielding this time to me.

Let me just say here I do not think there is a wrong and right on this issue. I think there are two competing public policy objectives. One objective just focuses on the AIDS epidemic, on getting people who are using bad needles good needles so they can continue their habit, but at the same time at least have them use a needle that will not infect them with a virus. And I understand that. And under this amendment State and local governments in the private sector who already fund these programs can continue to do that. We are not wiping that out.

But the other policy objective, and I think we have to look at this, each day over 8,000 young people are going to try an illegal drug for the first time. Heroin use rates are up among youth. And while perhaps eight persons contract HIV directly or indirectly from dirty needles, 352 start using heroin each day, and more than 4,000 die each year from heroin- and morphine-related causes.

We send a wrong signal when we tell people it is illegal but we are going to give out a clean needle for people to pursue this illegal habit, and I think it looks terrible from a public policy objective to have the government really funding these programs and encouraging the use of illegal drugs.

Mr. Speaker, I think that is where we get into the mix on this. And although if our only objective were AIDS, that would be fine, but we have the competing objective here of getting people, the government is saying it is all right to use it, and here is a clean needle by the way. And we are going to fund this even though, if they are a veteran in a VA hospital, they may have, or someone who is in a hospital on Medicare, they may have to pay for their own needles, and we may charge them for it.

That is how this gets so ridiculous, and that is why I support the Wicker amendment. Even assuming the needle exchange programs can further accelerate the declining rate of HIV transmission, I think the risks of these programs encourage a high ratio of heroin, and they outweigh the potential benefits. So that is where I come down on this, with all due respect to folks who I think are very narrowly focused and I think admirably so on the other side.

The President's own drug czar has spoken very eloquently on this. He knows that the use of taxpayer dollars could, in fact, be better diverted in areas of drug prevention.

Ms. PELOSI. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT) who is also a doctor.

Mr. MCDERMOTT. Mr. Speaker, the reason we are having this debate is clearly because the Republicans cannot get a budget together. We have not had one single minute of debate in the Committee on the Budget on a budget for this country and not a single minute out here on the budget, but we have 2 hours on this issue, which is basically a matter of science.

Now, there is very clear and convincing evidence that this is a matter of saving lives through a program that some people want to make it, people are either for needle exchange and therefore they are soft on drugs or people are against needle exchange and they are strong against drugs.

There could not be anything further from the truth. The fact is, these programs have been used in the Northwest. They have reduced the infection rate from 30 percent in New York and the South to 3 percent in the Northwest among HIV-infected people.

Now people say it encourages drug use. The Secretary of HHS, Donna Shalala, convened a panel of experts at the National Institutes of Health. They came back with the fact that needle exchange programs do not increase and, in fact, may decrease the use of drugs.

The fact is, if we just want to be money-wise, one case of prevented HIV infection is estimated to save $119,000.

Now how do these programs work? In Tacoma and Seattle, they have a table where somebody sits and somebody has to bring a needle and they get a clean needle. Now I do not know how that is going to encourage the use of drugs. Are my colleagues suggesting that high school kids are going to come and say, well, I got a needle; give me a clean one so I can go find some drugs to use?

We are talking about a population that is infecting 33 people per day in this country with HIV, and 85 percent of the new cases in this country are among heterosexual people, and 66 percent of the cases among women are linked to drug use. Every single case of a child today being infected by HIV is linked to drugs and drug usage.

Now if my colleagues want to prevent those cases, if they are worried about kids, if they are worried about women getting the disease, then they want to have the needle exchange program. It has worked in the Northwest for a bill like the one that the gentleman from New York (Mr. SOLOMON) has put out here on the floor that has a broad, sweeping nature to it. Any direct or indirect; does that mean that Seattle and Tacoma cannot have their program? Do we have to continue a program or discontinue a program because of that?

I say that is wrong. My colleagues ought to vote against this bill.

Mr. WICKER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise in support of this legislation. It makes no sense to pay somebody, pay for free needles to do something that is currently illegal. It is very questionable whether it will do any good.

As a physician, I would have to agree with the opposition that a clean needle certainly is better than a dirty needle. I do not think there is a question about that. But I do believe that there is a message sent that if we provide free needles to do something that we are condoning or encouraging it. But there is also a strong moral as well as an economic argument against this.

What we are talking about here is lowering costs of risky behavior. We are saying that we will pay for the needles to perform this risky behavior. But there is another much larger element that has not been discussed so far, and that has to do with the concept that all risky behavior be socialized; that is, through the medical system, it is assumed that those who do not participate in risky behavior must pay for the costs of the risky behavior, whether it has to do with cigarettes or whether it has to do with drugs or whether it has to do with any kind of safety.

So, therefore, the argument is that we have to save money in medical care costs by providing free needles. But there is another position, and that is that we might suggest that we do not pay for free needles and we might even challenge the concept that we should not be paying people and taking care of them for risky behavior, whether it is risky sexual behavior or risky behavior with drugs.

I think this is very clearly the problem, and I do not believe we should be

socializing this behavior because, if we do, we actually increase it. If we lower the cost of anything, we increase the incidence of its use. So if the responsibility does not fall on the individual performing dangerous behavior, they are more likely to, and this is just part of it, the idea that we would give them a free needle.

But there is a moral argument against this as well. Why should people who do not use drugs or do not participate in dangerous sexual procedures and activities have to pay for those who do? And this is really the question, and there is no correct moral argument for this. And the economic argument is very powerful. It says that if we lower the cost, we will increase this behavior.

But this is not only true when we are dealing with drugs. It has to do with cigarettes. I mean, the whole tobacco argument is dealing with the same issue, that we have to pay for the costs of people who get sick from dangerous behavior with cigarettes and, therefore, we have to come in and regulate the tobacco companies and nobody can assume responsibility for themselves.

Same thing with alcohol and safety. This is the reason we have so much government regulation dealing with helmet laws and seat belts and buzzers and beepers and air bags. So this concept has to be dealt with if we are ever to get to the bottom of this.

So, Mr. Speaker, I strongly support this legislation.

Ms. PELOSI. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. STOKES) the distinguished ranking member on the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, who also is leaving the Congress after a very, very distinguished career.

Mr. STOKES. Mr. Speaker, I thank the distinguished gentlewoman from California (Ms. PELOSI) for yielding this time to me. I also want to thank her for her outstanding and steadfast leadership in legislation and funding which has helped to fight the spread of HIV/AIDS.

Mr. Speaker, I rise in opposition to H.R. 3717. This bill would prohibit the expenditure of Federal funds for needle exchange programs. More specifically, the measure would help to ensure the continuing spread of the deadly HIV/AIDS virus.

Extensive scientific evidence and the Nation's leading health experts, including the National Institutes of Health, Centers For Disease Control, the American Medical Association, the American Public Health Association, National Academy of Sciences, the American Nurses Association, the American Academy of Pediatrics, all unanimously agree that there is conclusive scientific evidence that needle exchange programs as a part of a comprehensive HIV/AIDS prevention strategy that makes needles available on a replacement basis only and that refers participants to drug counseling and treatment and other medical services are effective in public health intervention in reducing the transmission of HIV/AIDS and that it does not encourage the use of illegal drugs.

Mr. Speaker, over the years, the House has provided enhanced Federal spending for AIDS treatment and outreach services and for the biomedical which continues further advances in the development of effective treatment for AIDS. Now we must also do what is necessary to help further reduce the spread of this epidemic.

Since AIDS was first identified, it has been known that injection drug use plays an increasing role in the spread of this disease. These two deadly health epidemics, AIDS and substance abuse, devastate families all across this Nation and from all walks of life.

Mr. Speaker, prohibition and silence on the use of Federal funds for needle exchange programs to prevent and control the spread of HIV/AIDS are no longer options. Nationwide, IV drug use accounts for more than 60 percent of the AIDS cases, more than 70 percent of the HIV infections among women of child-bearing age and more than 75 percent of babies diagnosed with HIV/AIDS. These babies, through no fault of their own, were injected as a direct or indirect result of IV drug use by a parent.

And while I am encouraged by the decline in AIDS deaths in the general population, I am extremely discouraged by the devastating situation in the African American community where AIDS is now the leading cause of death among those that are 25 to 44 years of age. According to the Centers For Disease Control, the rate of HIV/AIDS in the African American community is seven times that of the general population. Seventy-two people that are African American are infected every day. This is a state of emergency. We must do what is necessary to address the Nation's devastating public health problem in HIV/AIDS.

The fact that the greatest number of AIDS cases are due to intravenous drug use forces the Congress to have to carefully, seriously consider the value of needle exchange programs in the control and prevention of this deadly disease.

The National Institutes of Health March, 1997, consensus development statement on interventions to prevent HIV risk behaviors reported that needle exchange programs have shown a reduction in risk behaviors as high as 80 percent in injecting drug users, with estimates of 30 percent or greater reduction of HIV.

We must not continue to ignore solid scientific evidence. Now is the time to support Federal funding, and I urge the defeat of this bill.

□ 1215

Mr. WICKER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Speaker, I would first like to address the gentlewoman from California (Ms. PELOSI) and say I admire her efforts in HIV prevention and the work that she has put forward in trying to solve this epidemic.

I probably find myself in a unique category because I have read all the studies on needle exchange; I have actually read the studies, and I find it ironic that the report that was issued, even though we have a statement from April of 1998, the NIH consensus statement was made prior to the release of the Montreal data.

I want to quote from the Montreal study, and I also want to educate the Members a little bit on the studies, because there have only been two studies done on all needle exchange programs that have the same group of individuals in the beginning of the study as they had at the end of the study. All of the others had unidentified needle users and unidentified needle users at the end and took averages of numbers, which scientifically is meaningless when we want to try to show something as a cause and effect or a reduction of risk.

The Montreal study and the Vancouver study were both excellent studies. They had the same people looked at when they began the study as when they ended the study. I want to read to my colleagues the conclusion as printed in the American Journal of Epidemiology by Doctors Bruneau and others as to what their conclusion is. They were not anticipating the debate in the U.S. Congress when they wrote this conclusion: "In summary, Montreal needle exchange program users have a higher HIV seroconversion rate than needle exchange program nonusers." What does that say? That says that if one is in their program and one is getting free needles, one is more likely to get HIV than if one is not in their program using needles.

Now, we can distort that, but that is the science of the two studies, and the Vancouver study supports the same claim.

We should be concerned about drug injection in this country. We should be concerned about drug addiction. The way to solve that is mandatory treatment programs for people who are addicted.

I will pledge to those on the other side of the aisle who differ with me on this issue that I will support any program that comes forward for funding for mandatory drug treatment centers and promotion of lifestyle change to decrease the risk associated with this horrendous infection. Remember, we are not just talking about HIV. We are talking about hepatitis B now that is a major epidemic in this group of people;

we are talking about hepatitis C, we are talking about probably hepatitis D as well. So there are large areas besides HIV that these people are subjected to.

Mr. Speaker, I think that we can have disagreements, and we know the scientific community has disagreements. There is no question. But we cannot ignore the two largest studies that have ever been done on this, both of which come to the same conclusion, that if one is in a needle exchange program, one is more likely to seroconvert than less likely. That is completely opposite of what we have heard here so far today. I would recommend that everybody read the study so that they actually know what the scientists have said in terms of their conclusions.

Finally, there are other things that are associated with needle exchange programs that we ought to be concerned about. There is multiple reports that the needle traffickers there, what they do is they draw drug traffickers to the needle exchange program; that the crime rates in the areas where we have needle exchange programs actually go up, they do not go down. So there are all of these other consequences associated with needle exchange programs that have, in fact, not been addressed by any argument today. We have a problem with drug addiction, injection drug addiction in this country. This is fixing the wrong problem. We need to be fixing drug addiction, not enabling drug addicters and drug-addicted people to more easily use their illegal drug.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume to respond to the gentleman.

I appreciate his offer of supporting mandated treatment programs, and I do believe that treatment on demand is the answer to reducing substance abuse in our country. But he spent a good deal of his time talking about the Montreal study, and Julie Bruneau and others who worked on that. I want to call to the attention of my colleagues the op-ed by Julie Bruneau and Martin Schechter, her colleague in making the Montreal study. In this op-ed, in their own words, they say,

> As the author of the study, we must point out that these officials have misinterpreted our results. A study conducted last year and published in the Lancet, the British medical journal, found that 29 cities worldwide where programs were in place, HIV infection dropped by an average of 5.8 percent a year among drug users. In 51 cities that had no needle exchange plans, where they had no exchange programs, 5.9 percent a year was the increase in HIV spread.

In Canada, as a result of these studies, the same study that our colleague is citing in opposition to our position, the authors of the study he cites, the Montreal study says, in Canada, local governments acted on our research by expanding needle exchanges and adding related services.

So I say to my colleagues that this Montreal study, which the gentleman is correct, it did come since our vote last year, but it does not support the argument. The fact is, it supports the fact that needle exchange programs reduce the spread of HIV.

Mr. COBURN. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. Mr. Speaker, the gentleman has plenty of time on that side, and I am pleased to answer any questions the gentleman has on his own time.

Mr. Speaker, I yield 3 minutes to the gentleman from Rhode Island (Mr. KENNEDY), a leader in this fight to reduce substance abuse and stop the spread of HIV in this country.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like to thank the gentlewoman for yielding, and I want to commend her for the good work that she is doing to save lives in this country.

That is what we should be about in this debate, saving lives. And the idea that we are going to talk about a moral argument here, that we should somehow not support needle exchanges because it helps promote risky behavior, is just absurd. I cannot even believe I am hearing this said, because the people who are making this argument must not know that AIDS is not a disease that talks about people who have risky behavior. When we look at the fact that 40 percent of cases of those with AIDS are babies, do my colleagues mean to tell me those infants are having risky behavior?

I would like everyone to keep in mind here, we are talking about children, children in this country who have HIV. Let me remind everyone that dying of AIDS is a slow and painful death, and if we pass this legislation, we will be sentencing children in this country to a slow and painful death that could otherwise have been prevented. How could it have been prevented? Because we would have cut back on the incidences of AIDS because we would have allowed those people who do insist to use drugs the opportunity to use clean needles so that they are not spreading this deadly disease.

Let me repeat for my colleagues, the needle exchange program reduces HIV. After reviewing all of the available evidence and science, the Directors of the National Institutes of Health are saying conclusively that the needle exchange programs reduce HIV. I think it is a moral obligation for our colleagues to vote against this legislation, because if we save any lives, that will be our job here in this Congress.

We cannot, I repeat, we cannot ignore the scientific evidence for political expediency purposes. I know it is easy for my colleagues to go back to their districts and say, hey, I do not want to support these needles. That is an easy cop-out. That is a cop-out when we have the science that says we are preventing AIDS from being spread; we ought to follow our evidence. I thought that is the reason we came to the Congress is because we know the evidence, we have been up here, we have been studying the facts.

The Congress has been advised by the National Institutes of Health, which advised the Congress what to do in the public's health interest to say needle exchange programs reduce the incidences of AIDS. I do not think there is any debate about this whatsoever. Let us do what the scientists tell us to do. Let us reduce AIDS, let us support needle exchange programs, let us oppose this bill.

Mr. WICKER. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Illinois (Mr. HASTERT), the leader of the Speaker's Task Force For a Drug-Free America.

Mr. HASTERT. Mr. Speaker, I thank the gentleman for yielding me this time.

First of all, I want to acknowledge the gentlewoman from California (Ms. PELOSI) in her earnestness in this fight. We have stood and debated issues and like issues many times, and I certainly believe that she is sincere in her efforts. I also commend my colleague from Baltimore in the State of Maryland. I know he is sincere in what his views are and what he is trying to do, and we have had testimony in committee on what he is trying to do. But I listened to the speech of the gentleman, the previous gentleman, and I am amazed.

First of all, we are talking about drug use in this country, and we are talking about trying to stop drug use in this country. I will tell my colleagues, I feel sorry for the 40 percent of the AIDS victims who are children, but those 40 percent of the victims who are children are not using needles, so the whole needle issue does not affect those folks at all.

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. Mr. Speaker, I did not interrupt the gentleman, and I would appreciate it if he would not interrupt me.

What we are talking about are 20,000 people who die on our street corners every year. They are dying in our emergency rooms, OD-ing, they are dying in the darkest parts of our cities, and they are also dying in the wealthiest of our suburbs. They are young people. Most of those 20,000 folks are children. Some of us know members of our family or friends who have had drug problems, who have had very, very serious situations with drugs.

What we are saying, if drugs are illegal in this country, if it is illegal to use cocaine or heroin or anything that is injectable, then we should not be handing out free utensils to be able to inject that substance in our arms. I think that is a common-sense proposal.

Mr. Speaker, we wave around a lot of studies, and we talk about the Montreal study, and we talk about the Vancouver study, we talk about the Chicago study, and we go back and forth on what somebody said. I understand, I read the op-ed that the two folks that did the Canadian studies talked about. Mr. Speaker, the reality is the study did not prove what they believed. They do not like the results of the science. The science did not prove their theory.

Now, that is too bad. We talk about unintended consequences around here, but I will tell my colleagues, the unintended consequences of handing out free needles in our cities and in our suburbs and on our street corners is that in the study in Montreal we found, and in Vancouver, we found out that we had more kids using drugs when we handed out free needles. We found out that the incidence of exchanging needles, trading needles around when we handed out free needles, was 39 percent. Thirty-nine percent more people or people still traded needles. Do my colleagues know what the percentage was when we did not have free needles? It was 38 percent. So the problem of exchanging and trading needles, this is just a false argument. It does not exist.

So the whole issue here is—excuse me, sir. I did not mean to interrupt the gentleman.

So the whole issue here is we are talking about something in passing out needles in HIV that exacerbates the problem, it does not solve the problem. I do not care what the arguments are on the other side. That is what the facts prove. It also proves, and I have talked to people who work in these areas, but quite frankly, a person who gets a buy of heroin or a buy of cocaine—

The SPEAKER pro tempore (Mr. BLUNT). The gentleman will suspend.

The gentleman will be reminded that the rules prohibit passing in front of the member speaking.

Mr. KINGSTON. Mr. Speaker, regular order. There is a chart up.

The SPEAKER pro tempore. Would the minority please remove the chart? Would the gentlewoman from California please assure that this chart be removed since it is not currently being utilized in debate?

Ms. PELOSI. Mr. Speaker, is someone objecting to the chart, the list of scientists that are the head of the National Institutes of Health?

Mr. KINGSTON. Regular order, Mr. Speaker. Regular order.

Ms. PELOSI. Are we to ignore the list of scientists at the National Institutes of Health?

Mr. HASTERT. Mr. Speaker, the chart is not being used.

Ms. PELOSI. The Flat Earth Society lives.

Mr. HASTERT. Mr. Speaker, I am sorry for the comments of the gentlewoman from California and the interruptions that we have seen in here, but I think everybody ought to be heard on this, and I think everybody ought to have the opportunity to make their arguments.

□ 1230

What we have seen when somebody gets a buy of cocaine or heroin to be able to inject, they really do not care. They need that narcotic. They do not care whether they are going to go out and be able to buy a needle or trade a needle or steal a needle. They are going to get a needle to get their fix, and that is the consequences.

So when we really get back to what we are talking about in the use of drugs, I think the first premise is we should not be handing out a utensil or tool to allow people to break a law. That is pretty simple.

The second issue is commitment. If we are talking about trying to show that we are going to reduce demand in this country on drug use, and we are going to try and also persuade countries south of our border to stop and try to reduce the supply, we have to be honest and genuine about trying to stop demand.

I think it certainly is a wrong message to say that, oh, by the way, we are going to try to stop demand in our country, but here we are handing out free needles to drug users. What happens when you hand out free needles to drug users, the incidence of drug use goes up. It was proved in the Montreal study and proved in the Vancouver study. It was also proved in the Chicago study.

As a matter of fact, the Chicago study showed that HIV increased 8.4 percent per 100 people when there are free needles, and there was a drop without free needles of 71 percent of HIV in that community when there were no free needles.

Mr. Speaker, we need to have a commitment to stopping drugs in this country. Giving away free needles is not part of that. We also have to have local solutions to national problems. And the best way to start those local solutions is to help people clean up their neighborhoods. Handing away free needles or giving away free needles in people's neighborhoods does not stop the drug problem, it exacerbates the drug problem.

Mr. Speaker, this is a good piece of legislation and a needed piece of legislation. It is a piece of legislation that we debated last year and was passed overwhelmingly in the House, and it is a shame that we have to retread this argument and go over it again.

Ms. PELOSI. Mr. Speaker, I agree with the gentleman from Illinois (Mr. HASTERT), this resolution is a shame.

Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS), a champion in the fight against drug abuse in our country.

Ms. WATERS. Mr. Speaker, if passed, H.R. 3717 would needlessly impose a permanent ban on the use of Federal funds for needle exchange programs even though they are scientifically proven to save lives and do not increase drug use.

The research speaks for itself. Three comprehensive reviews of the scientific literature done by the United States General Accounting Office, the National Research Council, the Institute of Medicine and the University of California at San Francisco all found that needle exchange programs are an effective component of comprehensive community-based HIV prevention programs.

In March 1997 the National Institutes of Health published a report which concluded that needle exchange programs did not cause an increase in drug use. In fact, needle exchange programs linked to drug treatment and other services actually led to a decrease in drug use.

Mr. Speaker, we have got to get our heads out of the sand. The statistics speak for themselves. Thirty-three Americans are infected each day with HIV because of injection drug use. Nationwide, IV drug use accounts for more than 60 percent of the AIDS cases, over 70 percent of HIV infections among women of childbearing age, and more than 75 percent of babies diagnosed with HIV/AIDS. Every hour seven Americans are infected with HIV. Three of these seven are African-American.

As many of us know, minorities are disproportionately affected by HIV/AIDS. While overall AIDS deaths have declined, AIDS is still the number one killer of African-Americans and Latinos between the ages of 25 and 44. The Congressional Black Caucus is committed to fighting the scourge of HIV/AIDS and drugs. We absolutely see no contradiction between supporting needle exchange and working to rid drugs from our communities.

Let me say to my Republican friends, the Congressional Black Caucus made the fight of illegal drugs the number one priority for the 105th session. We have not been joined by those who claim they care about this issue. They better get on board and do something about the deaths that are occurring in this Nation. They ought to be ashamed of themselves.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader of the House who has made fighting substance abuse a hallmark of his service in the Congress.

Mr. GEPHARDT. Mr. Speaker, this is, to put it simply, a public health issue. If we are to fight against drugs and drug use and against further cases of HIV, we have to ask local governments and scientists to help us with the best way to bring about the prevention of both of those occurrences. And

what the best scientists have told us and what some local and private agencies tell us, is that this kind of program gives us the best chance to both prevent further cases of HIV and to prevent further drug use.

What we know from experience in many local jurisdictions is that if people are brought into a drug prevention and drug treatment program, they can be gotten off of their addiction. We know that drug use is an addictive disease and the way to get people to not be addicted is to get them into drug treatment, and we know that these programs are the way in many, many cases we can get people into drug treatment.

Mr. Speaker, this is a doubleheader victory. We can prevent drug use, stop drug use, and prevent HIV, both of which have huge costs for our society. This is a matter of common sense and good judgment.

Mr. Speaker, I say to the Members today, why should the Federal Government be telling local governments and jurisdictions and private agencies that they should not do something that they feel is working? This is a case where we might even use good Republican arguments that the Federal Government should not be dictating to local jurisdictions, we ought to be following their good judgment and practice and experience.

Mr. Speaker, I say to Members: Vote against this bill. Let us prevent drug use. Let us stop drug use. Let us prevent HIV. Let us follow the science, follow the facts and do the right thing for the American people. I urge Members to vote against this bill.

Mr. WICKER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. SOUDER) who has been a leader in the fight against drugs.

Mr. SOUDER. Mr. Speaker, the problem with the science that is being argued on the other side is that it is just not there. The fact is that at the very best, at the very best, there are mixed studies.

It is clear that in Vancouver, that in spite of providing 2 million needles a year, they now have the highest incidence of AIDS and it is increasing. Vancouver has the highest heroin death rate in North America and is referred in The Washington Post as the "drugs and crime capital of Canada."

In Montreal we have seen the HIV-positive at twice the rate of addicts not in the program. Nearly 1,600 injection drug users found that those participating in the needle exchange programs had a 33 percent cumulative probability of HIV seroconversion compared to 13 percent of injection drug users who had not participated in the program.

In the British medical journal "The Lancet" they said that injection drug users who participated in the Montreal needle exchange programs were two times more, not less, likely. The science at best is mixed here, and we need more research. But what is clear is that heroin is illegal, and we do not need the Government of the United States and the taxpayers of the United States to become needle traffickers in this country.

Mr. Speaker, what kind of message are we trying to send when we are trying to work together on the drug war? Do we really want this to happen? A woman gets raped in the street by a heroin addict. What are we going to tell her when she finds out that the needle that enabled that addict to get heroin and then get him on the street to rape her came from her tax dollars and the tax dollars of America? When we have a heroin addict, a father, go home to his house and he beats his little child and the child, sobbing, asks his mom, "How does daddy get this stuff?" And the taxpayers are providing the needles for the heroin addict. What kind of debate are we having here?

I know that there is a deep concern about HIV. But we cannot enable, we cannot become a Dr. Kevorkian because we think the cause is right to violate the law and enable people to violate the law, when that is also leading to death and murder and rape and pillaging and the abuse of children.

Just because giving low-tar cigarettes to people who smoke would reduce the incidence of cancer does not mean that we should start distributing in our schools low-tar cigarettes. Hey, the kids are going to smoke anyway. Why do we not make it a little less risky for them? Why do we not make it so that the secondhand smoke does not damage the other kids as much, so let us give them free low-tar cigarettes to reduce the incidence. We cannot get rid of the problem anyway, so let us enable this bad habit to continue because maybe we can save a few people.

And what about the violence in the streets, where little kids are gunning down other people on the streets with machine guns? If we made sure that they had safety locks on those, a few people where there are accidental deaths would be saved. We cannot get rid of those guns anyway. Why not get the government in the business of giving new guns to these kids, new machine guns with safety locks on them, because a few lives would be saved? We would be enabling the deaths to continue. We would be giving the sanction of the government for an illegal behavior and trafficking in guns in this case ourselves, but at least we would save a few lives.

Mr. Speaker, we have to have a clear moral message coming out of this Congress that drugs are wrong.

Ms. PELOSI. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. DELAHUNT), a former prosecutor and a fighter against substance abuse in our country.

Mr. DELAHUNT. Mr. Speaker, I rise in opposition to the bill. I am really surprised to hear that the science is divided, because everything that I have read and examined indicates that the science is rather clear.

I just cannot imagine if the science was divided that the American Medical Association would give support to needle exchange programs. I cannot imagine the American Public Health Association would give support to needle exchange programs. I cannot imagine that the American Nurses Association would give support to needle exchange programs. I cannot imagine that the American Academy of Pediatrics would give support to needle exchange programs if there was not clear and convincing proof, clear and convincing proof that these programs work.

And they do work, Mr. Speaker. And I hear many here talk about their experience as fighters in the war on drugs. Well, let me assure my colleagues, I stand second to none when it comes to that war. I dare say that I put more people in jail for drug distribution and narcotic abuse than all of the Members in this body combined.

But also let me tell my colleagues this. This program works. I heard the minority leader speak to the issue of local option. I know it works because it works in Massachusetts. It has worked in Massachusetts. It has prevented clearly the spread of HIV. There is no doubt about that whatsoever.

And, again, according to the study that was just released, it does encourage the addict to seek treatment. And guess what that translates into?

□ 1245

That translates into a reduction of people on the streets dealing in drugs. Massachusetts has once more proven they are right. We had a debate on juvenile justice here, and I kept advocating that that approach was wrong and looked to Massachusetts. The statistics were there then, and they are there now.

If we believe in States' rights, if we believe in States' rights, and I know Members on the other side advocate constantly for States rights, leave this local option available because it does work. I am not surprised by the results of the HHS study. I could have told my colleagues what it was going to show, because it has been my experience.

Let me just conclude by saying the minority leader was absolutely right. This is a win/win. It is a win against the spread of HIV, and it also is a win against the war against drugs. Defeat this bill, I implore everybody, all my colleagues on both sides of the aisle.

Mr. WICKER. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from Georgia (Mr. KINGSTON), a gentleman who is not only a leader on

the Committee on Appropriations but one of the great leaders in the drug task force.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, since Clinton has become President, the use of tobacco and drugs in our country has skyrocketed. I wanted to get this straight with my Democrat friends: What they want to do is penalize tobacco users by making them pay more for tobacco, but they want to subsidize drug users by having my middle-class taxpayers pay for their syringes.

Think about this a minute. The hard-working folks back in Savannah, Georgia that I represent and all coastal Georgia wake up every morning at 5, 6 o'clock in the morning, bust their tail getting ready to get to work, kiss their kids good-bye, take them to school. The mom, the dad, they go back to their own offices. Meanwhile, back in Vancouver or other places outside of America, the Canadian taxpayers, their counterparts, are having to pay for drugs and syringes. Is this not great?

Let us think about this for a minute. The days of moonshine, would we have fought moonshine by giving out clean and sterile jugs for moonshiners to put their products in? And what would Elliot Ness have said to Al Capone? "We are going to bust you, but do it with clean jugs."

Then what about gamblers? Should we start giving them clean playing cards, because certainly compulsive gamblers are subjected to germs on cards. What about compulsive eaters? Should we give them free but low-fat French fries?

What has all this needle exchange done for people? Two and a half million needles were given out in Vancouver last year. What did it do? The HIV rate among participants is higher than those who do not participate. The death rate in the 10 years that the program has been in effect has skyrocketed. In 1988 there were 18 deaths that were drug related. In 1993, 200. What else happens? The highest crime rate in Vancouver is within the 2-block area of the needle exchange program.

What did the drug czar, General McCaffrey, say? He said no needle exchange programs are going to be located in exclusive neighborhoods. I ask the Democrats, how many of them want a needle exchange program in their backyard? Is this really something that they want to say to their taxpayers? "Look, right next door to my office is a needle exchange program, and this is good for you."

Do my colleagues really want these things being handed out right next to them? No. We know they are going to go to some inner city area where disadvantaged people are already living in crime-infested, drug-infested areas. All this does is make the problem worse.

I say it is a cruel joke. It is like giving a drowning man an anvil and saying, "Here, stand on this. Maybe you could get your head above water."

Ms. PELOSI. Mr. Speaker, I yield myself 30 seconds to say to the gentleman, if he really believes what he says, and I trust that he does, that he ought not to support the next appropriations for the National Institutes of Health, which has scientifically conclusive evidence that needle exchange programs work.

I do have a needle exchange program right next to my office. In answering the gentleman's question about his own constituents and their tax dollar, this syringe costs 10 cents. Taking care of a person for HIV/AIDS costs $130,000. I do not understand why our colleagues do not want to spend a dime to save a life.

Mr. Speaker, I yield 1½ minutes to the distinguished gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELAZQUEZ. Mr. Speaker, I rise in strong opposition to H.R. 3717. If my colleagues are serious about stopping the spread of AIDS, they will oppose this bill.

The fact is the needle exchange programs save lives. Since 1993, universities, the National Commission on AIDS, the CDC, and even the General Accounting Office have determined that these programs work.

These programs can reduce HIV infections by at least one-third and reduce risk behavior by as much as 80 percent. Furthermore, they provide a unique opportunity for those currently using drugs to access health care services, including drug treatment.

There are three publicly funded needle exchange programs in my district in New York. Their services are helping to reduce the number of new AIDS cases and providing intravenous drug users with rehabilitation. As a result, Medicaid costs are reduced. More important, lives have been saved.

My colleagues, needle exchange programs prevent the spread of AIDS and help turn people's lives around. This bill is a tragic step in the wrong direction, and I urge all of my colleagues to vote "no".

Mr. WICKER. Mr. Speaker, I yield 2½ minutes to the gentleman from Washington (Mr. NETHERCUTT), not only a leader in the fight against drugs but also a leader in the effort to fund research for the disease of diabetes.

Mr. NETHERCUTT. Mr. Speaker, I thank the gentleman from Mississippi for the yielding me this time and for the introduction.

It has been interesting to listen to this debate today and hear the advocacy on the left, and people who are opposing this legislation today advocating so strenuously for people who use needles and drugs illegally. I want to submit to my colleagues that there is a moral outrage that is misplaced there; that we do not hear any moral outrage asked for and stressed by the other side for people who are the only legitimate users, one of the only legitimate groups of users in the country of needles legally and for health purposes, and that is the diabetics in our society.

Sixteen million people in our country have diabetes. A million children have diabetes. It requires that they inject themselves with a lifesaving product called insulin three times, four times a day, legitimately, at a great cost to them. But we do not hear that.

We do not hear our friends who are opposing this legislation advocating strenuously for the diabetic, for people who are, through no fault of their own, through no illegal activity, through no misbehavior in their life-style, contracting this disease. So where is that moral outrage?

I think we have to look at this as a cost-benefit analysis. Diabetes consumes billions of dollars a year; 27 cents out of every Medicare dollar goes to the cost of consequences of diabetes. We do not hear anybody saying give free needles or have a needle exchange for diabetics.

Where is the moral outrage? The moral outrage is in favor of the drug user. In my judgment, I think it is clear that this needle exchange program, although some may work well in some communities for some purposes, they perpetuate illegal drug use, not drug use of insulin injections or diabetes prevention but illegal drug use.

I suggest to my friends, if we are going to have the moral outrage that I question here in favor of people who are drug users, drug abusers and injectors of illegal substances that cause tremendous pain in our society, stand up and fight for the diabetic, the people who use needles, who use needles legally to live. Do not have this perpetual constituency that my colleagues seem to want to defend time and time again. I support this measure and I hope the House will pass it.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if the gentleman cares to know, I am a member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations, as is the gentlewoman from New York (Mrs. LOWEY), and all of us fight for funding for diabetes. So it may be good news to the gentleman from Washington, or maybe he chooses not to know.

Mr. NETHERCUTT. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. The gentleman has plenty of time. I will answer any questions he wants on his time.

Mr. NETHERCUTT. Great.

Ms. PELOSI. I object to the gentleman saying that we do not fight for funding for diabetes. He does not know what he is talking about.

Mr. NETHERCUTT. Not needle exchange programs.

Ms. PELOSI. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New York (Mrs. LOWEY), a champion in the fight against substance abuse and funding for diabetes.

Mrs. LOWEY. Mr. Speaker, I thank my colleague, the gentlewoman from California, for yielding to me.

I would also like to add before making some other comments, that I hope the gentleman and all the Members on that side would join us in doubling the investment at the National Institutes of Health for those of us who care passionately about diabetes and cancer and the whole range of illnesses that cause such pain in our society. I hope my colleagues will join us.

I want to proceed in making comments.

Mr. Speaker, drug use is one of the fastest growing causes of HIV infection and AIDS. Nearly three-quarters of all AIDS cases in women are related to IV drug use. This is the tragic and unfortunate reality of the AIDS epidemic.

Let me be very clear that those of us that oppose this amendment do not condone the use of illegal drugs. In fact, I believe we have to do more on the war on drugs. But this amendment is part of a phony war. Instead, we need to spend more on prevention, treatment programs, and we need to get much tougher on drug pushers.

If I thought that needle exchange programs promoted drug use, I would support this amendment. But the fact is that since 1991, six federally funded studies have reported that needle exchange programs reduce HIV transmission but do not increase drug use, and that is the fact.

After reviewing the research, an NIH panel concluded that needle exchange programs will not increase the number of drug users or the amount of drugs used by addicts. In fact, individuals with access to needle exchange programs are more likely to enter drug treatment.

A study conducted in New York found that HIV infections decreased by two-thirds among participants in needle exchange programs. It is estimated that needle exchange could save between 5,000 to 11,000 lives over the next few years alone. That is why the AMA, the National Academy of Sciences, the Nurses Association, the American Public Health Association, and many other mainstream medical and scientific groups support needle exchange. This is why the U.S. Conference of Mayors also supports needle exchange as part of a comprehensive AIDS-fighting effort.

Let us be clear, this amendment is not fighting drug use. It is about partisan politics, pure and simple. Let us listen to our Nation's health experts instead of playing politics with people's lives. Let us not oppose a proven method of preventing the spread of the deadly AIDS epidemic.

Mr. WICKER. Mr. Speaker, might I inquire about the time remaining?

The SPEAKER pro tempore (Mr. BLUNT). The gentleman from Mississippi (Mr. WICKER) has 26 minutes remaining. The gentlewoman from California (Ms. PELOSI) has 9 minutes remaining.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO), who is a member of the Subcommittee on Labor, Health and Human Services, and Education, and a fighter for increased funding at the NIH for all of the diseases that challenge the health of American people.

Ms. DELAURO. Mr. Speaker, I believe that public health policy ought to be driven by science, by concern by human life, not by ideology and politics. Extensive studies of needle exchange programs, such as the one in the City of New Haven which I represent, have documented that needle exchange programs do not increase drug use. They do save lives.

Do not take my word for it. Yale University's study of the New Haven needle exchange program found that it reduced transmission of HIV per capita by 33 percent each year. In fact, New Haven Chief of Police Melvin Waring and New Haven Mayor John DeStefano believe that the needle exchange program has made New Haven, Connecticut a safer community.

I have a letter from the chief of police and from the mayor which I will include in the RECORD, where they write, "Needle exchange has contributed greatly to public health and public safety. Our police officers are grateful for the needle exchange programs."

I understand the concerns of many here in the House. We should never condone drugs. Needle exchange programs have a clear purpose, to save lives.

The text of the letter referred to is as follows:

OFFICE OF THE MAYOR,
New Haven, CT, March 3, 1998.

The President,
The White House
Washington, DC.

DEAR PRESIDENT CLINTON: As the Mayor and Chief of Police, we write to convey our strong support for needle exchange programs operating in the City of New Haven. We urge your Administration's leadership on HIV prevention by supporting the local communities who use needle exchange as an effective HIV/AIDS prevention tactic by allowing federal resources to be allocated for this purpose in a community deems it appropriate.

Our programs have served as a national model for innovative approaches to the twin epidemics of HIV and substance abuse since 1990. We are proud of the success that our program has had. In fact, a landmark study by Yale University shows a reduction of HIV transmission annually per capita of 33 percent in New Haven. We are proud of our innovative efforts to reduce HIV infection and stand ready to continue to strengthen and maintain our program locally.

Working in partnership, the Mayor's Office, the health department and the police department have been able to develop a needle exchange program that works for New Haven. The primary goal of our program is to prevent the spread of HIV among our drug using population keeping them safe from this deadly disease. Our programs also offer referrals to medical care drug treatment and other social services, such as food, housing and support groups.

Needle exchange has contributed greatly to public health and public safety. Our police officers are grateful for the exchange programs because the risk of accidental needle sticks is reduced due to regular capping of needles. Needle exchange itself encourages users to discard of needles properly through the exchange sites and not to leave those needles on the streets. New Haven is a safer place today because of the community partnership developed through the use of needle exchange.

We know that this compensive approach to HIV prevention is effective and hope that your Administration will support our lifesaving methods by allowing federal resources to be used in New Haven and nationally for needle exchange. We urge you to act quickly because lives hang in the balance. A strong public health message supporting needle exchange and the necessary resources will demonstrate the courageous, strong commitment that this Administration has for public health and public safety and for its most vulnerable citizens.

Many thanks for your consideration of this matter.

Very truly yours,
John DESTEFANO, Jr.,
Mayor.
MELVIN H. WEARING,
Chief of Police.

Mr. WICKER. Mr. Speaker, I yield 2¼ minutes to the distinguished gentleman from New York (Mr. FOSSELLA).

(Mr. FOSSELLA asked and was given permission to revise and extend his remarks.)

Mr. FOSSELLA. Mr. Speaker, let me acknowledge at the outset that we all share, I think, the goal of stopping the spread of AIDS and sexually transmitted diseases, as well as diabetes and cancer, and clearly acknowledge that the intention of those who oppose this legislation is not controverted by our position and our goal to stop the spread of AIDS.

□ 1300

But I think it is appropriate as well to apply a little useful distinction here.

Let me just put a human face on this. Needle giveaway programs should not be supported with taxpayer dollars. The people back home in Staten Island and Brooklyn, who get up every morning for work, who go to work and see a big chunk of their paycheck taken out and given to the Federal Government, should not expect to see the Federal Government, in turn, buying needles and giving them away to drug addicts on our streets and our communities.

Indeed, as we speak here today, there is a group on Staten Island that is seeking a waiver to start a needle giveaway program. At the outset, what they wanted to do was to open up a storefront and provide needle exchanges. Well, the community went a

little nuts, as well they should, because these people invest their life savings in their American dream, having their children walking around the streets, and why should they be confronted with looking at a needle giveaway program with drug addicts coming into their neighborhoods? Because that is all that is going to happen, with these needle giveaway centers becoming drug hubs, drug magnets for drug addicts.

So, instead, this group said, well, instead of having the storefront in one location, we will have a van. We will have a van drive around the streets of Staten Island dispensing free needles.

Well, what kind of message are we sending to children? Is that the Good Humor van coming down the block? No, that is the needle giveaway van coming down the block. They are going to give needles away to drug addicts.

And, colleagues, let me just point to one needle program in New York City on the lower east side of Manhattan, not necessarily, I would argue, the conservative bastion of politics, whereby a local resident became a little concerned.

Clearly, what is going to happen here on moral grounds, if anything, is to support this measure. To do anything else would be morally wrong. And maybe politically right for some, but politically right and morally wrong just does not fly in this country.

Ms. PELOSI. Mr. Speaker, I wish to inquire about the time.

The SPEAKER pro tempore (Mr. BLUNT). The gentlewoman from California (Ms. PELOSI) has 28 minutes, and the gentleman from Mississippi (Mr. WICKER) has 24¾ minutes.

Ms. PELOSI. Mr. Speaker, I yield myself 30 seconds.

I wanted to make a statement following the gentleman who just spoke and welcome him to the Congress, our new Member, as well as the gentlewoman from Connecticut (Ms. DELAURO), who talked about the experiences in their own communities.

I want to call to the attention of my colleagues a motion to recommit which I intend to offer which says that there would be a ban on Federal funds on needle exchange unless the governor, State health officer, or local municipal health authority determines that the use of Federal funds for such a program would reduce the rate of transmission of HIV and would not encourage the use of illegal drugs and is acceptable to the State, city or other unit of local government or community.

I think this fits well within the objections that my colleagues have put forth, and I hope they could support the motion to recommit.

Mr. Speaker, I yield 1 minute to the gentleman from Guam (Mr. UNDERWOOD), who has been a leader in the fight against drug abuse in that country.

Mr. UNDERWOOD. Mr. Speaker, the current epidemiology of HIV/AIDS is clear. Women, children and minorities are affected disproportionately by heterosexuals' HIV infection associated with transmission from injectable drug users.

Understand this: We are not just talking about drug users but those of whom they come into contact with. Certainly, minority communities are disproportionately affected by AIDS injection drug use.

In 1996, of the Latinos diagnosed with AIDS, injection drug use accounted for 39 percent of the total cases in men and 51 percent of the total cases in women. Of particular concern is the fact that nearly 50 percent of new HIV infections can be attributed to injecting drug use, which disproportionately affects minority communities.

We are not reducing drug use through this legislation. We are talking about denying protection to families, women and children who come into contact with drug users, compounding their misery and risking their lives for an empty political symbol. The war on drug use is not the same as a war on drug users nor a war on their families.

Mr. WICKER. Mr. Speaker, I yield myself 30 seconds.

I appreciate the gentlewoman from California telling us what the motion to recommit with instructions will be about. I think Members on both sides of the aisle are smiling about my friends on the left and their new-found dedication to States' rights and local decision-making.

The fact is, this is Federal money. This Congress has a stewardship over the use of funds paid into the Federal Treasury by the taxpayers, and we have a right to make sure they are not used for a counterproductive purpose.

Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding me this time; and I also want to commend him and the gentleman from New York (Mr. SOLOMON) for introducing this important legislation; and I rise in strong support of H.R. 3717, which would prohibit the Federal Government from subsidizing the distribution of hypodermic needles or syringes for the injection of illegal drugs.

The argument behind needle exchange programs is fundamentally flawed. Needle exchanges facilitate and even encourage illegal activity. Is this really what we want our Federal Government to stand for?

While some in the administration may be able to tell our children, "Don't do drugs" on one hand, while giving our other children clean needles to shoot up with in the other hand, Mr. Speaker, I cannot do that.

Not only are needle exchange programs inconsistent with Federal law, the results of community-based needle exchange programs have been disastrous. Needle exchange programs have resulted in communities with higher crime, communities that are littered with used drug paraphernalia and communities that are magnets for drug addicts and the high-risk behavior that accompany them.

David Murray, Director of Research for the nonpartisan, nonprofit Statistical Assessment Service here in Washington, has pointed out the weakness in the methodology of many of the studies cited by the other side and pointed out the strong evidence in two Canadian studies in Montreal and Vancouver.

In the Vancouver study, where two-and-a-half million clean needles were handed out last year, death caused by illegal drug skyrocketed.

Needle exchange programs result in higher drug use. They result in communities that have serious criminal problems. And the answer to this problem is twofold: combined strict enforcement of our anti-drug laws with education of our young people about the dangers of illegal drug use. And there we have seen real reduction in communities that have followed that approach.

I urge my colleagues to support this legislation, oppose the use of needle exchange programs, and make sure that we continue the fight on drugs in a sensible way by cracking down on drug traffickers and educating people in this country about the dangers of using illegal drugs.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY), who has been a leader on this issue of needle exchange, not needle giveaway, needle exchange, to reduce the number of contaminated needles in circulation.

Ms. WOOLSEY. Mr. Speaker, I thank my colleague, the gentlewoman from California (Ms. PELOSI), for her leadership in this effort.

When we talk about AIDS, we are talking about an epidemic, not someone's narrow-minded cultural war. Maintaining the ban will not help save our children or anyone else. In fact, the ban on needle exchange actually threatens lives.

More than half of all children with AIDS contracted the virus from mothers who are injection drug users or the partners of injection drug users. That is right. We are talking about our children. Do not forget that.

In 1995, needle exchange programs were found to reduce the spread of AIDS and not to lead to increased drug use.

I want to at this point note that my district, Marin and Sonoma Counties in California, not the inner cities that my colleague, the gentleman from New York (Mr. KING), referred to, provides free needles through the public health system. This is not just a problem for poor inner city districts. This is a problem, AIDS is a problem for every single district in this country.

This bill would ignore the science by denying public health experts a tool in the fight against AIDS, a tool that has been proven to slow the spread of this deadly disease. And those of my colleagues who are worried that free needles increase drug usage have to stop and think. We have to be reassured that knowing that the positive step by a drug user to choose clean needles is actually a first step in a very positive way towards their recovery. Just think about it. This is an opportunity to begin the healing process.

I urge my colleagues to vote against this flawed piece of legislation. Support needle exchange and stop the spread of AIDS.

Mr. WICKER. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I thank the gentleman for yielding me this time, and I just wanted to make a couple of points.

I serve on the Speaker's drug task force. Anyone who has looked for a moment about drug usage with children and how they start, there are two key components: Number one, the risk, the risk of what is going to happen to them. They are going to get sick or it is going to kill them. Number two is the peer pressure or the moral authority that drug use is wrong.

Now, if we, as a Federal Government, use taxpayer dollars to say to kids it is okay if they use drugs as long as they use a clean needle and we are going to pay for it, what message does that send to our kids who are facing very difficult decisions today? If we tell kids that, hey, it might not be good, mom and dad do not like it, but the peer pressure is not there because the Federal Government says it is okay, we are going to subsidize their drug use, it is wrong. And I support this bill 100 percent.

Ms. PELOSI. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. DINGELL), the ranking member on the Committee on Commerce and a strong leader in this House with unquestioned credentials in the fight against drugs.

Mr. DINGELL. Mr. Speaker, what happened to the regular order around here? What is the reason for bypassing the committee? What is the reason we are putting this bill on the floor without ever having it considered by the Committee on Commerce?

This is an authorization bill. It is put on the floor by the Committee on Rules. No consultation with the Committee on Commerce, which has jurisdiction over these matters.

I do not intend to talk about the substance. I intend to talk about outrageous procedure. Without any consideration of the views of the Committee on Commerce, all of a sudden this legislation is on the floor; introduced and moved here with blinding speed. A majority which is incapable of moving ordinary legislation at even ordinary speed is not capable of withholding from themselves the opportunity to move with blinding haste on a piece of legislation which is unnecessary. The Secretary has already said we are not going to have needle exchanges.

If we are going to have a debate on it, let us have an intelligent debate. Let us let the committees work on these matters, as they properly should.

Woodrow Wilson, over a half a century ago, observed that the Congress works in its committees. Let the committees function. Let this body work its will in an ordinary and intelligent way.

There is no reason for this unseemly haste. If the House needs to work its will on this and if we should pass this legislation, let us do it, but in the ordinary, intelligent way, after allowing the committees to do their work.

There are public health experts who have strong feelings on this. They know vastly more about the public health aspects of this than do we. Let us hear from them. If there are theologians or experts on crime or narcotics use or control of narcotics, let us hear from them.

Let us not have this matter laid upon our lap by the Committee on Rules without the slightest consideration of public interest questions that should be considered in the ordinary fashion.

Vote this matter down.

CONGRESS OF THE UNITED STATES,
Washington, DC, April 28, 1998.

Hon. GERALD B.H. SOLOMON,
Committee on Rules, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN SOLOMON: We are writing to object to the highly irregular and unfortunate effort to force House consideration of H.R. 3717, a bill to prohibit Federal funding of needle exchange programs, without any consideration by the Commerce Committee, the committee of jurisdiction.

H.R. 3717 has been referred to the Commerce Committee. Its members are fully entitled to an opportunity to review, amend, and state their views on the legislation through hearings, markup, and committee reports. Allowing H.R. 3717 or any comparable legislation to reach the House floor without adequate research and reflection is inconsistent with the best interests of the House.

In past Congresses, needle exchange programs have been the subject of deliberations by the Commerce Committee and the Subcommittee on Health and the Environment. In the 105th Congress, neither H.R. 3717 nor comparable legislation has been subject to any such review. Consequently, we urge you to ensure that the regular order is observed and an opportunity for appropriate scrutiny of the legislation is made available to the Commerce Committee.

Sincerely,

JOHN D. DINGELL,
Ranking Member, Committee on Commerce.

SHERROD BROWN,
Ranking Member, Subcommittee on Health and Environment.

HENRY A. WAXMAN,
Ranking Member, Committee on Government Reform and Oversight.

Mr. WICKER. Mr. Speaker, I yield 3½ minutes to the gentleman from Florida (Mr. WELDON), a physician in his own right and a passionate advocate on behalf of drug control.

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Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman for yielding me the time.

I am a physician. I did my internship and residency in San Francisco in the early 1980s. I remember when I got there as a young intern being told that there were people coming in with strange conditions. And I remember the first article that was published in the New England Journal of Medicine and came out of the Veterans' Administration Hospital in Los Angeles that initially described AIDS.

After serving some time with the Army in Georgia, I went into private practice in Florida, and I did indeed practice infectious disease with the only infectious disease specialist in the county, a county of about 400,000 people, who saw AIDS patients. I had the opportunity to treat lots of AIDS patients and get up in the middle of the night, go into the emergency room, admit them to the hospital. And I have to say, I had the sad experience of seeing a lot of young people in the prime of their life die from complications of AIDS. So, needless to say, I am very interested in any effort that we can pursue to help control the spread of AIDS.

Now, there have been a lot of studies that have been quoted by a lot people that assert that needle exchange programs cut down on the transmission of infectious disease, and there have been quite a few studies quoted by people on our side of the aisle that there are other studies that confound that. So we have a situation where we have some studies that contend that there is a benefit from needle exchange, and then there are some studies that show that needle exchange programs do not work or indeed may actually make matters worse.

I can quote from some of those studies, but I believe some of my colleagues who have preceded me have already quoted from some of those studies, so I choose not to do so again, but to simply point out that one of the confounding problems with some of the studies that contend that there is a benefit is that they frequently do not control for other aspects that go along with the needle exchange program, like counseling, like education that is incorporated into the needle exchange program. And indeed there are studies that actually suggest that those things, when we actually go into a community and engage in counseling and intervention with the drug abuse

community exclusive of needle exchange, we can actually see a dramatic reduction in the instance of AIDS.

I am specifically thinking about a study that came out of Chicago which showed the seroconversion rate, that is when people convert from being without AIDS to having AIDS in their bloodstream, amongst the IV drug-abusing community fell from 8.4 percent to 2.4 percent. That is the conversion rate, a dramatic 71 percent reduction.

So, in conclusion, I think this is a very controversial issue, and I think it is extremely appropriate that the Federal Government not get involved in promoting this. And if they want to have one in Hartford or other places, I think certainly we should not prohibit them from doing that. But this is good legislation. It keeps the Federal Government out of an issue that I think on a scientific basis is very controversial.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CUMMINGS), who has been a leader on this issue in the State Legislature of Maryland and in the Congress of the United States and he is an authority on the needle exchange programs as a means of reducing substance abuse.

Mr. CUMMINGS. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker and my colleagues, as I listened to all of the discussions, I must say that I became a bit upset. I live in a drug-infested area. I live about 45 miles away from here. And we have a needle exchange program.

A few years ago, when the Maryland Legislature considered needle exchange, we had a lot of people who were very much opposed to it, but it passed for Baltimore City. And 4 years later, after working with the needle exchange program, our legislature came back and, by a wide margin, approved it again.

The reason why they have approved it was several reasons. Number one: Johns Hopkins University conducted a study of our needle exchange program and found that there was indeed a reduction in AIDS cases, and they also found that there was no increase in crime. They found that there was a reduction in crime, as a matter of fact; and they also found that there was no increase in drug addiction. And that is very, very significant. As a matter of fact, in Baltimore communities are asking that needle exchange come to their communities because of the fact that they have noted that there has been a reduction in crime.

I do not know how many Members of this House have ever seen anyone dying from AIDS. It is a very, very painful disease, and it is a slow and debilitating disease. The fact still remains that the science is on this side. And so, it is very important that we address this issue and not go for this particular piece of legislation. This piece of legislation stops the Federal Government from preventing AIDS.

So I say to my colleagues, I ask the Members of this House to look at Baltimore City. They do not have to go to Vancouver. Baltimore is 45 miles away. The number one research institution in the world has already studied this issue and says that needle exchange works.

Mr. WICKER. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. MICA), one of the most tireless warriors in the fight against drugs.

Mr. MICA. Mr. Speaker, this administration averted a disaster last week. Even after an avalanche of opposition from Congress and opposition from our national drug czar General McCaffrey did President Clinton weigh in to prevent Federal funding for drug needle exchange.

Today, the House of Representatives, with this resolution, will make clear that this Congress does not intend to pay for free needles for drug addicts. This message needs to be heard by our Health and Human Services Secretary Shalala.

This message needs to be heard by President Clinton's new Surgeon General Satcher. How inconceivable it is that our new Surgeon General, as his first and premier action in that position, has recommended and promoted this free drug needle exchange. We as a Nation have not yet recovered from the damage of President Clinton's former Surgeon General Jocelyn Elders. Remember, if you will, her advocacy of a drug use policy that said to this Nation and our children, just say maybe. That policy was combined with our President's statement to our youth that, "If I had it to do all over again, I'd inhale."

Between the former Surgeon General and the President, drug use among our teens has soared through the ceiling since 1993. I am pleased that Congress today is cutting off this new Surgeon General at the pass. His proposal to give free needles to drug addicts with taxpayer dollars is absurd. It is like providing free cigarette holders to our schoolchildren.

I am saddened that the Congressional Black Caucus has called for the resignation of our national drug czar, who has sided with us on this issue. He only gave his opinion. The President reversed the other decision. Why are they not calling on the President to resign? How tragic that those Representatives whose constituents have been slaughtered in incredible numbers would support Federal funds for more drug abuse.

Where is the most dramatic increase taking place with heroin which will be used by these needles? By our teens. So this program will get those needles right where they need to be, to our teens. "Long Out of Sight, Heroin is Back Killing Our Teens." This is the headline from my local paper. This is absurd. This is crazy.

I challenge Members to come with me and ask my constituents if they want their tax dollars to pay to supply free needles for drug addicts in my district, and I guarantee them the answer will be no.

Ms. PELOSI. Mr. Speaker, I yield 2½ minutes to the gentlewoman from California (Ms. MILLENDER-MCDONALD), who came to Congress to challenge each of our Members to lead their constituents not down the easy path, but the real path to reduce substance abuse in our communities.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise today in opposition to H.R. 3717.

As a Member of this House, representing a region of this country with an astronomical high rate of HIV transmission and AIDS, I cannot support this bill. I cannot support legislation that is brashly written to resolve hot tempers and not to resolve the real problems here.

HIV and AIDS continue to plague this country. We have not and will not see the rate of HIV transmission fall if we continue to let politics rule the legislative process. We have conclusive scientific evidence that needle exchange programs mitigate the spread of HIV and are an essential catalyst in getting people off the streets and into the life-saving substance abuse programs.

Nationwide, injection drug use accounts for more than 60 percent of the AIDS cases, more than 70 percent of the HIV infections among women of child-bearing age, and more than 75 percent of babies diagnosed with HIV AIDS.

Among African Americans, 48 percent of AIDS cases are related to injection drug use. The rate of HIV AIDS transmission in the African American community is 7 times that of the general population, and AIDS continues to be the number one killer of African American women age 25 to 44 years.

Needle exchange programs have shown a reduction in risk behavior as high as 80 percent in injecting drug users, with estimates of 30 percent of greater reduction of HIV. Perhaps the most critical of all, these needle exchange programs help individuals stabilize their health and gain more control over the dangerous environment in which they live so that they can benefit from HIV medications and drug treatment.

The needle exchange programs that have been implemented in inner cities throughout the country are playing a critical role in reducing HIV transmission, assisting HIV-positive drug users in obtaining necessary care and drug treatment, and providing essential information on AIDS. This is critical not only for those who are IV drug users, but for the hundreds of thousands of adults who do not know that their partners are using drugs and for

the innocent children who are born with this fatal disease.

The American Medical Association, the American Public Health Association, American Academy of Pediatrics, and many more national health organizations support needle exchange programs. I encourage my colleagues to join me in voting against this bill, which is full of politics and void of reason.

Mr. WICKER. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Speaker, I thank the gentleman from Mississippi for yielding.

As I listen to this debate, I find one particular part of it rather fascinating. I heard a colleague early on in the debate say clearly that the evidence was all on one side; that, in fact, there was clear and convincing evidence that these programs indisputably work, that they lower HIV conversion, and that they do not increase drug abuse. And he said, I cannot believe that that is not true. It is absolutely true. And speaker after speaker has come to this floor and cited scientific studies.

But do my colleagues know what? There are studies on both sides of the aisle. Quite frankly, one thing is very obvious from this debate. The science is, in fact, divided on this issue. No one can maintain that it is absolutely clear.

I want to cite James L. Curtis, a medical doctor and a clinical professor of psychiatry at Harlem Hospital Center, a black American himself. He says point blank, "There is no evidence that such programs work." He says, citing the Montreal and Vancouver studies, that they show that those addicts who took part in the program were two to three times more likely to become infected with AIDS than those who did not. And he also found that almost half the addicts frequently shared their needles.

I also want to cite Dr. Janet D. Lapey, M.D., president of Drug Watch International. She cites the same two studies, but she points out another important fact that is being ignored. She points out that in Montreal, deaths from overdose have increased over fivefold since the program started. That is an historic increase. And Vancouver has now the highest heroin death rate in all of North America.

One thing we have to conclude from this is that science is divided, but practicality is not. Let me give my colleagues a real-life situation.

A woman appeared before our subcommittee and testified on this issue. Her name was Nancy Sossman. We heard my colleague on the other side. She said that she made a personal visit. We heard my colleague say this is an exchange program. In the real world, it is not an exchange program. Without presenting a single needle, she was given 40 clean needles. Asked if she had to return them, she was told no, she did not have to return them, she simply had to dispose of them in an opaque container. In the practical world this program spreads needles among people who need them the least and will do the most damage. As for cleaning up the problem, she specifically told them that she had only been using drugs for 6 months in hopes that they would encourage her to get treatment. They did not do that.

Across America, there is no debate about this issue. If we want to win the fight against drugs, if we care about our children as much as we care about HIV, we cannot send the mixed signal of handing out free needles, encouraging people to break the law, encouraging them to engage in destructive conduct that will destroy their lives. In the real world, this program is simply dumb. It encourages people to break the law, destroy their lives, and it at best under the science does not work.

Ms. PELOSI. Mr. Speaker, I agree with the gentleman that the program that he described is not one that fits the standards set by the Committee on Appropriations which is a needle exchange program, not as described by him. I would agree with him that that is not appropriate.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE), a very strong advocate against substance abuse in our country.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the gentlewoman is right. Because of the fact that children do not use needles and this is a lifesaving legislation that helps prevent the transmission of HIV, I am rising to oppose this legislation because I want to save lives.

Mr. Speaker, I rise today to urge my colleagues to vote no on H.R. 3717, which will prohibit Federal funds for needle distribution programs.

Extensive scientific evidence shows that the needle exchange program reduces the spread of HIV and AIDS and does not increase drug use.

What the needle exchange program does, is saves lives. And if we can save one life, that makes the needle exchange program a resounding success.

I applaud President Clinton's steadfast leadership in the Nation's fight against HIV/AIDS. But the combination of AIDS and substance abuse remain a complex public health epidemic that must be dealt with in the most effective manner.

Nationwide, IV-Drug use accounts for about 60 percent of the AIDS cases and more than 70 percent of the HIV infections among women of child bearing age. And more than 75 percent of babies diagnosed with HIV/AIDS were infected as a result of IV-drug use by one of their parents.

The numbers in the African-American community are even more shocking. A recent study shows that AIDS is the leading death of African-American men between 25 and 44 years of age.

The fact that the largest number of AIDS cases in the general population and in the African American community are due to intravenous drug use clearly illustrates the necessity of the needle exchange program in the control and prevention of HIV/AIDS.

According to a recent study, the number of HIV infections that could have been prevented between 1987 and 1995 if the needle exchange programs were established is between 4,400 and 9,700. In addition, up to a half billion dollars in health care expenditures could have been avoided.

We can not continue to ignore solid evidence that needle exchange programs that make needles available on a replacement basis only, is extremely effective in controlling and preventing the spread of HIV/AIDS, and it helps to reduces drug use through effective referrals to drug treatment and counseling.

Federal funds must be used to support effective needle exchange programs. We must put politics aside and support the needle exchange program, for the sake of our children and the young men and women who are contracting HIV/AIDS through intravenous drug use.

Clean needles are only a part of the solution, but it is an important part. I urge my colleagues to vote no on H.R. 3717 and help me to save a life today.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE), one of the newest Members of the House of Representatives, a champion in the State legislature in the fight against substance abuse and now in the Congress.

Ms. LEE. Mr. Speaker, I thank the gentlewoman from California for yielding time and for her leadership in this effort to save lives.

Mr. Speaker, for years I have been supportive of needle exchange funding legislation as a member of the California legislature. Studies conclusively show that needle exchange programs, while dramatically reducing the spread of HIV, do not encourage drug use. On the contrary. Needle exchange programs can provide a bridge to treatment. They have been shown to have a positive impact on identifying intravenous drug users, a very hard to reach population, and bringing these individuals out of crime and into medical care treatment and prevention programs. IV drug use accounts for 75 percent of all new HIV infections among women and children, and for 40 percent of new HIV infections overall. The passage of this bill would be dramatically damaging to people of color and communities which I represent. The disproportionate number of African-American and Latino individuals who are infected with HIV is astounding: Minorities make up 64% of HIV infections. Even more shocking, while African-Americans make up 16% of the U.S. population, they comprise 45% of those infected with HIV. These statistics demonstrate a state of emergency for people of color.

Two-thirds of Americans support needle exchange programs, which are a lifesaving event in the right direction. I urge a "no" vote on H.R. 3717.

Ms. PELOSI. Mr. Speaker, I yield 1¾ minutes to the gentleman from New York (Mr. NADLER), an expert on the subject of reducing substance abuse in our country and stopping the spread of HIV.

Mr. NADLER. Mr. Speaker, I represent New York City, the epicenter of the AIDS epidemic in this country. We have seen dramatic reductions in the rate of transmission of AIDS in those areas where we have needle exchange programs. Our experience has changed the minds of many former opponents as a result of what they have seen.

This bill we have today is a death sentence for many people in this country. The evidence is clear and convincing and irrefutable, needle exchange programs save lives. The Federal Government's top scientists at the National Academy of Sciences, the National Commission on AIDS, the American Medical Association, the National Institutes of Health, the General Accounting Office all tell us there is conclusive proof that needle exchange programs save lives, prevent the spread of AIDS and do not encourage drug use. With scientific proof in hand that needle exchange saves lives, the question before us today is does this House wish to cause people to suffer and die rather than to let science and medicine slow the spread of this deadly disease?

The numbers are shocking. Every day 33 people, including drug users, their sex partners and their children, become infected with the AIDS virus because of intravenous drug use. Forty percent of all new infections in the U.S. result from the use of contaminated needles. For women and children, 75 percent. But needle exchange programs prevent the spread and without any increase in IV drug use. In fact, studies show that IV drug use declines as a result of needle exchange because needle exchange programs encourage drug users to seek treatment.

If we have the ability to help those who want and need this assistance, why would we not? Because it sends a message? Dead and dying children send a worse message. Defeat this deadly, deadly bill.

Mr. Speaker, I represent N.Y.C., the epicenter of the AIDS epidemic in this country. We have seen dramatic reductions in the rate of transmission of AIDS in those areas where we have needle exchange programs. Our experience has changed the minds of many former opponents, of needle exchange programs.

Mr. Speaker, this bill is a death sentence for many people, in this country. The evidence is clear and convincing, needle exchange programs save lives!

The federal government's top scientists, as well as the National Academy of Sciences, the National Commission on AIDS, AMA, Nat'l Acad. of Sciences, the National Institutes of Health, and the General Accounting Office, all tell us there is conclusive proof that needle exchange programs prevent the spread of AIDS, and do not encourage drug use. With scientific *proof* in hand that needle exchange saves lives—the question before us is does this House wish to cause people to suffer and die rather than to let science and medicine slow down the spread of this deadly disease.

Mr. Speaker, the numbers are shocking. Every day, 33 people—including drug users, their sex partners and their children—children become infected with the AIDS virus as a result of intravenous drug use. Forty percent of all new infections in the U.S. result from the use of contaminated needles; for women and children, that figure is 75 percent.

But needle exchange programs prevent this spread—and without any increase in IV drug use. In fact, studies show that IV drug use *declines* as a result of needle exchange, because needle exchange programs encourage drug users to seek treatment.

If we have the ability and resources to help those who want and need assistance and save them and their children from a slow and painful death then why not do so? Because it sends a message? Dead and dying children send a worse message.

Mr. Speaker, I do not believe that any member of this House would wish greater spread of the AIDS epidemic. There is no real controversy here—it is a *fact* that needle exchange saves lives. To ban federal funds for these programs would bring certain death to thousands.

Mr. Speaker, we have to face reality. People are using drugs intravenously already. If by providing clean needles, we reduce their use of infected needles, then we reduce the transmission of AIDS. We know this. Study after study shows this.

I urge my colleagues to choose life! Choose life over death! Choose life over demagoguery! Reject this deadly bill.

Ms. PELOSI. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. WAXMAN), a champion in this House in the effort to stop the spread of HIV and AIDS and an expert on the issue of substance abuse.

Mr. WAXMAN. Mr. Speaker, I thank the gentlewoman very much for yielding time to me. I want to give a reality check for this institution. There is no Federal funding of the needle exchange program anywhere in this country. There is no mandate or requirement that a State, city or community use needle exchange. This bill is simply unnecessary. Today States and localities are free to determine with their best scientific judgment whether needle exchange makes sense for their own citizens. They can fund them themselves. But this bill would slam the door now and forever on any possibility of getting Federal funding provided in the future. Even if the State of California wanted to do it, a city like Boston or New York thought it was appropriate, they would, even in the best interest of their citizens, be blocked from using Federal funds. The cold, hard reality is that all of the science shows that needle exchange programs prevent AIDS and save lives. This is a fact. This is the conclusion of the Surgeon General. That is the conclusion of the National Academy of Sciences. That is the conclusion of the National Institutes of Health. If that is not enough for you, it is also the conclusion of the American Medical Association, the American Public Health Association, the American Nurses Association and the American Academy of Pediatrics.

It is not, however, the conclusion of the Republican leadership. Needle exchange programs prevent AIDS and save lives. Period. The proof is overwhelming.

Mr. Speaker, I want to emphasize the real purpose of this legislation. Earlier this morning I pointed out that the Committee on Rules had caved in to orders from the leadership to bypass the committee of jurisdiction, the Committee on Commerce. The only reason this bill is on the floor today without any committee deliberation whatsoever is because the Republican leadership wanted to avoid any critical scrutiny of the bill. They wanted to turn this public health issue into a political football.

There have been some pretty ludicrous claims made about needle exchange programs. One would think that we were about to install them in vending machines next to Coke machines around the country.

Here is another reality check. Needle exchange programs not only save lives by stopping the spread of AIDS but they can reduce drug use and bring IV drug users into the health care system. People who normally shun contact with the public and authorities get referrals to health care, drug rehabilitation and treatment. In fact, the NIH found that IV drug users in needle exchange programs are more likely to get drug treatment because they are already in the program.

Needle exchange programs send a simple message. If you use IV drugs, you can get AIDS and you can spread it. If you need treatment, there is a place where you can get it.

Mr. Speaker, I include the following material for the RECORD:

[From the Washington Post, April 23, 1998]

CLEAN NEEDLES, NO MONEY

President Clinton's latest policy response to a national epidemic—the spread of AIDS among intravenous drug users—is little more than a political fix. In one breath, the administration is declaring that needle-exchange programs do help curb the spread of AIDS—but that no federal funds should be spent on this approach. This half-and-half solution, intended to resolve internal policy disagreements among the president's advisers, puts politics ahead of public health.

The administration says the announcement does send out an important message: that even without federal subsidies, the decision that needle exchanges have scientific merit should assist state and local programs

in securing financial backing. Secretary of Health and Human Services Donna E. Shalala reportedly would have preferred to begin allowing certain programs to qualify for federal aid—a reasonable introduction. But those in the administration who argued that lifting the ban on federal funding would send a bad message found reinforcements among congressional leaders who said the votes to uphold needle-exchange funding weren't there—that pressing a fight could result in legislation taking other federal money away from groups or governments that provide free needles.

Secretary Shalala has argued since the announcement that the administration's endorsement of the approach will include educational efforts to underscore the findings of all major leading research groups, public as well as private, that needle exchanges are scientifically sound. The federal government should have a clear and important role in this attack on AIDS. Needle exchanges are but part of a broader effort, including improved drug-abuse prevention and treatment. But study after study shows that the exchanges do not promote greater use of illegal drugs. In any event, drug addicts who are not under treatment don't stop their drug use just because clean needles are unavailable. They will go to infected needles. The National Institutes of Health reports that needle exchange has brought about an estimated 30 percent or greater reduction of HIV in injection users of illegal drugs. In terms of money, these programs are a fraction of the lifetime cost of treating a person with HIV/AIDS. Full support, not White House lip service, should be a priority.

[From the Los Angeles Times, Apr. 22, 1998]

COP-OUT ON NEEDLE EXCHANGES

Clinton administration officials would have us believe they took a sensible middle road on Monday, producing incontrovertible evidence that needle exchange programs save lives but not going so far as to lift a prohibition on the use of federal funds for the controversial programs. Health and Human Services Secretary Donna Shalala, administration officials argued, would never have been able to gain approval for needle exchange programs from a skeptical Congress.

In fact, what the Clinton administration presented as moderation was really evasion, for Shalala's department has not needed congressional approval since 1990, when Congress granted it authority to lift a ban on needle funding provided it could demonstrate just what Shalala announced Monday: that needle exchange programs lower the spread of HIV and do not increase substance abuse.

The administration's decision to maintain the funding ban will surely cost lives, for injection drug users compose the group in which AIDS is spreading most rampantly. According to Surgeon General David Satcher, tainted needles account for 75% of all new AIDS infections among women and children and for 40% of all new AIDS infections overall.

Generous funding for needle exchange programs already exists. About $630 million is doled out yearly by the Centers for Disease Control for regional AIDS programs, and civic groups like the U.S. Conference of Mayors have asked Shalala to let them spend some of that money on needle exchange programs.

Some legislators understandably object to the notion of the federal government handing out needles to substance abusers. The programs, however, don't stop at handing out needles; their primary aim is attracting and then treating the sort of substance abusers whom public health officials would otherwise have difficulty finding, and an abuser untreated is a threat to others.

Ideally, substance abusers would flock to treatment without any incentives. But this is the real world: Thirty-three Americans are infected each day with AIDS because of injection drug use. Needle exchange programs could change those sad numbers.

[From the New York Times, Apr. 9, 1998]

THE POLITICS OF NEEDLES AND AIDS

(By Julie Bruneau and Martin T. Schechter)

Debate has started up again in Washington about whether the Government should renew its ban on subsidies for needle-exchange programs, which advocates say can help stop the spread of AIDS. In a letter to Congress, Barry McCaffrey, who is in charge of national drug policy, cited two Canadian studies to show that needle-exchange plans have failed to reduce the spread of H.I.V., the virus that causes AIDS, and may even have worsened the problem. Congressional leaders have cited these studies to make the same argument.

As the authors of the Canadian studies, we must point out that these officials have misinterpreted our research. True, we found that addicts who took part in needle exchange programs in Vancouver and Montreal had higher H.I.V. infection rates than addicts who did not. That's not surprising. Because these programs are in inner-city neighborhoods, they serve users who are at greatest risk of infection. Those who didn't accept free needles often didn't need them since they could afford to buy syringes in drugstores. They also were less likely to engage in the riskiest activities.

Also, needle-exchange programs must be tailored to local conditions. For example, in Montreal and Vancouver, cocaine injection is a major source of H.I.V. transmission. Some users inject the drug up to 40 times a day. At that rate, we have calculated that the two cities we studied would each need 10 million clean needles a year to prevent the re-use of syringes. Currently, the Vancouver program exchanges two million syringes annually, and Montreal, half a million.

A study conducted last year and published in The Lancat, the British medical journal, found that in 29 cities worldwide where programs are in place, H.I.V. infection dropped by an average of 5.8 percent a year among drug users. In 51 cities that had no needle-exchange plans, drug-related infection rose by 5.9 percent a year. Clearly these efforts can work.

But clean needles are only part of the solution. A comprehensive approach that includes needle exchange, health care, treatment, social support and counseling is also needed. In Canada, local governments acted on our research by expanding needle exchanges and adding related services. We hope the Clinton Administration and Congress will provide the same kind of leadership in the United States.

[From the New York Times, Feb. 22, 1997]

FEDERAL FUNDS FOR CLEAN NEEDLES

Health and Human Services Secretary Donna Shalala says in a new report to the Senate that needle-exchange programs are an effective way to combat the spread of H.I.V., the virus that causes AIDS. But the Secretary does not go far enough. It is time the Clinton Administration lifted the ban on Federal funding for needle-exchange programs.

Such programs now exist in more than 50 American cities, including New York. They provide intravenous-drug users with sterile needles, thus reducing the likelihood that addicts will share needles contaminated with H.I.V. The programs typically have very small budgets, often are run by volunteers and are plagued with unstable funding from year to year. Yet even these modest programs have been effective.

Secretary Shalala's report reviews the research on the issue. Earlier studies done by the National Academy of Sciences, the General Accounting Office, the Centers for Disease Control and the University of California at Berkeley found that providing addicts with sterile needles could help slow the spread of the virus. Equally important, those studies found no evidence that needle-exchange programs increase the amount of drug use by addicts or attracted new users.

More recent studies done for the Massachusetts Department of Public Health and in Baltimore by the Johns Hopkins School of Public Health confirmed those observations. Federally funded studies conducted by the National Institute on Drug Abuse also report no increase in the frequency of drug injection associated with needle-exchange programs. A conference of scientists convened by the National Institutes of Health on AIDS prevention stated unequivocally last week that there is no doubt that needle-exchange programs work.

The consistency of these findings justifies Federal support to help pay for needle-exchange programs in communities that need and want them. Unfortunately, the debate continues to focus on politics and morality rather than public health needs. Opponents argue that providing addicts with needles implies approval of drug abuse. They forget that addicts can infect their spouses and offspring who do not abuse drugs and yet must live with the consequences of dirty needles.

Congress imposed the ban on Federal funding for needle exchanges in 1992. But the Administration can lift the ban if the Surgeon General declares that the programs can reduce H.I.V. spread and do not increase drug use. Secretary Shalala's report offers ample evidence that both requirements have been met. The Administration no doubt wants to avoid giving its opponents any reason to bash President Clinton for being soft on drugs. But lives can be saved with needle-exchange programs. The President should show some courage on this issue.

[From the Wall Street Journal, July 10, 1996]

NEEDLE-SWAP PROGRAMS SPARK LIFE-AND-DEATH DEBATES

(By Amanda Bennett)

Optimism about life-prolonging drug therapy for AIDS patients is running high at the International Conference on AIDS in Vancouver. But two researchers, yesterday delivered a sobering message: If needle-exchange programs aren't widely adopted and publicly funded, they said, more than 11,000 new HIV infections that could be prevented will occur before the end of the decade.

"People's lives are at stake," says one of the researchers, Peter Lurie of the Center for AIDS Prevention Studies at the University of California at San Francisco.

Needle-exchange programs allow drug addicts to swap used needles for clean ones. But needle distribution without prescription is illegal in at least nine states, and nearly all the states have laws prohibiting carrying drug paraphernalia. What's more, under an amendment sponsored in 1988 by North Carolina's Republican Sen. Jesse Helms, such programs are barred from federal funding.

Against that backdrop, Dr. Lurie and his colleague, Ernest Drucker of Albert Einstein College of Medicine in New York, estimate that as many as 10,000 infections could have been prevented between 1987 and 1995 had programs that supply clean needles to addicts been generally available. The researchers reached their conclusion by mathematically combining the results of previous studies of the effectiveness of needle-exchange programs and of the numbers of people expected to use them if they were available.

While other researchers have estimated the impact of needle-exchange programs in individual locations, this is the first attempt to calculate the national effect. "It's unique," says David Purchase, director of the North American Syringe Exchange Network in Tacoma, Wash., a service organization for syringe-exchange programs. Other researchers applauded the effort, even while noting that they believed the figures Drs. Lurie and Drucker obtained—reductions of infections of between 15% and 33%—were low.

"It's a very good start, but I think it seriously underestimates the potential effectiveness of syringe exchanges," says Don Des Jarlais, director of research of the Chemical Dependency Institute of Beth Israel Medical Center in New York.

Dr. Des Jarlais himself is presenting a paper at the conference that he says shows syringe exchanges in New York (where they are legal) are "working much better than anyone expected." Since 1992, the doctor says, the programs he studied showed a decrease in HIV infections of more than 50%.

The analysis underscores the battle that continues to rage between politics and science, more than 15 years into the epidemic. This past Monday, President Clinton's own Advisory Council on HIV/AIDS criticized him for failing to support needle-exchange programs. In a report, the panel said that absence of support is "not consistent with current knowledge regarding the impact of such programs on HIV infection." (The Clinton administration has the power to lift the ban on federal funding of needle-exchange programs if scientific evidence shows that is warranted.)

Some who oppose needle-exchange programs believe that they tacitly encourage the use of illegal drugs. Others, such as Democratic Rep. Charles Rangel of New York, who represents a largely minority community in New York City, support needle-exchange programs only if they don't divert resources from drug treatment.

The conflicting nature of the various arguments is evident in the experience of Herbert J. Kleber, a Columbia University professor who was a member of a National Research Council panel that found needle-exchange programs effective in reducing HIV transmission. Dr. Kleber said several months ago that he nonetheless had doubts about the programs, noting that participants in one of them, in Montreal, actually had a higher rate of HIV and of new HIV infections. (An analysis of the Montreal program is also being presented at Vancouver; one of the investigators called the findings "worrisome" and "paradoxical," and said that additional studies were being planned.)

The competing political forces create other complications. In California, Attorney General Dan Lundgren has been aggressively fighting needle-exchange programs, but local officials, like San Francisco Mayor Willie Brown, support them. In Oakland, three exchange sites give out about 50,000 clean needles a month; one part of the program, which offers drug counseling and outreach, is funded by federal and state money, says spokeswoman Camille Anacabe, but the syringe-exchange part of the program is funded by a private foundation.

Nationwide, the number of needle-exchange programs continues to grow, some operating either illegally or on the edge of the law. Dr. Lurie of the Center for AIDS Prevention Studies estimates that there are 88 in operation today, compared with 68 in 1994 and 37 in 1993.

Still, Dr. Des Jarlais says his study demonstrates that the reach of such programs can be greatly extended following legalization. He says after the programs he studied were legalized in 1992, the number of needles distributed increased 25-fold.

The study by Drs. Lurie and Drucker assumes that needle-exchange programs could have grown from zero in 1987 until they served 50% of all needle users in 1994—the percentage served in Australia, which implemented such programs early in the epidemic. The study further assumes that preventing infections in drug users also prevents other infections. About 12% of the infections they estimate to have been preventable are among drug users' sex partners and newly born children. However, the study's authors also figure that some infections that appear to be due to intravenous drug use are actually due to sexual transmission and so wouldn't be affected by exchange programs.

Drs. Lurie and Drucker figure that the U.S. could have avoided up to $538 million in treatment costs by preventing new infections through needle exchanges. Dr. Des Jarlais notes, however, that the study doesn't take into account potential infections averted by legalizing pharmacy sales of syringes to drug users, which is another method favored by the prevention community.

Jon Stuen-Parker, an ex-addict and a longtime AIDS activist, doesn't deal in abstracts: He spends much of his time giving out clean hypodermic needles to injection drug users. "Nothing is more urgent than stemming the spread of the virus" among addicts, he says. Last month, Mr. Stuen-Parker was given an 18-month suspended jail sentence in New Hampshire, where it is illegal to possess a syringe without a prescription.

AMERICAN PUBLIC
HEALTH ASSOCIATION,
Washington, DC, April 28, 1998.

DEAR MEMBER OF CONGRESS: The American Public Health Association (APHA), consisting of more than 50,000 public health professionals dedicated to advancing the nation's health, strongly urges you to vote against HR 3717 when it comes before the full House tomorrow for consideration. HR 3717 would prohibit the use of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs. APHA opposes this bill and any legislation that would enact a permanent federal ban on the use of federal funds for needle exchange programs.

Since 1994, APHA specifically has advocated the development, implementation, evaluation, and funding of needle exchange programs to help prevent HIV infection. All APHA public policy is passed by the Association Governing Council and is required to meet strict scientific criteria. APHA policy on needle exchange is no different—an enormous body of published research, including more than seven federally sponsored reports, demonstrates that needle exchange programs reduce the spread of HIV while not increasing drug use by program participants or others in the community where the program is conducted. Secretary of Health and Human Services Donna Shalala recently has confirmed these findings in a statement issued on Monday, April 20, 1998.

The current epidemiology of HIV/AIDS is clear—women and children are affected disproportionately by heterosexual HIV infection associated either directly or indirectly with transmission from injectable drug users. These new cases of HIV/AIDS that are linked to injectable drug use largely can be prevented through the provision of sterile needles to drug users coupled with other public health tools including health education and condom distribution.

Needle exchange programs increase the contact that health professionals have with injectable drug users, thereby increasing opportunities to conduct health education and disease prevention activities, including drug treatment and counseling. Federal funding for needle exchange programs is essential to protecting the public's health. The efficacy of these programs is proven and the Federal government has a responsibility to provide the leadership and the funding to allow these programs to be developed in those communities that determine they need this important public health intervention. Public health and saving lives must take precedence over politics and rhetoric.

Congress should be taking action now to release Federal funding for needle exchange programs rather than enacting a ban on such support. Your opposition to HR 3717 is critical to protecting public health.

Thank you for your consideration of our views and your attention to this critical public health matter.

Sincerely,
MOHAMMAD N. AKHTER, MD, MPH,
Executive Director.

AMERICAN BAR ASSOCIATION,
GOVERNMENTAL AFFAIRS OFFICE,
Washington, DC, April 28, 1998.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We understand that H.R. 3717, legislation to permanently ban federal funding for needle exchange programs for drug addicts, is scheduled to be marked up by your committee this week. We are writing to urge you to oppose H.R. 3717 because it is unnecessary and counterproductive, and removes a critical medical and public health decision from the province of public health officials.

Last year, the American Bar Association adopted the following policy on the subject of needle exchange programs:

Resolved. That in order to further scientifically based public health objectives to reduce HIV infection and other blood-borne diseases, and in support of our long-standing opposition to substance abuse, the American Bar Association supports the removal of legal barriers to the establishment and operation of approved needle exchange programs that include a component of drug counseling and drug treatment referrals.

This legislation was introduced on Monday, April 27, and is moving on an exceptionally fast track, even though the Administration has announced that it is not going to lift the restriction on federal funding despite the fact that HHS Secretary Donna E. Shalala has now determined that the criteria for federal funding mandated by Congress in 1989 have been met, i.e., such programs are effective in preventing the spread of HIV and do not promote drug use. Rather than authorizing federal funding, the Administration is encouraging communities to continue

to use their own funds to develop or enhance needle exchange programs and to share their experiences so that other communities can construct the most successful programs.

Permanently prohibiting federal funding of needle exchange programs will not advance this nation's efforts to combat drug abuse. It may in fact inhibit current efforts since needle exchange programs have been shown to increase the opportunity for counseling drug addicts and encouraging their participation in appropriate drug treatment programs. Secretary Shalala said that a meticulous scientific review has now proven that needle exchange programs can reduce the transmission of HIV and save lives without losing ground in the battle against illegal drugs, and that, in fact successful needle exchange programs refer participants to drug counseling and treatment as well as necessary medical services.

Likewise, enacting a permanent ban on federal funding of needle exchange programs will prevent public health officials from using a proven tool to reduce the transmission rate of HIV among a high risk population that is contracting HIV at alarming rates. Surgeon General David Satcher has stated that 40% of new AIDS infections in the United States are either directly or indirectly attributed to infection with contaminated needles; among women and children, the figure is 75%.

Since there is no cure for HIV and no vaccine to protect against HIV, it is essential that public health officials have the ability to use all reasonable methods to protect the uninfected public and to counsel and provide treatment to infected intravenous drug users. This proposed legislation would remove the decision to use a potentially powerful method of reducing HIV transmission and intravenous drug abuse from the province of public health officials.

For all the above reasons, the American Bar Association urges you not to support H.R. 3717.

Sincerely,

ROBERT D. EVANS

COUNCIL OF STATE AND TERRITORIAL EPIDEMIOLOGISTS,
Albany, NY, April 28, 1998.

DEAR MEMBER OF CONGRESS: The Council of State and Territorial Epidemiologists (CSTE), an association of 450 state and local public health epidemiologists, urges you to vote against H.R. 3717, which is expected to be considered by the full House tomorrow, April 29th. H.R. 3717 would place a permanent ban on use of federal funds for needle exchange programs designed to prevent the spread of AIDS.

Injection drug use continues to be a major source of HIV transmission in the United States. It is imperative that public health officials develop effective prevention strategies aimed at reducing the risk of transmission among drug users. Currently available data strongly suggest that improving access to sterile syringes and needles may be an important strategy in curtailing the spread of the HIV epidemic.

These facts led CSTE to adopt, at our 1997 annual meeting, a position statement supporting increased access to sterile syringes and needles among injecting drug users. A number of states already support syringe exchange programs with their own funds. CSTE strongly supports state-based efforts to reduce barriers involving access to sterile syringes and needles and believes that these activities are likely to have important implications for the long term prevention of death and disability caused by HIV in this country. States should have the flexibility to administer federal funds according to local need. CSTE also believes that if Members of Congress were provided a full opportunity to evaluate the evidence of the effectiveness of needle exchange programs in reducing HIV infection rates without incurring additional illegal drug use, they would not support a permanent ban on use of federal funds for needle exchange programs.

Sincerely,

GUTHRIE S. BIRKHEAD, MD, MPH,
President.

April 28, 1998.

COUNTY AND CITY HEALTH OFFICIALS OPPOSE PERMANENT BAN ON FEDERAL FUNDING FOR NEEDLE EXCHANGE PROGRAMS TO PREVENT HIV

The National Association of County and City Health Officials (NACCHO) urges the House of Representatives not to pass HR 3717, a measure that would prohibit permanently the use of any federal funds to assist localities in making available sterile needles through needle exchange programs. Local needle exchange programs have been shown convincingly to reduce the transmission of HIV and other blood-borne pathogens through the use of unsterile injection drug equipment, and there is no evidence whatever that such programs encourage greater use of illegal drugs. The research supporting these conclusions has withstood the scrutiny of repeated reviews, including those commissioned by the Centers for Disease Control and Prevention, the General Accounting Office, and a rigorous analysis by the National Academy of Science.

HIV infection rates continue unabated and the rates of infection from injection drug use have been increasing. Needle exchange programs are public health interventions that have been demonstrated to be effective in reducing HIV transmission. They also can work in concert with drug abuse prevention programs to help identify and refer drug abusers to treatment. We can ill afford to handicap localities that choose to implement effective prevention strategies in their own communities by restricting the uses of federal funds that are important resources in battling the AIDS epidemic. The persons who ultimately suffer are not only HIV-infected drug abusers, but also their spouses, sexual partners, and babies who become infected during pregnancy.

NACCHO understands that the Administration currently prohibits such funding, while encouraging localities that choose to use needle exchange programs as part of a comprehensive prevention strategy to do so using non-federal sources of funding. However, the twin public health threats of HIV and abuse of illegal drugs present great challenges to local public health officials, and NACCHO continues to urge that local communities be given maximum flexibility to address them according to local needs and conditions. H.R. 3717 would permanently thwart local efforts to expand the use of a proven public health intervention.

NACCHO is the national organization representing the nearly 3,000 local public health departments in the United States. Local health departments work daily on the front lines in protecting the health of their communities

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HUMAN RIGHTS CAMPAIGN,
Washington, DC, April 28, 1998.

DEAR MEMBER OF CONGRESS: On behalf of the Human Rights Campaign, I am writing to ask you to oppose H.R. 3717, a bill which would permanently ban the use of any federal funds for needle exchange programs. The bill is scheduled to be considered by the House on Wednesday. As you know, on Monday, April 20, Secretary Shalala announced that there is unequivocal support from the scientific literature that needle exchange programs reduce HIV infection and do not contribute to illegal drug use. Nevertheless, the Administration clearly stated its commitment to maintain the current prohibition on federal funding for needle exchange programs. H.R. 3717 is redundant and unnecessary, given the Administration's clear position.

As the attached article reports, AIDS deaths have declined significantly in the last two years primarily due to the success of new drug treatments which help keep people with HIV disease alive and healthy for longer periods of time. New HIV infections, however, continue to occur at an unacceptable rate. The article highlights that injection drug use is increasingly fueling this epidemic. In fact, over 50% of new HIV infections can be attributed to injection drug use and recent data indicate that 74% of all AIDS cases among women and over 50% of all AIDS cases among children are connected directly or indirectly to injection drug use. In the African American community, 48% of AIDS cases are related to injection drug use.

As the HIV epidemic continues to grow, it is vital that public health considerations drive the debate on funding and policy decisions. Instead of legislating a ban on federal funding for needle exchange programs, Congress should be taking affirmative and bold actions to reduce the numbers of new infections by increasing HIV prevention funding and expanding the operations communities have to address their growing infection rates. Legislation banning federal funding for needle exchange programs would only serve to further politicize an issue that should appropriately be addressed by scientists and state and local public health officials.

Please do not politicize HIV prevention and take public health determinations out of the hands of scientists and public health experts. Amending the Public Health Service Act is a serious matter and should not be done hastily on the House floor without careful consideration from the Committee with jurisdiction. Please vote no on the rule and return this issue to Committee for the appropriate attention it deserves and vote no on H.R. 3717. Thank you for you attention to this urgent matter.

Sincerely,

WINNIE STACHELBERG,
Political Director.

[From the Washington Post, April 28, 1998]

HIV'S SPREAD IS UNCHECKED

(By Rick Weiss)

Although the number of new AIDS cases in the United States has declined substantially in recent years, HIV continues to spread through the population essentially unabated, according to data released yesterday by the Centers for Disease Control and Prevention.

The first direct assessment of HIV infection trends shows that the recent decline in U.S. AIDS cases is not due to a notable drop in new infections. Rather, improved medical treatments are allowing infected people to stay healthy longer before coming down with AIDS, overshadowing the reality of an increasingly infected populace.

"The findings of this report give us a very strong message, that mortality may be going

down—therapy is working—but HIV continues its relentless march into and through our population," said Thomas C. Quinn, an AIDS specialist at the National Institute of Allergy and Infectious Diseases. "These data tell us we have a lot of work to do."

The findings also confirm previously identified trends showing that women and minorities are increasingly at risk. Especially worrisome, officials said, is that the annual number of new infections in young men and women 13 to 24 years old—a group that has been heavily targeted for prevention efforts—is virtually unchanged in recent years.

"It certainly documents that we have ongoing new infections in young people," said Patricia L. Fleming, chief of HIV/AIDS reporting and analysis at the CDC in Atlanta.

The report also shows continuing high numbers of new infections among intravenous drug users, a population that has recently been the focus of a political debate over the value of needle exchange programs that offer drug users clean syringes to prevent the spread of HIV, the virus that causes AIDS. [International financier George Soros yesterday offered $1 million in matching funds to support needle exchange programs around the country, the Associated Press reported.]

CDC officials would not comment directly on President Clinton's decision this week to extend a ban on federal funding of needle exchanges. But both Fleming and Quinn said that AIDS prevention programs in this population need to be improved.

"It's clear that something stronger is needed to slow this epidemic," Quinn said.

The new figures, in today's issue of the CDC's Morbidity and Mortality Weekly Report, are based on HIV test results compiled by 25 states from January 1994 to June 1997. They indicate that the number of new infections during that period remained "stable," with just a "slight" decline of 2 percent from 1995 to 1996, the most recently full year included in the new analysis. By contrast, deaths from AIDS declined 21 percent in 1996 and dropped an additional 44 percent in the first six months of last year.

From 1995 to 1996, the number of HIV infections increased by 3 percent among women. And it jumped 10 percent among Hispanics, although officials said that figure was imprecise. Infections declined by 2 percent in the white and 3 percent in the African American populations.

All told, the study tallied 72,905 infections during the survey period. The number nationwide is much higher, since participating states account for only about 25 percent of U.S. infections.

The single biggest risk category was men having sex with other men, but heterosexual transmission continued its steady increase. Most of those cases involved women contracting the virus through sex with male drug users, Fleming said.

The survey is the first to track infection trends by looking directly at HIV test results in people coming to clinics and other health outlets. That's a major change from the previous system, in which officials simply estimated the number of new infections by counting the number of people newly diagnosed with AIDS.

The old "back calculation" method worked fine during the first 15 years of the epidemic, when HIV infection progress predictably to disease over a period that averaged about 10 years. With drug therapies now slowing disease progression, however, the number of new AIDS cases no longer reflects the number of new infections, and public health officials were becoming uncertain about how they were doing in prevention efforts.

The new reporting system, now spreading to other states has helped officials regain those bearings, Fleming said. And although everyone wishes the numbers were more encouraging, she said, at least officials now have a clearer picture of the task at hand.

NATIONAL ALLIANCE OF STATE AND TERRITORIAL AIDS DIRECTORS

Washington, DC, April 29, 1998.

DEAR MEMBER OF CONGRESS: The National Alliance of State and Territorial AIDS Directors, an alliance of the nation's state and territorial health department HIV/AIDS program managers, strongly urges a no vote on H.R. 3717, legislation which would strike a devastating blow to our nation's efforts to reduce the spread of HIV in vulnerable, underserved communities across the country.

Injection drug use continues to be a major source of new HIV infections in the United States. To address this serious public health problem, it is critical that public health officials and communities have the most effective prevention strategies and interventions possible for addressing the alarming spread of HIV, particularly in African-American and Latino communities. Needle exchange programs have proven time and time again to be effective intervention—one that many state and local jurisdictions have chosen to include in their comprehensive programs to address HIV prevention among injection drug users.

By placing a permanent ban on the use of federal funds for needle exchange programs, H.R. 3717 poses a serious threat to our nation's ability to end the HIV epidemic.

NASTAD strongly urges the Congress to follow the science and advice of the nation's leading public health experts. Vote no on H.R. 3717. The lives of thousands of Americans are at stake.

Sincerely,

JULIE M. SCOFIELD,
Executive Director.

THE UNITED STATES CONFERENCE OF MAYORS,

Washington, DC, April 28, 1998.

We have just been informed that House Rules Committee Chairman Gerald Solomon (NY) will bring to the House floor tomorrow, April 29, a bill designed to permanently prohibit the use of any funds made available under any Federal law to be, "expended, directly or indirectly, to carry out any programs of distributing sterile needles or syringes for the hypodermic injection of any illegal drug."

As you know, the Administration recently decided that it would not provide funding for "needle exchanges," but acknowledged the value of such programs. The Solomon bill, which is going to be brought directly to the House floor—bypassing committee—would permanently impose this ban.

In addition, we have been informed that the Solomon language—which again has not been debated in standard committee action—could possibly be interpreted at a later date to limit the use of state or local funds for needle exchange programs.

The U.S. Conference of Mayors has adopted policy which supports the lifting of the prohibition against federal funding of needle exchange programs. The Solomon bill goes directly against that policy, and could have even broader consequences.

I have attached a copy of the bill, a copy of our policy adopted in June of 1997, and a letter from Detroit Mayor Dennis Archer on the issue of federal funding for needle exchanges.

J. THOMAS COCHRAN,
Research Director.

Mr. WICKER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida (Mr. SHAW).

Mr. SHAW. I thank the gentleman for yielding me this time.

Mr. Speaker, this debate is not about AIDS. This debate is about drug abuse. Let us not lose sight of that fact. We have heard an awful lot coming from the White House. We know that this debate is going on at the White House and did go on at the White House. Much to the President's credit, he came down on the right side and yesterday announced that he would not use existing funding to hand out needles. But that debate is still raging. General McCaffrey came out with a very strong condemnation of using the needle exchange program, and the President in the final analysis agreed with him.

But I would disagree with the last speaker when he just said that there is no funding for needle exchange. There is funding out there that can be used for needle exchange. This debate that is going on within the administration has sent out mixed signals, and it is up to the Congress now to set the record straight. The record simply says that there will be no Federal funds used for a needle exchange program that is designed for the injection of illegal drugs.

We have heard a lot about Joe Camel. We have heard a lot about cigarette advertising and the effect that that has on our kids. The government has not condoned smoking. But what kind of signals are we going to be sending out if your Federal Government, the government we all love and pledge allegiance to every day in this Chamber, what kind of message are we going to send out if we say, "You're not supposed to use illegal drugs, but if you do, we'll give you the needles"? That is crazy. That makes absolutely no sense.

Tomorrow at 2 o'clock, there is going to be a rally on the steps of this Capitol. There is a bipartisan invitation that has gone out to invite the Members to get together and sign a pledge of not only to continuing the war on drugs but to win the war on drugs. We cannot win the war on drugs by sending out mixed signals. There is one signal that should come out of this House, there is one signal that should come out of this Congress, there is one signal that should come out from our government, and that is illegal drugs kill, they destroy your future, they destroy your neighborhoods, they corrupt this population.

Let us get together, let us come out with a single message, and let us not get that message garbled. This vote is about drug abuse. Vote yes on this most important resolution to condemn

and to prevent by law the expenditure of Federal funds on a needle exchange program.

Ms. PELOSI. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. BECERRA), the chair of the Hispanic Caucus.

Mr. BECERRA. I thank the gentlewoman for yielding me this time.

Mr. Speaker, today something tragic is about to happen. Again. Like so many debates before this House, we are about to allow the politics of fear to trump policies of reason. Logic tells us that if you have a problem and you can identify a sensible solution, your problem is on the way to being resolved. Here is the problem. Injection drug use is responsible for nearly 50 percent of all the new cases of HIV, the virus that causes AIDS. It is responsible for 44 percent of all the cases reported for African-Americans, 44 percent of all the cases reported for Latinos, and 61 percent of all the cases reported for women. A sensible approach to a devastating problem as AIDS/HIV is, is needle exchange programs. It is one of the weapons we can use in an arsenal. HIV transmission is reduced when injection drug users are furnished with clean needles in exchange for dirty, potentially infected used ones.

This is where the politics of fear comes into play. Those on the other side of this debate will tell you that needle exchange programs encourage illegal drug use and our streets will be overrun with drug addicts, and that is because we are offering them free needles. First of all, as we have already heard, the science does not bear that out. As we have been told, the General Accounting Office, the University of California, the National Institutes of Health have all conducted studies which show the efficacy of needle exchange programs. Second, more is involved in a person's decision to use illegal drugs than the provision of a free needle. To suggest that Americans are so weak-willed and feeble-minded that they would begin using illegal drugs solely because of the provision of clean needles is insulting.

Mr. Speaker, I implore my colleagues in this House to allow reason to trump fear. Needle exchange programs work. Let us defeat this bill and let us save lives.

□ 1345

Mr. WICKER. Mr. Speaker, I yield myself 30 seconds.

We have heard some strong verbiage today from our friends on the other side of this issue. We have heard just now "the politics of fear." We heard earlier discussion about "narrow-mindedness."

I would remind my colleagues that when they use terminology such as that they are speaking about people like General Barry McCaffrey, the administration's own drug czar, the man tasked with fighting drugs in this Nation. He has looked at the science, do not think he has not, but he has also looked at the big picture, and he has said needle exchange programs are wrong.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. PORTMAN) a very distinguished leader in some programs to fight drug abuse that are actually working.

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding this time to me, and I was just down here actually on something else and started listening to this debate, and I want to make two quick statements.

One is the science is not conclusive. Whether we listen to Dr. James Curtis of Columbia University and Harlem Hospital or whether we look at the Vancouver study or the Montreal study, one cannot say the science in this is conclusive.

I will tell my colleagues one thing we know which is conclusive which is that the message counts. If we learned anything in the last 30 years in this country, it is that the message does matter. We reduced drug substance abuse in this country from 1979 to 1991 by over 70 percent by sending a clear and consistent message that drug use is wrong and that it is dangerous.

This sends the wrong message. That is why this legislation is necessary.

I think General McCaffrey got it right. I think if we are really serious about reducing drug abuse in this country, and remember teenage drug abuse has doubled in the last 5 years, it has doubled and continues to go up, it has got to be our top public health priority, it has got to be our top crime reduction priority, it has got to be our top education priority if we are going to turn the corner, if we are going to make a difference in this, and unfortunately needle exchange does not fit in that.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentlewoman from the District of Columbia (Ms. ELEANOR HOLMES NORTON) who has fought in the trenches against substance abuse in the District and is a leader on this issue.

Ms. NORTON. Mr. Speaker, I thank the gentlewoman for yielding this time to me.

We failed for decades to control addiction. At least it was contained with addicts. Now, with AIDS, needles have taken a deadly disease into the community itself. Now it is not addicts and not even those who are addicts, when they become criminals, prey upon. It is women. It is children. Two-thirds of AIDS in women comes for needles. Fifty percent of AIDS in children comes from needles.

The Congress asked the scientists for the answer. Because the scientists gave them back an answer they did not want to hear, they want to ignore the science, and it is unmixed.

Race looms larger and larger in this issue. We are stabilizing AIDS among white homosexuals. It is spreading like an epidemic among blacks and hispanics, and the reason is unsafe needles. One-third of AIDS deaths today come from needles.

Mr. Speaker, when my colleagues cast their vote they should remember who they are voting for life, and who they are voting for death.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN) who is a health professional as well as being a Member of Congress.

Ms. CHRISTIAN-GREEN. Mr. Speaker, I come here today as a member of the Congressional Black Caucus committed to ridding the country of this scourge of drugs and as a physician who counts among my patients many wonderful men and women with AIDS. Almost all of them contracted this disease because of IV drug use. They are now leading clean and productive lives with their children and other family members but are condemned to death because of AIDS.

Mr. Speaker, apparently it is correct what the NIH panel said, that the greatest threat to public health are legislative bodies. This bill, unfortunately, supports that opinion. Because we know that needle exchange programs do not cause increased drug use, they decrease drug use. They make it more likely that addicts will enter treatment. We know that it saves lives.

Mr. Speaker, I urge my colleagues to vote no on H.R. 1317. Let us choose life, my colleagues. Vote no on this bill.

Ms. PELOSI. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. LEWIS) one of the deputy whips of the House and a great leader in this Congress.

Mr. LEWIS of Georgia. Mr. Speaker, the scientific evidence is clear. Needle transfer programs can reduce HIV infection and save lives. Needle exchange programs do not increase drug use.

Last week, the Secretary of HHS announced that Federal funds would not, I repeat, would not fund needle exchange programs. Local governments can decide whether or not they want to fund these programs.

AIDS is a devastating disease. It is a devastating sickness. It is heartbreaking to know someone who is suffering with AIDS. Half of the new AIDS infections come from injection of drugs. We must do everything in our power, must use every resource at our command to reduce the spread of AIDS. We must fund research, we must provide health care, and we must let local governments make their own decisions.

If local governments choose to fund needle exchange programs, programs that reduce the spread of AIDS, we should not stand in their way. Leave it up to the City of Atlanta, to the City of New York, to the City of Birmingham

to decide. Leave it to the doctors and the scientists. Leave it to the women and men of medicine. This is a matter of public health.

I, for one, will not stand in the way of local governments who want to save lives and reduce the spread of AIDS. Stop playing politics with the lives of our people who are living and suffering with HIV and AIDS.

I urge my colleagues vote no on this bill.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. FURSE) who knows firsthand of what she speaks on this subject.

Ms. FURSE. Mr. Speaker, as cochair and cofounder of the Diabetes Caucus, I rise today to oppose H.R. 3717. I believe this bill has absolutely nothing to do with public health but everything to do with election year politics.

Now if we want to reduce drug use, let us get drug addicts into drug treatment programs. And in Tacoma, Washington, 43 percent of the new recruits into a methadone treatment program were referred from a needle exchange program.

If we are in a drug war, let us not get rid of one of the weapons in that war. The State of Oregon uses needle exchange programs as just one part of the State's drug prevention program.

We have heard a lot about AIDS. Well, let me tell my colleagues that, while needle exchange programs may seem unpleasant to some Members in this House, the fact remains that it is one of the most effective strategies to reduce the rate of HIV infection amongst a population that is high in risk.

Let us do what is right for the people, not what is right for our elections. Let us vote against H.R. 3717.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. WEXLER).

Mr. WEXLER. Mr. Speaker, if I thought for one minute that a drug exchange, needle exchange program for drug addicts would increase the likelihood of teenagers in America using drugs, I would not support it. But common sense dictates that there will not be a single 16-year-old teenager in America who says, oh, now I can go get a needle exchange, rather than going to the corner drugstore and buy one for five cents or ten cents, and now I am going to get addicted to heroin and ha, ha, ha.

Having nothing to do with common sense, it tells us the way in which we prevent people from getting AIDS, the way in which we prevent people from spreading AIDS to people who are innocent is to make certain the needles they are using are clean.

The question is not whether we are for or against drug abuse. We are all against it. The question is simple. Should drug addicts be using clean needles or should they be using AIDS-infected needles? And the taxpayers of America are better off if the needles are clean rather than AIDS infected, and all Americans who do not use drugs are better off if we make certain that those who do are not infected with AIDS needles.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL) who has been a leader in this House and also in the assembly before he came to the State legislature as the chairman of the Committee on Alcohol and Drug Abuse.

Mr. ENGEL. Mr. Speaker, I rise in strong opposition to this legislation.

Before I came to Congress 10 years ago, I was chairman of the New York State Assembly Committee on Alcoholism and Drug Abuse, and I can tell my colleagues that needle exchange programs work, they save lives.

I am as opposed to drugs as the next person, but I also live in the real world. I represent an area of New York City, the Bronx, where AIDS has just gone sky high, and we need to use every available resource that we have to try to combat the scourge of AIDS.

As has been said by my colleagues, needle exchange programs are used to get addicts into drug treatment programs. Why would we not want to use every tool that we have? We do not have the luxury of being ostriches and sticking our heads in the sand. We do not have the luxury of feel-good legislation. We do not have the luxury of platitudes. We live in the real world, those of us that represent inner cities, and we want to make sure that AIDS is not spread.

This did not come before the Committee on Commerce of which I am a member. I wish it had because we could have had some hearings and we could have made some good points. But this legislation does not make sense.

Please, choose life over death. Defeat this legislation.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am sorry, but if my other speaker arrives, I will yield to the other speaker.

But one thing I am glad about, about this resolution coming to the floor, it gives us another opportunity to say to our colleagues and to the American people just what the science is on this subject of needle exchange programs.

My colleagues, as a mother of five and a grandmother of two, I join with everyone in this body, and I know I speak for every single person here saying one of our top priorities here is to eliminate drug abuse from our country and from this earth. Let us stipulate to that, that we all recognize the good intentions of everyone here to do that.

Having said that, we must use new approaches to this as well, because I do not think anyone can say that the approach that has been taken to date has been a complete success.

When we talk about the subject of needle exchange programs, I share the concern of some of my colleagues when I hear their remarks. They just do not understand it. Because, clearly, they do not know what a needle exchange program is. And for many people, when they hear about it, at first blush they say, why would I support that? What message does that send? How often we have heard that today.

Well, one message it sends is that we will be courageous enough to take the steps that will save lives and will reduce substance abuse and drug abuse in our country.

We have heard people try to blur the science on this, but the science is, we go hand in hand with the science as we ask our colleagues to vote down this resolution. This is a difficult decision because most of our constituents, many of them may not be aware of the benefits of a needle exchange program. But because it is a difficult decision does not mean we should take the easy way out. We must demonstrate that making difficult decisions is not above the pay grade of Members of Congress and that we are willing to lead and indeed to teach our constituents.

They do not need to learn much though. Our constituents, the American people, say that the needle exchange program, 61 percent of the American people favor changing federal laws to allow State and local governments to decide for themselves whether to use their Federal funds for needle exchange programs.

That is why I have in my motion to recommit, which will be discussed later, the provision that needle exchange programs could not use Federal funds unless the Governor, State health officer, local/municipal health authority determines that the use of Federal funds for such a program would reduce the rate of transmission of HIV and would not encourage the use of illegal drugs and is acceptable to the affected State, city and other units of local governments or communities.

□ 1400

I listened to my colleagues, and I hope to address their concerns in this motion to recommit, and I hope that whatever position people take on the Solomon resolution, that they will support the motion to recommit.

My colleagues, as they make their decisions, as we are sent here to review the facts and to vote, the facts are these: This is the poster, by the way, that a Republican colleague did not want to have on display in the House, and it says, April 1998, needle exchange reduces the spread of HIV/AIDS. After reviewing all of the research, we have unanimously agreed that there is conclusive scientific evidence that needle exchange programs, as part of a comprehensive HIV prevention strategy, are an effective public health intervention that reduces the transmission of

HIV and does not, and does not encourage the use of illegal drugs.

Dr. Harold Varmus, winner of the Nobel Prize, Director of the National Institutes of Health; Dr. Anthony Fauci, Director of the National Institutes of Allergy and Infectious Diseases; Dr. Alan Leshner, Director of the National Institute on Drug Abuse; and Dr. David Satcher, Surgeon General. Please make a vote to save lives. Have the courage to make that vote. Vote "no" on the Solomon resolution.

Mr. WICKER. Mr. Speaker, it is my privilege to yield the balance of my time to the distinguished majority whip, the gentleman from Texas (Mr. DELAY) to close the debate on this legislation today.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Texas (Mr. DELAY) is recognized for 5½ minutes.

Mr. DELAY. Mr. Speaker, I rise in support of this legislation, and I want to commend my colleagues, the gentleman from New York (Mr. SOLOMON), chairman of the Committee on Rules; my chief deputy whip, the gentleman from Illinois (Mr. HASTERT); and most importantly, the gentleman from Mississippi (Mr. WICKER) for showing leadership, for showing leadership when it comes to the war on drugs.

I have the utmost respect for the gentlewoman from California (Ms. PELOSI) and her position, and I do tend to understand her position, but it has been said so many times here on this floor during this debate. I just feel very strongly that the best science is on our side and refutes the science that the gentlewoman is putting forward.

I also understand because she is a beautiful mother and a loving mother and a grandmother, although she does not look like a grandmother, the gentlewoman from California understands what "enabling" means. Enabling your children to do bad things by bailing them out, say, if they got in trouble at school and one goes and beats up on the principal and makes sure there are no consequences, or enabling an alcoholic by giving them a drink does not free them from alcoholism. Enabling a drug addict by giving them a clean needle, it enables that drug user to continue their habit.

So I just say, if we are really, really serious about the war on drugs, and everybody seems to be for it, then I would urge that side of the aisle to join us tomorrow in a major show of rededicating this Congress and this House and this government to a real war on drugs. But I have to tell my colleagues, we understand that there is an effort going to pull the Democrats away from this bipartisan effort to rededicate ourselves.

The lack of leadership here is really frightening. Clearly, this Nation needs leadership in the war on drugs. Sadly, the President has already given up on that fight. By condoning and embracing the concept of giving free needles to drug addicts, President Clinton has raised the white flag of surrender. He is sending the wrong message to the youth of this country. He is saying that we cannot end drug abuse in this country, so we might as well mend it.

Well, Mr. Speaker, that is the wrong approach. Drug abuse continues to be the top concern of parents across this Nation. Mothers and fathers are rightfully worried that the ravages of drug abuse may victimize their children. Over 20,000 young people die as a result of illegal drug trade in this country every year, and thousands more are victimized by drugs in countless other ways.

Illegal drug use really is not a laughing matter, and the President and the President's press secretary can make all the jokes they want about their own drug use, but their casual attitude encourages a new generation of drug abusers in this country. It is no coincidence that teenaged drug use has skyrocketed, skyrocketed during the Clinton Presidency. The Nation expects leadership from its President when it comes to an issue like drug abuse. Instead of leadership, we get a dead-head President who supports a program that gives free needles to drug addicts.

Well, Mr. Speaker, let us send a message to this President. Let us vote for this legislation, and let the American people know that this Congress still wants to fight the war on drugs.

Mr. LANTOS. Mr. Speaker, I first want to thank my colleague and friend Congresswoman Nancy Pelosi for her leadership on the issue of needle exchange.

Mr. Speaker, there is confusion and misconception coming from the opponents of needle exchange. The Republican leadership is under the impression that the American people do not care about ending the AIDS epidemic that is ravaging our country. They are under the impression that the American people will choose to believe rhetoric over scientific statements of fact from our nation's most trusted scientific experts. They are also under the impression that American citizens prefer more of the politics of division and empty symbolism, rather than sound public health practices. Mr. Speaker, the Republican leadership is mistaken.

I rise in strong opposition to this ill-conceived and unnecessary piece of legislation, H.R. 3717. The bill purports to ban permanently all federal support for needle exchange programs. However, not one single federal mandate currently requires states to administer needle exchange programs.

The decision to fund needle exchange programs should be left to the states. Local governments and the American people do not want to close the door on a proven method of combating HIV transmission. Over 60 percent of Americans want their communities to make the decision on needle exchange programs. This legislation is blatant hypocrisy. Those in this Chamber who have been the most outspoken and vociferous in raising the cry of "states rights" and urging that the Congress stop imposing Federal mandates upon the state governments are the very same ones who are leading the charge today to prohibit states from making independent decisions about what is in the public health interest of their own citizens.

Mr. Speaker, the American people don't want to play political games with the AIDS epidemic. The proponents of this legislation are trying to pit the AIDS epidemic against the war on drugs. This strategy will backfire. Americans understand that needle exchange programs reduce the transmission of HIV, and Americans understand what scientific studies have established—needle exchange programs do not encourage the use of illegal drugs.

The proponents of this legislation are ignoring the intelligence of the American people. They are ignoring the conclusions of countless scientific experts who support needle exchange programs—Dr. David Satcher, United States Surgeon General; Dr. Harold Varmus, Director of the National Institute of Allergy and Infectious Diseases; Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases; Dr. Alan Leshner, Director of the National Institute of Drug Abuse; and Dr. Claire Broome, Acting Director of the Centers for Disease Control. All of these leading public health experts agree that needle exchange programs are an effective AIDS prevention method that does not cause increased use of illegal drugs. The National Institutes of Health, our own federally-sponsored health care research organization which we are supporting with over $3.5 billion this year, supports needle exchange programs.

Thousands of other medical experts and healthcare organizations, including the American Medical Association and the American Academy of Pediatrics, in the United States and around the world have stated that needle exchange programs are necessary in the fight against AIDS. These respected organizations tell us that needle exchange programs do not promote the use of illegal drugs. The proponents of this legislation are ignoring this overwhelming and unanimous evidence.

Needle exchange does not promote drug use. In fact, the opposite is true. Needle exchange programs encourage injection drug users to seek drug treatment. Needle exchange programs are an integral component of drug treatment networks in terms of health care, counseling, psychosocial services, and outreach strategy. Needle exchange programs keep people alive, keep people safe from the HIV infection, and can help in encouraging people to take the first critical steps to begin a drug-free life.

Mr. Speaker, I strongly oppose illegal drug use. But we must not confuse the fight against drug abuse with the fight against AIDS. Those who support H.R. 3717 are arguing for legislation that would effectively declare the life of any person who has used drugs or is using drugs, as well as the lives of their spouses and children, to be worth less than the ten cents it would cost to save them from AIDS. I cannot share that position.

Mr. Speaker, injection drug users can pass on HIV infection to their partners, to their children, and to other drug users. Over 50 percent of all new HIV infections are due to injection drug use. I am appalled that anyone in

this Congress could have a higher priority than saving the lives of these innocent victims. Millions of women and children's lives can be saved indirectly through needle exchange programs. Some 74 percent of all AIDS cases among women are connected directly or indirectly to injection drug use. The rate of infection in women is steadily climbing. More than 50% of AIDS cases in children are also connected to drug use. Minorities suffer disproportionately from this disease. All these lives are worth saving, and there is a simple method to save them—needle exchange.

Mr. Speaker, the choice to be made is between exchanging needles and losing millions of lives to AIDS—to say nothing of the horrendous health care costs that these AIDS cases will create. Needle exchange is a cost-effective public health measure to combat HIV transmission and infection. Those who support this legislation are denying our communities the right to choose for themselves one of the best and most effective methods of fighting new HIV infections. This legislation goes against common sense, against science, and against our own values.

Mr. Speaker, we must not be put aside by short-sighted political maneuvers. The American people are too smart to let anyone pull the wool over their eyes. They are too smart to accept ignorance and bigotry in place of scientific knowledge. The American people know better. H.R. 3717 is a vote against the judgment of state and local health officials, a vote against the rights of local communities to make thoughtful decisions, a vote against scientific evidence, a vote against the judgment of the American people, and a vote against countless lives which could be saved by needle exchange programs.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I have listened to this debate and I have listened to the arguments made by the other side.

The supporters of this bill to ban Federal funding for needle exchange programs say that it sends the wrong message to our kids—And that it encourages drug use.

Let me make it clear that this debate is not about illegal drug use, it is about saving lives.

Secretary Shalala for the first time acknowledged the enormous body of scientific evidence proving that needle-exchange programs reduce HIV and save lives without increasing drug use.

To not reach out to the communities that are struggling with this epidemic is like discovering the world is round and not launching the ships to explore it.

Clean needles are only part of the solution. A comprehensive approach that includes needle exchange, health care, treatment, social support and counseling is also needed.

Since the other side is worrying about sending mixed messages, how do we explain to our kids that we know how to slow a lethal epidemic—we know one way to help prevent the spread of HIV from drug addicts to partner to child—But we are not going to help!

I urge my colleagues to vote against this bill.

Mr. LEVIN. Mr. Speaker, last year Congress approved a conference report on a bi-partisan basis that prohibited the use of federal funds for any needle exchange programs until the Secretary of Health and Human Services determines that based on scientific evidence these programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs.

The Secretary has not decided to continue the ban on federal funding, and leave it to state and local units to finance needle exchange programs, which the scientific review requested by the Secretary found useful in saving lives without increasing drug use if part of a comprehensive anti-drug program.

I support the administration's decision.

As the Administration has stated regarding this matter, it ". . . concurs in the longstanding position of the Congress that the Secretary of Health and Human Services should have the authority to determine the scientific and public health merit of needle exchange programs as they affect rates of HIV transmission and injection drug use. The Administration believes, as Congress has to this point, that the top public health leadership of the federal government remains the appropriate place for this determination, and that the decision on which HIV prevention strategies to use should rest with State and local officials."

The bill before us would try to make this ban permanent, regardless of what might be scientific findings at a future date and regardless of the experience in and results from programs now underway in a substantial number of communities.

Ms. KILPATRICK. Mr. Speaker, I rise today in strong opposition to H.R. 3717, legislation that would permanently ban federal funding for needle exchange programs. Needle exchange programs reduce new human immunodisease virus (HIV) and Hepatitis B infection among intravenous drug users, do not lead to more drug use, are cost effective and are supported by a wide array of scientific and medical experts and organizations. In the light of President Clinton's opposition to the funding of needle exchange programs, it makes absolutely no sense to adopt this legislation.

Before I continue, let me add that I vehemently oppose the use of illegal drugs. Democrats, Republicans and Independents need to remember who, and what, is the real enemy here. The real enemy is our collective inertia, inaction, and inability to practically do anything that will reduce illegal drug use. Drug abuse is not a Democratic, Republican or Independent problem—it is an American problem. All Americans concerned about the deterioration of the future of our country—our children—should unite to protect our children, break the cycle of illegal drugs and crime, provide treatment for drug abuse, strengthen our laws on money laundering, and reduce the supply of drugs to our cities, suburbs, and rural areas.

According to a recent Detroit Free Press article, about 33,000 heroin users live in the city of Detroit. I recently had the honor of meeting Mr. Harry Simpson, Executive Director of Life Points. Life Points is a non-profit organization dedicated to the reduction and eradication of illegal drug use among the citizens of the City of Detroit. On December 1, 1997, the city's first licensed needle-exchange program began. Mr. Simpson realizes that we need a two-pronged attack against the abuse of drugs: prevention and treatment. In a recent *Associated Press* article, Mr. Simpson said, "We're not sitting on the porch handing out syringes to everyone who passes. It isn't about distributing needles, promoting drug use or promoting illegal behavior. I just don't think people need to die just because they use drugs."

I am opposed to this legislation for four reasons:

Needle exchange programs reduce the risk of HIV and Hepatitis B infection. The National Research Council and Institute of Medicine's report titled, "Needle Exchange Programs Reduce HIV Transmission Among People Who Inject Illegal Drugs," makes this point abundantly clear. In this report, panel chair Lincoln E. Moses, professor of statistics emeritus at Standford University, said, "The activities of needle exchange and bleach distribution programs go beyond just providing sterile injection equipment and bottles of bleach. These programs often result in more referrals to drug abuse treatment. Although not all communities may choose to implement them, needle exchange and bleach distribution programs can be important parts of comprehensive approaches to reduce drug use and the spread of AIDS. Needle sharing is a primary route of HIV transmission among people who inject illegal drugs."

Needle exchange programs do not lead to increased drug use. The National Institutes of health, one of the preeminent health research facilities in the nation, published the Consensus Development Statement on Interventions to Prevent HIV Risk Behaviors. This report concluded that needle exchange programs "show a reduction in risk behaviors as high as 80% in injecting drug users, with estimates of a 30% or greater reduction of HIV." The report also concluded that the majority of evidence shows either a decrease in injection drug use among participants or no changes in their current levels of drug use.

Needle exchange programs are cost effective. According to the National Association of Persons with AIDS, needle exchange programs could prevent HIV infection among drug users, their sexual partners, and their children at a cost of about $9,400 per prevented infection. This pales in the cost of more than $100,000 per lifetime of treating a person with AIDS.

Needle exchange programs are supported by many non-partisan, respected, scientific organizations and boards of review. The Congressional Office of Technology Assessment; the National Institutes of Health, the U.S. General Accounting Office, and the American Medical Association support needle exchange programs.

My vehement opposition to illegal drugs has not clouded my desire to protect women or children. It is my desire that the wisdom of Congress prevails in defeating this legislation, and that Congress collectively take measures that will eliminate the use of illegal drugs in our country.

Ms. CHRISTIAN-GREEN. Mr. Speaker, I come to the floor today as a member of the Congressional Black Caucus which has as its highest priority, the ridding this country of the scourge of drugs, and as a family physician who counts among my patients, many men and women with AIDS. Almost all of them contracted this disease because of IV drug use,

but today they are "clean" and leading productive lives, with their children and other family members, but are condemned to death because of AIDS.

Mr. Speaker, the NIH panel was apparently correct last year when it said that the greatest threat to the public health are legislative bodies. This misguided bill, certainly supports that opinion.

We know, because the evidence is clear, that needle exchange programs do not cause increased drug use. On the contrary, they decrease drug use and further increase the likelihood that an addicted person will enter drug treatment. It is incumbent upon us to provide the funding to make those treatment programs available on demand.

We have heard much today about the Canadian studies. The researchers whose work is being misrepresented by our Republican colleagues are on record in saying that the data has been misinterpreted, and that their findings indeed support the use of needle exchange programs in conjunction with strong prevention and treatment.

We also know, without a doubt that these programs greatly reduce the transmission of HIV, and in doing so saves the lives of countless people—especially women and children.

Who among us could possibly be against saving lives?

I plead with you my colleagues, not to put politics before the lives of the people we are here to serve. Do not ignore the facts which have been placed before us by researchers and public health experts. Let us not misinterpret and misrepresent their findings to the people who depend on us for the truth.

Mr. Speaker, my colleagues, choose life. Vote no on H.R. 3717.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today to oppose this bill for several reasons. First, this bill contradicts all the scientific data from experts that suggests needle exchange programs reduce HIV infection and do not increase drug use. While AIDS deaths are down, clearly HIV infection continues to increase especially in inner city areas where injection drug use is prevalent.

The bill ignores the fact that needle exchange does not increase drug use, rather it encourages a society that would have fewer individuals infected with HIV. These programs make needles available on a replacement basis only, and refer participants to drug counseling and treatment. The National Institutes of Health's March 1997 study concluded that needle exchange programs have shown a reduction in risk behaviors as high as 80 percent in injecting drug users, with estimates of 30 percent or greater reduction of HIV.

In addition, I oppose this bill because it is politically driven, rather than scientifically based. This bill whips on the poorest of the poor. This bill puts at risk millions of Americans who might be married or committed to someone who they may not know is an intravenous drug user. More importantly, this bill puts children at risk. The Centers for Disease Control reported that the rate of HIV/AIDS in the African American community is 7 times that of the general population.

Make no mistake about it this is not just a African American problem this is a American problem. This is a public health issue and the Surgeon General, and the Secretary of Health and Human Services both support needle exchange programs. When we help save American lives—America is stronger. The Federal Government must provide leadership on this critical issue and therefore, I urge my colleagues to oppose this bill.

Mr. DELAHUNT. Mr. Speaker, I rise in opposition to the bill.

Since coming to the Congress I have been asked to vote on legislation on a variety of subjects which I considered ill-conceived or even foolish. But I have never seen as silly a piece of legislation as the bill before us today.

One might have expected opponents of needle exchange programs to mount an effort to prohibit federal funding for such programs—if the Administration had taken steps to authorize the release of funds.

But Secretary Shalala announced just 10 days ago that the Administration does not intend to release the funds.

This must be one of the few occasions in Congressional history in which members are attempting to deny the Administration the authority to make a decision they agree with.

Personally, I do not agree with the Administration's decision, and I therefore regard this legislation as not only unnecessary, but unwise in the extreme.

In 1989, Congress barred the use of federal funds for needle exchange programs unless the Secretary of Health and Human Services could determine both that such programs are effective in preventing the spread of HIV and that they do not encourage the use of illegal drugs.

In enacting this provision, Congress sought to ensure that the decision as to whether such programs merit federal support would be made by public health experts acting on the basis of sound science, rather than by politicians re-acting on the basis of uninformed opinion.

Pursuant to that mandate, the Secretary conducted an exhaustive review of the scientific literature. Her investigation yielded an impressive body of evidence that properly administered needle exchange programs are an effective weapon in preventing HIV transmission, and that, far from encouraging drug use, they can actually play a role in encouraging injection drug abusers to enter treatment.

In my own State of Massachusetts, these programs are doing precisely that.

Last week, the Secretary reached the only conclusion the data would support, and issued the long-awaited determination that the Congressionally-mandated criteria had been met for federal funding of these programs.

Yet instead of announcing that federal funds would be made available, the Secretary announced a continuation of the status quo.

It's hard to see how the status quo could have provoked this kind of reaction. It's as though the proponents of the bill were so eagerly anticipating a different decision that, when it didn't come, they decided to offer their bill anyway.

It goes without saying that no hearings have taken place, and the committee of jurisdiction took no action on the bill.

As a former prosecutor and a member of the Judiciary Committee, I take very seriously the epidemic of drug addiction in our society. But we cannot make responsible public policy on fear and ignorance.

Yesterday, I received a Dear Colleague letter from proponents of the bill citing a Canadian study published in the American Journal of Epidemiology in support of their claim that drug addicts who participate in needle exchange programs are more likely to contract HIV than those who do not participate.

What they failed to tell you is that the authors of the study have stated categorically that this claim is a mischaracterization of their research. Writing in the New York Times on April 9, Professors Julie Bruneau and Martin Schechter said that the reason the addicts who took part in needle exchange programs in Vancouver and Montreal had higher HIV infection rates than those who did not is that these programs are in inner-city neighborhoods where they serve those who are most at risk of infection.

Having misstated the conclusions of this study, the supporters of the bill ignore the numerous other studies conducted and compiled by such agencies as the National Research Council, the Centers for Disease Control and Prevention, and the National Institutes of Health.

This voluminous research has persuaded such respected organizations as the American Medical Association, the American Public Health Association, the Association of State and Territorial Health Officers, the American Nurses Association, the American Academy of Pediatrics, the U.S. Conference of Mayors, and the American Bar Association, to give their support to needle exchange.

It is time for Congress and the Administration to follow suit. Indeed, it is long past time. While we wait, the epidemic continues to decimate our cities and towns. Like the mad emperor of the ancient world, Congress fiddles while Rome burns.

Mr. TOWNS. Mr. Speaker, I rise in strong opposition to H.R. 3717, which would implement a permanent ban on federal funding for needle exchange programs.

According to the National Organization responding to AIDS, an estimated 1 to 2 million Americans inject illegal drugs and the sharing of needles among injecting drug users is a leading cause of HIV transmission. Furthermore, since 1988, when this program ceased, an estimated 20–25,000 people have contracted AIDS as a direct result of contact with an intravenous drug user. Needle exchange programs would involve the swap of dirty needles for clean needles. Since one can only obtain a clean needle in exchange for a dirty needle, there is an incentive to collect and turn in the needle.

In an age where HIV and AIDS are spreading at enormous rates, needle exchange programs not only reduce HIV infections but also have the potential to act as a bridge to drug treatment. AIDS is the leading cause of death amongst African Americans that are between 25–44 years of age. The Center For Disease Control reported that the rate of HIV/AIDS in the African American community is 7 times that of the general population. This means that 72 African Americans are infected every day. By supplying clean syringes, we simply assure that death is not a certainty.

The National Commission on AIDS, National Academy of Sciences and the National Institutes of Health are just a few organizations that, through extensive sound scientific research, have concluded that needle exchange programs are effective and can significantly reduce the number of new HIV and AIDS cases. The American Academy of Pediatrics, the American Medical Association and the National Association of City and County Health Officials, among many others, are leading world organizations that have endorsed federal funding of needle exchange programs. In fact, research has shown, there is no evidence that needle exchange programs lead to increased drug use by exchange clients.

From a financial standpoint, needle exchange programs are surprisingly cost effective. One model estimates that over a period of five years, needle exchange programs could prevent HIV infections among clients, their sexual partners and their children at a cost of approximately $9,400 per infected person. Compare this with the lifetime cost of treating an individual with AIDS, which exceeds $100,000.

I urge my colleagues to vote against H.R. 3717 which bans federal funding for needle exchange programs. Needle exchange programs have proven to be effective in reducing the transmission of HIV and AIDS and through this program, communities would be safer from the health hazards associated with dirty needles littering the streets. No one ever built a reputation on what they were going to do. We've seen what banning federal funding for needle exchange programs can do. Let's establish a solid reputation by funding needle exchange programs that would reduce the transmission of HIV and other diseases and more importantly, save lives.

Mrs. MORELLA. Mr. Speaker, I rise in opposition to H.R. 3717, legislation to impose a permanent ban on federal funding for needle exchange programs.

This bill is particularly unnecessary given the fact that the Clinton Administration announced that it will not lift the ban on federal funding, despite its conclusion that the science has demonstrated that needle exchange programs reduce HIV transmission and do not encourage the use of illegal drugs.

This bill would remove the authority of the Secretary of Health and Human Services to manage public health threats—and would, in effect, substitute political expediency for sound science and public health policy. Since 1990, we have given the Secretary this authority in annual appropriations bills.

The American Medical Association, the American Bar Association, the American Public Health Association, the Association of State and Territorial Health Officials, the National Academy of Sciences, the American Academy of Pediatrics, the American Nurses Association, the National Black Caucus of State Legislators, and the United States Conference of Mayors all have expressed their support for needle exchange, as part of a comprehensive HIV prevention program. A number of federally funded studies have reached the same conclusion and have found that needle exchange programs do not increase drug use—including a consensus conference convened by the National Institutes of Health last year. According to the NIH Consensus Statement, "A preponderance of evidence shows either no change or decreased drug use . . . Individuals in areas with needle exchange programs have increased likelihood of entering drug treatment programs."

The American Bar Association, in a letter dated April 28, 1998, stated: "Permanently prohibiting federal funding of needle exchange programs will not advance this nation's efforts to combat drug abuse. It may in fact inhibit current efforts since needle exchange programs have been shown to increase the opportunity for counseling drug addicts and encouraging their participation in appropriate drug treatment programs . . . Likewise, enacting a permanent ban on federal funding of needle exchange programs will prevent public health officials from using a proven tool to reduce the transmission rate of HIV among a high risk population that is contracting HIV at alarming rates."

In my own State of Maryland, injection drug use is the major mode of transmission for HIV/AIDS. Baltimore City's needle exchange program has been associated with a 40% reduction in new cases of HIV among participants, and evaluation of the program has demonstrated that needle exchange did not increase drug use. In fact, a bill was approved to continue the program by an overwhelming vote in the Maryland State Legislature last year—it passed by a vote of 113–23 in the House of Delegates and by a vote of 30–17 in the State Senate. And, earlier this month, the Maryland State Legislature voted to allow Prince George's County to establish a needle exchange program.

Nationally, 66% of all AIDS cases among women and more than half of AIDS cases in children are related to injection drug use. It is important to note that if the Secretary had decided to lift the ban, federal funding for needle exchange programs would not mean that local communities would have to implement them. Only those communities that believe such a program would be effective in their HIV prevention strategy would do so—thereby leaving the decisionmaking to the local communities. Community-based solutions have always been the most effective prevention programs, and are consistent with our attempts in this House to prevent the federal government from interfering with local decisionmaking.

I urge my colleagues to act in the best interests of our nation's public health. Public health decisions should be made by public health officials . . . science should dictate such decisions, not politics. Vote NO on H.R. 3717.

Mr. PACKARD. Mr. Speaker, I am appalled by the increase in drug-use in this nation. Day after day, we are confronted with statistics demonstrating that our children are at risk. We've all heard the facts: marijuana use among 4th to 6th graders has risen 71 percent and overall drug use has jumped to 78 percent since 1992. We can quote the numbers, but the real issue is what are we going to do about it?

Recently, the Clinton Administration aired its decision to lift a ban that prohibits the distribution of hypodermic needles to drug addicts at Government expense. Condoning needle-exchange programs ultimately sends the message that it's okay for our children to use drugs. As a parent who raised 7 children. I know the war on drugs must be fought from our homes and communities. But as elected leader, we are still obligated to help our neighborhoods attack this problem. Distributing needles encourages drug use, and I will not stand for it.

Today we will vote on H.R. 3717, the Needle Ban-Plus Bill. This legislation prohibits the Federal Government from subsidizing the distribution of hypodermic needles or syringes for the injection of illegal drugs. Mr. Speaker, let's demonstrate our commitment to winning this battle. I invite my colleagues to join me in supporting H.R. 3717.

The SPEAKER pro tempore. All time has expired.

The bill is considered read for amendment.

Pursuant to House Resolution 409, the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MS. PELOSI

Ms. PELOSI. Mr. Speaker, I offer a motion to recommit

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Ms. PELOSI. Yes, I am opposed to the bill.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Ms. PELOSI moves to recommit the bill, H.R. 3717, to the Committee on Commerce with instructions to report the same back to the House with the following amendment: Page 2, line 8, insert before the period the following: ", unless the Governor, State health officer, or local municipal health authority determines that the use of Federal funds for such a program would reduce the rate of transmission of the human immunodeficiency virus (commonly know as HIV), would not encourage the use of illegal drugs, and is acceptable to the affected State, city or other unit of local government, or community".

The SPEAKER pro tempore. The gentlewoman from California (Ms. PELOSI) is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, as I said earlier in my remarks, I was going to offer this motion to recommit because I think that it sincerely attempts to address the concerns that have been expressed in the course of the debate on this issue. Not only that, it is consistent with the language of the appropriations bill that brings us here today, actually.

Frankly, I was quite disappointed in the actions taken by some of my Republican colleagues, because I thought we had come to a deal on the needle exchange program. When the appropriations bill was passed, it was agreed that the Secretary of Health and Human Services could not lift the ban on the needle exchange programs until March 31, 1998, unless the Congress acted beforehand to prevent her from

lifting the ban. It established criteria for the Secretary to lift the ban, and that criteria was that the projects are effective in preventing the spread of HIV and do not encourage the use of illegal drugs. I think that the scientific information and evidence that we have presented demonstrates conclusively that that is the case.

In addition, the Secretary was expected to make a determination based on the review of the relevant science, and the additional science that has come forth in the last 6 months demonstrates even more clearly the strong scientific basis, without which we would never ask our colleagues to make this vote. And it also provides, the legislative language also provides the referrals for treatment of drug abuse and other appropriate health and social services.

So with that, we went forward with the idea that if the science came forward, as it has, that the Secretary would be able to lift the ban. Now, the administration has not lifted the ban, but this body wants to act forevermore, flying in the face of the science, in defiance of the effectiveness of the needle exchange programs.

I want to call to the attention of my colleagues some of the organizations that support the needle exchange programs. The American Medical Association, the American Public Health Association, the National Academy of Sciences, the American Nurses Association, the American Academy of Pediatrics, the U.S. Conference of Mayors, the American Bar Association. Why would the U.S. Conference of Mayors support the needle exchange program if they thought it would increase crime, as our colleagues have contended?

So I say to my colleagues, in addition to that, I want to call two other endorsements to the attention of my colleagues. Some of those on the other side of this issue have spoken on the epidemiology of substance abuse and HIV/AIDS. That means how it is spread in our population. The Council of State and Territorial Epidemiologists have written to Congress to reject H.R. 3717, the bill before us, and the county and city health officials, the National Association of County and City Health Officials, oppose it as well.

So I say to my colleagues, listen to the motion to recommit. The motion to recommit sends this bill to the Committee on Commerce, which is the appropriate route for this bill to take, with the following amendment: That unless the Governor, State health officer, or local municipal health authority determines that the use of Federal funds for such a program would reduce the rate of transmission of HIV and would not discourage the use of illegal drugs, and is acceptable to the affected State, city or other unit of local government or community. No Federal funds unless it meets that test: Reduce the rate of transmission of HIV, would not encourage the use of illegal drugs, and is acceptable to the affected State, city or unit of local government or community.

Mr. Speaker, we are having this education of our colleagues, this transfer of information between each other, among each other today because we have not really gone through the regular order, the hearing process. I heard my colleague say last week, how on earth could we vote on the IMF because we have not had hearings? Well, how on earth can we vote on this matter of life and death bypassing the committee structure where we could conclusively review the scientific evidence to remove all doubt in anyone's mind what is self-evident to the National Institutes of Health?

I say once again that if we are funding NIH to the tune of $13.6 billion for this year, and many of us are calling for the doubling of the NIH budget over the next 5 years, why on earth would we ignore their scientific findings? Not only NIH, the Administrator himself, but the various institutes that work to this end.

Mr. Speaker, I really do not like saying things about Congress that are not complimentary, but ignoring the science really is the Flat Earth Society mentality, and if we want to put our head in the sand, we do not get any more room to do it on a flat earth. I urge my colleagues to think seriously about the science, vote to save lives; support the motion to recommit.

Mr. WICKER. Mr. Speaker, tomorrow the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House, will lead what I hope is a bipartisan delegation of Members of this body to announce a renewed war against illegal drugs in this country, and I am pleased at this point to yield him the balance of our time in opposition to the motion to recommit.

The SPEAKER pro tempore. Is the gentleman from Georgia in opposition to the motion?

Mr. GINGRICH. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. GINGRICH) is recognized for 5 minutes.

Mr. GINGRICH. Mr. Speaker, let me just say that I really believe this is a very important turning point for the United States. And I believe this motion to recommit is a perfect symbol of why, for the last 6 years, we have been losing the war on drugs, a totally unnecessary defeat, something that had been avoidable and something which has cost lives.

The fact is there are some 14,000 Americans a year who die directly from drugs, and another 6,000 who die from secondary effects, including violence. Every year. Imagine if we were losing 20,000 Americans in Bosnia or 20,000 Americans in Iraq, or 20,000 Americans anywhere else in the world. That is higher than the death rate of the Vietnam War, and yet our friends seem confused about what has happened.

Under Ronald Reagan and George Bush, there was a simple, clear policy: Drug use is bad, do not do drugs. If one is a drug addict, get off drugs. Come in, get help, get detoxed, get rehabilitation, but do not be confused, drug use is bad.

Many of our more liberal friends laughed when Nancy Reagan said, just say no. But guess what? By saying just say no and meaning it, drug use under Reagan and Bush came down by two-thirds. Thousands of young people were saved from addiction. Thousands of young people were saved from dying. This is a real problem.

A member of my staff had a sister who went out on a date 3 years ago, was given a designer drug, overdosed, went into a coma. She was 19.

□ 1415

She has celebrated her 20th and 21st birthdays in a nursing home in a coma and she will never recover.

In Plano, Texas, we have been reading about suicides and overdoses. This is very serious business for America.

Tomorrow, the gentleman from Illinois (Mr. HASTERT) the chairman of our task force on the drug war, will be launching what we hope will be a truly bipartisan effort where we hope Democrats will feel comfortable joining us in being together as Americans saying: Do not do drugs.

What is the debate about today? Giving away needles for drug addicts? Saying to somebody who is injecting heroin into their body that we have a public health policy, we want them to use a clean needle so they will be a healthy heroin addict? I just want to suggest to my friends, it is not possible to be a healthy heroin addict. The act of injecting heroin into the veins makes a person unhealthy.

The job of the United States Government is to reach out to every addict and say to them, "Please come into a hospital, please get off drugs, please let us help you rebuild your life." And when the government says, "Drop by for some free needles," we are clearly saying something.

Mr. Speaker, my colleagues do not have to believe me. I realize I am a conservative Republican and I realize some people might say that is a partisan message. So let me cite General Barry McCaffrey, President Clinton's choice as the drug czar. This is what General McCaffrey said: "Supporting needle exchange programs will send the wrong message to our children. Government provision of needles may encourage drug use."

So I am going to rely on General McCaffrey's advice. Everyone in this Chamber who feels comfortable overruling General McCaffrey and willing

to give away free needles to heroin addicts, come and vote "yes." But they should not kid themselves. The drug czar of President Clinton says that may well lead to increased drug use. That may well say to our children it is okay to become a heroin addict or a cocaine addict, and pure cocaine is now often injected.

But those Members who, like me, are frightened of drugs, believe drugs can kill, believe addiction is terrible, those who want to send a clear signal to the children of America, those who are prepared to say it is time to take a stand in favor of our children, vote "no" on this motion to recommit, which is frankly an "any needle, anytime, anywhere, for any addict" provision.

Mr. Speaker, people who could certify getting drugs here, the governor, State health officer or local municipal health authority, we know what this means. This means in some of our biggest cities we are going to finance giving away needles. Let us be honest about it. This means the U.S. taxpayer will be giving away needles. That is what this motion to recommit means.

Let us be clear. If we want to win the war on drugs, if we want to save children from drugs, if we want to lower the addiction rate, join General McCaffrey and let us have a bipartisan vote "no" on the motion to recommit. Then let us vote for our children to live in a drug-free America and an America with less violence. Let us vote "yes" on this bill and send the signal: No free needles. Help the addicts get off drugs. Do not help the addicts have clean needles.

The SPEAKER pro tempore (Mr. FOLEY). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Ms. PELOSI. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 149, noes 277, not voting 7, as follows:

[Roll No. 113]

AYES—149

Abercrombie
Ackerman
Allen
Baldacci
Barrett (WI)
Becerra
Berman
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Capps
Cardin
Carson
Clay
Clayton
Clyburn
Conyers
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Frank (MA)
Furse
Gejdenson
Gephardt
Greenwood
Gutierrez
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kilpatrick
Klink
Kolbe
Kucinich
Lantos
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran (VA)
Morella
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schumer
Scott
Serrano
Shays
Sherman
Skaggs
Slaughter
Smith, Adam
Snyder
Stabenow
Stark
Stokes
Stupak
Thompson
Thurman
Tierney
Torres
Towns
Velázquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NOES—277

Aderholt
Andrews
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell
Boucher
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Etheridge
Everett
Ewing
Fawell
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (WI)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
LaFalce
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Luther
Manzullo
Mascara
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Minge
Mollohan
Moran (KS)
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Barr
Bateman
Cook
Dixon
Gonzalez
Sandlin
Smith (OR)

□ 1440

Messrs. ENGLISH of Pennsylvania, THOMAS, LAMPSON and MOLLOHAN changed their vote from "aye" to "no."

Messrs. BLAGOJEVICH, PALLONE and DEUTSCH changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. COMBEST). The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WICKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 287, noes 140, not voting 6, as follows:

[Roll No. 114]

AYES—287

Aderholt
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell

Boucher
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Etheridge
Everett
Ewing
Fawell
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (WI)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
LaFalce
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Luther
Manzullo
Mascara
McCarthy (MO)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Minge
Mollohan
Moran (KS)
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanchez
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Young (FL)

NOES—140

Abercrombie
Ackerman
Allen
Barrett (WI)
Becerra
Berman
Blumenauer
Boehlert
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Capps
Cardin
Carson
Clay
Clayton
Clyburn
Conyers
Cooksey
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Foley
Frank (MA)
Furse
Ganske
Gejdenson
Gephardt
Greenwood
Gutierrez
Harman
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kilpatrick
Kolbe
Kucinich
Lantos
Lee
Levin
Lewis (CA)
Lewis (GA)
Lofgren
Lowey
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Matsui
McCarthy (NY)
McDermott
McGovern
McHale
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran (VA)
Morella
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pastor
Payne
Pelosi
Rangel
Rivers
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schumer
Scott
Serrano
Shays
Sherman
Skaggs
Slaughter
Smith, Adam
Snyder
Stabenow
Stark
Stokes
Thompson
Thurman
Tierney
Torres
Towns
Velázquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NOT VOTING—6

Barr
Bateman
Dixon
Gonzalez
Sandlin
Smith (OR)

□ 1450

Mr. BERRY changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL DIALOGUE ON SOCIAL SECURITY ACT OF 1998

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 410 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 410

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3546) to provide for a national dialogue on Social Security and to establish the Bipartisan Panel to Design Long-Range Social Security Reform. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) three hours of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the distinguished gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 410 is a modified closed rule providing for the consideration in the House of H.R. 3546, the National Dialogue on Social Security Act of 1998. The purpose of this legislation is to provide for a national dialogue on Social Security and to establish a very important bipartisan panel to design a long-range solution for Social Security.

The rule provides for 3 hours of debate equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means. The rule also provides for the consideration of an amendment printed in the CONGRESSIONAL RECORD, if offered by the ranking member of the Committee on Ways and Means, which shall be considered as read and debatable for 1 hour equally divided and controlled by the proponent and an opponent.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, I welcome this discussion on Social Security. I think it is an issue of vital importance not only to America's seniors but to all Americans. Social Security is not only a cherished program, it is perhaps the most popularly supported as well as vital of government programs.

I wish to remind my colleagues that we are debating legislation to create a national dialogue on this issue, but we are not at this time proposing actual changes in the Social Security system. Because of this, I am of the belief that 3 hours of debate on the bill, plus 1 hour on this rule, in other words, 4 hours of debate on this issue, is more than enough time to debate this important issue.

This is not a controversial piece of legislation. If the minority wishes to amend this bill, they will have two opportunities to do so, as I have stated, with an amendment which is printed in the CONGRESSIONAL RECORD already. And, additionally, they could attempt to do so with a motion to recommit with instructions.

We were given, Mr. Speaker, some good news with Tuesday's annual report of the board of trustees of the Social Security program: The board's projection that we will have 3 more years than originally anticipated before Social Security pays out more in benefits than it receives in payroll taxes. That is encouraging data. However, I think that it drives home the point that we need to work together as a Nation on a bipartisan basis, putting aside partisan politics, to create a stable, a long-term, thoughtful and effective solution to the retirement security system in the United States.

In conclusion, Mr. Speaker, I wholeheartedly support H.R. 3546, the National Dialogue on Social Security Act of 1998. I congratulate the chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), for his hard work on this legislation and urge my colleagues to support the rule.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentleman from Florida for yielding me the customary 30 minutes.

Ms. SLAUGHTER. Mr. Speaker, this is a modified closed rule and has 3 hours of general debate but only one amendment; and that amendment is only allowed if it is printed in the CONGRESSIONAL RECORD.

Now, I think it is ironic that a bill that is going to begin an inclusive national discussion on changes to a core government program should itself be discussed under a closed exclusive rule.

□ 1500

Now, some say that Ways and Means bills are always considered under closed rules, but this bill does not amend the Tax Code, trade policy, Medicare, or even Social Security itself. It just sets up a procedure for discussion.

Apparently its proponents believe that this procedure is so perfect and so delicate that to allow debate on any alternatives would endanger its goals and its very survival. That rigidity does not bode too well for the process that hopes to build a national consensus.

Now, this bill is going to establish a national dialogue on Social Security. It is going to be led by two facilitators, advised by a dialogue council composed of 36 members. The facilitators will conduct the dialogue through the regional meetings, through the Internet, communications, and other methods. Now, after the two facilitators and the 36 members get through, then there will be an eight-member bipartisan panel coming from somewhere recommending long-term changes.

Now, I am perplexed as to why we are taking this up because this dialogue is already under way. It is not in such a bureaucratic form. And one of the things that I do not know, as a member of the Committee on Rules that presented this rule on the floor, is what kind of budget all these facilitators and other people, dialogue coordinators, are going to require. And it seems a shame to do it because the American Association of Retired Persons and the Concord Coalition are already doing it. They are conducting a series of forums around the Nation to accomplish this very goal of a national dialogue. And the President is participating in these forums, as are Americans in all walks of life. So what we are doing is duplicating what is already being done with government money.

So there we are. To insist that the Congress establish a parallel process seems to be a case of simply not wanting to play in the President's sandbox. I have to agree with the administration that this national dialogue process is duplicative and unnecessary.

Mr. Speaker, I oppose this bill, this rule. This bill should be considered under an open rule with the House able to freely amend the legislation to keep the portions that it considers useful and to scrap those that are not. The Congress of the United States has been described, as long as I have been alive, as the greatest deliberative body on earth, and yet the two rules that we have put forth today have literally no deliberation of any sort. They are simply put out for an up or down vote.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Washington (Mr. WHITE) from our side had asked for time to speak. I do not see him here at this time. I saw previously the chairman from the Committee on Ways and Means. We are more than ready to commence when the other side wishes the 3 hours of general debate that we have incorporated into the rule provided by the rule on this issue.

And as I have stated, the distinguished gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, will be here throughout that entire period to answer any questions on the legislation that distinguished Members from the other side of the aisle may have.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. DIAZ-BALART. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, since we have 3 hours debate, and it appears as though my colleague does not have anyone to engage in it, maybe I can ask him some questions about the rule, and we could notify the Members through television.

Does this resolution that sets up this committee, does it provide anything about the solvency of Social Security? Are they given directions as relates to that?

Mr. DIAZ-BALART. Mr. Speaker, reclaiming my time, as the gentleman knows, that is not a question on the rule, that is a question on the Commission set up by the legislation that is brought to the floor on the rule.

If the gentleman says he has a question on the rule, I will be glad to answer it.

Mr. RANGEL. Mr. Speaker, if the gentleman would yield further, I am just asking does the rule give any direction at all to the Commissioners being set up in terms of the Social Security system?

Mr. DIAZ-BALART. No, the rule does not.

Mr. RANGEL. There is no direction as to what they study?

Mr. DIAZ-BALART. Not under the rule, no.

Mr. RANGEL. Let me ask my colleague, what does the rule state? What does the rule have to do with this Commission?

Mr. DIAZ-BALART. The rule brings this legislation to the floor.

Mr. RANGEL. I had really thought that my colleagues that sit on the Committee on Rules understood substantively what would be in the bill so that when they bring it to the floor, the people have a better understanding as to whether they want the bill to come out in the first place.

So I am asking, can my colleague discuss the bill that my colleagues are asking us to rule on at all?

Mr. DIAZ-BALART. Yes, we can certainly attempt to discuss the substantive legislation that that rule is bringing forward.

Mr. RANGEL. Good.

Mr. DIAZ-BALART. But I would not attempt to even pretend that I am as expert on the substantive legislation as the chairman of the Committee on Ways and Means, who will be in control of the 3 hours of debating time that we provide under the rule for the House on the substantive legislation.

Mr. RANGEL. I am only talking about this 1 hour.

Mr. DIAZ-BALART. And for the gentleman to understand the rule that is bringing this legislation to the floor, we have 1 hour.

Mr. RANGEL. But the legislation that is coming to the floor, does it allow for Members of Congress to be appointed to the Commission?

Mr. DIAZ-BALART. There is certainly input from Members of Congress to be in the process of the appointment of the Commission. But I may say, if the gentleman would permit, that the Commission and this process, this process that is created by the substantive legislation was worked on for significant number of time with much effort by many members of this committee of this House, especially members of the

committee that the distinguished gentleman from New York is a member of, the Committee on Ways and Means.

Mr. RANGEL. So is my colleague saying that Members of Congress should be appointed to this Commission?

Mr. DIAZ-BALART. This Commission provides for input from the Congress.

Mr. RANGEL. But, I mean, could a Member serve on the Commission at all?

Mr. DIAZ-BALART. Members of Congress may be appointed to the Commission. But as I say, I would not dare to even pretend that I am as expert on the process of the Commission itself as the distinguished chairman of the Committee on Ways and Means or, quite frankly, of anyone who, as a member of the Committee on Ways and Means, has been working for a long period of time on the substantive legislation that we bring to the floor today.

I do know that we bring it to the floor with an hour of debate on the rule and with 3 hours of debate on the substantive legislation. And even though I am more than confident that the distinguished gentleman from New York is very well aware of the details of the legislation, if the gentleman has any questions, I know that I know the gentleman knows by working day in and day out with the chairman of the Committee on Ways and Means that the questions would be answered within the 3 hours.

Mr. RANGEL. Well, if the distinguished chairman of the Committee on Ways and Means is on the floor, there is no question he will be able to answer the questions that have been discussed and debated in the full Committee on Ways and Means.

I had thought, though, that this exchange might encourage people to vote for or against the rule. But since the gentleman would rather yield to the chairman of the committee, then I would thank the gentleman for this exchange.

Mr. DIAZ-BALART. Certainly. And any other questions, I would be willing to attempt to answer them. But the chairman is here, and the 3 hours will be controlled by the chairman on the substantive measure that we brought to the floor today.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DeFAZIO. Mr. Speaker, I thank the gentlewoman from New York for yielding.

Make no mistake, there is no substantive legislation before the House of Representatives on the issue of Social Security today. This is our regular biennial election year dodge of a tough issue.

We had a Commission on Social Security. They were deeply divided, but they came up with reams of data and alternatives and voted among themselves.

Any Member of Congress who sits here today who cannot go home to his or her constituents and tell them what they think should be done to make Social Security as a viable program for the next century does not deserve to sit in this body.

What we are trying to do, or what the majority is trying to do here today is hide their real opinions, the radical breakup of Social Security, which we never wanted, and privatize the proposals to make Wall Street rich, turn it into 200 million IRAs, and let people rise or fall with the stock market. God, think of the billions of dollars in commission that could be made under that proposal.

Well, I think that is wrong. I support a much more modest proposal. Take the money we are stealing from Social Security on an annual basis. Social Security will collect $80 billion more this year than it needs to pay benefits. That money is supposed to go in a Trust Fund. It does not. It is being borrowed and replaced by IOUs.

Take that money and invest it in real assets like a number of other retirement programs do around the country. Do not let Congress spend it. Do not replace it with IOUs. Do not let them give it away in a tax cut for the wealthy. Put that money in real investments to begin to take care of the baby boom in the next century. That is only one alternative, and it was one that was put forward by the last Commission.

We do not need another Commission. But, truthfully, the White House is dodging, too. They have got this staged debate going on between the Concord Coalition and AARP around the country. Who anointed those groups as the gurus or the seers to get us to a very difficult solution on Social Security?

It is up to this body, the United States House of Representatives, to put forward some solutions. Stop dodging. Yeah, this is a tough issue, but make our views known. Go home and campaign on them. If they really believe Americans want to destroy Social Security and set up 200 million IRAs and roll the dice, then go home and campaign on that. And I do not think I will see them next year.

But if they have other solutions, let those be known to their constituents. Sponsor legislation. Introduce legislation. Go home and make their views known to their constituents. Do not hide behind another phoney commission so just after the election they can try and jam through an unpopular proposal which destroys the integrity of Social Security under the guise of saying, "Hey, it was not my idea. The Commission told us we had to do this," and it is all we have got before us.

This is a bad bill. It is a limited bill. It is amazing to me that we are having a debate with so little interest about a program so vital on the floor of the House of Representatives.

Mr. DIAZ-BALART. Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 5½ minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, the other side of the aisle today will present this bill for debate to assure the public that this Congress is working in the spirit of our limited floor schedule on long-term policies such as saving Social Security for our children.

I rather suspect that the children they talk about preserving Social Security for are being used as a shield in this debate because of a frontal assault that Republicans have been using on so many will not work.

It is a good idea to have a dialogue. I think we should start opening the dialogue with the majority leader's remarks, and I quote the majority leader's remarks, in saying that Social Security "should be phased out. Eventually we will be able to phase the government programs out and phase private programs in."

The Speaker's think tank, the Progressive and Freedom Foundation, that preserves I do not know what for all Americans, says, "There is an even more important moral question raised by the government's role as chief provider in old age. It sends an un-American message that it is not your responsibility to take care of yourself." Basically, the Speaker is suggesting that Social Security is un-American.

That is a good place to start this dialogue. It is time for the public, quotes the Speaker's think tank, to take back from government responsibility for their futures, including their retirements.

What will we do about the hard-working Americans who happen to become disabled or those who die early leaving their children with no means of support? And what about the 30 percent of Social Security beneficiaries who are elderly women whose wages never were at a livable level and never enabled them to save for their retirement years? Let us enter into a dialogue with that and see what my Republican colleagues would do.

It is a long-range problem. It could be solved with a 1 percent increase in taxes for all time. I applaud efforts to work on long-term solutions that would really apply and benefit our children, but I am cynical that this Republican leadership will do the right thing on Social Security, even for kids.

Look at their track record. They have repeatedly failed to face the tough issues that threaten our children because of their refusal to ruffle the feathers of the rich political constituencies that they serve.

Where is the Republican leadership on providing managed care safeguards

that our children will get the health care from HMOs that their parents have paid for, except denial for reasonable claims? Where is the Republican leadership when they have realized that 230 Members of this House support the managed care reform bill, but the leadership fails to bring it to this body? Are they going to appoint a commission for that?

What about global warming? That is a long-range problem. We have not heard a peep out of the Republicans on that. Protecting our world environment is as crucial an effort for our children as saving Social Security. There may not be an environment for these children to live in.

□ 1515

What about rules to assure that Congress is no longer tainted by illegal campaign contributions? The Republicans have amongst them a criminal, a convicted criminal who has been sentenced to serve in this House in the Republican Party. Now, that is creative judicial sentencing. It may be the worst sentence that anybody has ever been dealt in the history of the Federal judiciary.

But what are the Republicans doing to clean up the criminals in their own ranks and lead us to an improved campaign finance reform? Nothing. Is that not a long-range problem that we ought to be concerned about? The leadership says they want to preserve all kinds of things for the future, but they ignore them. Is this just one more issue of benign neglect?

Are they for cutting funds, as we sit here, for housing the poor? Yes, they are in a proposed supplemental. Are they refusing food stamps for legal immigrants? Yes, they are. Are they refusing to provide the funds necessary to enforce the Kennedy-Kassebaum health insurance bill? They are indeed. If there was ever an industry that needs oversight, it is the insurance industry.

And what are they doing to look at Prudential's $3 billion of restitution to its customers for fraudulent sales practices? Is it that same Prudential that they want to take over and manage Social Security under privatization? I certainly hope not.

I surmise the leadership is up to more of the same pattern. Their attempts to preserve Social Security are merely an attempt to dissuade the public from our facing the tough issues of the future. Has the responsibility and self-reliance mantra erased any trace of human kindness and of responsibility for the less fortunate in our society? I think that the opening dialogue of the Republicans says that that is their position.

I challenge the Republicans to face up to all the issues that affect our children, including Social Security, and let us work to resolve them. Let us see this Congress produce some legislation that does some good for the Americans instead of deflecting the real true issues by referring them to a commission.

My colleagues on the other side of the aisle present this bill today for debate to assure the public that this Congress is working—in spite of our limited floor schedule this year—on long-term problems such as saving Social Security for our children.

Are the children being used as a shield in this debate because a frontal assault on Social Security won't work?

As you all remember, the Speaker's comments on Medicare didn't go over very well. Who could forget the Speaker's comments that Medicare should wither on the vine? And the Majority Leader's remarks that Medicare was "a program he would have no part of in a free world."

Let's just hope that Americans do become involved in the Social Security debate because, left to this leadership, there would be no Social Security program left.

The Majority Leader's position on Social Security is clear. He's been consistent since his first campaign for the House in 1984 in the position that Social Security "should be phased out . . . eventually we would be able to phase the government programs out and phase the private programs in."

The Speaker's think tank, the Progressive and Freedom Foundation, also promotes some unequivocal views on Social Security. According to a February, 1995 newsletter, the Speaker's foundation is advocating for the complete and immediate elimination of Social Security on moral grounds that it is un-American:

> There is an even more important moral question raised by the government's role as chief provider in old-age. It sends the un-American message that is not your responsibility to take care of yourself.
>
> It is time for the public to take back from government responsibility for their futures, including their retirements. And public policy should encourage the historic American virtues of hard work and frugality. Now, not in several decades, is the time to make this change.

What of those hard-working Americans who happen to become disabled, or those who die early leaving their children with no means of support?

What about the elderly women whose wages never were at a livable rate to enable them to save for their retirement years?

What would become of them under the leadership's plan to privatize Social Security?

The leadership would have the public believe that Social Security is in perilous condition and in need of being totally redesigned. We know better. Social Security will be solvent through the year 2032. A payroll tax increase of 1% could alleviate the demographic strain that we predict for that time. But rather than talk about this or any other option to strengthen the program, we debate today another commission to do the work of this Congress. And the leadership claims it promotes this bill for the children.

I applaud all efforts to work on long-term solutions that would really benefit our children. But I am cynical that this leadership will do the right thing on Social Security, even for the kids. Just look at their track record. They have repeatedly failed to face the tough issues that threaten our children because of their refusal to ruffle the feathers of their political constituencies to get the job done.

For example, where has this leadership done to provide healthcare for all children. What better example of a current need with long-term implications for both individuals and our economy than finding a way to cover the 45 million Americans—many millions of them children—who have no insurance and are not receiving the care they need. Millions of kids have no preventive healthcare or treatment of small problems, like ear infections, before they grow to major problems, like hearing loss.

Is this House leadership willing to face their NFIB supporters and the insurance industry on that one—for the kids?

Where is this leadership on providing managed care safeguards so that our children will get the healthcare from HMOs that their parents have paid for instead of denial after denial for reasonable claims made? The leadership is aware that 230 Members of this House support the lead managed care reform bill but the leadership fails to bring the measure up for a vote because of objections from business and the insurance lobbyists. Kids matter, but not as much as campaign contributions.

How about global warming? Protecting our world environment is a critical concern for today's children and their children but is this House leadership willing to buck their major corporate supporters to do the right thing on the environment? Experience tells us they won't—not even for our children.

What about this leadership taking action on rules to assure this Congress is not totally tainted by money? Isn't preserving a clean U.S. Congress key to assuring a "government of the people by the people for the people" for our children? Yet this House leadership has made a mockery of House consideration of campaign finance reform and has not even censured their colleague who plead guilty to criminal campaign violations. His sentence requires that he stay in Washington so that he can vote instead of serving time in a federal penitentiary. What message does this send to our kids about public service in Washington, DC?

The leadership says they want to take this bill up today to preserve Social Security for our kids but they ignore our children's need for quality education. This leadership's action is not just benign neglect—they are promoting policies right now that will hurt our children in our emergency supplemental: cutting funds to provide housing for poor families; refusing to provide food stamp benefits to legal immigrants families; refusing to provide the funds needed to enforce Kennedy-Kassebaum health insurance bill which passed this House by vote of 421 to 2. If ever there is an industry that needs oversight, it is the insurance industry. Prudential's $3 billion restitution to its customers for fraudulent sales practices is proof of that!

This leadership won't even provide the funds to pay our UN debt to work for world peace for all children.

In light of this pattern, I surmise that what the leadership is up to is more of the same

pattern. Their attempts to "preserve" Social Security by establishing individual accounts are nothing more than a gift of hundreds of billions of dollars in business to Wall Street. That even tops the $50 billion tax break for the tobacco companies that the leadership attempted last year.

Just as the public wouldn't let them get away with the tobacco tax break, I'm counting on the public to see through their rhetoric this time because the facts on Social Security are clear: it's been a resounding success.

Although privatization of Social Security is the topic de jour in America, we have an example of an safety net that has worked—and worked well—for over 60 years. We should focus on maintaining it's solvency past 2032, not dismantling the program.

Social Security replaces about 40 percent of pre-retirement wages for average earner, 57 percent for low-earner and 27 percent for a high-earner. By design, it cushions those who have fewer resources to save. In 1996, Social Security lifted 11.7 million elderly people out of poverty.

Two-thirds of elderly receive most of their income from Social Security. Without Social Security, one-half of older Americans would live in poverty.

In addition to the elderly, 3.5 million non-elderly adults and 800,000 children were lifted out of poverty by Social Security in 1996.

Its mandatory nature assures that all workers start their retirement nest egg with their first paycheck and increase their savings amounts automatically as their wages increase. Its social insurance component shields families from a wage earner's untimely death or disability, and subsidizes the lowest paid wage earners with the earnings of others.

Social Security works because it is more than a savings account for individuals—it is a commitment that our society make to its members that there will be a safety net for workers and their families in the event of their disability or death during wage earnings years.

Individual accounts take care of those who are sophisticated enough to invest their funds well; they leave the low wage folks, the unsophisticated, the disabled, the widows with young children out in the cold. Is that what America is about?

Has the "responsibility and self-reliance" mantra erased any trace of collective responsibility for the less fortunate in our society? I think not.

I challenge the leadership to face up to all the issues that effect our children, including Social Security, and to work to resolve these issues.

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I want to thank the gentleman from Florida for yielding me this time. I am here to talk about Social Security today. I want to rise in support of the rule as well as this legislation, H.R. 3546, legislation which will create a national dialogue on Social Security, an important effort and frankly what should be a bipartisan effort.

Over the last 3 years that I have had the privilege of representing the south side of Chicago and the south suburbs, clearly one of the most diverse districts in Illinois, city, suburbs and country, I have heard a pretty clear message from the folks back home when it comes to Social Security. One of the most clear messages that I have heard is that as we work to solve the long-term challenges of Social Security, we need to work in a bipartisan way.

We also need to work to honor the contract of Social Security, not just for today's seniors but for every generation, the children and grandchildren of those who are currently collecting Social Security, frankly people like my mom and dad, my Aunt Mary, my Aunt Eileen, my Uncle Jack, my Uncle Bob, their wives and families. Social Security is pretty important. Frankly, it is going to require a team effort and a bipartisan effort.

Just a few weeks ago, a few of us participated in a national dialogue with President Clinton in a bipartisan effort to solve the challenges facing Social Security. The President hosted a town meeting in Kansas City and he asked five of us to participate in a satellite hookup with town meetings back in our own districts.

There was a very clear message at the South Holland home for retirees in South Holland, Illinois, in the south suburbs of Chicago. Three hundred seniors were gathered there. They were thrilled that they were going to have an opportunity to communicate directly with the President of the United States, even though he was not there personally, it was via a satellite hookup. But they had a pretty clear message when it came to Social Security.

They said, "Number one is, Mr. President, let's keep the politics out of Social Security. If we're going to solve Social Security's challenges, Republicans and Democrats need to work together. For those who wish to demagogue and those who wish to play politics, just tell them to be quiet and work together and to work in a bipartisan way. Because Social Security is not a Democrat program, it is not a Republican program. Social Security belongs to the folks back home, the people who pay the bills and work hard. We want Social Security solved in a bipartisan way."

One other very clear point that the seniors at the Holland home in South Holland, Illinois also made when we communicated with the President in our bipartisan dialogue on the future of Social Security is that the seniors refuse to support a tax increase on their children and grandchildren to save Social Security. Clearly that was a loud message: No more taxes on their children, no more taxes on working Americans to fix Social Security. Let us do a better job of managing the program, because there is a lot out there, and we can do a better job.

That is why this legislation is so important. We are putting in place in the statutes a mechanism, a bipartisan commission made up equally of Republicans, equally of Democrats, which will help solve the problem.

In closing, I just want to say this legislation is so important because this legislation to establish a national dialogue on Social Security lays out the basic rules: Solving Social Security must be a bipartisan effort. Republicans and Democrats should work together.

Every American should be part of this dialogue. Every American has so much at stake. Every American should be part of the process. Let us keep the politics out of Social Security. Let us pass this rule. Let us pass this legislation.

Let me close by saluting the gentleman from Texas (Mr. ARCHER) and the gentleman from Kentucky (Mr. BUNNING) for their good work in keeping this a bipartisan effort.

Ms. SLAUGHTER. Mr. Speaker, if I could just take a second to talk about taking politics out. Only two of these eight Members are going to be appointed by Democrats.

Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, let me begin by saying I agree with a great deal of what the gentleman from Illinois just said, particularly that we need a bipartisan approach as we tackle this most important of issues to the people we represent across the country.

That is why I am forced to rise against the rule. In fact, having a closed rule that shuts out the minority, or for that matter Members of the majority, from offering an amendment that might make the process even better than proposed is itself a partisan majority heavy-handed tactic that unfortunately has this debate unfold today in perhaps a less constructive way than might otherwise have been the course.

We are already in a national debate on Social Security. I think already we have clearly identified the core commitments in the program that have to be continued no matter what: The survivor benefit, so that in the untimely death of a breadwinner there continues to be Social Security support for the spouse and children. The disability benefit, so that if you get incapacitated and cannot work, you will have income, you will be able to live. And, thirdly, the retirement benefit that will pay on an absolutely guaranteed dependable basis just as long as you may live. Those core assurances are in the program, are what make this program our greatest program, and they must remain no matter what.

The President, I think, has done us a lot of good in kicking off this national period of discussion on Social Security.

He has had the first meeting, as was mentioned, in Kansas City just a few weeks ago.

One amendment that I would have offered to the bill regarding the commission advanced by the chairman of the Committee on Ways and Means is its report date. It reports in February of 1999. It slows up the ability of the next Congress, in my opinion, to get at the Social Security issue in a constructive, bipartisan way. I wish we could debate that date, that reporting date this afternoon. Under the closed rule, we will not be able to.

One thing that will come out late in the debate on the bill that I think will add significant value to this legislation is offered in the motion to recommit opportunity that I will be offering. This motion to recommit will ensure that every penny of surplus is held until comprehensive resolution of the Social Security reforms is completed. The President said it first and he said it best when he said save Social Security first relative to the surplus. I think it is imperative that the House, every Member of the House, goes on record this afternoon in pledging their commitment that all of the surplus is held to save Social Security first. That will be the motion to recommit I will be offering later.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume. Just a point of clarification based on the statement made by the distinguished gentlewoman from New York when she pointed out, she stated that there was a difference in amounts of Republicans and Democrats on this panel.

If we look at section 203 of the legislation, it states four shall be appointed by the Speaker of the House and the majority leader of the Senate, two by the President and two by the minority in the House and in the Senate. So it is four and four. I just wanted to point that out.

Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Speaker, I have not had an opportunity to hear all of the debate, but for those who think that we are on the verge of being able to deal meaningfully with Social Security, I think some of the comments that have been made down here on the House floor by a couple of folks who were being very partisan really brings to mind, for the people in this House who are watching this debate, the difficulty in at the end of the day being able to solve some of the biggest problems we have with Social Security.

The purpose of this commission which the gentleman from Kentucky (Mr. BUNNING), and I want to praise him for his leadership, he has been working on this a long time, the gentleman from Texas (Mr. ARCHER) who obviously has great interest in Social Security and addressed it as long as, I think, 10 or 15 years ago, back when he was young, and I want to thank the two of them for allowing me to be part of this effort to create this commission, it is designed to do one thing, and that is to inform the public about what the circumstances are on Social Security.

My wife and I were on vacation, I guess it was about 2 weeks ago. We were down in Naples, Florida, and I picked up a newspaper. We had had all this talk about all the different plans that had been laid out on Social Security, and the poll that was in the newspaper in Naples, Florida, indicated only about 15 percent of our senior citizens knew that there was even any discussion about Social Security. I think it is very positive that a number of Members of both the House and the Senate have agreed to discuss this issue, but that is like discussing it in a vacuum until we are able to engage the entire country.

Now, the young people of this country are very sensitive about us getting something done. I would urge them for the 500 millionth time to go to the polls and vote, so that when you have an opinion, someone will pay attention to you. I would say to the gentleman from Texas (Mr. ARCHER), there has been some constant mantra of which I have been part that says there are more young people who believe in seeing a UFO than a Social Security check. I said, "That's right, but there are probably more Martians who will land on Earth than young people who will vote." That is why young people much of the time are not listened to.

I want to praise the gentleman from Kentucky (Mr. BUNNING) and the gentleman from Texas (Mr. ARCHER) and all the people who have engaged in this discussion on behalf of the younger generation who believe that they will not get anything.

In terms of our senior citizens, we have to recognize the fact that there are many senior citizens who have come to depend on Social Security as necessary for their well-being, and the message we want to deliver to our seniors today is, "We are going to live up to our word, you will be protected," and those closest to Social Security will be.

But if we get to the nub of the problem, it is actually fairly simple. We have a lot of people who are getting benefits and who are about to get benefits, but we have even more people who are working in order to pay those benefits. Some people argue that what we ought to do is to allow people to take some of their payments off the table.

The issue is, if the gentleman from Florida (Mr. LINCOLN DIAZ-BALART) decides to take his money off the table and put it in a savings account for himself, how does his mother get her payments? See, that is the trick. The trick is how do you do the transition to making sure that Mom and Dad get their benefits and those who are close to getting their benefits get theirs, while at the same time making sure that the gentleman from Florida is going to be able to have his benefits?

Now, here is the other rub. Lincoln needs to get his benefits, and there are a lot of Lincolns. I am in his category. I am a baby boomer. I am going to retire, Lincoln is going to retire, all the baby boomers up here; the gentleman from Wisconsin (Mr. NEUMANN) is going to retire. There are a whole heck of a lot of us but there are not as many young people to be able to support us.

So the answer is, we have got to figure out a way so the gentleman from Florida and the gentleman from Wisconsin and the gentleman from Ohio (Mr. KASICH) can get their benefits by earning more on our payments, on our investments. We have got to be able to earn more, because we cannot tell our kids to work around the clock to give us our program.

□ 1530

So we are going to have to change Social Security, not privatize it. We do not want anybody going their own way. There is going to be some basic program, but we clearly want to give people more control over their own resources.

Now I have a program that we can get started this year, and it would divide up the surplus so that every American who currently pays Social Security taxes would get a piece of that surplus and that we could invest it the same way Federal employees do. It would be separate, it would be removed from Social Security but will do a couple of things: would make us comfortable with the notion that being able to be in investments like Federal employees are means we will be able to have higher earnings; secondly, it will make us more comfortable with this change; thirdly, it will protect our senior citizens; and, fourthly, really it will keep the politicians from spending the surplus. We ought to do this now, but in light of all the controversy we got to be talking across America. Everybody has to understand what is at stake.

Mr. Speaker, do my colleagues know the wonderful thing about the public? And this is not rhetoric, I believe it. The people of our country are the most selfless people on the face of the earth, and once they understand the challenge they are willing to dig in and confront whatever concerns they have and resolve things for the best interests of America.

And no one generation wants to take from another. In fact, in this debate we could have a win-win-win. If the budget surplus can continue to grow, if the economy can continue to be strong, to a large degree we may be able to solve that transition problem without any root canal. We do not know yet.

So that is why we need, however, to enter into discussions. We need to enter into discussions with all Americans so that every single American who breathes air, who is at one time or another in their life going to be either paying into Social Security or getting out of Social Security, understands exactly what the deal is so that we as a Nation can move together.

Social Security is very unique. It is like the flag. It is like apple pie. It is a piece and part of America. We need to move it into the 21st century by giving people more control but, at the same time, reassuring everyone that the system will be there, that it will be sound and that we will have the courage to make the long-term update to improve it, to enhance it so that every American can be secure in their senior years.

Mr. Speaker, I think this is a great piece of legislation to pass. It should not be a Republican-Democrat fight. It is an effort to try to move all America forward together.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I am not sure how I feel about this dialogue commission, to be honest with my colleagues. We want a dialogue that will be great, will network, will interact, all the other buzz words. Clearly, it is important to have discussions taking place about Social Security.

The first premise ought to be Social Security and Medicare are to be protected at all costs and that we are going to guarantee that Social Security is going to continue to be there. Certainly a program where two-thirds of the beneficiaries report that it is their bulk of their retirement income is vital to this country.

But this discussion also is important, yes, for senior citizens who are covered by Social Security, and, yes, for the workers who are paying into Social Security so that Social Security will be there when they in turn retire, but it is important for young people as well. Because Social Security is how young people keep their independence because they do not have to take care of their parents and their grandparents like they did 75 and 100 years ago. Social Security and Medicare do that.

So I hope that this looks at all the options, but I hope in this 3-hour discussion we are about to have that some of my colleagues in the Republican leadership could answer some questions for me. Because the commission is important, but, as I recall, the commission has a report date of some time in 1999, and yet I just heard the chairman of the Committee on the Budget, a very powerful person in the leadership, talk about bringing a bill. He would like to bring something to the floor this year. And I have heard others in the Republican leadership talk about bringing proposals to the floor this year.

Well, certainly in a program that is as vital as Social Security I would hope that we are going to truly study this, rather than rush something through in a session that is to last 40 days and will greatly impact millions of beneficiaries both today and in the future.

I look at the privatization proposals. Sounds attractive. I love to be able to make sure that we could continue investing in equities and have it grow at the present rate.

But look at what the Social Security Commission previously reported. One of these proposals will cost $2 trillion, $2 trillion to cover transition costs as we pay off present beneficiaries, as we guarantee benefits will be there at some scales, some level for future beneficiaries, $2 trillion added to the deficit at a time we have a surplus.

That is why I happen to believe that certainly during the lifetime of this dialogue commission that what we have got going is that we support what President Clinton said, put the budget surplus into Social Security and we save Social Security first.

I do hope that some will come to the floor and ease my mind on what the legislative schedule is going to be on Social Security this year. All of us want to work on Social Security in a responsible way, but I do not want to be seeing this Congress trying to pass something, particularly trying to pass something before its own commission that it created comes back. What is the purpose? What is the point?

So, Mr. Speaker, that is something I think we ought to be looking at.

In terms of privatization, there are a number of questions that have to be asked. Hopefully, this can begin that process.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I think this is a healthy dialogue that we have here today.

As my colleagues know, the very first time I heard of Social Security problems was when I first came in Congress. A group came to me and said, "Hey, Duke, do you know anything about the notch?" And everybody that is in this body knows about the notch babies and the problems that it has precluded for most of us.

Also, I do not believe that Social Security was ever meant to be a retirement system, but for many people, and not so many in my district as we have in other districts, but many of them, especially in our lower income, Social Security is all they have, and I think it would be healthy to look at a dialogue in which we enable people to have more than Social Security.

I thought it was wrong in 1993 when the President increased the tax on Social Security because I think we do things backward in this country. I think we tax annuities for savings. I think we ought to give an incentive for taxing annuities, for, excuse me, for saving for our chronologically gifted years and one's time.

We tax work. I think we should not tax work, but we ought to give incentive to work.

But if we look, we ought to have a national dialogue in which we can allow people to plan not only for retirement, to protect the Social Security. And the first thing we did is say, "Keep your hands off the Social Security Trust Fund. Because any time you run in a deficit, then you have to put an IOU into that account and draw it back. And the only way you can ever replace it is when you have a surplus like we may have coming up, which really isn't a surplus because we use those accounts to balance the budget," and that is wrong, too, I think.

But, yes, we ought to save Social Security and protect it as it is, but the dialog should be, how can we make it better?

With the gift of compound interest, instead of ending up with one's investment of, say, like $175,000, one can end up with almost a million dollars. They can draw $60,000 a year just on the interest. I mean, that is worth. And I am not saying that is the way to do it, but is that not worth a dialogue with our chronologically gifted folks, with the baby boomers and with the pre-baby boomers to see if we can give them more than just what we have given? It is not enough, and too many people are on a fixed income.

I thank my colleagues for engaging in the dialogue and on the issue.

Ms. SLAUGHTER. Mr. Speaker, I yield 2½ minutes to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Speaker, as one that is going to leave this place shortly, I certainly hope that we find some way to shore up Social Security. But I would like to not correct one thing but make a comment about what my colleague from California said, about in 1993 when we passed a budget and we added some tax we counted 85 percent of Social Security, but it was just for a certain group. And I would remind the gentleman it was Ronald Reagan who had it at 50 percent, so that everybody has a little bit culpability there. But I think we ought to be very careful when we start talking about Social Security.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Speaker, I think it is wrong for either President to increase, and my whole point is let us not tax annuities in savings, let us give incentive.

Mr. HEFNER. Okay. Is that all?

Mr. CUNNINGHAM. Yes.

Mr. HEFNER. Mr. Speaker, we better be very careful in Social Security. Now

we are talking about people's Social Security being taxed.

Now the people in my district, the majority of them that count on Social Security are not people that pay any tax. These are people that worked in textile mills for 40 or 50 years and their husband and wife worked for 40 years and retired on $18 a month pension from their jobs. So they have to count, absolutely count, on Social Security and Medicare for their survival. That is the reason they get so upset.

Now I do not have any problems with talking about something to make, where people can make an investment in a private account of whatever, but we do not talk about Social Security as it really is. And at my age I have people in my district and relatives that when their families had a catastrophe in their early lives and they had small children and one of the spouses had no skills, could not work, Social Security comes in and they get some benefits until these kids finish school. That is an insurance policy.

Nobody ever talks much about the benefits of Social Security, and people could not go out and buy that protection for what they pay into Social Security, and that is what it was set up for.

So before we start fiddling too much in privatization of Social Security, we better be sure what we are doing. Because there is an awful lot of people, some 40 million people out there, senior citizens, that enjoy some independence because of Social Security and Medicare, and it would be an absolute travesty for us to do anything that causes them any more turmoil in their life.

I think Social Security was one of the greatest things that we have ever established in this country. And the Chairman of the Committee on the Budget talked about a budget surplus, and I would just remind the House that in 1993 we passed, without a single Republican vote, a package adding such people as Mr. Greenspan, certainly not a liberal economist, and people have given credit for that, for this economy staying on track for all these years and for interest rates to be low, that enable us to get to this balanced budget and to have a surplus.

But, in my view, when we owe $2 or $3 or $4 trillion, we do not have a surplus, and it does not take but just a small downturn in this economy for this so-called surplus to turn into a real deficit again.

So we best be very careful what we do and how we proceed on Social Security, because it is so violent to all of our forefathers.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding this time to me.

I hope everybody might be as excited as I am about moving ahead with a solution to Social Security. I introduced my first Social Security bill when I arrived in 1993 and then three years ago in the 104th session and again last year I introduced H.R. 3082 and H.R. 3560, the only bills, by the way, that have been scored by the Social Security Administration to keep Social Security solvent for the next 75 years.

It seems to me that, as we develop a national dialogue, as we inform the American people of what the situation is, there are about four or five things that we need as our guidelines: number one, the solution needs to be bipartisan; number two, we keep every possible solution on the table so that we can evaluate all of them. No. 3, that we do not reduce the benefit for current or near term retirees. Four, that any proposal for investment contain a "safety net" of guaranteed minimum benefits. And finally, that we do not play politics with this important issue. The danger that I see in an election year is the demagoguing of particular solution.

□ 1545

I will fight the demagoguing of solutions by Republicans or Democrats. Let us keep everything on the table as we develop this national dialogue over the next ten months.

Mr. Speaker, I have given over 200 speeches in my district, around the State of Michigan and around the country on Social Security. I still find many people that believe if Congress would keep their hands out of the Social Security Trust Fund, that everything would be okay.

In that Trust Fund is about $600 billion; $600 billion in relation to what we spend every year on Social Security would last about a year and 7 months. Even so, we have to make sure that we pay it back; and we stop using the extra money coming in to the Trust Fund to mask the deficit.

Let us save all the unified budget surplus for Social Security. But again the actuaries at Social Security today estimated that using all of the surpluses for the next eighteen years would solve less than 20 percent of the problem. Social Security solvency is a very serious problem with an estimated actuarial debt or unfunded mandate of $3 trillion.

Mr. Speaker, I am excited about the fact that we are going to bring this issue to light talking about facts not fiction. Current and future retirees deserve our honesty.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

Mr. Speaker, each time we return to our respective districts, I think there is one consistent question that is raised by young and old alike, and that is, what is going on with Social Security. In fact, at a recent meeting with my retired teachers, they not only asked what is going on with Social Security, but because they are peculiarly in a State like Texas, they were concerned about not getting Social Security because of the unique teacher retirement system.

They also asked about PSAs, personal savings accounts, and I frankly told them that the one thing that I would be concerned about any sort of program that would siphon off dollars is for those seniors who depend solely upon Social Security. I think this particular chart that says Social Security is the most important source of income from the elderly shows that of any other source, 40 percent of the elderly's income, our moms and dads, is from Social Security.

So certainly today's discussion is important. I do not think, however, a closed rule is the right direction to go, because yes, we have 3 hours, but I do not think we have the openness for opportunity for different approaches to this particular legislation.

It is clearly true that the board of trustees for Social Security has projected that on an average over the next 75 years, its expenditure will exceed income by 17 percent. However, we have just gotten a bit of good news because we now know that it will be solvent until 2032. But Social Security is important, and although the President has already gone forward with the beginnings of a dialogue that he announced in Kansas City, I think it is important that Congress join it.

But let it be said that the President has already started this process of dialogue. It is important, however, that we not use this legislation to bicker and to generate confusion, because what we need most of all is the coming together of a variety of points. The previous speaker already indicated how many legislative initiatives he has offered. How many other Members can rise on the floor of the House and talk about efforts that they have engaged in to save Social Security? There will come a point where we will not have to or cannot stand any more making efforts to save Social Security, we will actually have to start saving Social Security. When we hit a crisis and 40 percent of our senior citizen population no longer has the income to survive, then we will realize that talk was truly cheap.

On the personal savings account, I do not think we should start fixing Social Security until we know what the problems are with Social Security, other than the fact that it is moving toward insolvency. I do not know if PSAs are the way. Certainly many are inquiring about PSAs, but if it cripples the Social Security system, then that is not the way to go.

The Social Security system, when it started, was a curious vehicle. We have found, however, that it has been the saving source of keeping many of our senior citizens away from the brink of poverty. Therefore, we must look at it as the sacredness that it is. I believe that these discussions can go forward if they go forward collaboratively and cooperatively, because all of us will be challenged to save Social Security for America.

Mr. Speaker, I rise to make comment on H.R. 3546, a bill that would begin a National Dialogue on Social Security. The need for a dialogue is evidenced by the fact that the Board of Trustees for the Social Security has projected that on average over the next 75 years its expenditures will exceed its income by 17 percent and that by 2032 its trust funds will be depleted.

Because of this projected shortfall it is important that this Congress and this Administration does all that they can to prepare this government to meet the challenge of providing retirement benefits to seniors in the next century.

We know that the projected income rates for the Old Age, Survivors and Disability Insurance Social Security "trust funds" will be 13.33 percent with a projected cost to the Social Security Trust Funds of 15.52 percent leaving a 2.19 percent shortfall over the next 75 years.

This bill creates an eight-member bipartisan panel to recommend long-range changes to keep Social Security from going bankrupt, and directs the president and Congress to convene a national dialogue on the future of Social Security with help from members of private public interest groups.

There are those who say that there is no need to face the issue now, given the uncertainty of long-range forecasting. While others believe that the longer corrective action is delayed, the more drastic it will need to be. Although the 1996 Social Security Advisory Council, which issued a report on how to deal with the problem, was unable to agree on a specific plan, one of the issues its members did agree upon was that the sooner action was taken the better.

There are some concerns with the approach in this bill. This bill has the potential of duplicating the current national discussion about the future of Social Security which the President began in Kansas City and will continue through the end of 1998. This puts the process set up in the bill in competition with the process already underway.

What we do today may aid in the long term solvency of Social Security, but we must act in a timely and thoughtful manner. The bill directs that the House Speaker and the Senate Majority Leader would appoint four members of the commission while two will be appointed by the president, and two by the House and Senate Minority Leaders. The bill requires the commission to report its legislative and administrative recommendations to Congress and the White House by February 1, 1999.

This bill has the potential of involving each Congressional District represented in this body. The bill requires each member of the Congress, "to the extent practicable," to develop, with grassroots organizations and other constituency groups within the member's district, ongoing systems of communication through the Internet and other electronic capabilities to assure the widest possible degree of receipt of public opinion.

I look forward to our continuing this dialogue on Social Security.

Mr. DIAZ-BALART. Mr. Speaker, I would inquire as to the time remaining on both sides of the aisle.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Florida (Mr. DIAZ-BALART) has 5½ minutes remaining, and the gentlewoman from New York (Ms. SLAUGHTER) has 6 minutes remaining.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Washington (Mr. WHITE).

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, it was not too long ago that those of us here in this House were laboring under what I would like to say was a little bit of an illusion. There was a time when we thought it was really our job to solve all of the problems that were facing our Nation. Perhaps even worse, we thought we knew how to solve all the problems facing our Nation, and that if we just came up with the solution and got the votes for it, all of those problems will be solved. And I dare say, there are some people in this House who still believe that today.

But the fact is what this bill is about is a totally different approach, because what this bill is designed to do is to create the largest public debate in our Nation's history about how we should handle a particular problem. It is not designed for Washington, D.C., to teach everybody else what to do, it is designed for Washington, D.C., to learn in as many ways as we can what the people around the country think and what solutions they might have in mind for us for ways to fix this problem. It is a much different approach, it is a much better approach, and if we take it seriously, we will come up with a much better solution to our country's problems.

One of the things I am particularly pleased about in this bill is that it uses some new tools that we have not had in the past that are now at our disposal to find out what people think and what people know about some of these problems. Let me just go through a few of these, because I think probably even some of our fellow Members are not aware of them.

Number one, we are going to create a national Web site for every citizen with access to a computer can then hook into this Web site and learn a lot of different things. One of the things that they will be able to do is to put their Social Security number or some financial information in a little interactive program and find out what their own personal retirement situation will look like under various proposals that we are adopting. They would be able to figure out how much they would have under the current Social Security system. They would be able to figure out how much they would have under competing proposals, about how different things would work. They will be able to gain a much better understanding about the issues that we are talking about than they would in any other way. I think that is a positive thing.

A couple of the other tools that we are going to have available at our disposal, we will have the ability to have moderated chat rooms so people can participate by computer in discussions of these issues. We will have a national town hall meeting on one or more occasions where people can tie in by modem and have a discussion of the issues. We will have an ability for them to go through an exercise on their computer so they can see what the impact on the Federal budget would be of taking one approach or another. So I think there are lots of things that we are going to learn from this process.

Personally, Mr. Speaker, I am very pleased at the process that this bill proposes. I think if we take it seriously, if we are open to it, if we really do listen to what the American people tell us about this process, we will come up with a much better solution than we otherwise would have had.

So I congratulate the authors of this bill on putting this together, and I urge the House to pass it, and the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, Social Security is such a critically important program to every American that it ought to be examined from time to time, and we periodically ought to do whatever may be necessary to strengthen it to make sure that it continues to last.

This Democratic program, the invention of Franklin Roosevelt, has served several generations of Americans extremely well, and it will continue to do so, so long as we nourish the economic conditions that are necessary to sustain it.

We learned something very important about Social Security just today. We learned that Social Security is directly tied to the national economy. When the economy is growing and doing well, when it is growing at a rate of 2½ percent or greater, Social Security does well. When we tighten up the economy in the ways that the Federal Reserve Board has attempted to do, for example, in some recent years, then we threaten Social Security as we threaten other public programs and threaten the economic health of all Americans as well.

So the first lesson that we ought to dictate to any commission that ought

to be examining Social Security, and parenthetically let me say I am a little bit wary about these Social Security Commissions because the last one we had headed up by the now Chairman of the Federal Reserve did not do very much to save Social Security, and in some ways it weakened it. But that aside, when we examine Social Security, we ought to do so in a way that recognizes the symbiotic relationship between Social Security and the national economy. Having an economy that is based upon low interest rates, interest rates now are too high, the Federal Reserve should lower them, is not a good thing. A national economy that is growing at 2.5 to 3 percent will be an economy that has a strong Social Security system.

There are people here in this House who from time to time have raised issues that would not have strengthened Social Security, but would have, in fact, weakened it. We know that there have been discussions by the leadership on the other side to phase out Social Security, to raise the level of retirement age, to reduce the level of benefits as inflation increases over the years. Those things ought to be avoided.

Social Security is a strong system. What it needs is a strong economy. We need to be investing appropriately in the right kind of education for the next generation to make sure that they are capable of holding the kinds of jobs that provide the right kinds of salaries that will allow the economy to continue to grow.

So the first thing that we have to recognize is what we were told in the news that was released today. A strong economy is essential to the maintenance of the Social Security system. If we want the Social Security system to remain strong, it will do so, and we need to make sure that the economy is strong, and with a strong economy, Social Security will remain strong as well.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I rise to oppose this legislation because it is unnecessary, costly, and may be designed to lead the Congress to take more radical steps than are necessary to fix the relatively small and manageable problem facing Social Security.

Yesterday, the Social Security trustees revised their economic projections to show that Social Security is actually in better shape than they thought. The Trust Fund will be solvent through the year 2029. The trustees pushed back the projected insolvency date by 3 years and included other corrections to their extremely low projections of the past. In fact, the trustees yesterday admitted that there would be almost $1 trillion more money in the system in 2020 than they said there would be last year, and they admitted that the long-term shortfall in the system is less than 2.2 percent of taxable payroll.

These revisions, however, are still overly pessimistic because they do not include the latest adjustments to the Consumer Price Index. They assume a long-term growth rate of only 1.3 percent, despite recent growth rates averaging 3 and 3.8 percent last year, and they assume that unemployment can never be below 6 percent, even though it has been about 4.5 percent for the last couple of years.

So not only is the problem facing Social Security small and manageable, but it is even smaller and more manageable than the trustees admit. It appears that the shortfall can be dealt with without raising the retirement age, without cutting benefits, and without radically changing the system with risky privatization schemes.

While I respect the desire to create a bipartisan body to help devise a comprehensive solution, I do not think we need a new blue ribbon commission to come between the American people and its elected representatives, after the last one we had 2 years ago. A national dialogue is already under way. We should let the system work, have the appropriate hearings and markups, and listen to our constituents, not some artificial panel of experts.

I also have more than a little suspicion that the unstated purpose of this resolution is to create a commission that will give an official blessing to the real and, I believe, pernicious and destructive goal of the exercise: Privatizing the Social Security system and shifting all of the risk from the government's budget to the shoulders of individuals, again risking abject poverty in old age.

□ 1600

I hope that this is not the case. I hope that what is coming here is not a step to whipping up hysteria based on the false notion that the Social Security system is in imminent crisis, that it is going bankrupt, then hiding behind a commission and coming out with a radical scheme to destabilize the whole system.

Mr. Speaker, we should have faith that the ongoing debate will yield the information we need to forge sound legislation to enable Social Security to meet the challenges of the next century. We should also take steps to ensure the debate starts with a sound assessment of the problems facing Social Security, a small, manageable problem; a problem of less than 2.2 percent of taxable payroll; a problem that can be solved without shifting the risks from the budget of the Government of the United States to the shoulders of individuals and can be solved without increasing the retirement age, without reducing COLAs and without reducing benefits. It can be solved in fairly easy ways that we do not see in the public debate. I distrust the composition of the commission.

One final thing: It is an outrage, when we are facing a shortfall in the Social Security system, this bill calls for financing the commission by taking money away from the trust fund and giving it to the commission. Leave the money in the trust fund for the beneficiaries.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Kentucky (Mrs. NORTHUP).

Mrs. NORTHUP. Mr. Speaker, I rise to speak in favor of the rule and in favor of House Resolution 3546.

Yesterday the board of trustees of the Social Security program issued a report stating that the Social Security Trust Fund will be exhausted by the year 2032. Mr. Speaker, we have heard all sorts of anecdotes that younger Americans believe they have less of a chance of cashing a Social Security check than they do of seeing aliens land on earth. These stories are somewhat humorous, but they foreshadow an impending crisis that is anything but funny.

We as a Congress can no longer afford to sit on our hands. We owe it to this generation and the next to secure our Social Security system and enhance retirement opportunities. Further, Americans must be encouraged to save and invest in their own retirement. That is why Congress should continue taking steps to provide individuals with more savings and investment opportunities.

In the meantime, Americans want to discuss the flaws within the current Social Security system and the options that exist for maintaining its solvency. House Resolution 3546 is vital to ensuring that all Americans have a voice in the upcoming debate.

In the midst of this national discussion, Congress will be expected to make exciting decisions to strengthen Social Security. The ideas of our constituents, both young and old, will help us make the right decisions for all of us.

Therefore, I urge my colleagues to vote in favor of the rule and House Resolution 3546.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find it somewhat ironic that some Members on the other side of the aisle have questioned the fairness of the rule with which we bring forth this legislation, when an amendment was authorized by the rule as long as it was preprinted in the RECORD, an amendment was authorized by the gentleman from New York (Mr. RANGEL) or his designee, and no such amendment appears in the CONGRESSIONAL RECORD. I think that speaks for itself.

Mr. Speaker, it is a fair rule. The underlying legislation is important to the country.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 410, I call up the bill (H.R. 3546) to provide for a national dialogue on Social Security and to establish the Bipartisan Panel to Design Long-Range Social Security Reform, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). The bill is considered read for amendment.

The text of H.R. 3546 is as follows:

H.R. 3546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Dialogue on Social Security Act of 1998".

TITLE I—NATIONAL DIALOGUE ON SOCIAL SECURITY

SEC. 101. ESTABLISHMENT OF NATIONAL DIALOGUE.

As soon as practicable after the date of the enactment of this Act, the President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall jointly convene a National Dialogue on the old-age, survivors, and disability insurance program under title II of the Social Security Act. The purpose of the National Dialogue shall be to engage, by means of regional conferences and national Internet exchanges, the American public in understanding the current program, the problems it faces, and the need to find solutions that will be workable for all generations and to generate comments, suggestions, and recommendations from the citizens for social security reform.

SEC. 102. FACILITATORS.

The National Dialogue conducted pursuant to section 101 shall operate under the administration and coordination of two Facilitators, one of whom shall be appointed by the President and one of whom shall be appointed jointly by the Speaker of the House of Representatives and the Majority Leader of the Senate. The Facilitators shall be appointed within 30 days after the date of the enactment of this Act. The Facilitators shall be appointed from among individuals known for their integrity, impartiality, and good judgment, who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of such office. The Facilitators may serve until termination of the National Dialogue under section 108.

SEC. 103. PLANS FOR NATIONAL DIALOGUE.

After consultation with the President, the Speaker of the House of Representatives, and the Majority Leader of the Senate, the Facilitators shall transmit the final plans for the development and operations of the National Dialogue to the President and each House of the Congress not later than 60 days after the date of the enactment of this Act.

SEC. 104. DIALOGUE COUNCIL.

(a) ESTABLISHMENT AND DUTIES.—There is established a Dialogue Council. It shall be the duty of the Dialogue Council to advise the Facilitators in the development and operations of the National Dialogue.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Dialogue Council shall be composed of 36 of the individuals nominated pursuant to paragraph (2), of whom—

(A) 9 shall be appointed by the Speaker of the House of Representatives,

(B) 9 shall be appointed by the Majority Leader of the Senate, and

(C) 18 shall be appointed by the President.

To the extent practicable, the members shall include both men and women and shall be selected so as to ensure that individuals born before 1946, individuals born in or after 1946 and before 1961, and individuals born in or after 1961 are equally represented within the membership.

(2) NOMINATIONS.—Individuals shall be appointed under paragraph (1) from a group of 54 individuals, consisting of individuals nominated in sets of 3 each, respectively, by each of the following 18 private organizations:

(A) the American Association of Retired Persons;

(B) the United Seniors Association;

(C) the AFL–CIO;

(D) the National Hispanic Council on Aging;

(E) the Older Women's League;

(F) the Association of Private Pension and Welfare Plans;

(G) the Cato Institute;

(H) the Employee Benefit Research Institute;

(I) Americans Discuss Social Security;

(J) the Third Millennium;

(K) the U.S. Junior Chamber of Commerce;

(L) Americans for Hope, Growth, and Opportunity;

(M) the National Federation of Independent Businesses;

(N) the Concord Coalition;

(O) the National Caucus and Center on Black Aged;

(P) the Campaign for America's Future;

(Q) the Heritage Foundation; and

(R) the Brookings Institution.

(c) ADMINISTRATION.—The Dialogue Council shall meet at the call of the Facilitators. The Dialogue Council shall not be subject to the Federal Advisory Committee Act. Members of the Council shall receive no pay, allowances, or benefits by reason of their service on the Council (other than any private funding of costs pursuant to section 105).

(d) TERMINATION.—The Dialogue Council shall terminate upon the termination of the National Dialogue under section 108.

SEC. 105. PRIVATE SPONSORSHIP AND OTHER REQUIREMENTS.

The National Dialogue conducted pursuant to section 101 shall operate by means of sponsorship by private, nonpartisan organizations of conferences which shall be convened in localities across the Nation, which shall be geographically representative of the Nation as a whole, and which shall provide for participation which is representative of all age groups in the population. The Facilitators shall encourage and coordinate the sponsorship by such organizations of the National Dialogue and shall ensure that all costs relating to the functions of the Facilitators and the Dialogue Council under sections 104 and 107 and not referred to in section 109 are borne by such organizations or, as appropriate, by other private contributions.

SEC. 106. CONSTITUENCY INPUT.

(a) IN GENERAL.—In order to assure that the widest possible degree of opinion is received by Members of Congress regarding the future of the old-age, survivors, and disability insurance program under title II of the Social Security Act, each Member shall, to the extent practicable, and as soon as possible after the date of the enactment of this Act, develop with grassroots organizations and other constituency groups within the Member's district ongoing systems of communication through the use of the Internet and other available electronic capabilities. Such groups shall include, but not be limited to, key opinion leaders, journalists, business representatives, union members, and students of all age groups.

(b) INTERNET DIALOGUE COORDINATION.—

(1) INTERNET DIALOGUE COORDINATOR.—The Facilitators shall appoint an Internet Dialogue Coordinator who shall assist Members of Congress in establishing systems of communication in their Congressional districts as required under subsection (a). In carrying out the Coordinator's duties, the Coordinator shall—

(A) assist Members' offices in establishing local websites, moderated chat rooms, and threaded newsgroups,

(B) assist Members in coordinating a national electronic town hall meeting on the future of social security,

(C) advise Members regarding the most effective technological means for reaching out to constituent groups for purposes of this section, and

(D) work with other Internet-oriented groups to broaden the reach of Internet capability for purposes of this section.

(2) INTERNET ADVISORY BOARD.—

(A) ESTABLISHMENT.—There is established an Internet Advisory Board. It shall be the duty of the Board to advise the Internet Dialogue Coordinator in the most appropriate and effective means of employing the Internet under this section.

(B) MEMBERSHIP.—The Board shall consist of 3 members appointed by the Facilitators from among individuals recognized for their expertise relating to the Internet.

(C) ADMINISTRATION.—The Board shall meet at the call of the Internet Dialogue Coordinator. The Board shall not be subject to the Federal Advisory Committee Act. Members of the Board shall receive no pay, allowances, or benefits by reason of their service on the Board, except that any member of the Board who is not otherwise an officer or employee of the Federal Government shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

(D) TERMINATION.—The Board shall terminate upon the termination of the National Dialogue under section 108.

(c) REPORTS.—The Internet Dialogue Coordinator shall periodically report in writing to the Facilitators the results of the systems of communication established pursuant to this section.

SEC. 107. REPORTS.

From time to time during the National Dialogue, the Facilitators shall catalog, summarize, and submit in writing to the Bipartisan Panel to Design Long-Range Social Security Reform the comments, suggestions, and recommendations generated by the participants in conferences conducted and constituent input received from Members' offices under the National Dialogue.

SEC. 108. TERMINATION.

The National Dialogue conducted pursuant to section 101 shall terminate January 1, 1999.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated, from amounts otherwise available in the general fund of the Treasury, such sums as

are necessary to provide for the compensation of the Facilitators and to carry out the provisions of section 106.

TITLE II—BIPARTISAN PANEL TO DESIGN LONG-RANGE SOCIAL SECURITY REFORM

SEC. 201. ESTABLISHMENT OF PANEL.

There is established a panel to be known as the Bipartisan Panel to Design Long-Range Social Security Reform (in this title referred to as the "Panel").

SEC. 202. DUTIES OF PANEL.

The Panel shall design a single set of legislative and administrative recommendations for long-range reforms for restoring the solvency of the social security system and maintaining retirement income security in the United States.

SEC. 203. MEMBERSHIP OF THE PANEL.

(a) NUMBER AND APPOINTMENT.—The Panel shall be composed of eight members, of whom—

(1) four shall be appointed jointly by the Speaker of the House of Representatives and the Majority Leader of the Senate,

(2) two shall be appointed by the President, and

(3) two shall be appointed jointly by the Minority Leader of the House of Representatives and the Minority Leader of the Senate.

The members of the Panel shall consist of individuals who are of recognized standing and distinction, who can represent the multiple generations who have a stake in the viability of the system, and who possess a demonstrated capacity to discharge the duties imposed on the Panel. At least one of the members shall be appointed from individuals representing the interests of employees, and at least one of the members shall be appointed from individuals representing the interests of employers.

(b) CO-CHAIRS.—The officials referred to in paragraphs (1) through (3) of subsection (a) shall designate two of the members of the Panel to serve as Co-Chairs of the Panel, who shall jointly chair the Panel, determine its duties, and supervise its staff.

(c) TERMS OF APPOINTMENT.—The members of the Panel shall serve for the life of the Panel.

(d) VACANCIES.—A vacancy in the Panel shall not affect the power of the remaining members to execute the duties of the Panel, but any such vacancy shall be filled in the same manner in which the original appointment was made.

SEC. 204. PROCEDURES.

(a) MEETINGS.—The Panel shall meet at the call of its Co-Chairs or a majority of its members.

(b) QUORUM.—A quorum shall consist of 5 members of the Panel, except that a lesser number may conduct a hearing under subsection (c).

(c) HEARINGS AND OTHER ACTIVITIES.—For the purpose of carrying out its duties, the Panel may hold such hearings and undertake such other activities as the Panel determines to be necessary to carry out its duties. Meetings held in order to conduct fact finding, as determined by the Co-Chairs, shall be open to the public. Meetings held in order to develop policy, as determined by the Co-Chairs, may be held in executive session, notwithstanding the Federal Advisory Committee Act and any other provision of law.

(d) OBTAINING INFORMATION.—Upon request of the Panel, the Commissioner of Social Security and the head of any other agency or instrumentality of the Federal Government shall furnish information deemed necessary by the Panel to enable it to carry out its duties.

SEC. 205. ADMINISTRATION.

(a) COMPENSATION.—Except as provided in subsection (b), members of the Panel shall receive no additional pay, allowances, or benefits by reason of their service on the Panel.

(b) TRAVEL EXPENSES AND PER DIEM.—Each member of the Panel who is not a present Member of the Congress and who is not otherwise an officer or employee of the Federal Government shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) STAFF AND SUPPORT SERVICES.—

(1) STAFF DIRECTOR.—

(A) APPOINTMENT.—The Panel shall appoint a staff director of the Panel.

(B) COMPENSATION.—The staff director shall be paid at a rate not to exceed the rate established for level III of the Executive Schedule.

(2) STAFF.—The Panel shall appoint such additional personnel as the Panel determines to be necessary.

(3) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff director and other members of the staff of the Panel shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(4) EXPERTS AND CONSULTANTS.—With the approval of the Panel, the staff director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(d) CONTRACT AUTHORITY.—The Panel may contract with and compensate government and private agencies or persons for items and services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(e) PHYSICAL FACILITIES.—The Architect of the Capitol, in consultation with the appropriate entities in the legislative branch, shall locate and provide suitable office space for the operation of the Panel on a reimbursable basis. The facilities shall serve as the headquarters of the Panel and shall include all necessary equipment and incidentals required for the proper functioning of the Panel.

(f) DETAIL OF FEDERAL EMPLOYEES.—Upon the request of the Panel, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Panel to assist the Panel in carrying out its duties.

(g) USE OF MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as Federal agencies and shall, for purposes of the frank, be considered a commission of Congress as described in section 3215 of title 39, United States Code.

(h) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Panel, the Architect of the Capitol shall provide to the Panel on a reimbursable basis such administrative support services as the Panel may request.

(i) PRINTING.—For purposes of costs relating to printing and binding, including the cost of personnel detailed from the Government Printing Office, the Panel shall be deemed to be a committee of the Congress.

SEC. 206. REPORT.

Not later than February 1, 1999, the Panel shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate a report which shall contain a detailed statement of the findings and conclusions of the Panel, including the set of recommendations required under section 202. The report shall include only those recommendations of the Panel that receive the approval of at least 6 members of the Panel, including both Co-Chairs.

SEC. 207. TERMINATION.

The Panel shall terminate March 31, 1999.

SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as are necessary to carry out the purposes of this title, but not to exceed $2,000,000.

The SPEAKER pro tempore. Pursuant to House Resolution 410, the committee amendment in the nature of a substitute printed in the bill, modified by the amendments printed in House Report 105–498, is adopted.

The text of the committee amendment in the nature of a substitute, modified by the amendments printed in House Report 105–498, is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Dialogue on Social Security Act of 1998".

TITLE I—NATIONAL DIALOGUE ON SOCIAL SECURITY

SEC. 101. ESTABLISHMENT OF NATIONAL DIALOGUE.

As soon as practicable after the date of the enactment of this Act, the President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall jointly convene a National Dialogue on the old-age, survivors, and disability insurance program under title II of the Social Security Act. The purpose of the National Dialogue shall be to engage, by means of regional conferences and national Internet exchanges, the American public in understanding the current program, the problems it faces, and the need to find solutions that will be workable for all generations and to generate comments, suggestions, and recommendations from the citizens for social security reform.

SEC. 102. FACILITATORS.

The National Dialogue conducted pursuant to section 101 shall operate under the administration and coordination of two Facilitators, one of whom shall be appointed by the President, in consultation with the Minority Leader of the House of Representatives and the Minority Leader of the Senate, and one of whom shall be appointed jointly by the Speaker of the House of Representatives and the Majority Leader of the Senate. The Facilitators shall be appointed within 30 days after the date of the enactment of this Act. The Facilitators shall be appointed from among individuals known for their integrity, impartiality, and good judgment, who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of such office. The Facilitators may serve until termination of the National Dialogue under section 108.

SEC. 103. PLANS FOR NATIONAL DIALOGUE.

After consultation with the President, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, and the Minority Leader of the Senate, the Facilitators shall transmit the final plans for the development and operations of the National Dialogue to the President and each House of the Congress not later than 60 days after the date of the enactment of this Act.

SEC. 104. DIALOGUE COUNCIL.

(a) ESTABLISHMENT AND DUTIES.—There is established a Dialogue Council. It shall be the duty of the Dialogue Council to advise the Facilitators in the development and operations of, and to promote nationwide participation in the National Dialogue.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Dialogue Council shall be composed of 36 of the individuals nominated pursuant to paragraph (2), of whom—

(A) 9 shall be appointed by the Speaker of the House of Representatives,

(B) 4 shall be appointed by the Minority Leader of the House of Representatives,

(C) 9 shall be appointed by the Majority Leader of the Senate,

(D) 4 shall be appointed by the Minority Leader of the Senate, and

(E) 10 shall be appointed by the President.

To the extent practicable, the members shall include both men and women and shall be selected so as to ensure that individuals born before 1946, individuals born in or after 1946 and before 1961, and individuals born in or after 1961 are equally represented within the membership.

(2) NOMINATIONS.—Individuals shall be appointed under paragraph (1) from a group of 54 individuals, consisting of individuals nominated in sets of 2 each, respectively, by each of the following 27 private organizations:

(A) American Association of Retired Persons;

(B) United Seniors Association;

(C) American Federation of Labor and Congress of Industrial Organizations;

(D) The National Hispanic Council on Aging;

(E) The Older Women's League;

(F) Association of Private Pension and Welfare Plans;

(G) Cato Institute;

(H) Employee Benefit Research Institute;

(I) Americans Discuss Social Security;

(J) Third Millennium;

(K) The U.S. Junior Chamber of Commerce;

(L) Americans for Hope, Growth, and Opportunity;

(M) National Federation of Independent Businesses;

(N) The Concord Coalition;

(O) National Caucus and Center on Black Aged;

(P) Campaign for America's Future;

(Q) The Heritage Foundation;

(R) The Brookings Institution;

(S) The 2030 Center;

(T) National Council of Senior Citizens;

(U) Center on Budget and Policy Priorities;

(V) National Committee to Preserve Social Security and Medicare;

(W) United States Chamber of Commerce;

(X) Pension Rights Center;

(Y) Consortium for Citizens with Disabilities and

(Z) National Association of Manufacturers; and

(AA) National Association for the Self-Employed.

(c) ADMINISTRATION.—The Dialogue Council shall meet at the call of the Facilitators. The Dialogue Council shall be subject to the Federal Advisory Committee Act. Members of the Council shall receive no pay, allowances, or benefits by reason of their service on the Council (other than any private funding of costs pursuant to section 105).

(d) TERMINATION.—The Dialogue Council shall terminate upon the termination of the National Dialogue under section 108.

SEC. 105. PRIVATE SPONSORSHIP AND OTHER REQUIREMENTS.

The National Dialogue conducted pursuant to section 101 shall operate by means of sponsorship by private, nonpartisan organizations of conferences which shall be convened in localities across the Nation, which shall be geographically representative of the Nation as a whole, and which shall provide for participation which is representative of all age groups in the population. The Facilitators shall encourage and coordinate the sponsorship by such organizations of the National Dialogue and shall ensure that all costs relating to the functions of the Facilitators and the Dialogue Council under sections 104 and 107 and not referred to in section 109 are borne by such organizations or, as appropriate, by other private contributions. The source and amounts of contributions made pursuant to this section shall be made available to the public.

SEC. 106. CONSTITUENCY INPUT.

(a) IN GENERAL.—In order to assure that the widest possible degree of opinion is received by Members of Congress regarding the future of the old-age, survivors, and disability insurance program under title II of the Social Security Act, each Member may, in connection with the National Dialogue, develop with grassroots organizations and other constituency groups within the Member's district ongoing systems of communication through the use of the Internet and other available electronic capabilities. Such groups include, but are not limited to, key opinion leaders, journalists, business representatives, union members, and students of all age groups.

(b) INTERNET DIALOGUE COORDINATION.—

(1) INTERNET DIALOGUE COORDINATOR.—The Facilitators shall appoint an Internet Dialogue Coordinator who shall assist Members of Congress in establishing systems of communication as described in subsection (a). In carrying out the Coordinator's duties, the Coordinator shall—

(A) establish a national dialogue web site,

(B) assist Members' offices in establishing connections to the national dialogue web site, which may include, but is not limited to, personal financial planning, Federal budget impact exercises, ongoing public opinion tallies regarding legislative proposals, moderated chat rooms, and threaded newsgroups.

(C) assist Members in coordinating a national electronic town hall meeting on the future of social security,

(D) advise Members regarding the most effective technological means for reaching out to constituent groups for purposes of this section, and

(E) work with other Internet-oriented groups to broaden the reach of Internet capability for purposes of this section.

(2) INTERNET ADVISORY BOARD.—

(A) ESTABLISHMENT.—There is established an Internet Advisory Board. It shall be the duty of the Board to advise the Internet Dialogue Coordinator in the most appropriate and effective means of employing the Internet under this section.

(B) MEMBERSHIP.—The Board shall consist of 3 members appointed by the Facilitators from among individuals recognized for their expertise relating to the Internet.

(C) ADMINISTRATION.—The Board shall meet at the call of the Internet Dialogue Coordinator. The Board shall be subject to the Federal Advisory Committee Act. Members of the Board shall receive no pay, allowances, or benefits by reason of their service on the Board, except that any member of the Board who is not otherwise an officer or employee of the Federal Government shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) REPORTS.—The Internet Dialogue Coordinator shall periodically report in writing to the Facilitators the results of the systems of communication established pursuant to this section.

(d) TERMINATION.—The provisions of this section shall terminate upon the termination of the National Dialogue under section 108.

SEC. 107. REPORTS.

From time to time during the National Dialogue, the Facilitators shall catalog, summarize, and submit in writing to the Bipartisan Panel to Design Long-Range Social Security Reform the comments, suggestions, and recommendations generated by the participants in conferences conducted and constituent input received from Members' offices under the National Dialogue.

SEC. 108. TERMINATION.

The National Dialogue conducted pursuant to section 101 shall terminate January 1, 1999.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated, from amounts otherwise available in the general fund of the Treasury, such sums as are necessary to provide for the compensation of the Facilitators and to carry out the provisions of section 106.

TITLE II—BIPARTISAN PANEL TO DESIGN LONG-RANGE SOCIAL SECURITY REFORM

SEC. 201. ESTABLISHMENT OF PANEL.

There is established a panel to be known as the Bipartisan Panel to Design Long-Range Social Security Reform (in this title referred to as the "Panel").

SEC. 202. DUTIES OF PANEL.

The Panel shall design a single set of legislative and administrative recommendations for long-range reforms for restoring the solvency of the social security system and maintaining retirement income security in the United States.

SEC. 203. MEMBERSHIP OF THE PANEL.

(a) NUMBER AND APPOINTMENT.—The Panel shall be composed of eight members, of whom—

(1) four shall be appointed jointly by the Speaker of the House of Representatives and the Majority Leader of the Senate,

(2) two shall be appointed by the President, and

(3) two shall be appointed jointly by the Minority Leader of the House of Representatives and the Minority Leader of the Senate.

The members of the Panel shall consist of individuals who are of recognized standing and distinction, who can represent the multiple generations who have a stake in the viability of the system, and who possess a demonstrated capacity to discharge the duties imposed on the Panel. At least one of the members shall be appointed from individuals representing the interests of employees, and at least one of the members shall be appointed from individuals representing the interests of employers.

(b) CO-CHAIRS.—The officials referred to in paragraphs (1) through (3) of subsection (a) shall designate two of the members of the Panel to serve as Co-Chairs of the Panel, who shall jointly chair the Panel, determine its duties, and supervise its staff.

(c) TERMS OF APPOINTMENT.—The members of the Panel shall serve for the life of the Panel.

(d) VACANCIES.—A vacancy in the Panel shall not affect the power of the remaining members to execute the duties of the Panel, but any such vacancy shall be filled in the same manner in which the original appointment was made.

SEC. 204. PROCEDURES.

(a) MEETINGS.—The Panel shall meet at the call of its Co-Chairs or a majority of its members.

(b) QUORUM.—A quorum shall consist of 5 members of the Panel, except that a lesser number may conduct a hearing under subsection (c).

(c) HEARINGS AND OTHER ACTIVITIES.—For the purpose of carrying out its duties, the Panel may hold such hearings and undertake such other activities as the Panel determines to be necessary to carry out its duties. Meetings held by the Panel shall be conducted in accordance with the Federal Advisory Committee Act.

(d) OBTAINING INFORMATION.—Upon request of the Panel, the Commissioner of Social Security and the head of any other agency or instrumentality of the Federal Government shall furnish information deemed necessary by the Panel to enable it to carry out its duties.

SEC. 205. ADMINISTRATION.

(a) COMPENSATION.—Except as provided in subsection (b), members of the Panel shall receive no additional pay, allowances, or benefits by reason of their service on the Panel.

(b) TRAVEL EXPENSES AND PER DIEM.—Each member of the Panel who is not a present Member of the Congress and who is not otherwise an officer or employee of the Federal Government shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) STAFF AND SUPPORT SERVICES.—

(1) STAFF DIRECTOR.—

(A) APPOINTMENT.—The Panel shall appoint a staff director of the Panel.

(B) COMPENSATION.—The staff director shall be paid at a rate not to exceed the rate established for level III of the Executive Schedule.

(2) STAFF.—The Panel shall appoint such additional personnel as the Panel determines to be necessary.

(3) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff director and other members of the staff of the Panel shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(4) EXPERTS AND CONSULTANTS.—With the approval of the Panel, the staff director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(d) CONTRACT AUTHORITY.—The Panel may contract with and compensate government and private agencies or persons for items and services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(e) PHYSICAL FACILITIES.—The Architect of the Capitol, in consultation with the appropriate entities in the legislative branch, shall locate and provide suitable office space for the operation of the Panel on a reimbursable basis. The facilities shall serve as the headquarters of the Panel and shall include all necessary equipment and incidentals required for the proper functioning of the Panel.

(f) DETAIL OF FEDERAL EMPLOYEES.—Upon the request of the Panel, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Panel to assist the Panel in carrying out its duties.

(g) USE OF MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as Federal agencies and shall, for purposes of the frank, be considered a commission of Congress as described in section 3215 of title 39, United States Code.

(h) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Panel, the Architect of the Capitol shall provide to the Panel on a reimbursable basis such administrative support services as the Panel may request.

(i) PRINTING.—For purposes of costs relating to printing and binding, including the cost of personnel detailed from the Government Printing Office, the Panel shall be deemed to be a committee of the Congress.

SEC. 206. REPORT.

(a) IN GENERAL.—Not later than February 1, 1999, the Panel shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate a report which shall contain a detailed statement of the findings and conclusions of the Panel, including the set of recommendations required under section 202. The report shall include only those recommendations of the Panel that receive the approval of at least 6 members of the Panel, including both Co-Chairs.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that, pending the report of the Panel under subsection (a), the Federal unified budget surplus should be dedicated to reducing the Federal debt held by the public, increasing the retirement income security of individuals and insuring the solvency of the social security system.

SEC. 207. TERMINATION.

The Panel shall terminate March 31, 1999.

SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as are necessary to carry out the purposes of this title, but not to exceed $2,000,000.

The SPEAKER pro tempore. Under the rule, the gentleman from Texas (Mr. ARCHER) and the gentlewoman from Connecticut (MRS. KENNELLY) each will control 1 hour and 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3546, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, it is my intention to yield back 30 minutes of my time, but before I do so I would like to inquire of the gentlewoman from Connecticut (Mrs. KENNELLY) whether the minority would do the same thing.

Mrs. KENNELLY of Connecticut. Yes, Mr. Speaker, we will yield back 30 minutes of our time.

Mr. ARCHER. Mr. Speaker, I yield back 30 minutes of my time.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for tens of millions of Americans, Social Security has been a wonderful success. It has been for my father and for my mother. Written in 1935, Social Security has protected our seniors, has reduced poverty and strengthened our families. If ever there was a Depression-era program we can be proud of, Social Security is it.

But Social Security faces a long-term crisis. To solve it, politicians in Washington must begin now to work together and we must put partisanship aside. We are all in this together, from the 117-year-old Sara Knauss of Allentown, Pennsylvania, reportedly the oldest living American, to little Chase Amanda Brockman who was born today at 12:30 p.m. in Hermann Hospital in Houston, Texas.

As we proceed, we must do two things. We must honor our commitments to today's seniors and we must protect young people so that Social Security works for them as well.

The Congressional Research Service has analyzed for retirees this year the amount of time it takes to recover the value of their taxes paid plus interest. The information demonstrates that Social Security has been a fabulous program for those who have retired to date.

But for baby boomers and for everyone younger, Social Security is no longer a fair deal. For average earners who retired in 1980, they got back their retirement portion of their Social Security taxes and their employer's share of the taxes plus interest compounded during their work life when they turned 68, and that has got to be a good deal. Three years and they had recovered everything that had been paid in plus interest.

But what is it today? Today, a retiree at 65 years of age, making $25,000 a year, will have to live until they are 80 years old before they get their money back. For most people, that is still not a bad deal.

But I am afraid the good deal ends right around this year. For tens of millions of working people younger than 65, Social Security's problems have already begun. Average earning 48-year-olds will have to live to 89 years of age to get their money back. Average 38-year-olds will have to make it to 91.

If Americans are younger than that, Social Security's message seems to be, "Be sure to eat well and get plenty of exercise, because you will have to live into your hundreds to get a fair return on your Social Security money that has been taken out of your paycheck."

Mr. Speaker, we cannot raise taxes to solve this problem because someone making more than $65,000 a year can really forget about it. 48-year-olds making $65,000, the maximum taxable wage base, will have to reach 104 years old to get their money back, and 38-year-olds will have to live to 117 years of age.

Now there is more to Social Security than money. There is family security, family protection and peace of mind. However, each generation must be treated fairly and that is the challenge that we face. That is why today I urge the House to pass my plan to create a bipartisan panel to save Social Security.

The time has come to rise above partisan politics and put the needs of the Nation first. Without a commission, I am absolutely certain that politicians will once again start fighting over Social Security as has always been the case in the past, and we will not get the job done. We must remove politics from Social Security, and that is what my plan does.

Mr. Speaker, my plan creates an eight-member panel comprised of four Democrats and four Republicans. It is small and its timetable is short. Its

recommendations are due back to the Congress by February 1, 1999. My plan also creates a bipartisan national dialogue to engage the American people as we listen to their ideas on how to save this vital program.

Saving Social Security is too important for any one party or any one branch of government to use it as a forum for gaining political advantage. The American people have never retreated from a crisis, and we must not do so in this issue. Our task is to solve this problem so that when little Chase Amanda grows up and starts working, she will never even know Social Security was in crisis.

When it comes to Social Security, I suspect the American people are well ahead of us. We now must catch up with the people and do it in a bipartisan spirit, remembering that young people have grandparents they love and senior citizens have grandchildren that they adore. I know because I have 13 of them myself. Mr. Speaker, we are in this together.

Let me add one more point. This week we received letters from both the American Association of Retired Persons, AARP, and the Concord Coalition, strongly endorsing this bill. They are very much at the front line on this issue.

Mr. Speaker, I submit these letters for the RECORD:

AARP,
Washington, DC, April 28, 1998.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN ARCHER: AARP believes that a national dialogue on Social Security is essential to building consensus around changes to address the program's long-term financial challenge. As the national dialogue on Social Security proceeds, the American people need to understand how Social Security fits into an overall framework of income security, what the solvency options are, and how these options will affect them and their families.

Accordingly, AARP is very pleased that the Committee on Ways and Means has reported H.R. 3546, the National Dialogue on Social Security Act. This legislation can help the American people work through the necessary tradeoffs that can enhance economic security and restore the Social Security program's long-term solvency.

While our elected officials engage in a dialogue with the American people, the Bipartisan Panel to Design Long-Range Social Security Reform called for under H.R. 3546 can evaluate options and suggest a course of action. Of course, whatever the panel proposes must still be debated and approved by Congress and the President. This would allow policy makers and interested parties an opportunity to evaluate and respond to the panel's recommendations. In the final analysis, elected officials, not a commission, must bear the ultimate responsibility.

AARP believes dialogue, debate, and a comprehensive analysis of Social Security solvency proposals are necessary components of good public policy-making for this important family protection program. If we act sooner, rather than later, the changes we adopt will be more moderate and those affected will have more time to adjust their plans. AARP looks forward to working with you and other members of Congress on a bipartisan basis to promote this national dialogue.

Sincerely,

HORACE B. DEETS.

THE CONCORD COALITION
CITIZENS' COUNCIL,
Washington, DC, April 28, 1998.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN ARCHER: The Concord Coalition strongly supports the bill, H.R. 3546, the National Dialogue on Social Security Act of 1998, that your Committee reported favorably last week.

The Social Security program, as currently structured, faces serious problems when the baby boom generation begins retiring only a decade from now. It is urgent that solutions be put in place as soon as possible to address these problems, rather than postponing action. The earlier we act, the more gradually changes can be phased in and the more advance warning will be given to people who are working today so that they can understand the impact of these changes and plan for their own retirement security. Retired citizens, working age Americans and today's youth all will be better off if action is taken soon.

Based on our experience hosting meetings around the nation on this issue, we are convinced that if the American people are armed with the facts and given the opportunity for honest dialogue, they will reach decisions that are fair to people of all ages and income groups. Your bill to stimulate such honest dialogue and engage a broad range of citizens across the nation is the right step at the right time. In order to prepare our nation's citizens for the kind of changes required to put Social Security on a sound footing through the next century, they need to hear what the issues are and the pros and cons of various options. We applaud your bill for advancing such a balanced, bipartisan dialogue.

We are pleased that your bill recognizes that next year, 1999, is the idea window of opportunity for enacting Social Security reforms. Your bill offers a framework for moving toward a legislative consensus on what these reforms should be.

The Concord Coalition looks forward to working with you to implement the provisions of H.R. 3546.

Sincerely,

MARTHA PHILLIPS,
Executive Director.

Mr. Speaker, let me tell my colleagues what this is not about. This is not about the ultimate plan to save Social Security. This is not about how we can get partisan political advantage by launching into a debate amongst ourselves, as has happened so often in the past.

This is how we chart a course that gives us the best chance to rise above politics and to be able to truly save Social Security. We will hear many, many other comments made today that have nothing to do with this bill because people want to make one comment or another comment about their view on Social Security.

We should come together today to establish a vehicle that gives this country the best hope, the best chance to rise above partisan politics and to save Social Security. I would dare say that those of my colleagues who have, I think sincerely and genuinely, said we should dig into this ourselves, we do not need another commission, where is their plan? Has any one of them introduced a comprehensive plan to save Social Security? I will tell my colleagues they have not because they understand the politics. I would hope that they would not attempt to gain some type of political advantage out of this debate rather than joining in today and giving us our best hope.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair would inquire, was the gentleman from New York (Mr. RANGEL) going to yield back 30 minutes as the majority has?

Mr. RANGEL. Yes, I will.

The SPEAKER pro tempore. The gentleman from New York yields back 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say, "Shame, Mr. Chairman, to think that politics would be brought into this debate." Why, I am just shocked and overwhelmed that the majority would even mention politics in the dialogue on such a sensitive subject.

Mr. Speaker, there is no question that we could not even begin to deal with the question of Social Security unless it is done in a bipartisan way, no more than we can deal with the question of our complex income tax system unless it is done in a bipartisan way. The problem that we are facing is that the Republicans are operating like a parliamentary body and we do not talk to each other and discuss how we can resolve some of these very sensitive issues.

Let us take this dialogue that we are talking about today. Members of the minority only asked the question that before we do anything, can we say that our first commitment with the surplus is to use it to make the Social Security solvent? Why, that is as bipartisan as it can get. All of America wants to make certain that before we explore different ways in order to assure people pensions, that at least this system is solvent.

Of course, that brings about a lot of partisan debate and we try to overcome that.

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But certainly, even though many of us in the minority did not truly believe that there was need for another group to have dialogue since the President already had established a biparty commission, in the interest of bipartisanship, I would like to join with the

chairman of the committee, and let us have another commission, and let us expand the dialogue.

But to suggest that it is possible to bring politics into the debate, why, my God, we almost resolved the question of income tax increases the other day in a request from the majority to ask for a supermajority in order to increase taxes. Why just today we tackled the serious drug problem that we had by saying that we were banning funding for needles. I mean, that is substantive, and we are moving the ball forward.

When this year has ended, the majority will be asked: What did you do on Social Security? I am certain that the majority would be able to say, we started dialogue.

I just hope one thing before we attempt to even talk as though we are partisan is that, when they ask, what have you done with the tax system, the one that we are pulling up by the roots, the one that we are sunsetting, the one that we are bringing in the postal card substitute, when we ask this bipartisan Congress, what are we doing about taxes, we will be able to say, we are establishing dialogue, because that is going to be my answer.

I have been in the minority for 3 years. I know how the chairman feels so strongly about this complex system that was compounded in the last tax bill. The gentleman and I know we have to get rid of it.

We have had 3 years of dialogue, 3 years of the majority of the Republicans, 3 years that they have the votes in the committee, 3 years that they have the votes in the House, 3 years that they have the votes on the Senate Committee on Finance, 3 years as they have the votes on the Senate floor to improve this tax system.

If Members feel nearly as strongly about this Social Security mess as the majority has about the Nation's tax system, my God, the gentleman from Texas and I both will be retired by the time we deal with it. You are only going to stay for another couple of years, and I do not know how long I will be here as chairman, but regardless of what the politics of this are going to be, it would seem that we ought to start now in a bipartisan way and say that we do not want this dialogue to go on as long as we have had for the tax bill.

Let the dialogue begin, but let us put a timetable so Americans would know that this Congress, in a bipartisan way, is going to tackle the serious problem. Before we go to Las Vegas or Wall Street or wherever we think where we can get a high return on the investment, let us make certain that the idea of Franklin Roosevelt is protected; and that is, we have a sound Social Security system, and we are going to use the surplus to do that.

Now, if that is not done, then the surplus is going to be used for an income tax cut, or they are going to just raise tobacco tax on this industry that has done very little to anybody and just raise their taxes for another income tax cut. The gentleman and I do not like that because we are both against tax increases.

So here is another way we can be bipartisan, to give up how we raise the revenue and how we use them. I do not know how my colleagues want to use the surplus. I know the Committee on the Budget chairman does not want to use it for a tax cut.

The gentleman from Ohio (Mr. KASICH) is a man after my own heart. When he says a tax cut, he means $150 billion. That is no slice of bologna. That is big time. When he says, where are we going to get the money, he is not going to the surplus, he is going to spending programs so that we all will know, that those who get the cut will know where the cut came from. That is the way we do business in a bipartisan way.

Here we are with Social Security, and we have a surplus. The President said, let us not get partisan with this. Take the surplus, attach it to Social Security, and then let us get on and see how we can do the rest of the people's work.

Let me join with the chairman of the distinguished Committee on Ways and Means. Let this be the first shot toward bipartisanism. Let us all say openly that the surplus is going to be used to shore up this system. Let us tell this Commission this is what we expect them to do. Let us give them a date to report back.

I wish we could do it before the election, but this is too serious a thing, I think, to be involved with elections. We will wait until after the elections. But let us put a timetable on this Commission, because we do not know who is going to be appointed, and we want them to be as nonpartisan as my colleagues and I in their deliberation.

I thank the gentleman from Texas for raising the question, for taking politics out of that, and give me the opportunity to join with him.

Mr. Speaker, I yield the balance of my time to the gentlewoman from Connecticut (Ms. KENNELLY).

The SPEAKER pro tempore (Mr. LATOURETTE). The gentlewoman of Connecticut (Mrs. KENNELLY) will control the balance of the time.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the respected chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

Mr. BUNNING. Mr. Speaker, since its inception, Social Security has been a real success story, providing retirement income security for seniors and desperately needed survivor and disability benefits for those who have been stricken by the death of a loved one or smitten by an incapacitating illness or accident.

However, as the board of trustees reminded us yesterday, the future is not so bright for this vital program. We know Social Security faces real challenges over the long run. It has been told before, but by the year 2013, the program outlays will exceed its income, and Social Security will have to rely on the rest of the government to make good on their promise to secure Social Security trust funds.

By the year 2032, the surplus will be gone, and the program will only be able to pay about 75 percent of the benefits committed. We cannot allow that to happen.

During this Congress, the Subcommittee on Social Security, which I chair, is conducting a series of hearings on the future of Social Security for this generation and the next. We have had many hearings and will hold many more throughout the year. We are working on a bipartisan basis to explore all sides and all options for Social Security reform.

Fixing this vital program is not going to be easy. Social Security programs are complex and far-reaching. Even minor changes will have major intended and unintended effects over time. It will not be an easy issue to resolve.

I am glad that the President has brought Social Security to the forefront. His leadership on this issue is of vital importance. But when it comes time, it is going to be the Congress of the United States, starting with the Committee on Ways and Means, that will have to do the heavy lifting and actually begin the work of the American people.

In the meantime, when it comes right down to it, we have to get this conversation started. We all need to be talking about what the future of Social Security is, what is going to take place, and what it is going to look like.

The legislation we are considering today gets people talking through a national dialogue on Social Security. That is a very good beginning. At the same time, we need a panel of experts to help us reconcile what Americans want to see done and what can be done to fix Social Security once and for all.

Election years often see more than their fair share of partisan bickering. Social Security is far too important to get tied up in partisan politics. We must act now. We must work together. This legislation is a way to do it. Make no mistake about it, we have a golden opportunity this year to do something. The alligators are not snapping at our ankles right now. We have a balanced budget for the first time in 30 years, and we have budget surpluses instead of nagging deficits. Medicare is at least safe for 13 more years. Welfare has been reformed, and it seems to be working.

Right now, we have a golden opportunity to focus on Social Security and

get the train rolling, get Congress firmly on the track for reform before we face a crisis. Let us do it in the next 5 to 7 years when we have the opportunity with growing surpluses. This is the bill to do it.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, this bill proposes good ideas, but they are postscript for what is already happening. For example, the legislation calls for a national dialogue on Social Security, but there are already several reputable organizations convening nonpartisan meetings across the country to discuss the future of Social Security. The President, Members of Congress from both parties, and thousands of American citizens have already attended some of these informative sessions.

Let me give just one example. The Pew Charitable Trusts are spending $12.5 million to establish a nationwide nonpartisan grassroots discussion of the future of Social Security. To date, more than 3,000 Americans in 15 States have participated in their seminars.

The other purpose of this bill is to establish a commission to develop suggestions on maintaining Social Security solvency. But, again, Congress has already received three recommendations for Social Security reform from the last Commission that was appointed.

If we really want to do something to protect Social Security's long-range solvency, we should do what the President has asked us to do, save the budget surplus for Social Security. Saving the budget surplus will ensure that we have the necessary resources to protect a retirement program that millions of Americans depend upon.

Some have suggested we should use the budget surplus instead for a new system of private accounts. My response to that is we should keep an old promise before we make new ones. The bill before us today takes at least a half a step towards acknowledging that principle by expressing the sense of Congress that the budget surplus should be dedicated to ensuring the solvency of the Social Security system, increasing retirement income security, and paying down the Federal debt. We should strengthen that language so that there is absolutely no doubt on what we intend to do with the budget surplus of Social Security.

I know that some have expressed confusion over what this means when we talk about saving Social Security. The concept is actually very simple. If we allocate current and future budget surpluses for other purposes, those resources will not be there for Social Security. The President has, therefore, asked us to save the budget surplus today so we can save Social Security in the future.

What happens to the budget surplus before we agree on a plan to protect Social Security, we might then ask? The answer is easy: It will help pay down the Federal debt.

Let me remind my colleagues that reducing the Federal debt will have a direct and positive impact on our ability to meet our obligations of Social Security. Paying down the debt will, not only spur economic growth, but it will reduce the amount the government pays in interest, which is now 15 percent of all government spending, last year totaling $244 billion.

In fact, the Congressional Budget Office estimates that $1 billion decrease in the debt today could reduce the government interest payments over the next 10 years by $773 million. This statistic clearly illustrates that paying today's debt will help us meet our obligations of tomorrow's retirees. So once again, I urge my colleagues to support the President's pledge, save Social Security first.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I rise in very strong support for H.R. 3546, the National Dialogue on Social Security Act of 1998.

This bill would initiate the national dialogue on the future of Social Security by way of face-to-face discussion and electronic means, including town hall meetings, Internet chat rooms. In addition to nationwide suggestions, H.R. 3546 would also establish a bipartisan panel of eight members appointed by Congress and the President, and these would be equally divided between the two political parties.

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After a year of study, the panel would present a singular set of recommendations to the Congress and the President, and this would have to be done by February of 1999. Inclusion of ideas from average citizens, seasoned experts and lawmakers makes this truly a national dialogue.

It is time for both sides of the aisle, Democrats and Republicans, to unite in an effort to save this most important retirement system: Social Security. The economic well-being of our Nation's seniors has been politicized for far too long. Everyone agrees on the importance of finding a long-term solution to the question of Social Security's solvency, and H.R. 3546 is a critical step towards developing this solution. To engage in a national discussion of the possible solutions for Social Security is to put the national interest above political interest.

Mr. Speaker, we need to tackle this monumental issue before it is too late. When the Social Security System was first initiated in 1935, there were 16 workers per retiree. Today, that number has dropped sharply to only 3.3 workers per retiree. By the year 2040, fewer than 2 workers will be supporting each retiree. Congress has the obligation to secure the future of Social Security, not just for the present senior but also for our children, our grandchildren and their grandchildren. It is time to put aside political differences and work together for the future of America.

Mr. Speaker, I urge my colleagues to join me and the majority of us in both parties in supporting this important legislation, and I congratulate the gentleman from Texas (Mr. ARCHER), the gentleman from Kentucky (Mr. BUNNING), as well as the gentlewoman from Connecticut (Mrs. KENNELLY) and the gentleman from New York (Mr. RANGEL) for working together to bring this legislation to the floor.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I thank my colleague from Connecticut for yielding me this time.

Mr. Speaker, a national dialogue on Social Security is definitely in the best interest of the people of this country. I congratulate President Clinton for his leadership in bringing this issue to the forefront of the American people.

It is also important that we operate in a bipartisan manner. This resolution forwards that bipartisan effort, and I support it. However, I am disappointed there was not more bipartisanship in the creation of this resolution and closer working with the White House.

The dialogue has already begun. In Kansas City on April the 7th, we had a national dialogue started by President Clinton on the future of Social Security and ensuring its long-term solvency. I was pleased that I was able to have a hookup with that national dialogue in the Third Congressional District of Maryland, in Columbia, Maryland. It was a good discussion. Let me share with my colleagues some of the facts that came out as a result of that town hall meeting.

The surplus we are enjoying in our budget, we would not have a surplus but for the fact the Social Security System has a cash surplus. That has produced the surplus in our budget. It would be irresponsible for us to use that surplus for anything other than ensuring the long-term solvency of Social Security.

There are some who are suggesting that we use that to set up individual savings accounts, taking the money outside the Social Security System. That would do nothing to protect and improve the long-term solvency of the Social Security System.

There are others who are suggesting we should use it for tax cuts. Again, that would not improve the long-term solvency of the Social Security System.

The President is right. We should all make a commitment that the surplus be reserved for Social Security solvency.

Yes, there are dramatic demographic changes in this Nation. We are getting older. But the Social Security System is safe today. The recent trustee report indicates that the solvency is now even 3 years longer than we thought, to the year 2032. So there is no panic within the Social Security System.

We do have a problem in the savings ratios of this Nation. Of the big industrial seven nations, we have the lowest private savings ratios; and we need to do something about that. So the objective, I would hope, of any proposal to deal with Social Security would be, first, to protect the Social Security recipients, those that are retired or near retirement. They cannot change their security issues. They need the Social Security System and the full benefits under that system.

But we also need to increase private savings. After all, there are three legs to retirement security, Social Security, private retirement and savings; and we need to do a better job on private savings and retirement. Along with the gentleman from Ohio (Mr. PORTMAN), I have authored legislation that has been enacted into law that will encourage private savings, and we will be authoring legislation again in this Congress to try to improve private savings and retirement. That is important. We are considering that on a bipartisan basis, and I urge my colleagues to support us in that effort.

We also must ensure the long-term solvency of the Social Security System. If we follow those objectives, we will be serving in the best interest of the people of this Nation, and I hope that the dialogue will begin and protect the Social Security System.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding me this time, the chairman of the Subcommittee on Social Security, and I rise to strongly support his legislation and that endorsed by the gentleman from Texas (Mr. ARCHER).

I also want to say that I strongly agree with the comments of the gentleman from Maryland (Mr. CARDIN), who preceded me, regarding the need to increase private savings of both the IRA-type savings, private savings of individuals, and savings through the employer, through pension plans, profit-sharing plans, 401(k)s and so on.

Social Security is a little more controversial than the two legs, and that is why this commission is so important. But they all work together. Commissions are not always the best way to handle policy dilemmas, Mr. Speaker, and sometimes the Congress uses them too often. There are plenty of commission reports that are collecting dust somewhere in this Capitol.

But I have to tell my colleagues, if the commission structure, goals and membership are clearly thought out, which is the case here, both with the national dialogue and the commission, then on very tough political issues, commissions can work and work well.

I speak from personal experience. Until about a year ago, I was cochairman of the National Commission on Restructuring the IRS. We approached this on not just a bipartisan but a nonpartisan basis. We brought in outside expertise, which I think is key. The other cochairman was Senator BOB KERREY, a Democrat from Nebraska. CHARLES GRASSLEY, a Republican, and BILL COYNE, a Democrat, also served on the panel.

Congress created the IRS commission basically to get at the vexing problems of the IRS and try to do it in a nonpolitical context. Another issue like Social Security, IRS can be quite political. We also wanted to bring in outside expertise, which I think is key, and we did so.

In our case, commission members included information technology executives. It included small business advocates, taxpayer advocates, former commissioners, State tax administrators and so on.

We rolled up our sleeves and we spent about 15 months really looking into the problems in a nonpartisan way. We finished on time, under budget and produced a solid report that then became legislation; and, within 4 months of our report, the legislation had passed the House on a strong, bipartisan basis.

I think it is a pretty good model, and I see that same model being replicated here because of the way this commission and dialogue has been structured.

The key is to rise above politics and solve a very tough problem. Again, commissions are not always the best solutions for every big issue that faces this Congress, but I think in this case this commission is properly structured to take a hard look at it with outside expertise in a balanced and bipartisan manner.

And I think on this politically explosive issue, Social Security, it is not only the best way to go, I think, frankly, it is the only way to go. It is the only way we will solve the problem for future generations.

I have my 6-year-old with me today. He asked what we were debating about a little while ago. I said, we are debating about your future and whether when you are retired you will have something there for you. And that is so important, that it is necessary for us to take this step in order to take it out of politics, in order to get with a time frame the kind of consensus we need to move forward on a bipartisan basis on this program.

So I stand today to again urge support on both sides of the aisle on this process. The tough questions are still in front of us, but we need to get started on it, and this is the important big step.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentlewoman from Connecticut (Mrs. KENNELLY) for yielding me this time.

In this Chamber there is a tendency to toss around mind-numbing statistics, and in the best of debates that occur here we attempt oftentimes to convince each other through the use of abstraction. But the truth is that there is one point that must be emphasized today above all else, and that has been the success of Mr. Roosevelt's experiment offered to the American people in 1935.

There are millions of people watching right now, at this very moment across this country, this debate, who enjoy the benefits of Social Security. We should fully acknowledge that Social Security fundamentally changed the way seniors across this Nation have lived out some of the best years of their lives.

So it was not an abstraction, Mr. Speaker, when President Clinton almost exactly 3 months ago walked into this Chamber and in his State of the Union address said, "Let's fix Social Security first."

Now, I know there is a tendency to think that that is some catchy political slogan, but I must disagree. Because saving Social Security first is a generational promise that must be continued into the next century. Fortunately, due to the President's budget in 1993 and the Taxpayer Relief Act of 1997, we are showing a surplus for the first time in many years. But we should use that surplus to buy down the debt and to save Social Security first. Social Security remains the lifeline of support for many Americans as they grow older, and our obligation is to strengthen that lifeline.

Now, I know there is talk in this Chamber about offering personal savings accounts. Let us examine that. There can be no harm from a thorough examination. But let us not forget the goal of community that Social Security offers and generational obligation that it compels from all of us.

President Clinton had it right: Let us have a dialogue. And the dialogue, indeed, has already started. Even yesterday, as we reviewed new numbers, we know that there will have to be fundamental examinations of Social Security in the coming years.

But, most importantly, let us point out that retirement savings is a three-legged stool and the three legs are private savings, pension and Social Security, understanding that almost 40 percent of retirement income for most Americans comes from Social Security. We want to encourage people certainly to take more responsibility for their retirement but again not to forget the

essential element of Social Security, and that is the interlocking notion of community.

Our society has changed in the workplace dramatically, and I know it is common for individuals to change jobs many times over. That makes it more important now than ever to address the issue of pension portability. Social Security should be addressed this year, and pension portability should be enacted this year.

Mr. Speaker, I thank the gentlewoman from Connecticut (Mrs. KENNELLY) for taking up this debate once again.

Mr. BUNNING. I yield 3 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding me this time.

In my district in western Pennsylvania, most working families and retirees depend on Social Security as the keystone of their retirement security. These families are clearly at risk because of the grim shadow of looming bankruptcy that has fallen on Social Security, casting doubt on its long-term viability.

The collapse of Social Security is not immediate, but it is inevitable without major changes in the program, changes that will become more draconian the longer they are postponed. We in Congress have a fundamental responsibility to move quickly and decisively, free of cant and partisanship, to place Social Security on a sound financial footing.

Mr. Speaker, I rise in strong support of H.R. 3546, legislation to establish a national dialogue on Social Security and a bipartisan panel to design long-term Social Security reform.

Under this legislation, a national dialogue would be convened to engage the American public through regional conferences and through national internet exchanges in understanding the current program, the problems it faces and the need to find solutions that will be workable for all generations.

In addition, a bipartisan panel would be created to design a single package of long-range Social Security reforms to restore the solvency of the system and maintain retirement income security.

The process of Social Security reform created in this bill is the best hope to yield, through engagement of the American public, a solution which restores the long-term viability of the Social Security retirement system in a manner beneficial to every generation and every class.

I urge my colleagues to pass this bill as the first step on the path of fulfilling our obligation as trustees and custodians of a system that has literally transformed the face of poverty among older Americans.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LEWIS).

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Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague the gentlewoman from Connecticut (Mrs. KENNELLY) for yielding.

Mr. Speaker, 60 years ago, Franklin Roosevelt, a Democratic President, worked with a Democratic Congress to create a Democratic program to help retired workers, Social Security. For 60 years, the Social Security system that Democrats created has provided retirement security to hundreds of millions of Americans.

Social Security is founded on a simple principle: Every worker contributes to and is part of a common system. We all pay into this system together; and when we retire, we all receive benefits together. For 60 years, Social Security has provided peace of mind to millions of workers and retirees. We must not destroy this peace of mind. We must not destroy the sense of common good created by Social Security.

Providing a privatized Social Security system would destroy this trust. It would take security out of Social Security. Do not believe the fearmongers who tell us that Social Security would not be there for us. They want to end Social Security as we know it. The enemies of Social Security will have us believe that the problems are too big. But the sky is not falling. We can fix Social Security without destroying our covenant with the American people.

Mr. Speaker, I will vote for this bill because I believe we must first save Social Security, but I would not support efforts to privatize Social Security. I will not support efforts to destroy the peace of mind Social Security provides millions of retirees and millions of our workers.

As a Democrat, I will remain true to the Democratic legacy of Social Security, the legacy of people coming together as one to provide a basic livable pension for every American no matter how rich, how poor, how young, or how old. I will fight efforts to divide the rich from the poor and parents from their children.

Mr. Speaker, Democrats will fight to save Social Security first because Social Security is a sacred trust with the American people, and we must never, ever betray this trust with the American people. Protect Social Security first.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Mrs. LINDA SMITH).

Mrs. LINDA SMITH of Washington. Mr. Speaker, I thank the gentleman for yielding.

John Milton wrote, "Time is a subtle thief of youth." Well, we are running out of time on devising a plan to save Social Security, and the failure to salvage a broken system is robbing our youth of hope. Whether one is a recent college graduate or a baby boomer, like me, all Americans are caught in the system of retirement with few choices, and it is not a healthy future.

Working Americans are paying into Social Security monthly to a total of $484 billion for this year alone. The cost in paying benefits to retirees right now totals $382 billion. This leaves $102 billion to put away for the retirement of the baby boomers and generation X. This money should be managed like a retirement account or personal trust fund. People expect Social Security to be a national retirement savings account. That is the way it should be. Save for the retirement of those paying into the system.

We have to reject the President's plan to spend all but a handful of that, call it the surplus, and say he is going to take 8 to $10 billion and invest it in saving Social Security.

The Treasury said today that there might be 3 more years in the life of Social Security. Three years? Well, this sounds very, very good for those on Social Security now, and maybe even a few of us older baby boomers. But we have three generations of Americans, my children, my grandchildren, who have put money into that account, and they expect to have something for their future.

Where are the leaders that are going to stand up and say, we have a surplus of $100 billion a year, money that should go to the future? Where are the leaders that are going to say, this surplus is really enough to stabilize for the next two generations of Social Security accounts? Where are the leaders?

I hope that this Commission will recommend that this Congress stop taking $100 billion a year out of Social Security and that they will invest all this in the future of retirement.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3½ minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. I have been listening to the debate, Mr. Speaker, with interest. And it is clear that we have to move ahead with Social Security.

In a sense, the horse is already out of the barn. This bill calls for a national dialogue, and that is already started. The President and the Vice President started it on a bipartisan basis. There has been a very effective meeting already, and others are being held under the auspices of a foundation. So that dialogue is under way. No one should think that it has not started.

But I will vote for this bill because it will keep the conversation going. For those of us who have been working so hard these years to secure Social Security, I do not think we need to have another vote that says we care. That is so clear. Maybe some want that vote and will join them. But for those of us who have been fighting all these years to make sure Social Security is secure, we say, whatever needs to be fixed, fix it. Do not break the system. Look to the

future, but do not forget what is true today and what has been true in the past.

And what is true today is that the Social Security system is essentially the economic foundation for a majority of the people who are retired, as has been discussed. But I think this has to be very much remembered. In this country, close to 70 percent of seniors have incomes of less than $25,000 a year, and 46 percent have incomes of less than $15,000. In Michigan, that figure is even higher. One estimate is that 85 percent have incomes of $25,000 or less, and 70 percent have incomes of $15,000 or less. So they are asking us, look to the future, but do not ruin the present.

Those of us who work for fiscal responsibility should be proud of that. We have a surplus. If it had not been for our vote, there would not be this. This surplus would not exist, though, without the inflow from Social Security. And the lesson from those two points is this: Now we have time to fix Social Security for the long term because of the surplus, but let us use those funds because the surplus is in large measure because of Social Security, so use it for that purpose. And any other programs, whether they are tax cuts or other programs, should not be financed out of this surplus. Save and ensure Social Security first.

So let us move ahead. I am in favor of flexibility, of looking at new alternatives, at looking at new ways to finance the retirement of people. As we do it, let us remember our sacred obligation. We have an obligation for the future. We also have an obligation to those who are paying in that we not undermine Social Security as they near retirement.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. LUCAS).

Mr. LUCAS of Oklahoma. Mr. Speaker, I rise today in support of H.R. 3546, the National Dialogue on Social Security Act.

In 1949, when my father entered the work force, people could look at their paychecks, see their Social Security taxes withheld, and feel sure that the money would be waiting for them when they turned 65.

When my daughter Jessica signs up for her first job in a year at age 16, and I can assure my colleagues her mother and I will help her find a part-time job, the amount that she sees deducted from her paycheck from Social Security will not only be higher than 1949, but it will not necessarily be waiting for her in about 50 years. In fact, for those of us under the age of 50, we may not be receiving anything until the age 67 or older.

Now some say that we have, basically, three options: Raise taxes, cut benefits, or reform the system. One of the causes of our present problems is that high taxes do not allow individuals to save and supplement their pensions and Social Security savings as was originally meant to be done.

There has been talk of adjusting the CPI, the Consumer Price Index, so as not to overstate inflation. This would make Social Security COLAs smaller. However, it is unfair to reduce benefits to current retirees.

Personally, I am partial to the idea of supplementing, let me repeat that, supplementing our Social Security benefits by allowing individuals to invest for themselves. We should create individual savings accounts that allow individuals to increase retirement incomes by investing a portion of their payroll taxes in the market. These would be a mandatory savings account that could not be drawn on until retirement.

A good first step in finding a solution like a personal Social Security account would be to pass this legislation, establish a bipartisan panel to study long-term Social Security reform, and report their findings to Congress no later than February 1, 1999.

We should put aside our bipartisan politics and do what is right for the American people. We must make sure that Social Security is there.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, I rise in support of the efforts to ensure Social Security remains viable for the next generation, for our children, and for our grandchildren.

I have met with various constituents, and they agree that we need to make some tough decisions that are before us to assure the viability of Social Security for future generations. I support the creation of a bipartisan commission, but I would caution those efforts in terms of privatization, and I would caution my colleagues and remind them in terms of the S&L scandals that occurred during the 1980s, where their pension funds could be depleted.

I would urge the House leadership to also work closely with President Clinton on ongoing initiatives on Social Security. And I commend the President for his leadership on moving forward in ensuring the security of Social Security. With all the past borrowing from the Social Security Trust Fund, we need to ensure that our baby boomers and subsequent generations are assured access to Social Security.

I would ask that, as the Commission moves, that we look first, number one, to the existing senior citizens that are there now to make sure that they receive what they deserve; secondly, that as we move beyond the year 2012, and the baby boomers start reaching that area, that we assure that generation that they will have also access to Social Security. And thirdly, for the youngsters that are now beginning to pay, those that are 20, 30 years old, we need to assure with that piece of legislation that would become in terms of the recommendations that they also will have access as they move forward in the next generation.

Future generations rightfully worry that they will not be able to have fair returns on their Social Security, so it is up to us to make sure that we take those populations into consideration. We can help assure that Social Security be ensured for the next few generations.

We also need to remember and recognize the fact that Social Security is there for the disabled and the blind, and we need to remember that and be cautious with that, because that has also helped half of our senior citizens out of poverty because of Social Security.

So I want to urge my colleagues to vote for the motion to recommit this bill so we can add firm language that would reserve any surplus to also help fix Social Security.

□ 1700

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Speaker, I rise in support of this bill because it makes sense, and it is an idea that simply grows and expands and fertilizes a debate on saving Social Security that is already taking place in this House.

I would suggest that that is a bipartisan debate that is beginning to take place. If we look at, for instance, what JOHN KERRY, Democrat on the Senate side, has said about maybe we ought to look at ways of updating Social Security and taking that 10 percent and making sure that that 10 percent tax goes into something that actually builds wealth, versus what the gentleman from Kentucky (Mr. BUNNING) pointed out earlier which is the case for a young 40-year-old, you have to live until you are 89 to get all your Social Security benefits back, or if you are a 30-year-old you have to live until you are 91 to get all those benefits back, that is the beginning of a bipartisan debate.

Another thing that says to me this is a bipartisan debate is that PAT MOYNIHAN, a great guardian of Social Security over the years, has said why do we not look at the possibility of letting individuals redirect 2 percent of their payroll tax and put it into their own personal savings account that again begins to build wealth.

On the Republican side we look at what the gentleman from Ohio (Mr. KASICH) has said, "Why don't we look at the surplus and make sure that Washington can't spend the money by rebating that surplus back to FICA taxpayers so that they could begin their own personal savings account."

Or we have a bill that says why do we not give people below the age of 65 simply the option of redirecting a large

portion of their payroll tax into their own personal savings account. Or what NICK SMITH or RICK SANTORUM or JUDD GREGG or ROD GRAMS, a whole long list of Republicans have out there.

What this bill does is put those ideas in a bag and allows people to shake those ideas around for a year and then see which ideas make sense as we go forward in this debate. I would say most of all this debate is simply a debate about the American dream, because the American dream is tied to ending a lifetime of work with something other than just memories to show for it. Yet in our system, based on what the trustees have said, is that if we do nothing to address this problem, people will be paying 10 percent of what they earn every day and every week and every month into a system that does not build wealth for them.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I first want to thank the gentlewoman from Connecticut (Mrs. KENNELLY) for her leadership and her work as the ranking member on the Subcommittee on Social Security. She has done a great job with this and has worked very hard. We should all thank her for the time that she has spent on this.

Mr. Speaker, I am going to support this bill, not because I think that we need more commissions, because we do not, and not because there is an immediate Social Security crisis, because there is not. But I do support the concept of a dialogue on Social Security.

However, we need to remember that the current debate stands in stark contrast to the debate which led to the 1983 Social Security amendments when the trust funds could finance benefits for only a short time. If we are going to begin a national dialogue, it needs to start on a solid base of information about Social Security and its financial condition.

I have been troubled that there are various groups and some Members that have been scaring some seniors and spreading inaccurate horror stories on the solvency of the Social Security Trust Fund. I would like to state for the record there is no immediate crisis. In fact, I would like to quote a headline in today's St. Pete Times, Outlook for Social Security Brightens. Let us face it, it is because we have a strong economy and people are working and inflation is at the lowest level in decades.

We do, however, need to address the Social Security Trust Fund shortfall which is expected to occur in 2032, three years later than previously expected, and even at that the trust fund will still cover nearly 75 percent of the benefits. In the Committee on Ways and Means hearing on the measure, Senator Bob Dole agreed that we now have time to do this in a deliberative way and get it done in a bipartisan manner. I could not agree more.

I am going to support this bill because I believe it is important to try to reach out to all interested parties and bring them into the discussion. Many often forgot that Social Security also provides disability protection. The bill as previously written failed to take into account the views of the more than 4 million disabled workers and their 1.7 million dependents receiving Social Security.

That is why during the committee markup of this measure I introduced an amendment to add to the dialogue council the Consortium for Citizens with Disabilities, bringing the total number of groups to 25. I would like at this time to thank the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) for their support of this amendment.

I would like to stress, however, that the legislation duplicates many of the efforts that are already under way. We all know that groups have already been meeting throughout the country to address the future of Social Security. I look forward to the continued dialogue.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. I thank the distinguished gentleman for yielding me this time.

Mr. Speaker, I too want to speak in support of this because, as was noted earlier, this is not a Republican issue, this is not a Democrat issue, this is an American issue. This is a problem that we have to deal with.

It is one in my State of South Dakota that is particularly important because we have probably as high of an over-65 population as any State in the country. It also includes my mother and father who depend very heavily upon this important program, and it is one in which I think we agree we have to look at how we can save this program and also improve it for the next generation.

Frankly, I credit the committee with launching this debate because in fact it does say something about Washington actually dealing with a long-term issue. Rather than waiting until the horse is out of the barn, which is the way that this city oftentimes addresses issues, we are looking down the road at what we can do at this particular point in time to address what is going to be a long-term challenge in this country. In doing that, I think there are a couple of parameters I hope we have as we begin this debate.

The first is that no retiree today or someone who is going to retire should have to worry about their Social Security benefits being touched. We need to come up with a system that protects for now and forever those who have paid in, those who are relying on that very important program. I think that is a principle upon which this debate should be based. But, secondly, we also have to look at how we can improve this system for young people today who are paying in so that we can dramatically increase their retirement income, and when the time comes they will be able to supplement what Social Security provides.

And so in having this debate, as we lay out those parameters, I think it is important that everybody be at the table. This bill contemplates involving in a bipartisan way all the organizations who have a stake in this issue and all the various generational groups, starting with generation X and baby boomers and current retirees. But it is a debate that we need to have.

I want to credit again the committee for taking action to begin the debate now before the crisis hits later. It is something that I very much support. I look forward to entering into this debate.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. I thank the gentlewoman from Connecticut for yielding time.

Mr. Speaker, I stand in support of the legislation before us, H.R. 3546. It is a commission. It is made up of a council. Hopefully we are going to get the brightest and the best minds to come up with some resolve to a problem which is not pending today, it is off 30-something years from now, but I think it is wise that Congress develop a fix to the problem now when we have the luxury of time, when we have the luxury of an elongated debate.

I am not from the school that thinks this is just another commission. I say to you if in fact we have another idea for another commission in the summer composed of 24 different members of a council, let us also pass that, because the problem before us is probably the weightiest that this Congress is going to address in a very, very long time.

We have been told repeatedly during the debate that we have to take the politics out of this issue. It seems to me that that admonition is being directed to the Democrats. Let me just indicate to my colleagues that there is legislation pending in the House which would give those seniors born between the year 1917 and 1926 a $5,000 lump payment. That would cost the Social Security Trust Fund, which is already in fiscal peril, some $40 billion to $50 billion. That also is playing politics.

To make the situation even worse, seniors in my district and around the country are getting a mailing today by a group called a special project of TREA, Senior Citizen League, asking the seniors to send in this registration form to get on the Wisconsin Register of Notch Victims. It also asks them to send in $15, $20 as a special gift. That is cruel. That is cruel, because we know

in this body that bill will never pass. We do not have the $50 billion.

So I say let us take politics out of the debate, but that goes to both sides of the aisle, not only in this reform legislation that we are talking about but also other bills that are introduced. I am disturbed that there is talk in this body about a person who is 45 today would have to live to 85 to collect all their money. My friends, this is a pension plan and not a deferred savings plan.

Our family had the unfortunate event of losing not only my sister but my brother-in-law some 13 months ago. They had worked all their lives and paid into Social Security. Never once did their four children come to me, my nieces and nephews, saying, "That's unfair. Give us the money back." Why? Because my father had the good fortune of living to 82. He clearly collected more than he put in. A few weeks ago we went to Chicago to celebrate Auntie Marie Ducha's 90th birthday. She is getting more than her and Uncle John paid in. That is the system.

If we devise a reform plan and bring it to this floor that gives everyone their money back in total, we are going to put at peril the 40 to 50 million people currently receiving benefits because we are going to cut off that revenue stream.

We all have preconditions as we enter this debate. Mine is very simple: Do not tamper with the revenue stream now that pays those benefits for those who are currently on the system. If you want to take politics out of this debate, vote for the motion later today that would reserve this surplus, because this reform bill will have some enormous costs connected with it.

Mr. Speaker, I rise today to support H.R. 3546, the National Dialogue on Social Security Act. Social Security reform is one of the most talked-about issues around Capitol Hill tables and kitchen tables across the Nation. As with any issue of this magnitude, everyone has a different solution and method of reforming the Social Security system.

Some people want the program to remain exactly as it is, while others call for total or partial privatizing, or an increase in the retirement age, or tax incentives like Individual Retirement Accounts.

One condition for reform, however, is that we guarantee a sufficient revenue stream to make good on our promise of benefits to those who are retired or planning their retirement around the current system.

In order to achieve this, we need to have a constructive and comprehensive national discussion about the future of Social Security, which annually pays benefits to nearly 50 million retired and disabled workers and their dependents and survivors.

The bill on the floor today will foster such a dialogue. It creates an 8-member commission to develop reform recommendations and solicit feedback from the American people, partly through the Internet.

The President and both Democratic and Republic Members of Congress will then use these recommendations to design a single package of long-range reforms to strengthen the Social Security trust fund. The deadline for presenting suggestions to Congress is February 1, 1999. This gives us sufficient time to draft a comprehensive and fair plan.

The proposed commission complements bipartisan forums being held around the nation, such as the one held by the President, the American Association of Retired Persons, and the Concord Coalition in early April. That meeting also sought to solicit ideas from the American public and inform them of many reform options.

Other private sector groups, such as Americans Discuss Social Security, are also hosting town hall meetings across the country and on the Internet. Again, these meetings are facilitating a nationwide debate about the future of Social Security and providing a framework for restructuring the Social Security system.

I am pleased these forums are including the opinions and ideas of people across the country. A healthy dialogue will now ensure that Congress passes a meaningful and equitable product to ensure the solvency of this program. I look forward to hearing from my constituents as they take part in this national debate about the best ways to preserve Social Security for our children, grandchildren, and beyond.

I urge support of the bill before us so we will be armed with all suggestions and solutions as Congress goes about the task of major reform of this most important national program.

Mr. BUNNING. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. GINGRICH).

Mr. GINGRICH. Mr. Speaker, let me thank the gentleman from Kentucky for yielding me the time and also recognize the extraordinary leadership he has shown as the chairman of the subcommittee which has worked so hard to save Social Security and to make sure that Social Security will be there for our parents and that it will be there for the baby boomers and their children. I think nobody in this House has done more to really try to develop the database, to hold the hearings, to do the investigations, to lay the framework for saving Social Security than the gentleman from Kentucky.

I simply wanted to rise in strong support of this opportunity to engage the American people and to make the point that this is different than past efforts. To the best of my knowledge, this is the first commission developed with an inherent Internet base to it that will allow every American to have an opportunity to find out what all the different proposals will do for them, which proposals for the future are best for all Americans.

I think it is very important for people in Washington to realize that in the information age we need to share information and share opportunities to participate with all of our citizens. When we talk about something as important and as personal as Social Security, we have a particular need to truly be in a position to have everybody feel comfortable that they know what is being proposed, they know how to deal with it, they know how it will affect their lives and they have had a chance to have input and to offer advice.

In addition, this commission is designed so that the age breakout, with one-third baby boomers, one-third older than baby boomers and one-third younger, is designed to create a generational dialogue rather than generational warfare. It is designed to bring Americans together rather than to separate Americans, to have Americans, grandparents and grandchildren, children and parents, all talking together about how we save Social Security and how we create a better future.

Finally, this commission, I think, offers us a tremendous opportunity for every Member to participate. I have talked with the American Association of Retired Persons, for example. They are very eager on a nonpartisan basis to work with every single Member, to have meetings where everything is laid out, no preconditions, but look at all the different options that have been created, all the different possibilities, have a dialogue with the entire community.

I hope that we will be able next year, in 1999, to take major steps towards creating a 21st century information age Social Security system that is sounder, stronger and better than the current system. I want to make sure that my mother and my mother-in-law who are currently on Social Security get every penny of their cost-of-living increase, that they get the money they should get from the system that they have depended on, I want to make sure that the baby boomers have a fair chance to have an even better future with a system that will not collapse when they retire, and I want to make sure that my two daughters, who are younger than the baby boomers, have an opportunity to have an even better system and do not have to fear that they are simply throwing their money away.

□ 1715

This commission is a key step towards rebuilding faith with America's young people when we learn that, pollsters tell us, that people under 30, more of them believe in unidentified flying objects than believe that they will get Social Security.

We know that we have a problem in cynicism and a problem in people simply not believing that they have been considered. I think we have a chance by creating this commission to create a dialogue where everybody has a better future, everybody has a better opportunity to know that their savings are going to go to a system that they will have a chance to survive with, and I think that is very, very important. This is a step towards saving Social Security for the baby boomers and their children and saving it by making it more modern and even better.

And I thank my friend again for the leadership he has shown in really being a pioneer at recognizing that saving our parents for our generation and saving our children, while making sure we also survive, is a tricky, complicated business, but if we talk together as Americans, we can do it.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2½ minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentlewoman for yielding this time to me, and I commend the chairman, the gentleman from Kentucky (Mr. BUNNING) and the ranking member, the gentlewoman from Connecticut (Mrs. KENNELLY) for their wonderful work on Social Security.

I could come to the floor this afternoon with charts and graphs and statistics to underscore the critical nature of Social Security to the people of this country. But instead, in the next minute or so, let me just tell my colleagues what this program has meant for me.

My father died years before he ever received one retirement benefit under Social Security. But because my brother and I were minors at the time, we received vitally needed survivors' benefits under Social Security. Frankly, that allowed us to continue to get our college education and get on with life.

I have a very good friend who is incapacitated with mental illness and cannot work. He receives and lives entirely on his Social Security benefit.

My mother, now age 77, lives independently, would simply not be able to but for her Social Security check; and whether she lives to be 87, 97, 107, with that guarantee of the Social Security check, as long as her health holds out, she can continue to live independently.

Now I am absolutely determined to make certain that these core assurances, survivors benefits, disability benefits, a retirement benefit that is there as long as one may live, continue to be part of any Social Security program on into the future, and I have some plans in terms of how we get that accomplished.

I am forced to vote against this commission idea today, however, because it omits one critical facet, and that is the one thing this House can do today that really has bearing on taking a positive step forward in Social Security, committing that we do not touch the surplus until we have this Social Security reform idea all figured out.

Mr. Speaker, the President said it first, and he said it best. We must save Social Security first.

The Speaker, testifying to the Committee on Ways and Means, says he wants to take that surplus and put it in individual accounts this year. That would be exactly the wrong thing to do. We have to have the constructive national bipartisan debate the majority and minority have been talking about today. We must lock up this surplus until we have figured out Social Security reform.

And I will be offering a motion to recommit later that will make one change to the proposal before us but a vitally needed one. It will direct that the surplus is held absolutely until Social Security reform is completed.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding this time to me.

I want to echo the words that the Speaker said a few minutes ago in congratulating the gentleman from Kentucky, others on his subcommittee and the full committee for the work that has been done in this area. There can be no more important thing for us to talk about today, tomorrow, this year or next year than preserving Social Security and making sure it works for those who get it now and those who will need it in the future.

This is not the first time we have had to deal with the troubled Social Security program, and no one is going to argue that it has been one of the, if not the most, successful social programs that we have today. It is one of the reasons that poverty among the elderly has declined as dramatically as it has.

But, like many nations around the world, all nations, we are embarking on a major, unprecedented demographic transformation which threatens the promise of Social Security in the future.

Most experts agree that a long-range deficit in the Social Security program needs to be addressed in the near future so that we can change it for the future. We really cannot delay reform.

Now the legislation that is before us today would create a national dialogue on Social Security, and I believe that is the key to having a successful reform and change of it. It is imperative that Americans must be engaged in this discussion, understand the parameters of what we are talking about and to develop a national consensus for change. We need to hear what people are saying, to really listen to them.

I like to think that the gentleman from Texas (Mr. STENHOLM) and I began this process 3 years ago when we created the House Public Pension Reform Caucus, which includes now more than 70 Members of Congress from both sides of the aisle. It began the process here in the House of educating the Members of Congress, providing a forum to discuss, to research, examine the problems that plague Social Security.

Additionally, I have recently convened a group of my own in Tucson, 30 people, called my own task force on retirement savings to encourage a dialogue with constituents. They represent their own constituents' groups. The idea is for them to go back, have a dialogue with their individuals, their members, and bring it to my own task force. Again, this is part of reaching out that I think is necessary, that we must do on a national basis.

Now this legislation also creates a bipartisan panel to design a long-range Social Security preservation plan, and I strongly agree with my colleagues that Social Security reform must be bipartisan if it is going to receive the confidence of the American people or the needed support in Congress. But I would like to mention there have been a lot of commissions and panels that have diagnosed the problems that are facing Social Security and offered countless options for ways in which we could improve it or fix it.

One commission which I am pleased that I have had the opportunity to participate in is the CSIS National Commission on Retirement Policy. Along with my colleague, the gentleman from Texas (Mr. STENHOLM) and with Senators GREGG and BREAUX, this commission has helped to bridge the gap between House and Senate, private and public sectors. Next month, this commission, after more than a year of work, will unveil its bipartisan, bicameral public service sector reform proposal.

Mr. Speaker, we have grappled with the difficult decisions necessary to advance a bipartisan Social Security reform, such as the long-term solvency of the system, national savings, equity of benefits across income, across generations and income levels, designing the individual retirement accounts to supplement Social Security, the administrative feasibility of accounts, the management and regulation of accounts and the distribution of those funds upon retirement.

I absolutely agree that this bipartisan panel that is created by this legislation needs to look at all of these different proposals that are out there, and I believe if we do that not starting from ground zero we can accomplish this next year, which I believe is the critical year for us to do so.

Mr. Speaker, I support this legislation.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, thanks to the gentlewoman from Connecticut (Mrs. KENNELLY) for yielding this time to me.

Mr. Speaker, this bill for dialogue is something I really support and agree with. As a matter of fact, I have already had a public dialogue. But this bill is worded so that the surplus could be spent to create private retirement accounts, and that is favored by the gentleman from Georgia (Speaker GINGRICH) and the Chairman of the Committee on the Budget, the gentleman from Ohio (Mr. KASICH). What

they do not tell us is that they intend for these private accounts to replace Social Security benefits.

In the State of the Union speech this year, President Clinton lost a national debate with the American people about what they want Social Security to look like in the 21st century. The President pledged to enter into negotiations with Congress by early next year on Social Security reform legislation.

Now I do not believe that we should preempt the American people by spending the budget surplus on private retirement accounts before we decide how and if private accounts fit into a comprehensive Social Security reform package. There are inherent dangers in relying on the stock market on something as important as Social Security that really must be discussed and people must be clear on that.

Everyone's retirement income would depend on the ups and downs of the market. Benefits for widows and children of deceased workers would be jeopardized, people would have to buy private disability insurance if they could find one to sell it to them for a policy that would be comparable to Social Security disability benefit at a price that they could afford.

The fiscally responsible thing for Congress to do is to guarantee that all of any present and future budget surpluses be used for Social Security reform in whatever form it might take after we complete the year of dialogue. Saving this money will reduce the Federal debt as well as shore up the Social Security Trust Fund. Such action is a much more effective means of assuring future retirement security for future generations than spending the budget surplus to establish these private funds. I do not believe we ought to leave the people at the whims of the stock market.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Kentucky, the chairman of the Subcommittee on Social Security on which I am privileged to serve.

Mr. Speaker, my dear friend from Texas offers a picture-perfect example of why we need to have a national dialogue on Social Security, because perhaps she misunderstands the intent of what many people have talked about here. Indeed, Mr. Speaker, I would welcome the gentlewoman joining with the chairman of the Subcommittee on Social Security in sponsoring H.R. 3351 if, in fact, she is afraid that somehow Social Security will be taken from today's seniors.

Let me humbly suggest, Mr. Speaker, that nothing could be further from the truth, and those who offer that argument, no matter how well modulated and how reasonably stated, are sadly succumbing to the temptation of rhetorical terrorism. Let us state clearly and unequivocally from both sections, from both aisles, that the challenge for us remains, first and foremost, to keep Social Security intact for today's seniors. But, at the same time, we should welcome a national dialogue on something this vitally important.

I listened with great interest, Mr. Speaker, to my colleague from Arizona. Because I, too, have formed a citizen's committee on retirement. I, too, invited not only current retirees but baby boomers and members of the next generation to join in a dialogue. That is the key to dealing with this problem. That is what this modest proposal suggests.

Indeed, a look back at recent history would suggest that Washington gets into trouble when Washington experts listen to each other, when they are walled off from the rest of the people, when they fail to take into account the concerns of average American citizens, most notably today's Social Security recipients.

So this legislation, which I am pleased to support, says that we will set up a dialogue not as Democrats or as Republicans but as Americans, not to succumb to the temptations of rhetorical terrorism but, instead, to offer sound, sensible solutions. Because the stakes are too high, the stakes are too high to succumb to the temptation of sloganeering for campaigns just a few months away.

□ 1730

Please support the legislation.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentlewoman from Connecticut for yielding me this time.

Mr. Speaker, if I might, let me broaden this discussion a little bit and put it into a somewhat different context.

Mr. Speaker, the United States has by far the most unfair distribution of wealth and income in the industrialized world and the greatest gap between the rich and the poor. In recent years in this country, we have seen a proliferation of millionaires and billionaires, while at the same time about half of the senior citizens in this country are trying to survive on incomes of $15,000 a year or less, and 12 percent of the seniors live in poverty.

Many senior citizens today cannot afford their prescription drugs. In my State seniors make a choice between heating their homes in the winter and buying the food they need and the prescriptions drugs they need. That is a crisis which we should be dealing with.

What is not a crisis is the fact that Social Security today will pay out every benefit owed to every eligible American for the next 33 years. Now, what other program do we have that is going to pay out all of their benefits for the next 33 years? How many businesses in America today can say, gee, if I do not do anything, things are going to continue to go okay for 33 years?

Should we begin to address the fact that as our population ages and we have fewer workers, that we are going to have a problem? Of course. Should we discuss it today? Yes, we should. But let us not fool the American people and talk about a crisis and the bankruptcy of the Social Security system which is going to have an $80 billion surplus.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise today in strong support of H.R. 3546, the National Dialogue on Social Security Act. According to the trustees of the Social Security Trust Fund, the system is going broke. By the year 2013, the Trust Fund will be paying out more in benefits than it takes in through payroll taxes. By the year 2032, the Social Security Trust Fund will be completely bankrupt.

Saving Social Security must be our Nation's most important priority, and we must all work together to move this process forward. Social Security is much too vital a program to have just one party or one branch of a government push for reform. Saving Social Security should not be a Republican versus Democrat issue; it should not be a conservative versus liberal issue, and it should not be a Congress versus the President issue. It should be an issue where we all stand together, placing the interests of our Nation first.

Mr. Speaker, the legislation before us today puts us on that road to reform. The proposal has two parts. First, it seeks to engage the public on the future of Social Security. Earlier this month I held town hall meetings in each of the 10 counties that make up my congressional district in northern California. At these forums, literally hundreds of citizens of all ages shared with me their ideas and suggestions about how to improve the health of the Social Security system. This legislation will make sure that the voices of the American people continue to be heard throughout the reform process.

Second, this proposal establishes a bipartisan intergenerational panel to design a single package of long-range reforms. I believe that this panel represents our Nation's best hope for securing the broad bipartisan, intergenerational support we must have to tackle this monumental task.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle to support this very important legislation.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I support this bill. I think it is important we have an open and honest debate about how we assure the solvency of the Social Security Trust Fund. I think it is terribly important we work off the same set of facts as we debate that.

But our first order of business has to be to use the proposed surplus to repay the massive Federal debt, starting with that portion of the debt that is owed to the Social Security Trust Fund. Well, how do we do that? We do that by exercising discipline in our spending habits. We resist the temptation to use the surplus to pay for new Federal programs or tax cuts at the expense of the Social Security Trust Fund. If we are going to increase spending and programs or reduce taxes, find the money in the existing Federal budget, but do not use the surplus.

And how do we go about doing that? Well, the first step is we need to take up and pass a House budget resolution. We are running almost 2 months behind in doing that for no valid reason whatsoever. The budget resolution is our road map, it is our spending plan in which we limit ourselves as to where we are going to spend money, how we are going to pay for tax cuts, how we are going to pay for existing programs and new programs, and most importantly of all, how we are going to protect that surplus and use that money to begin paying back the Social Security Trust Fund.

Without passing that budget resolution, we are in serious danger of passing spending bills in the House of Representatives without appreciating how we are going to pay for them, and with potentially spending the surplus; and, perhaps worst of all, Mr. Speaker, we are in serious danger without passing this House budget resolution of passing spending bills on the floor of the House, spending the surplus without admitting to it ourselves or to the American public.

So what we do is far more important than what we say. We need to have a national dialogue, but we need to take up and pass the House budget resolution, and we need to protect the surplus in the budget resolution.

Mr. BUNNING. Mr. Speaker, I yield myself 30 seconds.

I would suggest to the gentleman from Florida that he look at H.R. 3351. It is a bill that will do just exactly what the gentleman says. It is a bill that will wall off the surplus, and until we have a settlement on Social Security, no one can touch it. It will buy the debt down until that time, and I suggest that the gentleman look at H.R. 3351, which I am the principal sponsor of.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding me this time.

Very quickly, in terms of whether it is bankrupt or not, if we just kept increasing taxes on the American workers, there would always be tax revenues coming in. But just to caution everybody on the danger of tax increases, that is how we solved the problem in the 1970s, that is how we solved the problem in 1983. In fact, we have increased the Social Security tax 36 times since 1971. More often than once a year we have put additional tax on American workers. I would just suggest that it is very dangerous if we continue to rely on tax increases to solve this problem.

Today, the American working families pay more, 75 percent of American working families pay more in the FICA tax, Social Security tax, than they do in the income tax. So I would hope, even though I suggest we keep everything on the table, let us at least consider the imposition of increased taxes.

I would plead with my colleagues not to use as an excuse the fact that if the government pays back everything that it has borrowed from the Social Security Trust Fund, that we will continue to have enough money until the year 2032.

Just look at this chart a minute. The little blue blip up here on the left is the additional money that is coming in from current taxes that is over and above paying out the existing benefits. That runs out, in the new estimate, in 2013. But look at this year, for example. And the rest of the chart in red is how much money the general fund is going to have to come up with to pay back what has been borrowed.

In the year 2032, for example, somehow the general fund is going to have to come up with $200 billion, and we either do that by cutting other spending, by increasing taxes or by more public borrowing, but again, it is not all that easy to pay back what has already been used up and is now in the Trust Fund.

Some people suggest that using the surplus is a way to start solving the problem. I agree, let us do it. I just got the actuary's report today, though. Based on using all of the projected surplus up until the year 2016, it would only solve less than 20 percent of the Social Security problem.

Some people have suggested if government would just simply stop borrowing from the Social Security Trust Fund, it would be okay. I agree again. Let us stop that. Let us at least make that borrowing marketable certificates so the trustees at any time can go around the corner to the local bank when they need additional benefits and cash that in to pay those benefits. But as we see from this chart, we are now spending the surplus, which is approximately $72 billion this year, $84 billion next year, $100 billion the year after that, and then we start going downhill with less and less of a surplus going to the Trust Fund. Let us not put off this very serious problem. Let us deal with it. The longer we put it off, the more drastic the solution.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentlewoman from Connecticut for yielding me this time.

Mr. Speaker, saving Social Security is absolutely critical. Social Security is one of the cornerstones that has made our country great. It was 50 years ago, or more than 50 years ago, when it took great courage on the part of FDR to stand up and say that too many older Americans were living in poverty and that we needed to do something about it, just as it takes great courage on the part of this President to stand up and say, we cannot let the Social Security program become unglued at this time.

It is time to ensure that Social Security will exist for generations to come. Today I want to thank the Members on the other side of the aisle who have followed the President's lead and said that our budget surplus must be reserved for saving Social Security first. I look forward to working with leaders from both parties to develop solutions that will ensure the continued success of Social Security without putting the retirement benefits of current and future citizens at risk.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Speaker, today I rise in strong support of the bipartisan Commission on Social Security. I represent the congressional district in Florida that has more seniors than any other district in the Nation, so the solvency of Social Security, like Medicare, is very important to me and my constituents.

But I am concerned about Social Security, not only for today's seniors, but also for their children and grandchildren. We have all heard that the Social Security Trust Fund will go broke by the year 2032. I know that may seem like a long way off, but when baby boomers begin retiring and become eligible for Social Security, it will be very difficult to make changes. We need time to transition to a new system and give Americans time to prepare for their retirement.

That is why we must have the courage to reform Social Security now, before we enter a crisis mode. Good public policy is not achieved in crisis.

The Commission would take this debate out of partisan politics while the American people learn the facts and constructively discuss the options for reform.

What are the facts? The first fact: America is getting older and living longer. In the 21st century we will witness big demographic changes. As the baby boomers cross into retirement

and life expectancy increases, the number of Americans on Social Security will also rapidly increase. Meanwhile, the number of workers paying taxes to support the elderly will decrease. Simply put, we will have more seniors living longer and fewer workers to support them. As good as it has been, Social Security is unsustainable in its current form.

The second fact: Americans need more information. Americans, young and old, know there is a problem, but they are not sure why it exists or how to solve it. The Commission's national dialogue would help dispel the myths about Social Security and allow for complete discussion of reform options among seniors, baby boomers and young people, because any reform proposal must have trigenerational support. Social Security reform must be a win/win/win.

Why is the Commission critical? At first, I was skeptical that a commission was the right answer. I feared it would take too long and offer too many solutions. But this Commission would only offer one recommendation by February 1999.

□ 1745

In other words, the commission would take swift and decisive action. This commission would provide a solid basis for enacting broad, bipartisan changes to Social Security, changes that will ensure a secure retirement for all generations.

Mr. Speaker, I strongly urge my colleagues to support the bipartisan commission. It is the right time and a prudent measure.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, there are people who say they want a dialogue on Social Security. I suggest such a dialogue would be like a cat having a dialogue with a mouse, or maybe a crocodile having a dialogue with a frog, or perhaps a shark having a dialogue with a tuna.

Because Wall Street having a dialogue over Social Security with senior citizens is just as predatory, because they do not really want a dialogue. They already know what they want to do with Social Security, I would say to Mr. and Mrs. America. They want to take benefits from them and use those benefits to fuel growth in the stock market.

Mr. Speaker, it is really about privatization. That is what they mean when they say, "Let us have a dialogue." A dialogue with Wall Street is about how to grab Americans' retirement funds through privatization.

Mr. Speaker, there is no crisis. The current tax and benefit rates remaining constant, Social Security will pay 100 percent of the benefits of future recipients until 2032 without any change whatsoever. In today's Cleveland Plain Dealer, my hometown, it says, "Social Security's health is improving."

A problem that could develop in 35 years is not a crisis, it is a projection. The privatization dialogue would dismantle a hugely popular and successful government program and deliver a hugely profitable kitty for Wall Street investors to charge fees on.

Privatizing Social Security is a radical, extreme measure. It would guarantee that there would be retirees who would go poor because their private investments failed. For every winner in the stock market, there will be a loser. Wall Street goes up, 9,000 points, and Wall Street will come down. And then where will retirees be when they need their monthly check?

Privatizing Social Security will endanger one of its greatest accomplishments, that it has saved millions of seniors from the despair of poverty because it guarantees benefits. Mr. Speaker, I urge Members to reject this bill.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Speaker, I rise to support a 60-year success story called Social Security. Almost half of our senior citizens were in poverty before its enactment, and now literally millions of seniors have been able to live and have a good quality of life because of that safety net called Social Security.

I also rise to ask my colleagues, in addition to voting for this resolution, to vote for what I believe is the most significant vote that will be in front of us today, and that is the motion to recommit offered by the gentleman from North Dakota (Mr. POMEROY), my good friend, who will be offering to us the opportunity to truly put Social Security first by indicating that every single penny of any surplus that we have now would be put aside and held until we solve the Social Security situation.

Mr. Speaker, we have time to do it right. We in fact know that as of yesterday, we now hear that it will be 2032 before Social Security runs out. That gives us time to do small steps in order to solve the problems in a big way, and I would urge us to do it quickly, to preserve and protect Social Security.

Mr. Speaker, I would also urge my colleagues then to do the additional things that we need to do to make sure that our citizens have retirement security, expanding savings opportunities. First we have Social Security. We need to protect it and preserve it. Secondly, we need to expand those kinds of things that we did in the Taxpayer Relief bill last year where we expanded IRA options and make sure we have other options to encourage savings.

Third, I would urge my colleagues to focus on pensions for small businesses. I have a bill, as do others of my colleagues have important legislation, that would give future opportunities for the 42 million people who work for small businesses, work hard every day, or who own their own small business and need a pension. All three of those things together will help us to guarantee every American retirement security for the future.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I have no particular problem with the creation of a another commission to study the needs of the Social Security program, so long as it is balanced and without agendas other than the true need to preserve the safety net for America's workers.

But equally important is that we begin this debate with a clear understanding of what Social Security is and why it was created before we begin proposing radical solutions. And also we must be careful not to confuse the issues while trying to solve the problem.

First and foremost, we must remember that Social Security is a safety net below which no American will fall. It is a retirement security program, it is a disability insurance program, and it is a survivor insurance program. It is not a 401(k) or an individual retirement account. Any reform must not destroy the safety net or it will destroy the essence of the program.

Second, we must not confuse solvency with return on investment. The foremost issue is the preservation of the existing Social Security system through and beyond the baby boom retirement period. Since it is a pay-as-you-go social insurance program, as the ratio of workers to retirees contracts, annual benefit costs will exceed revenues and eventually reserves. To maintain the current benefit structure is a solvency question addressed more by structural issues than return on investment.

Third, most so-called privatization proposals do not address either the safety net or solvency, but rather return on investment. This is not a panacea and we should be cautious. Replacing the existing Social Security system with private retirement accounts may well increase the return on investment over the current system for some, but it could also eliminate the safety net without a huge government subsidy costing trillions of dollars. And even in the era of the bull market and the 9,000-point Dow, we must remember that with yield comes risk. Seven times in the 1970s and the 1980s the real value of the S&P 500 was 40 percent below what it has been in the previous 10 years. If investors missed the market, it could cost them.

Fourth, the bill we should be debating is the budget resolution and what

to do with the surplus. Included in the $5.4 trillion debt is $600 billion of Treasury bonds owned by the Social Security Trust Fund. We should give some serious thought to begin paying down the debt, growing national income, and making Social Security solvent for the baby boom generation.

Mr. BUNNING. Mr. Speaker, could I inquire of the Chair how much time is remaining on either side?

The SPEAKER pro tempore (Mr. SNOWBARGER). The gentleman from Kentucky (Mr. BUNNING) has 11½ minutes remaining, and the gentlewoman from Connecticut (Mrs. KENNELLY) has 14 minutes remaining.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I have a great deal of respect for the work of the gentleman from Texas (Chairman ARCHER) and the Committee on Ways and Means on this legislation. However, I respectfully disagree with the assessment that the solution to Social Security reform is establishment of another commission.

Mr. Speaker, there have been numerous commissions, panels, et cetera, that have diagnosed the problems facing Social Security. They have offered countless options to address these problems. We do not have a shortage of proposals for reforming the Social Security system.

Next month the gentleman from Arizona (Mr. KOLBE) and I will join Senators JUDD GREGG and JOHN BREAUX in introducing legislation incorporating the recommendations of the National Commission on Retirement Policy organized by the Center for Strategic and International Studies. This proposal will address the issue of retirement savings in general, in addition to the future of Social Security.

It reflects several months of work of a bipartisan commission composed of a diverse group of experts as well as Members of Congress. I doubt that an external commission will know what is politically viable. Only Members of Congress, the people's elected representatives, are qualified to decide what are forms the American public is willing to support in a program as important as Social Security.

Members of Congress are elected to provide leadership on issues facing our Nation. Our constituents expect and deserve to have their elected representatives make the tough choices necessary to ensure that the Social Security program is strengthened and preserved.

Expert commissions are useful in bringing new ideas into the debate and helping Congress understand the issues. We are past that point on this issue. There are more than enough expert reports that identify the problems and offer ideas for solutions. Now is the time for elected officials to begin doing our job of taking these proposals and putting together a politically viable proposal that the public will support.

Earlier this year, the gentleman from Arizona (Mr. KOLBE) and I introduced legislation establishing a special bipartisan bicameral committee of Congress so that those of us elected to make tough decisions would be able to work through the regular legislative process to take all the proposals that have been developed and put together bipartisan Social Security reform legislation that can be voted into law. We submitted an amendment to the Committee on Rules yesterday that attempted to incorporate some of the ideas from our super committee proposal into the commission, but were not able to offer that amendment today.

There is no question that legislation of this magnitude cannot receive the confidence of the American public or Congress unless it is bipartisan from the beginning. The failure of health care reform in 1994 made this crystal clear.

I am pleased that the President has learned this lesson by allowing a bipartisan discussion to go forward on Social Security instead of unilaterally offering a proposal of his own. While I agree very strongly that we must maintain bipartisanship in the Social Security debate, I do not believe that a commission is necessary. The President is demonstrating the presidential leadership that will be essential to maintaining bipartisanship. Speaker GINGRICH, Majority Leader LOTT and other Republican leaders have all expressed a commitment to Social Security reform. And I am committed to doing my part to speak out against those who attempt to politicize this debate from left or right.

Also, I want to speak briefly in support of the motion to recommit stating that the entire budget surplus be reserved until we enact Social Security reform. Reserving the budget surplus for Social Security is not a substitute for structural reforms of Social Security but it will give us a running start towards structural Social Security reform. Reserving the surplus for Social Security reform will make it easier to enact policies which provide a strong Social Security system for future retirees.

Proposals to use the surplus for any other reasons, including the proposals to create individual savings accounts to supplement Social Security reform now, will make our task much more difficult, that task of comprehensive Social Security reform. While I strongly support the concept of individual savings accounts within the context of comprehensive legislation, we should not enact individual accounts on a piecemeal basis without knowing how they will fit within a comprehensive reform.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I thank the gentlewoman from Connecticut (Mrs. KENNELLY) for yielding me this time. Mr. Speaker, we have a "threefer" here from Texas.

Social Security represents one of the most successful programs ever enacted by our U.S. Government. It along with Medicare are the crown jewels, as we call them, of Democratic legislative accomplishments from Franklin Roosevelt to Lyndon JOHNSON.

Today I will vote to establish a national dialogue on Social Security. It is important that we start this process immediately, so that we have ample time to consider a variety of proposals and have time to develop the best way to save Social Security for the future generations. As Members of Congress, this is one of our greatest responsibilities.

Congress created this program to raise the income level of senior citizens above the poverty line. It has been so successful in the 63 years, and I hope that my Republican colleagues have learned how important Social Security and Medicare is to all Americans. We do not need to gamble with Social Security funds and invest them in fly-by-night schemes. We need to make sure they are there not just for the generation that is enjoying the benefits now, but for the next generation and the next generation, to make sure we do not slip back into poverty for our senior citizens.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. KLINK).

□ 1800

Mr. KLINK. Mr. Speaker, this is a great debate for us to have. Many people may not realize it, but my home State of Pennsylvania has one of the highest populations of rural elderly, and I cannot tell my colleagues how important Social Security is to them and to their families.

For many people of my district, the Social Security system is the only protection that they and their families have from being totally impoverished. Without Social Security, half of our most vulnerable seniors and disabled citizens would be living in poverty.

We are all concerned about Social Security. Created by a Democratic President, Social Security has kept millions of American seniors out of poverty. It is a sacred covenant between the American people and their government which the Democrats are dedicated to preserving.

A national dialogue on the future of Social Security is a good idea. Bipartisan panels on Social Security are a good idea. A White House conference is a good idea. All of these things are good.

But my main concern is we sit here in Washington, make ourselves look good by really setting up a panel and opportunity to talk about Social Security, but then, Mr. Speaker, none of this is going to amount to anything more than a lot of hot air unless we all commit ourselves right here and now to make sure that the budget surplus does not get spent on tax cuts or government programs, but is held in reserve until we have ensured the future of the solvency of Social Security.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in support of the National Dialogue on Social Security Act. Social Security is one of our greatest success stories. For over 60 years, since its creation by President Franklin Roosevelt, it has been an independent provider of financial security to hard-working men and women in their retirement years.

When we consider its success, prior to Social Security's enactment, retirement meant insecurity and poverty for too many of our senior citizens. Today the program has become a safety net for millions of seniors and their families. It is estimated that without Social Security, over half of the elderly would be living in poverty.

We are all aware of the demographic shifts that threaten the solvency of the Social Security system in the next 30 years. It is our responsibility as Members of Congress to unite Americans in the effort to reform and preserve Social Security. It must be there, not just for our generation, but for our children and our grandchildren, too.

I caution my colleagues, however, any change must be thoughtfully debated and carefully considered. Any reform must strengthen Social Security's future while maintaining the underlying philosophy which is the foundation of its success, a guarantee of financial stability for the elderly.

Contrary to what some of my Republican colleagues believe, we cannot play fast and loose with Social Security. It must not become just another investment vehicle subject to the uncertainty and the fickleness of the market. That is not a guarantee. It also should not be sacrificed for tax cuts or experiments with personal retirement accounts. Social Security must come first. The guarantee of a secure retirement must come first.

I support recommitting this bill for amendment to save the budget surplus until Congress takes real action on Social Security. The time for reform is now, but it must be real reform. We must guarantee that American men and women who work hard, pay their taxes, and play by the rules will not have to struggle in their golden years. I look forward to the coming discussion of how we, in fact, preserve Social Security, support real reform, support future generations, support the dialogue.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3546, the National Dialogue on Social Security Act, and urge my colleagues to support this worthy piece of legislation.

The intent of this legislation is to initiate a national dialogue on the future of the Social Security Program. Such a dialogue is a necessary component of any future reforms that are needed to ensure the long-term stability of the system.

While Social Security has been an unparalleled success over the past sixty years, its future is being driven by negative demographic trends. The baby boomer generation is nearing retirement and subsequent generations are not large enough to subsidize the boomers' projected demands on the Social Security system.

Current estimates disclose that the Social Security system will start paying out more benefits than it receives in contributions around the year 2013. This incoming/outgoing ration will gradually worsen until the program reaches insolvency in 2032.

The problems facing Social Security are not immediate. However, the longer we wait to make reforms, the more painful those reforms will be.

The President has already initiated a dialogue on Social Security reform. I am pleased that this bill will allow Congress to join this discussion. It is important to address this subject while our window of opportunity remains open. Furthermore, Congress needs to do this in a manner that is above politics. The subject of Social Security reform is far too important to be influenced by partisan politics. This bill provides for this through the creation of a bipartisan panel to examine all of the various proposals that have been advanced over the past year.

Mr. Speaker, Social Security has played a vital role in our Nation's success and prosperity this century. Accordingly, I urge my colleagues to support this worthy legislation to ensure that it continues to do so long into the future.

Mrs. LOWEY. Mr. Speaker, I am pleased that the nation is now engaging in a dialogue about the future of Social Security, our most important government program. President Clinton deserves credit for fueling this discussion. Without a doubt, we must take steps to preserve Social Security for today's seniors—and tomorrow's. But as part of this effort, we must also address the current inequities facing women of retirement age across America.

Let me share a few facts. Women live seven years longer than men on average—so they have an increased need for economic security in their later years. Women move in and out of the workforce more than men to raise children and care for elderly relatives so their earnings can change dramatically from year to year. And, women are still paid less than men—about 70 cents less on the dollar and three quarters of women earn less than $25,000 per year.

As a result, women have far less retirement income than men. Less than a third of all female retirees have pensions. And of those women with pensions, the average benefit is 40 percent less than men's. Equally troubling, women's average monthly Social Security checks are 25 percent smaller than men's.

Given these disturbing figures, is it any surprise that fully one-quarter of women over 65 live in poverty, that women make up three quarters of the elderly poor?

The good news is that there are ways to make Social Security fairer to women. I am working on a package of Social Security measures to improve the system for women. For example, one bill would improve Social Security benefits for those who take time out of the workforce to provide child care or elder care.

Unfortunately, it does not appear that these issues are getting the attention they deserve. As economist Kathleen Feldstein recently noted in the New York Times, some reform proposals currently on the table would perpetuate or even exacerbate the problems facing women in retirement.

Mr. Speaker, I am not passing judgment on any reform plan today. I would simply urge that as my colleagues, the Administration, and the citizens of this nation work together to preserve Social Security, we pay close attention to the unique circumstances which affect women's retirement. We must use this crucial debate to improve the economic security of older women and future generations.

Ms. KILPATRICK. Mr. Speaker, I rise today to reluctantly speak out against H.R. 3546, the National Dialogue on Social Security Act of 1998. This bill will do injustice and harm to the effort to resolve the problems facing the Social Security system. The odd adage "if it aint broke, don't fix it" applies to this bill. Our bipartisan task force is working hard toward resolving the problems of the historic "third rail" of American politics. We do not need another task force to undermine the hard work and difficult decisions that need to be made.

As a member of the Social Security task force, I must commend the collegial bipartisan manner in which the task force has conducted its business and I take this moment to recognize Congressmen ROY BLUNT, R-Mo. and BILL DELAHUNT, D-Ma. for their leadership.

I am, however, mystified at Republican efforts to implement this legislation. In my opinion, H.R. 3546 duplicates the current bipartisan process instituted to resolve the problems facing Social Security. This is a tremendous waste of taxpayer dollars and the energy and effort of members of Congress.

Social Security, created by a Democratic President, and used by Democrats, Republicans, and Independents has kept millions of seniors out of poverty. For a majority of minorities who are elderly, Social Security is their major source of income. While I applaud my colleagues efforts to begin another discussion to save Social Security, the fact that the members of the "Dialogue Council" and "Panel" will be chosen by the majority leadership is surprising. Such a nonpartisan issue should not be drawn into the maelstrom of politics.

I find it more than a coincidence that this bill sounds a lot like the current national discussion about the future of Social Security which the President began in Kansas City. The mandates of this legislation directly compete with the process currently underway. I maintain

that this legislation, put forth by the republican leadership, is simply an effort to confuse an issue vital to the well being of the nation. Unfortunately, this legislation reeks of an election year attempt by the Republicans to appear concerned about an issue that the people have mandated important.

I am further concerned that because the bill appoints a Council and Panel so clearly skewed to favor the majority, it will not foster the bipartisan debate needed and desired by most in the House. This bill will allow the Republican leadership in the House and Senate to stack the Dialogue Council and Panel with members who clearly support the privatization of the Social Security system.

As a member of the Social Security Task Force, I am objectively analyzing the pros and cons of privatizing social security. Any conclusion on this issue must be made after Congress and the nation has had the opportunity to examine all options as to what is clearly demonstrated to be in the best interest of the American people. The actions we take today on Social Security will affect our parents and the lives of our children. The actions we take today will affect the course of America in the coming decades. It is my charge, as a member of the Task Force, to make the tough decisions and recommendations to preserve this vital program. I only hope the American people see this bill for what it is, and recognize that this is an election year attempt to appear to address this critical issue.

Ms. McCARTHY of Missouri. Mr. Speaker, I rise in support of a national dialogue on Social Security. I was honored that the Concord Coalition and the American Association of Retired Persons chose to host the first town hall meeting on Social Security reform in my district, the Fifth Congressional District of Missouri. The President's participation in this bipartisan forum and numerous others around the nation, ensures that a thoughtful and inclusive national dialogue will enable all Americans to express their views as to the future of Social Security well into the 21st century.

The President is encouraging Congress to reserve the anticipated budget surplus for bolstering Social Security and reducing the national debt. Congress must take steps to implement the President's call for action. I urge my colleagues to resist any delays in action which would result in the anticipated surplus being dedicated to other programs. We must preserve the integrity of Social Security to afford all citizens of this country that this successful safety net will be there for them when they retire, as it has been since President Roosevelt initiated it in 1935.

Mr. COYNE. Mr. Speaker, President Clinton recently initiated a national dialogue on the future of Social Security, which will enable Americans of all ages to participate in any decisions that are made about Social Security's future. By introducing H.R. 3546, the National Dialogue on Social Security Act of 1998, the Republican leadership has shown that they, too, believe it is critical to have a thoughtful discussion about Social Security before taking action.

Fortunately, we have time to have that discussion. Yesterday, Social Security's trustees reported that the trust fund will be fully solvent until 2032 under current policies. This does not mean we should ignore Social Security's long-term problems. But it does mean we can take time for a thorough and thoughtful discussion of all the issues involved.

We do not yet know what the short-term cost of fixing Social Security will be. That is why it is critical that we save all of the budget surplus until we know what the Social Security program needs and how much it will cost.

Some people would like to spend the surplus now. Their suggestions range from tax cuts to new government programs to small individual retirement accounts. But it would be fiscally irresponsible to spend the surplus. By saving it, we guarantee that the money will be there if we need it for Social Security and we reduce the public debt, fueling economic expansion and a higher standard of living for future workers and retirees.

Social Security is one of the most successful programs ever—without it, over half of the elderly would be extremely poor. Thirty-eight million elderly people depend on Social Security to pay for the most basic necessities of life. We owe it to them and to the next generation of retirees to save all of the surplus for Social Security while we have a careful and thoughtful discussion about how to protect the program over the long term.

I strongly support the amendment to H.R. 3546 which Representatives RANGEL and KENNELLY offered in the Ways and Means Committee. It would have guaranteed that the surplus was saved for Social Security. By contrast, the much weaker amendment that was adopted would allow the surplus to be spent before we have discussed all the options for Social Security. I would urge my colleagues to support the motion to recommit, which would amend the bill to prevent the surplus from being spent for any purpose until we decide how to solve Social Security's long-term problems.

Mr. HULSHOF. Mr. Speaker, we face—all of us—a daunting challenge. To solve it, we must begin our work now and put partisan differences aside.

As we proceed, we must do two things: First and foremost, we must honor our commitment to today's seniors and those who will retire soon. The green checks the Social Security Administration mails each month to one in six Americans are the backbone of retirement income for the nation. Secondly, we must also protect younger Americans so that Social Security works for them as well.

Today is a good time to reaffirm that Social Security was originally intended to supplement retirement. It is just one leg of what is referred to as a 3-legged stool with the other two legs being private pensions and personal savings. On the latter point, Congress continues to look for ways to encourage personal savings so that thriftiness is rewarded not punished.

This discussion today is about the extent to which future retirement should be a public responsibility and how much it would be a private one. If we delay reform, we shorten the time needed by the American people to accumulate savings and adjust their plans for retirement. Long-term changes must be made while the "baby boomer" generation is still in the work force and has time to make adjustments.

While the solvency of Social Security is a slow-motion crisis, to America's workers in their 20's and 30's, there is an immediate crisis—a crisis of confidence. Instead of taking advantage of the tried and true power of compound interest, taxpayers are faced to put retirement savings in a Washington program that earns much less than a traditional savings account.

We are standing on the threshold of a great new opportunity: the first federal surplus in a generation. Ladies and Gentlemen, the American people have never retreated from a crisis and we must not do so on this issue.

Former President Gerald Ford, in a speech a year ago, pointed out that the Founders of our country designed a government in which it is easier to do nothing than to do a great deal all at once. But they also counted on the will and wisdom of Americans to conceive and implement reforms where necessary. Our conscience demands what our children deserve. God willing we will disappoint neither.

Mr. CRANE. Mr. Speaker, I rise today in support of H.R. 3546, the National Dialogue on Social Security Act. This legislation could not be more timely with the announcement yesterday that in the year 2032, the Social Security Fund will be exhausted. We must take action to address the long-term needs of the Social Security system and it must be done so that Americans are confident they will have a reliable source of income during their retirement years.

The intent of this bill is to create a bipartisan, eight-member panel which will report its recommendations on long-term changes to Congress by February 1, 1999. The other important component of H.R. 3546 is to initiate and coordinate a truly inclusive national dialogue which will also issue a report. The national dialogue will allow representatives of all Americans, from the children of the Great Depression to the children of the third millenium, to participate in a process affecting their future. It is my strong belief that proposals to incorporate the private sector and promoting options can be developed that will, at the same time, ensure that the current beneficiaries continue to receive the benefits they have been promised. In any event, I look forward to receiving the panel's recommendations at the appropriate time.

Mr. PORTER. Mr. Speaker, I rise in support of this legislation to create an expert panel to study Social Security reform. I agree that we need to accelerate a national dialogue about how the Social Security system should prepare for the challenges it will face when the baby boom generation begins to retire, and that a bipartisan panel to design long-range Social Security reform would serve a necessary role in evaluating potential reforms.

The time is now for Social Security reform. We are on the verge of balancing the federal budget for the first time since 1969 and I believe that it would be a clear abdication of our responsibilities if we do not seize this historic moment to implement a lasting reform of Social Security.

The best way to save Social Security is to take politics out of the equation.

As you know, I have been working on Social Security reform since the 1980's. In this Congress, I have introduced H.R. 2929, the most recent version of my Individual Social Security Retirement Account (ISSRA) Act legislation.

This bill, developed with noted economist Peter Ferrara, would create a new retirement option for all Americans and fully address the impending shortcomings of our Social Security system. Rather than using my time here today to advocate any specific legislation, I would like to illustrate my beliefs about how our existing Social Security system should be reformed, and highlight some issues that the proposed expert panel will have to address.

My legislation adheres to three fundamental principles that must be present in any reform to our existing Social Security system. First, existing benefits must be guaranteed without reductions for all current retirees. Second, workers must have the option of staying in existing Social Security, or choose to start an individual account. Finally, we simply cannot levy new taxes to further extend the Ponzi scheme that is our current Social Security system. In contrast, we must consider an eventual tax cut for individual account participants.

The individual accounts created by my ISSTA legislation are not only fiscally sound, but also necessary to any reform that will ensure the survival of our national retirement system. For example, under my plan the Social Security taxes (currently 6.2% of wages paid by both worker and employer, or a total of 12.4%) of those workers who choose to create an ISSRA would be redistributed. Workers and employers would each contribute 5% of wages to an ISSRA (10% total), and workers could make additional contributions of up to 20% of gross income. The remaining 2.4% of the payroll tax would continue to help fund the ongoing obligations of Social Security but could be eliminated 10 years into the transitional period, thus providing a 20% tax cut. Current workers who opt out of traditional Social Security would also receive "recognition bonds" from the government that would pay a portion of their retirement benefit based on the proportion of taxes they had already paid into the current system.

These individually owned and managed accounts should be governed by the same rules currently utilized for IRA accounts, with the exception of the right to withdrawal. All workers choosing to form an individual account could choose from among approved private investment managers. This safeguard would make the system easy to use, and protect unsophisticated investors from potential fraud and abuse.

Like the current system, employee contributions to ISSRA accounts would not be tax deductible, while employer contributions would remain deductible. Investment returns over the years would be tax free until withdrawal, in a manner identical to today's IRAs. During retirement, only half of the benefits would be included in taxable income.

Benefits at retirement would be based on what the individual's ISSRA account could support. The worker could choose to purchase an annuity or make periodic withdrawals in such a manner that the account would not become exhausted within the beneficiary's lifetime. Retirement age for individuals choosing to utilize an ISSRA would be variable after age 59 and one-half, based on funds available in their account.

As a safeguard, a minimum benefit would be guaranteed for all individuals assuring that no worker would fall below the minimum necessary for a dignified retirement. This benefit would supplement an individual's shortfall in private benefits and would be financed from general revenues and the eventual surplus in the Social Security Trust Fund.

Under my ISSRA plan, and similar reform plans utilizing individual accounts, benefits for retirees would grow enormously. Of particular importance to me is the plight of the working poor, who would receive increased benefits under my plan as opposed to their level of benefits under Social Security. Indeed, the working poor would experience the largest gains in retirement benefits under my plan. For example, an individual working for a minimum wage would receive more than three times the benefits promised by our current system. In addition, these financially vulnerable individuals would also have substantial funds to leave their heirs thereby breaking the cycle of poverty.

Up until now, the costs associated with the implementation of a Social Security reform like my ISSRA plan were thought to be too severe to be addressed through reasonable measures. However, projections of the fiscal impact of this plan have demonstrated that the transition costs can be financed without new taxes or any benefit cuts for current retirees. According to a recently published analysis by Peter Ferrara, transition deficits under my ISSRA plan would disappear within only 14 years.

Indeed, in any reform plan using individual accounts, transition costs can be accommodated through a number of reform measures designed to strengthen the Social Security Trust Fund. The first would be the displacement of Social Security benefits as workers choose the private system. Although starting slowly, these savings will grow substantially over time. Immediate savings would be realized by transferring responsibility for the disability and pre-retirement benefits of all individuals who opt out to private disability and life insurance carriers. Rather than using Social Security funds, these benefits would be accommodated by the private marketplace through Treasury Department approved ISSRA fund managers.

Further savings would result from the waiver of past tax payments. Recognition bonds will be waived for individuals under the age of 30 who choose to utilize the new ISSRAs, and the Social Security Trust Fund will not be expended for their retirement benefits.

Several sources of revenue would also be available to finance the transition. The continuing payroll tax of 2.4% for workers opting out of traditional Social Security would be credited to the Trust Fund for a period of ten years. This revenue, when combined with revenues resulting from the sale of a new issue of "Social Security Trust Fund Bonds" would finance the majority of transition costs.

The net effect of these measures would be a Social Security Trust Fund with net revenues in 14 and a large positive balance after 22 years. Eventually these surpluses would grow large enough to cover losses in revenue from a 20% payroll tax cut and reduce the national debt.

Not directly accounted for in my plan, but substantially aiding the federal government in meeting transition costs would be the generation of substantial new revenues as a result of new savings and investment in a reformed Social Security system. The net increased savings resulting from the implementation of my ISSRA plan or another plan utilizing individual accounts would also lead to significant economic growth, and increases in productivity, wages and jobs.

Clearly, support is growing among the American people for Social Security reform. A recent CATO Institute poll indicated that 69 percent of respondents favor reforms that would allow them to invest privately the amount they pay into Social Security; 74 percent support a plan that gives people a choice of staying in traditional Social Security or moving to a new system; and 77 percent want a system that allows individuals to control investment of their retirement funds. My ISSRA plan includes all of these desirable features, as should any serious Social Security reform proposal. Clearly reform involving optional individual accounts is a comprehensive way to protect the benefits of current retirees, preserve the integrity of the system for future generations, and help sustain the long-term health of our economy.

Our efforts must result in a return to integrity and solvency in a reformed Social Security system that gives every American worker control over his or her retirement destiny.

In closing, I commend Chairman ARCHER for his efforts in moving forward with a national debate about the future of Social Security, and I fully support this critical legislation.

As America ages, we must work together to create new solutions that go beyond Washington's typical quick fixes—and without raising taxes.

Mr. GEPHARDT. Mr. Speaker, I support this bipartisan effort to further a national dialogue on Social Security.

Social Security is the towering achievement of our democracy in the twentieth century. It has bestowed on millions of Americans a measure of financial security and freedom from fear of spending their retirement in impoverishment.

It has taken us decades to build a program that has worked so well to keep retirees out of poverty.

That has been so successful in supplying survival income for widows and their children when their loved one dies unexpectedly. And that has given so many disabled people income when they were unable to work.

It would be a national disgrace if we damage a program that has done so much good for so many people. We shouldn't take any steps that would drastically change the nature of Social Security. And we should make no changes without engaging in an intense dialogue with the American people who overwhelmingly support and fund it.

We are hearing a lot about Social Security from people who want to divert the stream of Social Security payments from the trust fund into equity markets. Who want to change the whole nature of the Social Security system, from one where there is a sacred bond between Americans and their government, to one where there this bond is eliminated.

Many advocates of radical reform want to change Social Security from a safe and secure source of income into a bet on the performance of the stock market.

They want to transform the system from one where Social Security payments are guaranteed, to one where the level of payments will fluctuate based on the volatility of the market.

In their rush to revolutionize, they have forgotten one thing. For most beneficiaries, their Social Security check is not money to put aside, or a source of extra income. For many Americans, their Social Security check is all that stands between them and poverty—it is their only source of income.

To accomplish the drastic changes which they ultimately want, proponents of radical reform are trying to create a panic among all Americans who have a stake in Social Security. From their comments over the last several months, you would be convinced that the entire system was in risk of imminent collapse. That the best bet would be for Americans to take their money and head for the hills, or at least for Wall Street.

This is irresponsible and just plain wrong. As yesterday's trustee's report made clear, there is absolutely no risk of imminent or long-term collapse of the system.

We should be open to all reforms that work to protect the health of Social Security into the second half of the next century, but the basic structure of Social Security must endure.The system must continue to serve retirees, survivors, and people with disabilities. Benefit levels must remain adequate to allow beneficiaries to live a life of dignity. And the payments must be guaranteed to all participants in the system.

The President has told the American people that all budget surpluses should be dedicated to the Social Security trust fund until long-term reform is accomplished.

If we are serious about protecting Social Security for the next century, for all present and future beneficiaries, it is critical that we earmark these funds. This is the best use of this unexpected bonus, not for short-term election-year fixes.

I urge my colleagues to support the motion to recommit that will reiterate the intention of the Congress to dedicate budget surpluses to Social Security. This is the best way to begin our dialogue with the American people—kicking off the process with a real sign of our commitment to the system.

I know when I go door to door in St. Louis, there is no groundswell or razing the system or privatizing the process. Seniors and younger workers are all concerned about the ability of the system to pay out in the future. But no one I have talked to wants to dispose of the system which so many have relied on for so long.

I agree with Bob Dole's recent remarks—that "this is an issue which is easy to demagogue, but where we have an obligation to tread carefully." We need to move forward without destroying the system which has taken so long to achieve.

Mr. STARK. Mr. Speaker, most Americans living today were born well after the Great Depression. They are not marked by the fear of economic loss because—as a society—they have not experienced it.

It may well be that those who have not lived through the Depression do not appreciate the need for a social safety net. Today's adults almost assume that a good economy will last forever.

In such a climate, more people may be less appreciative of safety nets, like Social Security, and more convinced that self-reliance will suffice.

But economic self-reliance is only workable for those who are reasonably well off and who understand the value of savings. Nobel prize winning economist Modigliani, my economics professor at Massachusetts Institute of Technology, taught me this lesson: people save only when they have money to save and perceive the need to save. With our national savings rate at an all time low of 3.8% of disposable income. I cannot help but conclude that Americans today do not perceive the need to save for the future.

Self-reliance also assumes a certain level of sophistication to ensure that invested savings will grow. That requires knowledge about how to balance investment opportunities and risks. Americans have a ways to go in this regard as well.

Social Security was never intended to meet all the requirement needs of Americans. The three-legged stool of secure retirement also requires worker pensions and private savings.

We have a voluntary, employment-based pension system. Sadly, only about half of all Americans have an employer-based pension; small businesses tend not to cover workers at all.

The erosion of pension security in the United States has been dramatic. Thirty years ago, most large employers structured pensions to look like our Social Security system with an employer and employee contribution and a guaranteed benefit payment related to the workers wages.

More and more today, Americans have voluntary savings plans with a percentage of salary saved with each paycheck. These savings plans allow us to see how much workers are saving in voluntary, tax-subsidized plans, how sophisticated they are about their retirement investments, and whether workers actually use their retirement savings for other purposes.

Early results are troubling. Workers often withdraw their persion funds when they leave a job and do not redeposit their pension into another savings plan. And some withdraw their pension funds even though they do not change their place of work.

1996 data on pension withdrawals show 60% of the distributions (in terms of the number of withdrawals, not dollars) from pension plans were not redeposited into another retirement savings plan. 79% of all the dollars distributed from pensions were redeposited in a pension savings plan.

Overall, affluent people with large pensions tended to redeposit their pension funds; lower-income people with smaller pensions often withdrew pension funds for consumption.

Put another way, 95% of the distributions over $100,000 were redeposited into a new pension savings plan.

Only 20% of the distributions under $2,500 were redeposited into a new pension savings plan.

In addition to size of the pension, age and sex are factors in whether pensions will be reserved for retirement needs: young workers and women tend to withdraw all their pension funds more often than other workers.

A recent General Accounting Office (GAO) report studies the implications for women in particular, should the United States move toward a privatized retirement system. The report points out that women's Social Security benefits are lower than men's benefits, due to their lower earning levels.

Proponents of privatization argue that individuals might take on more risk in the management of individual accounts to achieve a higher rate of return. But privatization could exacerbate the gender differences now found in retirement income for men and women.

Men's pensions funds, on average, are twice the size of women's pension funds.

Women make more conservative investments than men when they direct their retirement savings investments themselves, according to GAO and other economic studies.

The GAO found that women ages 51 to 61 had a lower percentage of their total assets in stocks, mutual funds, and investment trusts than men did. These assets are riskier, but have higher yields than others, such as certificates of deposits, savings accounts, or government bonds. With very conservative investments, the investment return may not be adequate to see many women through their retirement years.

Before we enter down the path of privatization, we should be mindful the current savings rates and practices of Americans. We should not assume that voluntary private savings will ever replace the benefits of Social Security.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I yield back the remainder of our time.

Mr. BUNNING. Mr. Speaker, I yield back the balance of my time and call for the previous question.

The SPEAKER pro tempore. Pursuant to House Resolution 410, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. SNOWBARGER). Is the gentleman opposed to the bill?

Mr. POMEROY. Mr. Speaker, I do oppose the bill in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POMEROY moves to recommit the bill H.R. 3546 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Add at the end the following:

TITLE III—SAVE SOCIAL SECURITY FIRST

SEC. 301. SAVING THE UNIFIED BUDGET SURPLUS UNTIL COMPREHENSIVE ACTION HAS BEEN UNDERTAKEN TO SAVE SOCIAL SECURITY.

The unified budget surplus should be reserved until—

(1) the Congress has undertaken comprehensive action to save social security for current and future generations, and

(2) the Bipartisan Panel to Design Long-Range Social Security Reform has reported its recommendations.

SEC. 302. EFFECTIVE DATE.

The provisions of this title shall be effective through March 31, 1999.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes in support of his motion.

Mr. POMEROY. Mr. Speaker, I yield to the gentlewoman from Connecticut (Mrs. KENNELLY), who has been such a strong and constant leader on Social Security.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I support this motion to recommit because it says in no uncertain terms we intend to save Social Security first. By that I mean we intend to save the budget surplus for protecting Social Security's long-term solvency.

The bill before us has a statement that begins in that direction but leaves some room for doubt. This motion makes clear that we should act to maintain Social Security solvency before we establish any new programs, including private retirement accounts.

I should not have to remind my colleagues that two-thirds of retired Americans count on Social Security for more than one-half their income. This is a system that has worked. It will continue to work if we dedicate ourselves to that purpose. Again, let us keep the old promises before we make any new ones.

Mr. POMEROY. Mr. Speaker, this commission by its very design is about analysis and discussion now, leading to legislative action later, hopefully in 1999. Now, the motion to recommit will put present meaning to a bill that is otherwise merely about future action. Let us agree, and let us agree across this partisan aisle that today we make the commitment jointly that the surplus will be preserved for Social Security.

What a wonderful opportunity this surplus presents to us to show the country how seriously we hold Social Security and our resolve to do something meaningful for the long-term security of this vital program. Protect the surplus. Dedicate the surplus. Hold the surplus for Social Security.

Let us face it, the great majority of us in this body have never seen a surplus. The first one we have had since 1969 and, oh, the things we would love to do with it, the investments we would like to make in highways and other things, the tax cuts, the many ways we could devote this surplus. Some would even like to begin to move to individual accounts on Social Security this year with the surplus. But let us forestall those plans.

In direct accord with the bill introduced by Chairman BUNNING and cosponsored by seven Republican Members, this motion to recommit takes the Archer bill and makes only one change to it, an addition; that addition, committing this Congress to holding the surplus for the future of Social Security.

I do not think there is a more important step we can take, in addition to what the bill of the gentleman from Texas represents, than to add to that bill what this motion would achieve, and that is the commitment right here, right now that the surplus will be held for Social Security.

It was only 3 months ago when the President challenged us from that pulpit, save Social Security first. This is our first opportunity in this forum to cast a vote on that commitment, save Social Security first.

Mr. Speaker, this is not a partisan issue. This is an issue of commitment and accord between this body and the American people. We will address Social Security. We will address Social Security in a bipartisan and responsible way to preserve it through the 21st Century. But let us begin today by committing that surplus to this.

The SPEAKER pro tempore. Is the gentleman from Kentucky opposed to the motion?

Mr. BUNNING. Yes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. BUNNING) is recognized for 5 minutes.

Mr. BUNNING. Mr. Speaker, I would like to ask the gentleman from North Dakota if he has looked at H.R. 3351. It was a bill that I put in in March. It is a bill that does exactly what the gentleman's motion to recommit does, only it does it separately from this commission bill. It walls off any surplus that we get in the year 1998 and says that none of this money can be recycled out in debt, and all of it is dedicated to when we have a settlement in the Social Security system.

We debated this issue at length in the Committee on Ways and Means. We worked very hard to get a consensus on language that is in the bill in section 206 of the report language. And it says a Sense of The Congress: It is the sense of Congress that, pending the report of the panel under subsection (a), which is the panel the gentleman spoke about, the Federal unified budget surplus should be dedicated to reducing the Federal debt by the public, which is what my bill would do, increasing the retirement income security of individuals and ensuring the solvency of the Social Security system.

It is my contention that the gentleman's motion is unnecessary and duplicates language already in the bill. We think that it is totally appropriate that the agreement that was reached in the Committee on Ways and Means and is in the language of the bill should be voted on without consideration of the gentleman's motion to recommit.

Mr. Speaker, I yield to the gentleman from North Dakota (Mr. POMEROY) for a question.

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding. I want to tell the gentleman that I have been relieved to have a leader of his stature and with his jurisdiction on Social Security advocating capturing the surplus for Social Security and exclusively for Social Security as he has done and does in his legislation.

I therefore believe that we might be in accord on this motion to recommit, which essentially takes the gentleman's legislation and would enact it today. If I had a bill and the gentleman had a motion to recommit that essentially passed my bill today, I would probably think that was a good thing.

Mr. BUNNING. We already debated this in the Committee on Ways and Means, and the bill that we passed out has consensus language that has three issues involved. One is to reduce the debt held by the public, which my bill would definitely touch upon. The other is increasing the retirement income of individuals, which is what we want to do with the salvage of Social Security. The other was to ensure the solvency of the Social Security system, which is exactly why we have formed the commission.

Mr. POMEROY. Mr. Speaker, will the gentleman continue to yield?

Mr. BUNNING. I am glad to yield to the gentleman from North Dakota.

Mr. POMEROY. Mr. Speaker, those provisions do not begin to have the clarity the motion to recommit offers. While the gentleman does talk about some consensus effort within the committee, in fact there was a protracted debate in the committee and a voice vote where there was a clear divide against including language that spelled out surplus——

Mr. BUNNING. Mr. Speaker, I would like to reclaim my time and be able to close at least.

I sincerely believe that this is a totally unnecessary and duplicative motion to recommit. I urge defeat of the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. POMEROY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered,

will be taken on the question of passage.

The vote was taken by electronic device, and there were—yeas 197, nays 223, not voting 12, as follows:

[Roll No. 115]

YEAS—197

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NAYS—223

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barrett (NE)
Bartlett
Barton
Bass
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—12

Barr
Bateman
Brown (CA)
DeLauro
Dixon
Gephardt
Gonzalez
Meek (FL)
Sandlin
Schumer
Smith (OR)
Wise

□ 1835

Mr. BOEHNER and Mr. HOEKSTRA changed their vote from "yea" to "nay."

Mr. HOYER changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SNOWBARGER). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BUNNING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 413, nays 8, not voting 11, as follows:

[Roll No. 116]

YEAS—413

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey

Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—8

Conyers
Frank (MA)
Kucinich
Martinez
Nadler
Oberstar
Paul
Sanders

NOT VOTING—11

Barr
Bateman
Brown (CA)
Dixon
Gephardt
Gonzalez
Meek (FL)
Sandlin
Schumer
Smith (OR)
Wise

□ 1848

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. WISE. Mr. Speaker, because I was picking my children up from school I was unable to get back to the capitol to vote on H.R. 3546, the National Dialogue on Social Security Act.

I ask that the RECORD reflect that had I been here I would have supported the motion to recommit. I also ask that the RECORD reflect that had I been here I would have supported final passage of this measure and voted "aye."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3605

Mr. BASS. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 3605.

The SPEAKER pro tempore (Mr. SNOWBARGER). Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3605

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 3605.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON BANKING AND FINANCIAL SERVICES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Banking and Financial Services:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 29, 1998.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives.

DEAR MR. SPEAKER: I am writing to inform you that I am resigning from the Committee on Banking and Financial Services.

Sincerely,

ESTEBAN E. TORRES,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBER TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FAZIO of California. Mr. Speaker, at the direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 412) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 412

Resolved, That the following named Member be, and is hereby, elected to the following standing committees of the House of Representatives:

To the Committee on Banking and Financial Services: BARBARA LEE of California.

To the Committee on Science: BARBARA LEE of California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 1502, DISTRICT OF COLUMBIA STUDENT OPPORTUNITY SCHOLARSHIP ACT OF 1997

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 105–501) on the resolution (H. Res. 413) providing for consideration of the Senate bill (S. 1502) entitled the "District of Columbia Student Opportunity Scholarship Act of 1997", which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 105–502) on the resolution (H. Res. 414) waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

HIGHER EDUCATION AMENDMENTS OF 1998

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 411 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 411

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill, modified by the amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered by title rather than by section. Each title shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. Before consideration of any other amendment it shall be in order to consider the amendment printed in part 2 of the report of the Committee on Rules, if offered by Representative Goodling or his designee. That amendment shall be considered as read, shall be debatable for 20 minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against that amendment are waived. If that amendment is adopted, the provisions of the amendment in the nature of a substitute as then perfected shall be considered as original text for the purpose of further amendment. No other amendment to the amendment in the nature

of a substitute shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Printed amendments shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business: *Provided*, That the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute ultimately considered as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, H.Res. 411 is a modified open rule waiving all points of order against consideration of the bill. The bill provides 1 hour of general debate to be divided equally between the chairman and ranking minority member of the Committee on Education and the Workforce.

The rule also provides that the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill, as modified by the amendments printed in part 1 of the report of the Committee on Rules, shall be considered as an original bill for the purpose of amendment.

Furthermore, Mr. Speaker, the rule provides that the amendment in the nature of a substitute shall be considered by title and that each title shall be considered as read. All points of order are waived against the amendment in the nature of a substitute.

The rule provides that before consideration of any other amendment, it shall be in order to consider the manager's amendment printed in part 2 of the report of the Committee on Rules, if offered by the gentleman from Pennsylvania (Mr. GOODLING) or his designee.

All points of order against that amendment are also waived, it shall be considered as read, and shall be debatable for 20 minutes equally divided and controlled by the proponent and an opponent. It shall not be subject to amendment and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

If that amendment is adopted, the provisions of that amendment in the nature of a substitute as then perfected shall be considered as original text for the purpose of further amendment.

Mr. Speaker, H.Res. 411 provides that no other amendment to the amendment in the nature of a substitute shall be in order except those printed in the CONGRESSIONAL RECORD.

The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce votes to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, H.R. 6, the Higher Education Amendments of 1998, reauthorizes existing programs that provide Federal aid to students. It is designed to help to make college more affordable, simplify the student aid system and improve academic quality. Most importantly, Mr. Speaker, this legislation will ensure that all Americans wishing to pursue a higher education will continue to have that opportunity.

First and foremost, H.R. 6 safeguards the student loan program by ensuring that student loans will remain available for all students and that students will receive the lowest interest rates in 17 years.

Moreover, once this bill is enacted into law, deserving students from disadvantaged backgrounds will have more Federal support to attend college than ever before. H.R. 6 improves campus-based aid programs such as Work Study, Supplemental Educational Opportunity Grants, and Perkins Loans. It also expands flexibility in the Pell Grant program that provides vouchers to needy students, by permitting a larger portion of the grant to be used for purposes other than tuition, such as child care for parents attending classes.

Mr. Speaker, encouraging students and their parents to work and save for educational expenses is a priority in this Congress. Accordingly, H.R. 6 increases the amount of income students may earn before it impacts their eligibility for financial aid. The bill also exempts veterans' benefits from being counted against students when they apply for financial aid.

Incredibly, Mr. Speaker, the current financial aid formula treats the assets of students and their parents differently and separately, as though they are not part of the same family. H.R. 6 changes this provision by combining the assets of the student and his or her parents when calculating the total ability of the family to contribute towards college expenses.

Finally, this legislation contains a number of administrative changes designed to streamline aid to education and eliminate bureaucratic red tape. In that regard, H.R. 6 can truly be described as a good deal for taxpayers as well as a good deal for students.

I commend the Committee on Education and the Workforce, and in particular the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from California (Mr. MCKEON), the gentleman from Missouri (Mr. CLAY) and the gentleman from Michigan (Mr. KILDEE) for their efforts in bringing this important legislation to the floor. The rule before the House today is designed to provide full and fair consideration of the committee's work product, while limiting the opportunity for Members desiring merely to score political points with this bipartisan legislation.

Mr. Speaker, the quality of our higher education system in the United States has long been the envy of the entire world. At the same time, access to higher education for all deserving young people has been one of the driving forces behind two centuries of innovation and economic growth.

I urge my colleagues to continue this tradition by putting America's students and their education first and adopting both this rule and H.R. 6, the Higher Education Amendments of 1998.

Mr. Speaker, I reserve the balance of my time.

□ 1900

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank my colleague from Washington (Mr. HASTINGS) for yielding me the time.

This is a modified open rule. It will allow debate on H.R. 6, which is the Higher Education Amendment of 1998. As my colleague has described, this rule provides 1 hour of general debate to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Education and the Workforce.

The rule makes in order only those amendments that have been preprinted in the CONGRESSIONAL RECORD. These amendments will be permitted under the 5-minute rule, the normal amending process in the House. The rule does permit germane amendments to those preprinted amendments.

The bill continues and revises Federal student loans, Pell grants and other higher education programs. Federal grants, loans and college work study awards have made the dream of higher education a reality for millions of young people. These programs are essential to bring the opportunity for higher education to all Americans. This bill makes a number of important changes to the programs intended to make college affordable, simplify the student aid system and promote academic quality.

Mr. Speaker, It is a bipartisan bill. It has strong support from both sides of the aisle. The Committee on Education and the Workforce reported the bill with all Democrats who were present supporting it.

During testimony last night before the Committee on Rules, the gentleman from Missouri (Mr. CLAY) the ranking minority member of the committee, and the gentleman from Michigan (Mr. KILDEE) the ranking minority member of the subcommittee, requested a full and open rule. The Committee on Rules denied the request, instead requiring all floor amendments to be preprinted in the CONGRESSIONAL RECORD. Even though the minority's request was not fully granted, the rule will provide opportunity for Members to amend the bill on the House floor. Moreover, the bill is the result of a bipartisan process.

Mr. Speaker, the Committee on Rules approved this modified open rule by a voice vote, and I would urge adoption of the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I rise in support of the rule and for the underlying bill, H.R. 6, which this rule brings to the floor, the Higher Education Amendments of 1998.

I especially want to thank my good friend, the gentleman from Washington (Mr. HASTINGS) for yielding me this time; and also I would like to thank the chairman, the gentleman from Pennsylvania (Mr. GOODLING) for including provisions in the bill in H.R. 6 which are similar to my bill, H.R. 715, the Accuracy in Campus Crime Reporting Act.

I would briefly like to discuss H.R. 715, much of which has been incorporated into H.R. 6.

This legislation, H.R. 715, currently has 71 cosponsors almost equally split between both parties. H.R. 715 is a genuinely bipartisan bill. No college or university that has a safe campus should have any problems with the campus security provisions in H.R. 6, but for those institutions that do have crime problems, students and their parents should have a right to know about these dangers before they enroll.

I became concerned about this issue after meeting with several families whose children had been murdered on college campuses. These families never dreamed that they should have to worry about the physical safety of their children on college campuses.

The issue of campus crime last attracted the interest of many in the national media in the past year. Both CBS and ABC have devoted extensive time to this problem. Several leading publications have also covered this story. In fact, both the New Republic and USA Today have favorably written about my legislation, H.R. 715.

After reading many of these articles and hearing these reports, it became painfully obvious to me that many colleges are doing a poor job in giving students and their parents an accurate picture of the dangers that lurk on some college campuses.

On February 9, USA Today strongly endorsed H.R. 715 by stating, quote, in 1990, Congress passed a law requiring colleges to collect annual campus crime statistics, but the Education Department blocked the law's full implementation by threatening to withhold Federal funds from colleges opening their police logs.

USA Today then hit the nail on the head by concluding, quote, it is a sad state of affairs when an act of Congress is necessary for the Education Department to protect student safety.

I think, Mr. Speaker, that most of us look fondly on our college days, from the appealing image of ivy-lined brick buildings, the excitement of interacting with professors and, of course, making new friends who last for a lifetime. At least, that is what my colleagues and I probably remember.

However, in the 1990s, unfortunately, the reality is far different. On many campuses, rapes, robberies and even murders are becoming far too common. Students now have reason to fear for their safety on some campuses.

Mr. Speaker, I am very pleased that H.R. 6 contains campus security provisions that are modeled on H.R. 715. The campus security provisions of H.R. 6 require colleges and universities to maintain a daily log of all crimes committed and make those logs available for public inspection within 48 hours.

Many States already require colleges and universities to make their police logs public. These provisions in H.R. 6 are a matter of fairness to those institutions which are making good-faith efforts to inform the public of the dangers on their campuses. The need for accurate police logs is crucial so that accurate crime statistics can be compiled. The public must be able to make informed decisions about where to attend college.

While I would have liked to have seen more provisions from H.R. 715 included in H.R. 6, I believe that the provisions that are included will go a long way in improving the public's awareness of the dangers that, unfortunately, lurk on some of our college campuses. I appreciate the cooperation of the gentleman from Pennsylvania (Mr. GOODLING) in this regard, and I urge support for H.R. 6.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I support student loans, and I support the kind of compromise that has been reached in this bill, but as the ranking democrat on the Committee on the Budget I have to raise concerns about this bill because I do not think it complies with the Budget Act, and I think those concerns should be expressed.

For the first time in 30 years, we have got a balanced budget this year, and we have got a balanced budget in part because of disciplines and budget process changes we made in the Budget Summit Agreement of 1990, the Omnibus Budget Reconciliation Act of 1993 and the Balanced Budget Act last year, 1997.

One of those rules which we established in 1990 and have carried forward in each of those years was the so-called pay-go rule, which simply provides that any time anyone wants to liberalize or add to an entitlement the cost of it must be paid for either by identifying a revenue stream to pay for it or by reducing an entitlement somewhere else in the budget.

When the rule was read, the gentleman noted that all points of order are raised. The reason all points of order have to be raised as to the Budget Act is that this particular bill increases direct spending for student loans by $2.8 billion, according to the Office of Management and Budget, over and above what was provided in the balanced budget agreement last year.

In effect, what we have done here is lower the rates the students will pay, and that is good, I am for that, and raise to some extent what the banks will realize for these loans. We have increased the spread over and above what was anticipated for the next 5 years, and the cost is $2.8 billion, according to OMB.

Now what does this mean? We have waived points of order. The bill cannot be withheld. I know the calamity it would cause if it were withheld because students are making decisions about how they will pay for college right now.

But what this means is that we will have an entry on something called the pay-go score card. There is about $700 million in scored offsets to this bill so the entry will be $2.8 billion minus $700 million equals $2.1 billion. And if as of September 30 of this year we have not cleared that from the score card, it will trigger sequestration. It will mean across-the-board cuts in a host of programs, including educational programs, voc rehab. Ironically, it will increase student loan origination fees.

Now I am not criticizing the group here that put this together. I am criticizing the way the House is run. We should have had well before now a budget resolution. We have a process by which these decisions are not made one by one, piecemeal. They are made in a comprehensive context where we have to identify the offsets, identify

the tradeoffs. When we want to increase one thing, we have got to decrease something else. We have not done that.

The most egregious violation of it was the BESTEA bill, the transportation bill that we had on the floor just a few weeks ago. That particular bill will increase spending by $35 billion over and above what we provided in the BBA. This is just another illustration of what happens when we do not have a budget agreement, when we do not have a budget resolution.

The proper procedure would be to send this bill back to the committee and require maybe not this group but some group to identify the offsets better than the offsets that have been identified here. I know that is not going to happen.

When the bill comes up, I am going to vote for it myself. But I could not let the bill come to the floor, could not let it be considered in this manner, could not let this routine incantation that all points of order are waived be made without raising the concern of the Committee on the Budget, my own personal concern that we are deviating from the disciplines that have brought us to a balanced budget for the first time in 30 years, and we are going to have a real pileup in September unless we get under way with the budget resolution in the process that we duly adopted.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. GOODLING) the chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding the time to me.

First, I would like to say that I wish the previous speaker would have been sitting on our committee when we were marking up. I sure could have used him. Because we had amendment after amendment after amendment, and every time I asked where is the offset, they said there was not any. Now, fortunately, we were able to defeat them in a bipartisan way, but, otherwise, we had a serious problem.

I think it is important to point out that we have asked the lending institutions to reduce yields by 30 basis points that they would normally expect to receive, so it is not a situation where somebody came and gave them more. We asked them to reduce yields by 30 points, and we did that to bring about an agreement with the students. And for the gentleman from California (Mr. MCKEON) and the gentleman from Michigan (Mr. KILDEE) I will not be so informal. They worked for a year and a half to bring about this agreement between the students and the lending institutions.

The scoring has been a problem. There is no question about it. At one point, they were told that we have about $4 billion to $6 billion in savings. We were really swimming in good water. We had all sorts of money to spend. Next time they scored it, they used a different scoring method, and all of a sudden we are a billion dollars short.

I would also tell the previous gentleman we have come up with at least half of that, and I believe that the Committee on the Budget is able to come up with the other half.

So, again, it has been a very difficult thing, but we know that we must have it on the President's desk by May 15, unless my colleagues want to have total, a total disaster. We will have parents, we will have students, we will have schools sitting out there wondering are their loans? When will we find out?

So we just positively have to move the legislation, and I cannot give the two Congressmen I mentioned enough credit for the amount of hours that they have spent and the staffs have spent to bring together the students and the lending institutions.

Above all, the students do not want to see their opportunity taken away from them simply because we in the Congress cannot come up with an agreement that will save the private sector as far as their ability to provide 70 percent of all Federal student loans. So I would hope that we can eliminate an awful lot of the amendments that are coming up because that could really drive us up the wall and then we will really have a scoring problem and, at the same time, get this legislation to the President quickly.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding this time to me, my friend from Ohio.

Mr. Speaker, I rise today in support of this rule and in support of this bill. However, I must say that I share the views of the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget. I think his concerns are absolutely accurate; but, like him, I will vote for this bill and hope that we can work out some of the problems as it goes through.

I am pleased that the committee was able to work together in a bipartisan fashion to draft this bill. However, Mr. Speaker, I am extremely concerned that the authorization for the National Board for Professional Teaching Standards was eliminated during markup of the bill.

□ 1915

I have talked to some of the staff of the committee on our side, and that was not our intent, and my understanding is we are not supportive of that, although it is a small component of a large bill.

As education is one of our Nation's highest priorities, Mr. Speaker, we need to focus on improving the quality of the teachers in our schools. National board certification is, in my opinion, an important way to achieve this goal. Both the President and a bipartisan group of our Nation's Governors support the good work that the national board is doing to improve the quality of our teachers.

Recently, Mr. Speaker, the Maryland Legislature passed a bill creating a pilot program to encourage up to 45 teachers to seek national board certification. In the city of Bowie, Maryland, just down the road, the City Council approved a $20,000 set-aside in its 1997–1998 budget for initiatives to enhance the teaching skills and instructional environment in Bowie schools, including national board certification.

Mr. Speaker, as President Clinton said last Friday, and I quote, now is no time to walk away from our commitment to public education. The National Board for Professional Teaching Standards, the President said, should not be a partisan issue, it should not be an ideological issue, it ought to be purely and simply what we can do to help you do what is best for our children and their future, close quote.

Mr. Speaker, as I said, I will support this bill, but I am very, very hopeful that the National Board for Professional Teaching Standards is included in the Senate bill and will be included in the conference. I will be talking to my good friend, the gentleman from Missouri (Mr. CLAY), the chairman-in-exile of this committee, and the gentleman from Pennsylvania (Mr. GOODLING), chairman of this committee, in working toward that end.

I think this is a critical component of our overall effort to upgrade the status of teaching, and, therefore, the quality of education in our schools. I would hope that we could come to an agreement between the two bodies on this, and I look forward to working toward that end.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in support of this rule. It is obviously a very fair rule because I am allowed to offer an amendment later on, so I am pleased to be able to vote for this rule. I have an amendment that I am going to offer in Title I which will be designated so that the Social Security number cannot be used for the electronic personal identifier for any of the programs in this educational bill.

The American people have become very worried about how often the Social Security number is being used as a national identification number, and we are working quickly toward a time where we have a national identification

card. We certainly have abused the Social Security number as being the number. It was never intended that way. That is not what was intended when the Social Security was started that this number would be a universal number for everything.

In 1974, it was stated rather explicitly that the Social Security number should not be used for programs like this, and I would like to just quote the Privacy Act of 1974: "It shall be unlawful for any Federal, State or local government agency to deny any individual any right, benefit or privilege provided by law because of such individual's refusal to disclose his Social Security number."

I think this is a good idea, because today we are very much aware of the fact that if a company, if a loaning company, or if one is going into a store to buy something, and they get one's name and one's Social Security number, one knows that they can call up more information about somebody than they know about themselves. I think this is a serious threat to the privacy of every American citizen, and we should be cautious about using the Social Security number. It is being used all the time.

Mr. Speaker, prior to coming to this Congress, I was an obstetrician delivering babies, and babies cannot leave the hospital these days without a Social Security number. So they are born, get a Social Security number, they do not leave the hospital without it, and do my colleagues know that one cannot have a death certificate without a Social Security number? They are everyplace. It is an intrusion on our privacy. We do not need to use a Social Security number.

When I was in the Air Force, we used to have an identification number, but now, today, it is the Social Security number. Not too many years ago a law was passed here in the Congress that mandates that each State licensing agent for our automobile says that one has to have a Social Security number. So now they will be cross-checking with Social Security number and all of our driver's license numbers.

We are losing our privacy in this country. The American people know it. We do not need this number to be used in this program for it to be successful, and we should move very cautiously, and I hope I can get support for this amendment so that we do not use the Social Security number as the electronic personal identifier.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise to offer my strong support for this rule and the bipartisan amendments to the Higher Education Act. Education is society's great equalizer. It enables Americans to participate in democracy and pursue the American dream.

We all recognize that a college education is as necessary today as a high school education was just a generation ago. In 1982, a worker with a college degree earned 40 percent more than a worker without one. Today, college graduates earn 75 percent more.

A recent national survey showed that 9 in 10 Americans believe every interested qualified student should have the opportunity to attend college. My colleagues, that is a clear mandate for a strong higher education bill, and I believe such a measure is before us today.

Just briefly, it increases Pell Grants by 50 percent next year and provides additional increases in the future. It preserves the Perkins Loan, the State Student Incentive Grant, the Supplemental Education Opportunity Grant programs, all important sources of financial aid. It will encourage more disadvantaged students to pursue higher education by strengthening TRIO, continuing my National Early Intervention Scholarships, and establishing a new High Hopes program that will work with low-income middle schools and community organizations.

The new campus-based child care program will help young mothers attend college and become self-sufficient. The new loan forgiveness program will help fill America's growing need for qualified teachers. The bill will also help make college campuses safer and provide students and their families with the information they need and deserve about crime on campus.

Of course, this bill is not perfect. It ends Federal support for the fine work of the National Board of Professional Teaching Standards and fails to include, as the Senate bill does, a Fair Play Act to encourage colleges to satisfy the interests and needs of young female athletes.

However, despite some deficiencies, this is a strong bipartisan bill, and I urge my colleagues to support it.

Mr. HASTINGS of Washington. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Washington (Mr. HASTINGS) has 14½ minutes, and the gentleman from Ohio (Mr. HALL) has 18½ minutes.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of this rule and the bill H.R. 6, the Higher Education Amendments. First I would like to thank the gentleman from New York (Mr. SOLOMON), chairman of the Committee on Rules, for his help in crafting this rule. Through his efforts and those on the committee, we have been able to bring this bill to the floor in a timely and expeditious manner. He definitely will be missed when he retires.

This rule will govern floor consideration of H.R. 6, which is one of the most important education bills that this Congress will consider this year. As many of my colleagues know, we are facing a July 1 deadline that creates a crisis in the student loan program. H.R. 6 contains a bipartisan compromise that fixes the problem, maintains the viability of the private loan program, and provides students with the lowest interest rate in 17 years.

So through the swift adoption of this rule and passage of H.R. 6, we will move one step closer to meeting that deadline. Therefore, I urge all of my colleagues to support the rule and vote in favor of H.R. 6, the Higher Education Amendments of 1998.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Speaker, I thank my friend from Ohio for yielding me this time.

I rise in support of the rule on H.R. 6. I know that many of the members of this committee have worked hard on producing a bill which will increase the affordability for our institutions of higher education and advance social mobility in our country. As a retired educator and higher education administrator, we know that institutions of higher education advance knowledge, provide community service, and serve as the basis for social and economic mobility for millions of our young people who come from backgrounds with few social advantages and economic resources.

Higher education institutions in our country are marked by their capacity to provide this opportunity which is vastly different than institutions in other countries. Higher education is the strength of our society and the engine of progress and opportunity, and this bill, as written, continues and ratifies this understanding of postsecondary institutions and deserves our support.

Mr. Speaker, I would like to draw attention to the especially unique provisions that it has on Hispanic-serving institutions and the work of the gentleman from Texas (Mr. HINOJOSA) in that regard. I would also like to draw attention to a provision which allows higher education institutions in the territories to compete for grants with a little bit more flexibility. I would like to really draw attention to the fact that it is making higher education affordable for millions of young people around the country, and the increase in Pell Grants. I know there is a problem with the Pell Grant provision, and I have spoken with the leadership on this issue.

The bill, as currently written, says that students from the Micronesian Islands, the Republic of the Marshall Islands, and the Republic of Palau and the Federated States of Micronesia are not eligible for Pell Grants except if they go to institutions in those areas and Guam only. I feel very strongly that this is a violation of the compacts of free association and will attempt to limit educational opportunities for these people.

The FAS territories of the Pacific islands was an American-administered area of the Pacific under which some compacts were arranged in order to help to facilitate the growth of these areas, and for one reason or another, H.R. 6 does not take this into account. I trust that we can work towards a version of the bill on this particular provision which will restore the benefits of Pell Grants for the Micronesian students not only in Guam, and not only on their own home islands, but throughout the 50 States.

Again, Mr. Speaker, this bill deserves our support. It is a good bill, and it is a bill that is the work of very strong bipartisan support and a good and healthy understanding of the role of postsecondary institutions in our society.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of both the rule and the bill. I think this bill is one of the most significant bills that we will probably pass in this Congress, and these are the issues that count with the American people, without a doubt.

To be competitive in the global economy, we need to provide our youth with the means to better their education. This is the essence of the American dream.

Now, I know that there are going to be amendments during this process, and I do believe that there will be constructive colloquies and constructive dialogue and debates on those amendments, but this bill is fundamentally a very strong bill.

I do want to point out that one of the issues that has been questioned is the resolution here of the potential crisis of the interest rate issue on this bill. The proposal in this legislation, I believe, is the best that we could have come up with, and it will help students while saving the program for higher education through the private banking system.

Now, I am one of the longtime members of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, but I have another hat. I am the chairwoman of the Subcommittee on Financial Institutions and Consumer Credit, and perhaps from that point of view I understand both sides of this issue.

This legislative fix, so to speak, is necessary, absolutely necessary, not only to protect the loans for the students at reasonable low interest rates, but also to ensure that the banks will not be forced to leave the market.

□ 1930

I think this is the best possible compromise that we could have reached. It works for the students and their families and it works for the private sector, the banks who provide the loans at low interest rates.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me this time.

Mr. Speaker, I rise in support of the rule, and at a time when the people who cover politics are obsessed with what is scandalous and divisive, we have before us tonight something that is solid and unifying.

Mr. Speaker, I want to commend the leaders of our committee, the gentleman from Pennsylvania (Chairman GOODLING), the gentleman from California (Chairman MCKEON), the gentleman from Missouri (Mr. CLAY) and the gentleman from Michigan (Mr. KILDEE) for all the time and effort they have put into this bill and all the very fine work that they have done.

I also want to commend the Committee on Rules for putting before us a rule that lets anyone with any idea have the right to come to the floor and express his or her idea. That is why I support the rule.

Mr. Speaker, I do want to associate myself, however, with the remarks of the gentleman from South Carolina (Mr. SPRATT), the ranking Democratic member of the Committee on the Budget, with respect to the cost and payment mechanism for the interest rate compromise that has been referred to earlier.

First of all, we do not really know what the cost is. We have an estimate from the Office of Management and Budget that tells us it will be net in excess of $2 billion. We have another estimate from the Congressional Budget Office which tells us that even with the offsets that have been identified, it is in the neighborhood of half a billion dollars.

It is a very serious consideration that we are moving forward on this bill without identifying where the money is going to come from. It is sort of the-check-is-in-the-mail theory of budgeting that got us into this mess in the first place.

I agree with those who say that we should move forward this evening, and I will vote with them to do so. But I also want to sound a note of caution that as we move this bill out of the House of Representatives and into the conference committee, I think it is imperative that we lay before the Members of this body and our constituents, the American people, the specifics of how much this compromise will cost the taxpayers and where the money is going to come from to pay for it.

I believe it would be a disaster to fatten the profits of the banking industry at the expense of other student aid programs or other mandatory programs. We should be watching that as the time goes on.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no more speakers. I would urge a "yes" vote on the rule, and I will not be calling for a vote. I think it is a good bipartisan rule, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I want to urge my colleagues to support this rule, and the underlying bill. This is clearly a product that is bipartisan in nature and that is something I think we can be proud of.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 411 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6.

□ 1934

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes, with Mr. GUTKNECHT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise today in support of H.R. 6, the Higher Education Amendments of 1998. Considering H.R. 6 today, the House will complete a bipartisan process that began in the subcommittee chaired by the gentleman from California (Mr. MCKEON) well over a year ago.

This legislation will benefit millions of students across the country in their pursuit of a higher education. The bill will improve programs such as Work-Study, Pell grant, TRIO, and student loans that help millions of students pay for college.

We will do a number of important things here today. However, none may be as important as our efforts to keep student loans available for all students. As all of my colleagues know, we have been struggling for the past year with the student loan interest rate issue that is the direct result of the Student Loan Reform Act of 1993. That act changed the index for establishing interest rates on these loans.

Prior to the Student Loan Reform Act, interest rates had always been tied to 91-day Treasury bills. However, as part of the changes associated with the creation of the Federal Direct Student Loan program, the index for establishing interest rates changed to one based on the 10-year Treasury bond. This scheduled rate change is serious and has the potential to disrupt the Federal Family Education Loan Program which provides nearly 70 percent of this country's Federal student loans.

As a parent I am keenly aware of the burden being placed on our youth by student loan debt. I am personally committed to ensuring that the interest rate on Federal student loans is kept as low as possible. However, I also realize that there is a point at which the lenders will get out of the program. That point is reached when their return on making these loans falls short of the return they could make by investing elsewhere.

Under the bill we are considering today, students will receive historically low interest rates, the lowest in 17 years. The rates students pay on new loans will drop from the current rate of 8.25 down to 7.43 during the repayment period. At the same time, the amount the lenders are paid will be reduced by 30 basis points which will, I believe, ensure uninterrupted access to private capital for our Nation's students.

The chairman of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, the gentleman from California (Mr. MCKEON) and the ranking member of that subcommittee, the gentleman from Michigan (Mr. KILDEE) have worked very hard to find a solution to the crisis. That solution is contained in this legislation.

Throughout this difficult process, the gentleman from California (Chairman MCKEON) and the gentleman from Michigan (Mr. KILDEE) never forgot the interests of the students. They never gave up when negotiations broke down. I know that the ranking member of the committee, the gentleman from Missouri (Mr. CLAY) and the rest of the members of the committee are grateful for their efforts in resolving the issue.

Mr. Chairman, I especially want to thank the Speaker of the House, the gentleman from Georgia (Mr. GINGRICH), the gentleman from Texas (Mr. ARMEY), the majority leader, as well as the gentleman from Ohio (Mr. KASICH) chairman of the Committee on the Budget. Without their help, this solution would not have been possible. All three contributed to ensuring that we could pay for this provision which is now budget neutral without passing any of the costs on to students.

Many in the higher education community support the proposal and have joined me in praising the gentleman from California (Chairman MCKEON) and the gentleman from Michigan (Mr. KILDEE) for their leadership. The major student groups have described the proposal as, and I quote, "A realistic, fair, and even-handed compromise that protects students' need for lower borrower rates." The American Council on Education and 10 other major higher education groups representing over 3,600 colleges and universities praised the fact that the proposal "ensures the continued availability of capital in the guaranteed student loan program."

Mr. Chairman, for the people back home, I hope they would notice that I am not quoting anything that the lending institutions or the lending organizations have had to say about this. Obviously, they are not nearly as pleased.

I continue to welcome the help of everyone who is willing to work in good faith to get the problem solved. I thank those who have already shown a willingness to seek common ground in order to ensure that student loans remain both inexpensive and available.

But, Mr. Chairman, I am sorry to say that despite the bipartisan example set by the leaders on both sides of this committee, there are those who would continue to play politics with this issue. A high-ranking official at the Department of Education recently put out a press release about our bipartisan solution stressing that it recognizes the "need to protect students from banks."

Now, if there is anything that students need to be protected from, it is the high cost of getting an education and the quality of service they get from the bureaucracy at the Department. This bill scores high on both counts: It helps make college more affordable and it simplifies the student aid delivery system.

The committee is proud of the accomplishments made to date in making college affordable for all students. Since we have been in charge, for example, Pell grants and College Work-Study are funded at all-time highs, while provisions in the Taxpayer Relief Act created education IRAs and other tax credits to help low- and middle-income students obtain a postsecondary education. The legislation we are considering today will build on these important achievements by continuing the important programs that serve students well and by reforming burdensome requirements to best meet the needs of students, families, and colleges across the country.

Mr. Chairman, I do want to caution all of my colleagues to please be very, very careful about their ambition to add all sorts of things to this legislation, because they could kill the wonderful work that the subcommittee and then eventually the full committee has done.

Mr. Chairman, we have also made significant changes to the current need analysis formula in order to address concerns raised by many students and families about the need to encourage students to work and save for their education. The bill increases the amount of money that students may earn before it impacts their eligibility for financial aid. By doing this, we are encouraging students to work and save for college.

It also combines the assets of a student and his or her parents when calculating the ability of the family to contribute towards college. The current formula treats the assets of parents and students differently and separately as though they are not part of the same family. We are changing this provisions so the formula truly considers the ability of the family to pay for college.

The legislation we will consider today will also improve service to students. It addresses the need to reduce the administrative costs associated with the processing, delivery, and monitoring of the Federal financial aid programs. It gives the Secretary of Education the tools he needs to bring the Department into the 21st Century.

Specifically, the Department will be required to put in place a Performance-Based Organization (PBO) to run the day-to-day operations of the student financial aid delivery system. Chairman MCKEON and Representative KILDEE introduced the PBO bill last fall with the full support of the students and the rest of the higher education community. I am glad to see that it has been included in our final bill.

A more stable and more efficient delivery system coupled with regulatory reform should result in reduced administrative costs for the Department as well as for schools, lenders, guaranty agencies, and other program participants who must interact with the Department's delivery system. This is particularly important since we are forcing lenders and guaranty agencies to operate with less revenue and we expect colleges to keep their costs down for students. The Department needs to contribute to these efforts by operating more efficiently so others can do the same.

I'd also like to note some provisions of H.R. 6 that were offered in Committee by Representatives MCKEON and CASTLE to make college affordable. The McKeon-Castle amendment will implement a number of the recommendations of the Commission on the Cost of Higher Education. This is important, because if we are truly interested in making sure that all Americans can afford a quality postsecondary education, and if we are truly interested in reducing the debt burden placed on our students, then the single most important

thing we can do is to get colleges to lower their prices. These provisions are a needed first step in that direction.

In addition to making college more affordable and simplifying the delivery system, we have fulfilled our promise to improve the quality of higher education. H.R. 6 will help create safer campuses where our nation's students can learn. It improves the information made available to students and families about crimes occurring on college campuses. And although no one can guarantee safety, we are making sure that students have the information they need to protect themselves from becoming victims of crime. We are also ensuring families have accurate information about crime on college campuses so they can make informed choices when selecting a college for their children.

H.R. 6 also provides strong incentives for students to stay off drugs. An amendment offered by the gentleman from Indiana, Mr. SOUDER, and accepted in Committee will eliminate student aid eligibility for students convicted of drug offenses. This provision is based on an amendment offered by Mr. SOLOMON in 1992, which was accepted by the House. Unfortunately, the Solomon amendment was later dropped in conference. If we want to ensure safety on our Nation's campuses, it is vital to keep them drug-free.

H.R. 6 also focuses on improving teacher quality so that students will have high quality teachers trained in the subject areas in which they teach. It is alarming to find that nearly one-third of all high school math teachers and over one fifth of all high school English teachers in this country have neither majored nor minored in the subjects in which they teach. Given this fact, it should come as no surprise that American twelfth graders recently scored so low on the TIMMS international math and science test.

Under this legislation, States will be encouraged to undertake a wide variety of efforts to improve the quality and ability of classroom teachers—beginning with the reform of institutions at which many of these teachers are prepared.

Specifically, this bill amends the Higher Education Act by replacing 16 unfunded teacher preparation programs with a single competitive block grant, which I'm pleased to mention, was developed through a bipartisan process within our Committee.

Using funds from this competitive block grant, Governors will have significant flexibility in which activities to carry out. Specifically, such efforts may include strengthening State teacher certification procedures to better reflect current and future teacher's academic knowledge of the subjects they teach; reforming schools of education and holding them accountable for producing quality teachers; creating and/or expanding programs which provide alternative routes to teacher certification; undertaking teacher recruitment efforts; and implementing initiatives to expeditiously remove incompetent or unqualified teachers.

To ensure that States receiving these funds are making progress to improve teacher quality, this legislation also makes future grants to States contingent upon meeting specific goals such as being able to demonstrate an increased percentage of teachers teaching in subject areas and an increase in "first-time" certification and licensure rates among education school graduates.

I would like to especially highlight several provisions that were worked out in a bipartisan fashion which are now part of the manager's package of amendments.

They include: an increased emphasis on partnerships consisting of the Governor of a participating State, exemplary schools of education and local educational agencies; an increased focus, with respect to the teacher recruitment provisions, on schools most in need of quality teachers, such as in poor urban and rural areas; and a clarification that the Governor shall be the grant recipient except in those cases where State law or constitution dictates that another individual is responsible for education.

I look forward to the support of my colleagues for this compromise so that we can help States really reform teacher preparation programs and provide high quality teachers to our students.

I would also like to thank Representative GRAHAM for his efforts in working with Representative KILDEE, in crafting a truly bipartisan initiative under this legislation which provides loan forgiveness for prospective teachers who agree to teach in high poverty urban or rural schools.

In addition to the improvements we will make in the preparation of teachers, there are a host of other changes that will improve educational quality and opportunities far beyond the college campus. Today, the House will increase opportunities for all Americans to get the education they need through the expanded use of distance learning techniques and new technologies. Today we will also encourage students to become involved in their communities and to help children learn to read by ensuring that colleges use more of the Work-Study dollars to fund these initiatives.

Finally, let me just say that that the legislation before us today is one of the most important things that we in the 105th Congress will do this year. It will ensure that every American has access to a quality postsecondary education at an affordable price. This is a bipartisan bill that makes much needed reforms to help students, parents, and schools. I urge all of my colleagues to support it, and I urge a "yes" vote on final passage.

Mr. CLAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to commend the gentleman from Michigan (Mr. KILDEE) and the gentleman from California (Mr. MCKEON) for their great bipartisan teamwork on this very important higher education initiative. They worked for better than a year to fashion legislation that I believe strengthens our country's commitment to higher education.

I also want to commend the gentleman from Pennsylvania (Chairman GOODLING) and all the committee members who made valuable contributions to the higher education reauthorization effort. I am pleased to give my enthusiastic support for this bill.

The bill strengthens student aid financing by significantly reducing student loan interest rates, increasing Pell Grants and improving the calculations of benefits for independent and dependent students. The bill adopts a number of measures that enhance support for minority and disadvantaged students by strengthening the TRIO program and other programs supporting historically black colleges and universities, Hispanic-serving institutions and tribally controlled colleges.

Mr. Chairman, I am also pleased that the committee adopted President Clinton's High Hopes program. And I commend the gentleman from Pennsylvania (Mr. FATTAH) for his successful advocacy of this important initiative.

Mr. Chairman, the bill also includes a number of provisions aimed at improving services to students on campus such as enhanced campus crime reporting, a new campus-based child care program and streamlining financial aid procedures.

I am also pleased that teacher education and recruitment received a boost in this bill by the adoption of a loan forgiveness program for new teachers and strong teaching training partnerships. As we continue to work on this bipartisan bill, I hope that we can continue our efforts to resolve issues regarding loan consolidation interest rates, guarantee agencies, and the National Board for Teacher Certification.

Finally, Mr. Chairman, I would like to express my hope that we will unanimously reject attempts to undermine this bipartisan bill through the introduction of a divisive anti-affirmative action amendment. The Riggs amendment has received universal condemnation among all those who care deeply about expanding educational opportunities for all Americans. Students, colleges, civil rights groups, editorial boards and women's groups across this country have urged us to reject this giant leap backwards.

Last night, Secretary Riley and Attorney General Reno sent an urgent message to Congress expressing their strongest possible opposition to this very dangerous amendment. They would urge the President to veto H.R. 6 if the Riggs amendment is adopted. I hope that all Members will reject this reckless amendment that is designed to torpedo passage of the Higher Education Reauthorization Act.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. MCKEON), the subcommittee chairman who did such a great job in putting this legislation together.

Mr. MCKEON. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GOODLING) for yielding me this time.

Mr. Chairman, I rise today in support of H.R. 6, the Higher Education Amendments of 1998. Today we are assembled

to consider the reauthorization of the Higher Education Act of 1965. I want to thank my fellow members of the Committee on Education and the Workforce for the bipartisan way in which they have worked to get us to this point. I especially want to thank the gentleman from Pennsylvania (Mr. GOODLING), chairman of the committee, for his support and leadership on this important legislation.

Mr. Chairman, throughout the process he has kept us focused on the goal of improving our financial aid system for students and parents. Whenever a particularly difficult problem would arise he would not give up. To the contrary, he would confront it head on and forge a consensus.

□ 1945

The gentleman from Missouri (Mr. CLAY), the ranking member of the committee, and the gentleman from Michigan (Mr. KILDEE), the ranking member of the subcommittee, also deserve a great deal of thanks for all of their dedication and hard work. For more than a year, we have worked closely together gathering representations from around the country to improve the way we provide support for higher education. The result is the legislation before us today.

I want to begin by noting that this legislation, including the interest rate fix that is contained in it, is paid for. In fact, without the interest rate fix, H.R. 6 saves roughly $70 million in mandatory spending. However, due to the emergency nature of the interest rate problem, it became clear that an immediate fix is needed and that any fix would cost money.

Under H.R. 6, the interest rate fix was paid for in a plan developed by the leadership which required half of the savings to come from the committee and the rest to be made up in offsets supplied by the Committee on the Budget.

I want to personally thank Speaker GINGRICH, the gentleman from Texas (Mr. ARMEY), the majority leader, and the gentleman from Ohio (Mr. KASICH), chairman of the Committee on the Budget for their hard work and support for making this solution possible.

The legislation we are considering will be one of the most important things Congress will do for students and families this year. It will bring us closer to my goal of ensuring that every American who wants a quality education at an affordable price will be able to get it.

As my colleagues know, the committee began this process with no predetermined changes in mind. We requested and received recommendations for change from individuals across the country and from more than 70 organizations representing schools, students, and other participants in our financial aid programs. We spent the better part of last year traveling around the country, holding hearings to fully understand what changes are needed to better serve our Nation's college students.

We have developed this legislation through open and bipartisan discussions with the higher education community, students, parents, and our colleagues in the 105th Congress.

Throughout this process, three compelling principles have guided us: making college affordable, simplifying the student aid system, and stressing academic quality for students.

We have kept true to these three principles throughout the process. If we continue to do so as we move forward, the end result will be a new and improved Higher Education Act establishing quality Federal student aid policy for the years ahead.

I want to focus my remarks today on a few very important areas. First, the legislation before us today will simplify the student aid system. H.R. 6 will eliminate 45 unfunded programs, including the State Postsecondary Review Entities, or SPREs, and terminate 11 studies and commissions.

It will bring our student financial aid delivery system into the next century. It will create a performance-based organization within the Department of Education focused on providing quality service to students and parents.

For the first time, the day-to-day management of our student aid programs will be in the hands of someone with real-world experience and financial services. This individual will be given the hiring and contracting flexibility necessary to get results and will be paid based on performance.

For the first time, the Department's student financial aid systems will be run like a business, adopting the best practices from the private sector and focusing on bottom-line results. This performance-based organization will manage the Department's computer systems and ensure that the Department of Education does not waste money due to poor contract management or duplication.

The chief operating officer hired to manage this organization will simplify the process of applying for financial aid for students and their families and integrate student financial aid systems to improve efficiency, save money, and prevent fraud and abuse in the programs.

This bill also requires the Secretary to work with the higher education community to adopt common and open electronic data standards for important parts of the delivery system. By adopting these common standards, we can greatly simplify the student aid system by eliminating paper forms and unnecessary steps in the process.

Students and their families deserve a modern student aid system that meets their needs. This legislation will give the Secretary the tools he needs to provide it.

Additionally, the legislation before us rationalizes the guaranty agency system and makes important changes to the incentives we give guaranty agencies. It will change the guaranty agency financing structure to give these entities the flexibility they need if we expect them to use the largest private sector business practices, operate more efficiently, and ensure program integrity.

These changes will increase guaranty agencies incentives to become more efficient in their operations by designating payments for services as the property of the guaranty agency; increase their financial risk with respect to defaults in order to encourage stronger default prevention efforts; restructure the payments made to guaranty agencies in order to maintain a strong guaranteed loan program; and, most importantly, provide real savings to the Federal Government.

Some will say that we should have gone further in our restructuring initiative. These are the same individuals who would have us dismantle the guaranty agencies and turn them into contractors for the Federal Government. It is clear to me that this would be a mistake.

Throughout the history of the FFEL program, guaranty agencies have played a vital role in protecting the Federal fiscal interest while ensuring that billions of dollars in private capital remained available to needy students.

Given the shortfalls we have seen in the Department's contracting abilities, shortfalls which have caused unacceptable delays in the processing of student financial aid forms and a complete shutdown of the direct loan consolidation process, it is clear that the approach taken in H.R. 6 is the right one.

Second, this legislation continues and strengthens those programs that have served students well, making college more affordable.

One of the biggest challenges we faced during this process was saving the student loan program. As my colleagues know, the scheduled change in the interest rate for student loans jeopardized access to private capital for students.

Committee members faced the challenge of finding a solution that would ensure that student loans remain available to all students and their families, while also ensuring that students receive a real reduction in their interest rates. This was no easy task.

After working extensively with all parties involved, the student groups, the higher education and lending communities and Republican and Democratic members of the committee, it became clear that there was a consensus in three key areas.

First, everyone agreed that tying the interest rate to a long-term instrument like the 10-year Treasury bond would

not work. Second, no one had any faith that the direct loan program could provide a viable alternative in the event that private loan capital became unavailable. Third, as our subcommittee hearing on March 5 showed, the interest rates for lenders proposed by the administration were too low to ensure lender participation.

In the end, we found a solution that I hope fixes the interest rate problem. The solution contained in this legislation will ensure that student loans will remain available for all students and that students will receive the lowest interest rates in 17 years. While no one may be completely happy with this solution, I believe it will ensure that every student will continue to have access to student loans at the most affordable rate possible.

Finally, H.R. 6 contains provisions offered in the committee by myself and the gentleman from Delaware (Mr. CASTLE) that implements a number of the recommendations of the National Commission on the Cost of Higher Education.

Specifically, this legislation will provide students and parents with better information to keep colleges accountable and higher education affordable by requiring the Secretary of Education to work with institutions to develop a clear set of standards for reporting college costs and prices.

Under our bill, the Secretary of Education will redesign the collection of Federal base information on college costs and prices to make it more useful and timely to the public.

This legislation will allow students to make more informed choices about the level of education they pursue by requiring the Secretary of Education to collect separate data on the cost and price of both undergraduate and graduate education.

It will help parents and students make informed decisions about the school they choose by requiring the Secretary of Education to make available for all schools on a yearly basis information on tuition, price, and the relationship between tuition increases and increases in institutional costs.

It will also allow us to keep track of any progress made in reducing tuitions by requiring the United States General Accounting Office to issue a yearly report on college cost and tuition increases.

H.R. 6 will reduce the costs imposed on colleges through unnecessary or overly burdensome Federal regulation by requiring the Secretary of Education to undertake a thorough review of regulations regarding student financial assistance every 2 years and, where possible, repeal, consolidate or simplify those regulations.

The Secretary will also report to Congress any recommendations he has with regard to legislative changes which would allow increased regulatory simplification. This legislation will require the General Accounting Office to report to Congress on the extent to which unnecessary costs are being imposed on colleges and universities as a result of holding them to the same Federal regulations that are applied in industrial settings. I expect colleges and universities to pass on these savings to students.

H.R. 6 will stress our commitment to keeping college affordable by strengthening our support for innovative projects addressing issues of productivity, efficiency, quality improvement, and cost control at postsecondary institutions.

In addition, H.R. 6 allows colleges and universities to offer voluntary early retirement incentives to tenured professors. This will allow professors, at their choosing, to receive additional retirement benefits beyond what they otherwise would have, while allowing colleges to approve their academic programs while reducing costs. I urge my colleagues to support these provisions as well.

Mr. Chairman, ensuring that a quality postsecondary education remains affordable is one of the most important things we can do for our children and for American families everywhere. If we are truly interested in making sure that all Americans can afford a quality postsecondary education and if we are truly interested in reducing the debt burden placed on our students, then the single most important thing we can do is to get colleges to lower their prices. These provisions will be a needed first step in that direction.

Once again, I want to thank my colleagues for the bipartisan way in which we have been able to work, and I look forward to our continued efforts to improve the Nation's higher education programs. I urge my colleagues to support H.R. 6 and to vote yes on final passage.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. KILDEE) will control the balance of the time for the minority.

There was no objection.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, well over a year ago, the gentleman from California (Mr. MCKEON), the Chairman of the Subcommittee on Postsecondary Education, Training, and Life-Long Learning, and I set out to produce a higher education reauthorization bill that would enjoy widespread bipartisan support. From the outset, the gentleman and I have worked very closely together on this.

We began with the understanding that this bill was too important to be bogged down by bipartisan differences, and we have held to that understanding very well. It has not always been easy, and I would be the first to admit that both of us have had to give ground and compromise.

The result, however, is a strong piece of legislation worthy of support by Democrats and Republicans alike. The heart and soul of this bill are in its student aid provisions. They make up more than 90 percent of this legislation, and they constitute 75 percent of all student aid available to help deserving Americans pay for a college education. Without them, a college education would simply be beyond the financial reach of millions of Americans. With them, and with a heavy dose of hard work, students can truly make the dream of a college education come true.

I am extremely proud of the fact that we have protected and even strengthened important student aid programs. Next year, the authorization level for the maximum Pell Grant will be $4,500, a strong signal that, in Federal student aid, there should be a stronger reliance upon grant aid and less dependence upon loans.

We have doubled the allowance for child care from $750 to $1,500. We have increased the income protection for dependent students from $2,250 to $3,000, from $4,250 to $5,500 for single independent students, and from $6,000 to $8,500 for married independent students.

We extend to the students the saving protection allowances that reward parents who save for their children's college education. The combined savings of students and their families would be protected up to $70,000.

We believe there is an appropriate way to reward those who have saved without penalizing those who could not. We make sure that the free application for Federal student assistance remains free, whether in paper or electronic form.

We also authorize this use as the application form for a loan. And, perhaps most important, need analysis will remain focused first upon serving those with the greatest need.

We strengthen the Trio Programs, protect the emphasis of the Supplemental Grant Program, expand college work study to include a new focus on family literacy, simplify the Perkins Loan Program, give the SSIG Program a new structure and purpose, and establish a new High Hopes Program to help young people complete a high school education and go on to college.

For the millions who must borrow to help pay for college, we have sought to keep the cost of borrowing down. We have accepted the administration's proposal to set the student interest rate at the 91-day T-bill plus 1.7 percent while the student is in school and 2.3 percent while the student is in repayment, with an overall cap of 8.25 percent. For students, this will mean the lowest interest rates in over 17 years.

We reduce the special allowance paid to lenders from T-bills plus 2½ percent to 2.2 percent while the student is in school, and from 3.1 percent to 2.8 percent while the student is in repayment.

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I am very encouraged that we have been able to include a limited loan forgiveness program in this legislation. An individual who enters teaching, remains in the profession, and teaches in a high-poverty school now has the chance to have up to $17,750 of their Stafford Loans forgiven.

I am also very pleased we have managed to reach an agreement that keeps both direct lending and FFEL programs in place. In and of itself, this is a major accomplishment that many said could not be done.

As important as the student aid provisions are, there are other provisions of H.R. 6 that also merit our support.

In Title I we have forged a single definition of an institution of higher education.

Prior to this, there has been one general definition and another more specific definition for the purposes of Title IV.

We will now have one consolidated definition.

We also propose to establish within the Department of Education a performance-based organization, which we believe will give the Secretary the tools he needs to make sure that our student air programs are managed in an effective and efficient manner and that, first and foremost, they serve the students they are designed to help.

In Title II we continue the small, but effective urban community grant program.

This has been an extremely important program in forging stronger linkages between my home community and the University of Michigan in Flint.

I am also encouraged that passage of the manager's amendment will mean a significant improvement in the Title II teacher quality enhancement provisions. This will mean authorization of a significant program to improve the recruitment, training and professional development of our Nation's teachers.

I am disappointed, however, that this legislation contains a prohibition on funding for the National Board of Professional Teaching Standards. I have long supported the excellent work done by the board. It has undertaken the difficult and painstaking task of establishing a set of voluntary standards for classroom teachers who want to demonstrate high proficiency and knowledge in their chosen field. We should be continuing our support for the board and not curtailing its important work.

I am extremely pleased with the compromise we were able to reach in committee to establish a new Title V to aid Hispanic-serving institutions.

I believe the agreement we reached in this area is a solid one that deserves the strong support of Members on both sides of the aisle.

As co-chair of the Native American Caucus, I strongly support the tribal college provisions that are part of this legislation.

I am proud of the fact that we will have a newly authorized Title III program specifically designed to help these institutions, and that we will continue all currently authorized Native American higher education programs in part B of Title IX of these amendments.

Mr. Chairman, enactment of H.R. 6 is essential if our critically important student aid programs are not to be interrupted. Passage of this bill is an important step to ensure the continuation of these programs and the aid they provide to literally millions of Americans who rely upon our Federal student aid programs to help put them through college.

And while there are areas and provisions where we disagree, this bill was reported out of committee by a vote of 38 to 3 with no Democrats in opposition. As we debate H.R. 6 on the House floor, I would hope that we might avoid action that would risk the widespread bipartisan support this bill now merits and enjoys.

Mr. Chairman, I look forward to a lively, productive debate and passage of a bill which we can all be proud of.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. PETRI), a member of the committee.

Mr. PETRI. Mr. Chairman, I thank the distinguished chairman of the committee for yielding me this time.

Mr. Chairman, the Higher Education Act is one of the supremely important laws which comes before this House. It has wide ramifications for our society and for our economy. I want to commend my full and my subcommittee chairmen and my colleagues on the Committee on Education and the Workforce who have worked so diligently on this reauthorization, even as I comment on one disturbing aspect of it.

In the history of guaranteed student loans, what the students paid has always been what the banks received, with the exception of in-school interest on subsidized loans and interest above a capped amount, which have been paid to the banks by the government. That has been true until now.

Under this bill, H.R. 6, for the first time this link will be broken. The banks will receive one-half percent more interest than the student borrowers pay, with the taxpayer paying the extra one-half point to the banks on every loan for as long as that loan is outstanding. That is an administrative monster as well as a huge cost increaser.

Why are we doing this? Because the banks swear on a stack of Bibles that they will lose money if we cut them further. They will drop out of the program and students will not get loans. Mr. Chairman, I have heard that particular Chicken Little before.

When I first became a member of the committee 19 years ago, the banks got 3½ percent over T-bills on these loans, and they swore then on a stack of Bibles that if we cut them, they would drop out. So we cut them to 3.1 percent. Guess what? Nobody dropped out. Since then, it has been the same story every time we bring up this act. They swear on a stack of Bibles, we cut them a little bit anyway, and nobody drops out. Does anybody see a problem here?

This whole process is fundamentally flawed. We are setting prices for private parties in a political negotiation. Congress should not be setting prices. We need a market process to do that. We have that in direct lending, where all private services are procured through competitive bidding. We do not have that in guaranteed lending.

That is why the gentleman from New Jersey (Mr. ANDREWS) and I are proposing a loan rights auction process to determine how much the banks are paid and to get rid of the continuing extra half point bank subsidy now in the bill.

Mr. KILDEE. Mr. Chairman, I yield 2½ minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Chairman, first of all, I want to associate myself with the bipartisan spirit and nature of this bill and commend my ranking member, the gentleman from Missouri (Mr. CLAY), and my ranking member of the subcommittee, the gentleman from Michigan (Mr. KILDEE), and also give accolades to the gentleman from California (Mr. MCKEON) and the gentleman from Pennsylvania (Mr. GOODLING) for bringing Republicans and Democrats together on such an important issue to all Americans across the board.

One of my constituents was kiddingly saying to me the other day, he said, "Tim, the American dream used to be to own your home. Now it is to get your children out of the home and into an affordable school." Well, this bill will help our Nation's parents get their children into affordable schools.

When parents want to send their children to Indiana University or Purdue, it can be $13,000 a year, and if there are three children, it can cost those parents $156,000 through the course of those tuition payments. For affordability reasons, we have the lowest interest rate in 17 years in this bill. That is a tax cut for every individual with children in schools across America with the passage of this bill.

In terms of accessibility, that complements the affordability. Children with no hope, we have now passed a program with high hopes, to give children the hope of getting into college. For simplification, students will be able to apply for financial aid with one single application for both loan programs. For quality, I have included an amendment for alternative certification for teachers to get certified so

that we can bring in people from different professions, including the military, to teach in schools.

I do, Mr. Chairman, have one concern about a new regulation for reporting requirements on colleges and universities and intend to offer an amendment during consideration of this bill to strike that particular provision.

Mr. Chairman, I thank the distinguished Member, the gentleman from Michigan (Mr. KILDEE), who has done such a great job on this bill, and conclude by saying that Thomas Jefferson, who founded the very first public institution in this country, the University of Virginia, once said, and I quote, "The less wealthy people would be qualified to understand their rights, to maintain them, and to exercise with intelligence their parts in self-government."

Thomas Jefferson, I think today, would be very proud of the higher education system in this Nation that is the best in the world. This bipartisan bill complements that outstanding university system.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I thank my friend from Michigan for yielding me this time, and I again want to say to the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from California (Mr. MCKEON), our chair people, and to the gentleman from Missouri (Mr. CLAY) and the gentleman from Michigan (Mr. KILDEE), our ranking members, that I am proud to be associated with their accomplishment that they have worked so hard on.

This bill is the second installment in a two-part process that began last year to make higher education more affordable for more Americans. Last year, as part of the historic balanced budget agreement, this Congress gave people a tax cut to help people pay for college tuition. This Congress made it easier for people to save some money in IRA-type accounts for college and career school tuition.

We finish that job or continue that job with this bill. This bill dramatically increases Pell Grants to a level of about $4,500 at the beginning. This bill makes more loans more affordable to more students and, in response to legislation I have introduced, makes those loans more affordable and more repayable. This bill expands work study programs and makes it more fair and reasonable as to how we calculate what a family must contribute to the education of a person in that family.

What is most important about this bill, however, is why it does what it does. This bill is about honoring a commitment to the people of this country that says if they are willing to work hard and make sacrifices that they can go as high and as far as their ability and desire will take them.

I am proud, Mr. Chairman, to stand before you tonight as the son of a father who did not graduate from high school, as the son of a mother who graduated from high school but had no further opportunities.

Education has been very important in our family. My father-in-law was a lifelong career educator, my mother-in-law is someone who cares deeply about education, and I am just so proud to be a part of an effort that says to all of America's children and all of America's adults that the promise of a higher education is much closer to being a reality once we enact this legislation. I urge my colleagues to support it.

Mr. GOODLING. Mr. Chairman, I yield 2½ minutes to the gentleman from South Carolina (Mr. GRAHAM), an important member of our committee.

Mr. GRAHAM. Mr. Chairman, to take up where my colleague left off about families and about doing better and about hopes and dreams, this bill has a lot of that in it.

I am the first person in my family to ever go to college because my parents worked hard. They died fairly early on in my life, and I helped put my sister through, and we got student loans and grants, and it really helped.

But one of the debates about education is to provide quality. And, quite frankly, one of the problems we are facing in this country is a shortage of qualified teachers. In this bill, the higher education bill that we are about to, hopefully, pass here, there is a provision that I think the American public needs to know about that is a very good, common-sense step to solving that problem.

About 30 percent of the teachers in our K through 12 schooling systems have been in teaching over 20 years and are going to retire, and we are going to have a tremendous teacher shortage in the first part of the 21st century. The number of emergency certificates being issued to get people into the teaching profession, like in New York City alone, is about 18 percent, is at an all-time high.

We are having a hard time getting people into the teaching profession, especially in urban poor and rural poor districts. In this bill we have a program, thanks to the gentleman from Michigan (Mr. KILDEE), the gentleman from California (Mr. GEORGE MILLER), and the people on our side of the aisle. We have come together in very much a bipartisan fashion to address the teacher shortage facing this country.

The loan forgiveness program goes as follows: If individuals graduate from college and are willing to go into the teaching profession and keep their certifications up, because we want quality, not just bodies, and they will go to a Title I school where 30 percent of the students are at the poverty level or below and they will stay in that school system and teach for 3 years and keep their certification levels current, in the fourth year of their teaching career we will start forgiving the student loan at 30 percent, and by the sixth year of their teaching careers we will forgive the student loans entirely, up to $17,750.

We on this committee believe that it is a small step forward to addressing the teaching shortage in this country, and I cannot tell my colleagues the response I have gotten in South Carolina. I have a lot of Title I schools with 30 percent poverty level or below. The educators are excited. This will help us get the best and brightest as an incentive to go into teaching, to go into the schools that have a hard time recruiting.

And this amount of money is $218 million, and it comes out of the bill itself. There is no new spending. I think it is Congress at its best, and I want to thank the people on the other side of the aisle, the gentleman from Michigan (Mr. KILDEE) and the gentleman from California (Mr. MILLER), for helping in this endeavor. A lot of lives are going to be changed very positively as a result of this, and I just think it is a good day for Congress, and I hope other Members will tell the folks back home about this new program.

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Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, as a member of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, which crafted this bill, I am truly proud to rise in support of H.R. 6, the Higher Education Act. This is a good bipartisan bill. It makes higher education more available and more affordable for all students.

H.R. 6 also makes higher education safer, particularly for women on college campuses, because H.R. 6 includes grants to combat violent crimes against women on campuses. Currently, 20 percent of college women will be victims of sexual assault at some time during their college years. These are our daughters, our sisters, even our mothers. College is hard enough. Women should not have that added worry of sexual assault. These grants will be used for education, for prevention, for collaboration with local public safety departments to reduce violent crimes against women on college campuses.

I want to thank the gentleman from Pennsylvania (Mr. GOODLING) and I want to thank the gentleman from Missouri (Mr. CLAY), and I want to thank them both for their willingness to work with me to include these grants in this bill. And at the same time, we should all be thanking the gentleman from California (Mr.

MCKEON) and the gentleman from Michigan (Mr. KILDEE) for their leadership on this bill. Good job, my colleagues.

On the other hand, I urge my colleagues to reject any amendment that will jeopardize final passage of this bill and to join the members of the Committee on Education and Workforce from both sides of the aisle and vote for a bill that puts the best interest of students and parents first.

The CHAIRMAN. The Chair would advise that the gentleman from Michigan (Mr. KILDEE) has 14 minutes remaining, and the gentleman from Pennsylvania (Mr. GOODLING) has 8 minutes remaining.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding.

I want to join my colleagues in again congratulating our chairman the gentleman from Pennsylvania (Mr. GOODLING) and the subcommittee chairman the gentleman from California (Mr. MCKEON) and the gentleman from Missouri (Mr. CLAY) and the gentleman from Michigan (Mr. KILDEE) for all of the work here.

This is one of the more unusual bipartisan coalitions we have put together in the last couple of years, but we have done it because I think everybody on the committee recognizes the importance of this legislation to America's families with children who are pursuing higher education and pursuing education for the purposes of taking their place in our economic system.

This legislation is an important vehicle, and it opens the doors of opportunity for those families. I think as we look through this legislation, to my colleagues who are not part of the committee, they will start to see that the hearings in this committee made a difference, that this committee was willing to listen to people who were constructive critics of the current system and have made a series of changes that I think are terribly important.

We provided loan forgiveness, as the gentleman from South Carolina (Mr. GRAHAM) pointed out, to teachers to go to high-poverty schools, but we also said that those teachers have to be qualified. No longer should poor children have to suffer poor teachers. We have provided grants to States for upgrading the State teacher preparation and certification system. We created partnerships between colleges and school districts to provide new teachers intensive professional development and mentoring programs and better information to parents about the qualifications of the teachers of their children, the teachers who are spending many hours a day with their children.

I think it is important for our colleagues to understand that we listen to these critics, we try and shape and mold this program, we try to reduce the cost of higher education to young people and to their families; and I think we successfully did so.

Finally, I would just like to make one remark that was pointed out by our colleague the gentleman from Guam (Mr. UNDERWOOD). I am disappointed that the legislation, as currently written, will result in students from the Freely Associated States being denied access to Pell Grants. I think it is important that we try to honor our commitment to these people from the Federated States of Micronesia, Marshall Islands and Palau to make sure that they do have access to institutions of higher education here on the mainland; and I look forward to working with the committee on that matter.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Chairman, I rise in strong support of H.R. 6. I want to commend the gentleman from California (Mr. MCKEON) and the gentleman from Michigan (Mr. KILDEE) for making this a truly bipartisan effort.

H.R. 6 will give millions of Americans educational opportunities well into the next century. I am pleased that H.R. 6 includes the provisions of my bill, the American Teachers Preparation Improvement Act. H.R. 6 will help new teachers by establishing partnerships between colleges and schools.

I am also pleased that H.R. 6 includes legislation that the gentleman from New York (Mr. ENGEL) and I introduced to protect consumers. Our bill requires the Department of Education to put up-to-date information about financial aid and scholarships on its Web site.

This bill does many great things to increase access to education, but we can do more. I am concerned that provisions which block schools from financial aid programs if their default rates are high end up denying access to education to many low-income students.

However, earlier this month GAO reported that default behavior is primarily influenced by the characteristics of the borrower rather than that of the school. We need to hold schools accountable, but we need to look very closely at the measurements we use. Many good schools risk being kicked out of Federal aid programs simply because they serve low-income students.

Again, I want to commend the chairman and ranking member for their work, and I urge my colleagues to support H.R. 6. And again, through our educational committee, we have worked well together, and I appreciate that, because, in the end, we are serving our children, and I appreciate that very much.

Mr. MCKEON. Mr. Chairman, I yield 2½ minutes to the gentleman from Nebraska (Mr. BARRETT), an important gentleman on the committee.

Mr. BARRETT of Nebraska. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, I guess let me begin by expressing a certain disappointment this evening over the rule we passed earlier this evening. I was assured throughout committee consideration that the $1 billion in extra money that we were looking for would be resolved prior to coming to the floor with the bill. In fact, I even cosponsored the bill with that assurance. Now, of course, we find in the rule that we waived the budget rule so that no one could raise a point of order against the bill for violating the Balanced Budget Act that we all agreed to about 8 months ago.

I know, Mr. Chairman, that this is much needed legislation if we are going to have student loans available to the millions of needy students out there. But to make the student loans available today, the House apparently is willing to add another unpaid bill to tomorrow's generation of students, and I am very disappointed over this action.

However, in the limited time that I do have before me, let me highlight just a few provisions that I do support in the bill. The bill, first of all, would create a student loan forgiveness program for teachers in low-income schools. Some teachers could have some or all of their student loans forgiven if they are teaching in their core area.

H.R. 6 would also modify the needs analysis formula to permit people to keep more of what they earn and still qualify for Federal student financial assistance. If people are to move from welfare to work, or if young families are to afford to have one or both parents in school, then we must allow them to earn just a little bit more and still qualify for student aid.

Finally, Mr. Chairman, the bill does embark on what may become a very complex issue in the next reauthorization. For example, how can Federal student aid programs be adapted to the new and emerging technologies and the methods of instruction used in distance learning programs? H.R. 6 permits the Secretary to approve distance learning programs that are currently exempt from statutory or regulatory limitations. This could very well provide more flexibility and more oversight for emerging distance learning programs.

Unfortunately, in my opinion, Mr. Chairman, some of these good provisions and many others are scarred by the budget-busting nature of the bill.

Mr. KILDEE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I rise in support of House bill H.R. 6. This is a strong bill giving students opportunities to access higher education for the next 5 years.

First, I want to acknowledge the excellent work accomplished by the gentleman from Pennsylvania (Mr. GOODLING). I applaud the leadership shown by the gentleman from California (Mr. MCKEON), chair of the Subcommittee on Postsecondary Education, Training and Life-Long Learning; likewise, the gentleman from Missouri (Mr. CLAY) and the gentleman from Michigan (Mr. KILDEE), the ranking member of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, have contributed greatly towards the education bill before us today. It is amazing that we forged an excellent bipartisan consensus agreement.

Secondly, I want to express my appreciation to Secretary Riley and President Clinton for supporting our legislative and resource allocation concerns in regard to expanding opportunities for Hispanic students. I also want to acknowledge the personal contributions offered to us by the gentleman from Missouri (Mr. GEPHARDT), the minority leader, and his staff.

Thirdly, a special mention is directed to all of the presidents of HSIs who rallied on our behalf. And last, but not least, thanks to the Hispanic Education Coalition, which provided us with very valuable insights and consistent support during this Congress.

In September of last year, on behalf of the Congressional Hispanic Caucus, I introduced H.R. 2495. This bill contained a number of provisions intended to amend what is now H.R. 6. With the help and cooperation of our committee leadership, a number of these provisions have been incorporated.

For example, in regards to Hispanic-serving institutions, we have reduced eligibility barriers, legislatively strengthened these institutions, increased the authorization levels, and provided for graduate and professional opportunity.

Other provisions incorporated in H.R. 6 include support within title III for tribally-controlled colleges and universities, support for high school equivalency programs and college assistance migrant programs, Frank Tejeda Scholarship program, funding priorities in the Fund for the Improvement of Postsecondary Education, which emphasizes community colleges.

All of the foregoing provisions are especially important to us on the Education Task Force of the Congressional Hispanic Caucus. They are of much greater importance to all the students impacted. The students are the winners with H.R. 6. This includes 1.2 million students and the 166 Hispanic-serving institutions across nine States and Puerto Rico.

In closing, Mr. Chairman, I urge all my colleagues to vote in support of H.R. 6.

The CHAIRMAN. The Chair would advise that the gentleman from Michigan (Mr. KILDEE) has 7½ minutes remaining, and the gentleman from Pennsylvania (Mr. GOODLING) has 5½ minutes remaining.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Chairman, I join my colleagues today in supporting H.R. 6.

I would first like to commend my committee colleagues for arriving at a bipartisan piece of legislation that we can stand behind and of which we can be proud. This is one of the most important bills that Congress will vote on for students and for families. It will enable every American who would like to do so to attend higher education.

As America moves into a knowledge-intensive world of the future, the focus is turning to higher education. It used to be that a high school education was important, but today one really needs a college education. When I was in school, we could get away with typing skills, but future students will have to be prepared to access computers and be able to navigate the information highway.

I believe that that bill accomplishes the goal of expanding educational opportunity, particularly for low-income individuals, and it increases the affordability of colleges for many families. It offers a better future for approximately 1 million students who attend Hispanic-serving institutions and tribally-controlled colleges in approximately 200 institutions across the Nation.

I have an SAI in my congressional district, Santa Ana College, which serves 3,000 students, and this bill will give Santa Ana College, other institutions around the country, increased funding, support, and recognition that they need to serve all of their students.

We also included funding to expand and modernize active school programs, such as TRIO, but we did not stop at that.

□ 2030

We also created the High Hopes program which will do early intervention in middle schools across the country.

I came to Congress to make sure that every child in my district had the same opportunities for education that I had. Passing this legislation will ensure that I will carry out that mission. H.R. 6 gives struggling students the opportunity to excel and to take full advantage of their education. A "yes" vote on this bill is a vote for students and families and the future.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware (Mr. CASTLE), another gentleman from the committee.

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding me the time and for his erstwhile and good work on this bill, as well as a lot of other Members who worked so hard on this. I, too, as I have heard everybody else tonight, rise in support of H.R. 6.

There are a number of good reasons to support this bill but, since I only have a few minutes, I will focus on provisions to make college more affordable. While the bill includes a new low student loan interest rate and increases assistance to disadvantaged students, these provisions will not be of much help if tuition rates continue to increase, thus requiring students to take on more debt or minimizing the value of grant aid. By the way, tuition has increased more than any other commodity in this country in the last 20 years or so.

To bring some subtle downward pressure on tuition rates, this bill includes an amendment offered by the gentleman from California (Mr. MCKEON) and myself based on the recommendations of the National Commission on the Cost of Higher Education. The bill includes provisions requiring the Department of Education to review regulations regarding student financial assistance every 2 years and where possible repeal, consolidate or simplify those regulations.

It also provides Federal support for innovative projects addressing issues of productivity, efficiency, quality, improvement and cost control. And it requires GAO to issue a yearly report to Congress on various college cost factors and tuition increases.

But one of the most important provisions requires the Secretary of Education to work with colleges to develop a clear set of standards for reporting college costs and prices. Right now terms mean different things in different places, and it is not possible to compare costs at one school to costs at another.

For example, what is encompassed under the term "research"? What is encompassed under the term "building and facilities"? Everyone needs to be on the same page before institutions can voluntarily report on their costs in a meaningful way.

Once this occurs, then families will be able to make comparisons. They will have a clear sense of what their college tuition buys them, what schools spend their money on, what their financial priorities are. This valuable information could guide consumer choices and, more importantly, could guide institutions' spending choices.

For this reason as well as the others mentioned by my colleagues, I urge Members to give this legislation their hearty support.

Mr. KILDEE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in support of H.R. 6.

Our commitment to making education a national priority must be reaffirmed. We must help our youth develop their talents and the skills they need to compete in today's highly technical and competitive global economy.

If we do not, our businesses will not have a skilled workforce, our economy will suffer, and even worse, we will rob our youth of the opportunity to lead meaningful and productive lives.

Mr. Chairman, H.R. 6 will help to end the tragic loss of our youth's talents, energies and abilities and prepare our country for the challenges of the 21st century. For example, H.R. 6 includes President Clinton's new High Hopes initiative which will make available outreach, mentoring and tutoring assistance for low-income students, providing the help and encouragement that many of our young people need to stay in school.

Mr. Chairman, H.R. 6 is a good bill that will help our collective effort to ensure that higher education is accessible to all our children.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, I too rise in support of H.R. 6. I want to congratulate all of those who made it possible.

We are grateful for the fact that there are no extremist and radical proposals in this bill, no radical proposals to roll back the Federal role in education of the kind we had in the 104th Congress, so we are grateful for that. We are grateful for the good housekeeping that has tidied up certain parts of the Higher Education Assistance Act. We are grateful for the important administrative changes that have been made. It is all good. We have some incremental increases, also, that we are grateful for.

However, I want to voice my dissent in terms of what is not here. We have missed a great window of opportunity that will not be open again until 2003. We only reauthorize this act once every 5 years, so we are going into the 21st century and we have a status quo bill that we have polished up, it is great, but at a time when the economy is booming and the information technology revolution is underway in industry, we have neglected our duty to set priorities and make projections and target to meet critical needs.

Two critical need areas we have neglected, one is we have neglected to address the information technology worker crisis. Right now there is a shortage, 300,000 vacancies across the country, and it is going to get worse. Only the Committee on the Judiciary is addressing the problem. They are going to bring in more foreign professionals to fill the gap. Instead of training our own, we are going to bring in foreign professionals.

The other critical need is in the area of more opportunity needs to be provided. We have a very complex society that we are in already and it is going to become more complex. We need more Americans to go to college, more Americans to be in college. Fifteen million is not enough. Fifteen million may seem like a lot when you consider the junior colleges and the senior colleges, but 15 million is less than 10 percent of the total population. In the complex world that we are looking at, we need more.

We need to address this problem and provide more opportunities. Instead of quarreling about affirmative action, we need to open up the gates and let more people in. That is an affirmative way to proceed to provide the kind of human capital that we need for the future.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. BOB SCHAFFER), a very faithful and important member of the committee.

Mr. BOB SCHAFFER of Colorado. Mr. Chairman, I thank the gentleman for yielding me this time, the chairman of the committee and the distinguished Member from the State of Pennsylvania whose leadership on this issue has been exemplary.

The government quite frankly can do more to reduce the default rate where student loans are concerned. I would submit this is an important thing for us to consider and for us to pursue, because the high default rate that we are experiencing presently essentially robs resources from other worthy students who have a right to an opportunity to achieve higher education in America. That is true with public resources as well as private resources.

The reason this occurs, however, and the area where we ought to look to find a remedy is right in the Federal statute as it exists today. There is a definition in the Higher Education Act for what constitutes due diligence with respect to collecting these loans. The Department of Education unfortunately applies that standard differently under different circumstances.

I had offered an amendment in committee which would have proposed to apply this definition of due diligence evenly throughout the law in a way that would cause greater efforts to collect delinquent loans and lower the delinquency rate. That amendment was withdrawn under my direction at the request of the chairman, and it was his belief and promise that he would work with me and the sponsor of the bill in directing the Department of Education to increase its efforts at collecting loans that are in default in a way that will effectively lower the default rate.

I am proud to say, Mr. Chairman, that the Department of Education to this point has been receptive. Just raising the level of discussion, not only in committee but right here on the floor, has done quite a lot to make progress in this regard. It is one of those examples where I think we are going to be able to resolve this problem and move in a positive direction without the necessity of additional statutes and additional regulatory law.

With that in mind, Mr. Chairman, I just want to thank the gentleman from Pennsylvania for agreeing with me and the sponsor of the bill that we will continue to press privately with the Department of Education to resolve the problem of loan defaults.

Mr. KILDEE. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania (Mr. FATTAH).

The CHAIRMAN. The gentleman from Pennsylvania (Mr. FATTAH) is recognized for 2 minutes.

Mr. FATTAH. Mr. Chairman, let me first thank the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY), and also the gentleman from California (Mr. MCKEON) and the gentleman from Michigan (Mr. KILDEE) for the excellent work product that has been produced.

I too rise in support of favorable consideration of H.R. 6. I, however, want to add to what has been said by others about an important part of this bill which is the High Hopes Program, the fact that not only has it been embraced by the Clinton administration, but this is a proposal that has been bipartisan since its inception. That is, it has enjoyed the support of Members on both sides of this aisle, both in the committee and in the full House. I want the record to fully reflect that this is a bipartisan initiative.

I would also like to thank the staff who have worked so hard on this product, for Sally Stroup and also David Evans for their hard work. There are millions of American families who are going to benefit not just by the initiative that I referenced, but throughout this bill there are programs and projects that will appropriately intersect with the interests and aspirations of American families for their next generations to receive the highest possible opportunities to reach their academic potential.

Finally, I want to say that I think it says a great deal about the 105th Congress, at the same time that when we make it clear to young people that there are consequences when they act inappropriately, we are now through the High Hopes 21st century initiative making it clear when they do the right thing that there will be rewards and that we indeed expect of them the highest in terms of their achievements. Many of us will not be around in the next century when these sixth graders are going to college, but today we are not thinking about the next election, we are thinking about the next generation.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 1½ minutes.

Mr. GOODLING. Mr. Chairman, I just want to make two observations. First

of all, I want to again repeat that we cut the lenders yields by 30 basis points. The students are happy. The colleges and universities are happy. The lenders are not. But it was a compromise and I think a good compromise for students and parents.

Then I do want to mention something about the National Board of Professional Teaching Standards. It was my belief that if we had 40 percent of the students that are not reading well by the end of third grade, one of the things we should be looking at is teacher training, teacher preparation. I felt we should be looking at the other end, where these teachers are beginning to start to become teachers, so that as a matter of fact we would not have that problem later on.

And so we had to find $18 million to have an offset in order to better prepare our teachers who are beginning to teach, and our teachers who are teaching who need remedial work. That is where we got that $18 million. We have to understand in 1992 when they came and asked for some money, they asked for a little bit of seed money. They said, "That's all we want, a little bit of seed money, and then it will pay for itself." Since 1992, they have spent $100 million, they have certified 914 teachers, that is $100,000 apiece, none of which got into rural America and center city America where they are truly needed.

Mr. RODRIGUEZ. Mr. Chairman, I rise to discuss an issue of importance to the families of my district and to our Nation as a whole—access to higher education for all children.

While I agree with many aspects of the legislation, I want to focus on significant sections of H.R. 6 that need improvement—teacher training and diversity on our college campuses.

Let me first say that I applaud the bill's inclusion of the Frank Tejeda Scholarship Program—appropriately named after a Member of this Chamber who fought to advance the education of some of our neediest students. The initiative would help bilingual individuals pay for their college education in exchange for service in schools with large limited-English proficient student populations.

While I applaud this effort we must first look at programs that will address some key problem areas such as teacher recruitment, retention and scarcity.

The current proposal would put all teacher training funds into block grants to the States. This is unacceptable. It does not ensure that we will hire, train and keep the very best teachers for our students. And it will not ensure that smaller school districts receive necessary funds to pilot professional development programs. As a former State representative, I value local input and state control. But the Federal Government has a positive, affirmative role to play—and it is more than simply transferring money.

Students not only need well trained teachers, they also need rich learning environments. We know that college students learn as much from each other as from the formal education they receive.

Therefore, we have a duty here today to ensure that we keep our colleges as a place where diversity is welcomed and respected.

My colleagues on the other side say they want a "color-blind society". The reality is that we don't have one and that equal opportunity does not exist for minority students. Because there is not equitable access to education we must use what we know works—affirmative action.

In my home State of Texas, overall Hispanic and African-American enrollment dropped sharply at the larger institutions of higher education as a result of he Hopwood decision, and we can't allow the trend to continue.

I oppose the Riggs amendment. It would overturn the 1978 Supreme Court decision recognizing the value of affirmative action and would deny the substantial advances that have been made through affirmative action by women and minorities. Don't be fooled into believing that you are voting for equality. Voting to end affirmative action is a vote to perpetuate inequality.

Mr. Chairman, protecting and ensuring our children's access to a good education is a most important goal. I applaud the efforts of my colleagues and the administration in bringing this important bill to the Floor, and I look forward to our collective work on this crucial issue.

Mr. CASTLE. Mr. Chairman, I have concerns about a provision included in H.R. 6 which eliminates all Federal funding for the National Board for Professional Teaching Standards.

I've been aware of the Board's efforts for many years. I was Governor of Delaware when the National Governors Association called for the Board's creation in the late 1980's. I've worked with representatives of major Delaware corporations such as DuPont, who strongly support the Board's mission. And the State of Delaware, like many other States, is actively supporting the Board's objectives by providing funds to help teachers sit for Board certification, and by providing merit pay to teachers who achieve certification.

There is broad and bipartisan support for the mission and the work of NBPTS from major stakeholders in education policy; the governors, business, the school boards, principals, and teachers. I submit for the RECORD a letter in support of Federal funding for NBPTS, signed by several Republican and Democrat governors.

While questions have been raised about Federal funding for the National Board, I believe it is possible to achieve a compromise that sets a time limit on Federal funding, but allows the important work on teacher certification to be completed. I intend to work to resolve this issue in conference.

April 21, 1998.

Hon. WILLIAM F. GOODLING,
Chairman, House Committee on Education and the Workforce, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We are writing you today to tell you of our support for the important work of the National Board for Professional Teaching Standards. As Governors, each of us believes that one of our highest priorities is to make our system of education the very best it can be and that a vitally important factor in achieving this is to improve the quality of the teaching that takes place in our classrooms. We support the voluntary process of National Board Certification because it provides us with a tool for achieving this goal. Each of us has crafted a plan to use the high and rigorous standards and assessments of the National Board in our states and we look forward to soon having the full system available to all of our teachers.

We applaud the United States Congress for providing resources for the research that launched and continues to support full development of the voluntary National Board system. For a little over six years, this research and development program has proceeded with the help of federal dollars and with accountability to the Congress.

We look to you for continued support of the federal funding for the National Board for Professional Teaching Standards at the level requested by the President for FY 1999.

Sincerely,
James B. Hunt, Jr.;
Gary Locke;
Lawton Chiles;
Thomas R. Carper;
George V. Voinovich;
Marc Racicot;
Terry E. Branstad; and
Tommy G. Thompson.

Mrs. MORELLA. Mr. Chairman, I rise in praise of Congressmen GOODLING, MCKEON, KILDEE and CLAY and all of the Members of the Committee on Education and the Workforce for their hard work and their leadership in bringing H.R. 6, the Higher Education Amendments of 1998 to the House floor in a timely manner. You deserve great credit for this thoughtful and carefully-crafted bill that will increase access to a higher education for millions of Americans.

For most Americans, student loans are the primary source of education funding. From the G.I. Bill to Pell Grants and the Stafford Loan Program, financial aid has enabled millions of working class families to send their children to college. College graduates earn, on average, 50 percent more than those with only a high school diploma.

This legislation will provide college students with the lowest interest rates for academic loans in 17 years.

The bill expands the Pell Grant Program which helps youngsters from disadvantaged backgrounds, and improves campus-based aid programs like Supplemental Education Opportunity Grants, Work Study, and Perkins Loans.

The process of applying for student loans has been simplified, and there has been an effort to reduce the regulatory burden on most colleges and universities.

Students will have more timely access to crime statistics and information that will allow them to have an accurate picture of campus safety. In addition, the bill gives the Secretary of Education the unprecedented authority to study distance learning techniques that will expand student access to a higher education.

I am particularly pleased that Congresswoman MARGE ROUKEMA offered legislation that I introduced as an amendment during the mark-up of H.R. 6. My legislation, College Access Means Parents in School (CAMPUS) Act, has been incorporated into H.R. 6 and will enable more low-income women to get a college education by providing campus-based child care centers. Often, finding affordable quality child care can be an insurmountable barrier

for students who have children. The CAMPUS Act will tear down this barrier by providing financial incentives for colleges and universities to establish campus-based child care centers.

The good news is that students who have access to campus-based child care centers are more likely to stay in school and graduate than the average college student. Peace of mind that their children are being well cared for enables most of these students to achieve a higher grade point average and to complete their college education in less time than the norm.

Again, I want to commend the members of the Education and Workforce Committee for their excellent endeavors and I urge all of my colleagues to support this bill.

Mr. FAWELL. Mr. Chairman, I am very pleased to announce that the Higher Education Amendments Act of 1998, H.R. 6, which will be passed by the House today, includes compromise language permitting colleges and universities to offer voluntary age-based early retirement incentives to tenured faculty. Title X of H.R. 6 reflects compromise language acceptable to all interested parties, including Democrat and Republican leaders of the Education and Workforce Committee, the Administration, the higher education community, the American Association of University Professors (AAUP)—the well known faculty union, and other groups. This language still accomplishes the basic purposes of the bipartisan bill H.R. 3473, which I introduced on March 17, 1998 (and which was incorporated in the version of H.R. 6 reported by the Committee).

This legislation would amend the Age Discrimination in Employment Act of 1967 (ADEA) to provide a "safe harbor" for certain age-based voluntary early retirement incentive plans (VERIPs) offered by colleges and universities to tenured faculty. The new Title X clarifies the scope of that safe harbor in several respects from the Committee-reported version.

I support the principles of the ADEA and believe that the unique nature of faculty tenure justifies this amendment. Moreover, the ADEA already recognized the unique nature of faculty tenure. In 1986, when Congress amended the ADEA to abolish the mandatory retirement age, it included a seven year exemption for tenured faculty. When the exemption expired in December 1993, a National Academy of Sciences report raised concerns that the tenure system and diminished faculty turnover—particularly at research universities—could increase costs and limit institutional flexibility in responding to changing academic needs, particularly with regard to necessary hires in new and expanding fields and disciplines. It thus predicated its recommendation for ending mandatory retirement on the enactment of several proposals, including this legislation.

This legislation has been endorsed by the AAUP, the widely recognized union that represents university faculty. According to the AAUP, voluntary early retirement incentives are beneficial for both the faculty members who choose to retire and the institutions that need to encourage turnover to make necessary hires. Further, the voluntary nature of the proposed incentives and the double protections available to tenured faculty—the age discrimination laws and the tenure system—insure that this "safe harbor" cannot be used to penalize faculty members who choose not to retire. The AAUP has written to the Committee that it supports the legislation because "the retirement incentives under discussion are offered on a voluntary basis . . . [and] the legislation would permit an offer of additional benefits. It would not permit institutions to reduce or eliminate retirement benefits that would otherwise have been available to faculty after a certain age."

The Older Workers' Benefit Protection Act (OWBPA) did allow for two very limited age-based early retirement subsidies. When the OWBPA was enacted, the authors did discuss in detail the need for a safe harbor in defined benefit plans and noted that any plans (i.e., defined contribution plans, the plans used primarily by colleges and universities, and defined benefit plans) could utilize other early retirement incentive plans. The Committee has now decided that another very limited age-based early retirement subsidy should be permissible. This exception will be available only for faculty members with tenure at an institution of higher education. I believe that the unique nature of the tenure system and the extra protections it affords over and above the age discrimination laws justifies the creation of this exception solely for higher education institutions.

Moreover, this past January, the bipartisan National Commission on the Cost of Higher Education included this legislative initiative in its recommendations to check the skyrocketing cost of a college education. The Commission recommended that "Congress enact a clarification to the Age Discrimination in Employment Act to ensure that institutions offering defined contribution retirement programs are able to offer early retirement incentives to tenured faculty members. The Commission endorses pending Senate Bill 153, which would accomplish this purpose."

Title X is similar to S. 153, introduced by Senators Moynihan and Ashcroft. However, unlike the Senate version, this provision assures that no professor is denied an opportunity to receive the retirement incentive because the professor is too old. The provision requires that each otherwise eligible faculty member will have one opportunity of at least 180 days to elect to retire and receive the maximum benefit that could then be elected if the faculty member were younger. The provision clarifies that this 180-day opportunity must be afforded not only to faculty members who have attained the minimum age and satisfied the other eligibility requirements at the time the plan is established, but also to faculty members who satisfy these eligibility requirements at some later time while the plan remains in effect. The provision also requires that faculty members be given at least 180 days to plan for retirement after making their election.

The compromise language for Title X also clarifies that the "safe harbor" applies only to VERIPs that offer supplemental benefits, and would not apply where an institution implements any age-based reduction or cessation of benefits that would otherwise have been available to tenured faculty. The new Title X clarifies that an institution may not cease offering a retirement or severance benefit that has been generally available to tenured faculty and, within 365 days thereafter, begin offering that benefit solely to faculty members who retire under the VERIP. The provision would not, however, preclude an institution from discontinuing benefits under an existing early retirement or exit incentive plan and substituting a VERIP within 365 days.

Finally, the new Title X clarifies that the enactment of this safe harbor is not intended to effect the application of the ADEA to any other plans or employers.

It is my hope that this legislation will contribute to containing the costs of higher education, and will be beneficial both to colleges and universities and to their faculty members who choose to retire. In the words of the AAUP, the legislation will "provide greater flexibility in faculty retirement planning, offer a substantial retirement benefit to those professors who choose to retire under the terms of an incentive plan, and leave other professors whole in their choice to continue their careers."

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the Higher Education Act that we have before us today.

This bill is one of the biggest bills we will complete this Congress. These are the issues that count for the American people.

To be competitive in the global economy, we need to provide our country's youth with the means to better their education.

Mr. Speaker, we should be calling this bill "the American Act!" This is the legislation that will enable young people across this Nation to obtain the education they need to develop their skills so that they may get the good job at good wages. In this exchange, our students get the job they want, the roof over their head and America gets hard-working, productive members of our society.

Among the many important provisions of this bill, are that this bill saves the student loan program, encourages the provision of campus-based child care, cuts down on scam schools and works on the training of our teachers.

It is a good bill that makes sense for today's students!

PELL GRANT

Clearly, one of the biggest problems facing students today is the cost of higher education. While we must do everything we can to put higher education within reach of every student, we also must do everything we can to ensure to protect our scarce resources—to ensure that they are not misused or wasted or squandered.

With this in mind I (along with Representative BART GORDON of Tennessee) introduced the "Pell Grant Student/Taxpayer Protection Act" that is now a part of this Higher Education Act package.

This provision prevents a postsecondary school from participating in the Pell Grant program if that school is already ineligible to participate in the federally guaranteed student loan program.

This is a critical time for our country. Congress is trying to save taxpayer dollars while improving the quality of post-secondary education for all Americans. We took strong steps toward that goal when we last reauthorized

the Higher Education Act and implemented nearly 100 sorely needed reforms that were good for students and good for taxpayers.

One of those reforms was to make schools ineligible for guaranteed student loans if their loan default rates were above 25 percent 3 years in a row. Today's reauthorization goes further by also taking Pell Grant eligibility away from schools with high default rates. This will recover millions of dollars currently being squandered and instead put that money to work with hard-working students at legitimate schools.

Reforms such as the 3-year 25 percent default criteria were intended to put an end to risk-free federal subsidies for unscrupulous, for-profit trade schools who promise students a good education that leads to a good job and then fail to deliver on that promise—at the expense of both students and the taxpayer. If these schools violate these rules, then they would be bounced from the program.

We have already determined that schools with unacceptably high student loan default rates should not be permitted to participate in the federally guaranteed student loan program. I submit that if a school is deemed ineligible to participate in the student loan program, then it should not be permitted to participate in the Pell Grant program.

I should note that when we temporarily put this restriction on abuse of Pell Grant money into effect for one year by making it a part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, we redistributed approximately $8 million to responsible schools. Since it was a part of an appropriations act, that accomplishment was only temporary. Today's action will make this provision permanently a part of the law.

This is an opportunity to stretch our Pell Grant funds by disqualifying those schools that we have already disqualified from the federally guaranteed student loan program. This allows us to make the most of our limited federal dollars!

STUDENT LOAN INTEREST RATE ISSUE

But there is another aspect of finding funds for access to college that I believe we have resolved here—the federal student loan interest rate issue. The proposal in this legislation will help save access to higher education, while helping students save on the cost of higher education.

On July 1, a change in the student loan interest rate is scheduled to take place that is believed by many independent organizations, including CRS and GAO, to possibly drive many private lenders from the student loan market.

I recognize that the change would have reduced the rate for students paying back their loans. However it would have made the loans virtually unprofitable for the banks—leading many banks to leave the market.

I am speaking today wearing two hats. One—as a longtime Member of the Postsecondary Education Subcommittee. The other hat—I serve as Chairwoman of the House Subcommittee on Financial Institutions of the House Banking Committee.

So I know this program from both sides—so to speak.

Currently, 70% of all student loans are originated by private lenders, such as the banks. Further, about 5000 banks participate in the student loan market today. If the market becomes virtually unprofitable, then many of these banks will leave the market, and leave many students without the means to a loan.

The result—student and their families being shut out of the federal student loan program and unable to obtain funds for college—is unacceptable.

Which is why we believe we have devised a plan which would retain these private lenders in the student loan program. And it is included as part of today's Higher Education Act Amendments.

This compromise provides students with a cut in the interest rate by 80 bases points, while providing banks a different interest rate, with the difference being paid by the Federal Government.

To students this means savings of over $1,000 per student for a $20,000 loan. But just as importantly, this means access! By providing banks with this small profit margin, they will remain in the guaranteed lending program, and will continue to make it possible for students to further their education!

TEACHER TRAINING

Another strong proposal in this Higher Education Act deals with the issue of teacher training. As we talk about raising standards for students, we should also talk about raising standards for teachers. To help our Nation's students, we need to help our nation's teachers.

This bill will focus on strengthening State teacher certification requirements to improve the academic knowledge of teachers in the subject areas in which they are certified to teach. Teachers who teach math should have knowledge in math, and teachers who teach science should have knowledge in science.

This bill provides competitive grants to the Governors. It will help raise the State academic standards required to enter the teaching profession.

In some states it is harder to graduate from high school than to become a certified teacher. Something is wrong here!

According to a U.S. Department of Education report, 39.5% of science teachers had not studied science as a major or minor, 34% of mathematics teachers and 25% of English teachers were similarly teaching "out of field."

How can our Nation's students learn science or math when their teachers do not know it?

Every classroom should have a well-educated, knowledgeable teacher.

CHILD CARE

This bill includes an amendment I offered at Committee to help society with today's child care problems. It is a sad reality that today's headlines are filled with stories that spring from the everyday struggle of families to secure safe and dependable child care. This problem is especially great for men and women who want to further their education to make a better life for them and their family.

The trends in society and the American workforce show a necessity for education beyond high school. Market demands require a higher level of educational achievement than high school. This is near impossible to achieve when reliable, quality child care is not available.

This bill includes this proposal to encourage a new public-private partnership between institutions and businesses to develop solutions to meet students' child care needs. This initiative is in the form of competitive grants to higher education institutions that would go directly to the institution to assist them in providing campus-based child care service to low-income students.

This legislation does not mandate a Federal program for child care that imposes some Washington-based requirements on local communities. In fact, this bill combines the concept of state and local control of education with the time-tested concept of the public-private partnership. This bill makes it possible for local institutions and businesses to work together to create their own program that meets the needs of their own community, whatever they may be.

We need to help students solve the child care problem. And we need to give institutions the means to put their proposals to the test. This bill helps us do that!

CONCLUSION

For all of these reasons, and many others that I do not have time to discuss today, this legislation is critical to all students.

Let's pass this legislation.

Thank you.

Mr. STUMP. Mr. Chairman, I rise today to express my appreciation for the provisions in H.R. 6 that put Montgomery GI Bill education benefits on an equal footing with benefits provided under other programs.

Unfortunately, veterans are penalized when they apply for other Federal education assistance benefits like Pell Grants.

Under current law, veterans education benefits are counted against the amount of assistance a veteran may receive from other Federal education benefit programs.

On the other hand, AmeriCorps education benefits don't reduce assistance from other Federal education assistance programs.

Thus, veterans who serve their Nation in often-hostile environments and at great risk to their lives are denied benefits solely due to their military service, and that is not right.

This bill corrects that inequity.

Mr. Chairman, I congratulate Chairman GOODLING, Subcommittee Chairman MCKEON, and their respective ranking Members, Mr. CLAY and Mr. KILDEE, for the way they have responded to this problem.

I know they have dedicated a significant amount of scarce resources to our veterans.

What they are doing will make a measurable difference in the lives of veterans pursuing an education.

Mr. Chairman, I strongly urge my colleagues to support H.R. 6.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill, modified by the amendments printed in part 1 of House Report 105–499, shall be considered as an original bill for the purpose of amendment under the 5-minute rule by title, and each title shall be considered read.

Before consideration of any other amendment, it shall be in order to consider the amendment printed in part 2

of the report if offered by the gentleman from Pennsylvania (Mr. GOODLING) or his designee. That amendment shall be considered read, shall be debatable for 20 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as an original bill for the purpose of further amendment.

No other amendment to the committee amendment in the nature of a substitute is in order unless printed in the CONGRESSIONAL RECORD. Those amendments shall be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

□ 2045

AMENDMENT NO. 1 OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, pursuant to the rule, I offer an amendment printed in Part 2 of the report.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part 2 amendment printed in House Report 105–499 offered by Mr. GOODLING:

Page 8, line 5, strike "is redesignated" and insert "is amended by striking subsection (a), and by redesignating subsection (b)".

Page 23, line 21, insert "or veterinary" after "medical"; and on lines 23 and 24, strike "a graduate medical school" and insert "such school".

Page 24, strike lines 22 through 24 and insert the following:

"(II) the institution has a clinical training program that was approved by a State as of January 1, 1992, or the institution's students complete their clinical training at an approved veterinary school located in the United States.

Page 33, line 7, strike "105(b)" and insert "105".

Page 58, beginning on line 21, strike part E through page 68, line 11, and insert the following:

"PART E—TEACHER QUALITY ENHANCEMENT GRANTS

"SEC. 271. PURPOSE.

"The purposes of this part are—

"(1) to provide competitive grants to States for assistance in strengthening the quality of the teaching force by improving the academic knowledge of teachers in the subject areas in which they teach;

"(2) to hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach, including training in the effective uses of technologies in the classroom; and

"(3) to recruit high quality individuals, including individuals from other occupations, into the teaching force.

"SEC. 272. ELIGIBILITY.

"(a) DEFINITIONS.—For purposes of this part:

"(1) ELIGIBLE GRANT RECIPIENT.—The term 'eligible grant recipient' means—

"(A) other than for the purpose of section 273(b), a Governor of a State, except that if, pursuant to the law or constitution of such State, another individual, entity, or agency in a State that is responsible for the teacher certification and preparation activities contained in the application, such term means that individual, entity, or agency; and

"(B) for the purpose of section 273(b), an eligible partnership.

"(2) ELIGIBLE PARTNERSHIP.—The term 'eligible partnership' means an entity consisting of an exemplary private independent or State-supported public institution of higher education which prepares teachers, and a local educational agency, and which may also consist of the eligible grant recipient, other institutions of higher education, public charter schools, public and private nonprofit elementary and secondary schools, or other public and private nonprofit agencies or organizations.

"(b) APPLICATIONS.—To be eligible to receive a grant under this part, an eligible grant recipient shall, at the time of the initial grant application, submit an application to the Secretary that meets the requirements of this part.

"(c) CONTENTS OF APPLICATION.—Such application shall include a description of how the eligible grant recipient intends to use funds provided under this part and such other information and assurances as the Secretary may require.

"SEC. 273. USE OF FUNDS.

"(a) GENERAL ACTIVITIES.—The eligible grant recipient of a State that receives a grant under this subpart shall use a portion of such grant to carry out 1 or more of the following activities:

"(1) Reforming State teacher certification requirements to ensure that current and future teachers possess the necessary academic content knowledge in the subject areas in which they are certified and assigned to teach.

"(2) Providing prospective teachers alternatives to schools of education through programs at colleges of arts and sciences or at nonprofit organizations.

"(3) Funding programs which establish or expand alternative routes to State certification for highly qualified individuals, including mid-career professionals from other occupations, paraprofessionals, and former military personnel.

"(4) Implementing reforms which hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach.

"(5) Developing and implementing effective mechanisms to expeditiously remove incompetent or unqualified teachers.

"(6) Recruiting minorities, and others, into the teaching and counseling professions, including education paraprofessionals, former military personnel, and mid-career professionals, by providing financial and other assistance related to instruction, induction, mentoring, and support services that include pre-service and in-service components, to serve within schools which have—

"(A) a high percentage of children in poverty;

"(B) low retention rates for teachers; or

"(C) a high percentage of teachers teaching subjects for which they are not qualified to teach.

"(b) PARTNERSHIP ACTIVITIES.—An eligible partnership that receives a grant under this subpart shall use such funds to carry out 1 or more of the following activities:

"(1) Implementing reforms which hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach;

"(2) Creating opportunities for enhanced and ongoing professional development which improves the academic content knowledge of teachers in the subject areas in which they are certified to teach or in which they are working toward certification to teach.

"(3) Providing programs designed to implement the successful integration of technology into teaching and learning.

"(4) Recruiting minorities, and others, into the teaching and counseling professions, including education paraprofessionals, former military personnel, and mid-career professionals, by providing financial and other assistance related to instruction, induction, mentoring, and support services that include pre-service and in-service components, to serve within schools which have—

"(A) a high percentage of children in poverty;

"(B) low retention rates for teachers; or

"(C) a high percentage of teachers teaching subjects for which they are not qualified to teach.

"SEC. 274. COMPETITIVE AWARDS.

"(a) COMPETITIVE GRANTS.—

"(1) APPLICABILITY.—The Secretary shall make grants in accordance with the requirements of this subsection for any fiscal year for which the amount appropriated under section 276 does not equal or exceed $250,000,000.

"(2) COMPETITIVE BASIS FOR AWARDS.—The Secretary shall make annual grants under this subsection on a competitive basis.

"(3) PEER REVIEW PANEL.—The Secretary shall provide the applications submitted by eligible grant recipients under section 272 to a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

"(4) PRIORITY.—In recommending applications to the Secretary, the panel shall give priority to—

"(A) applications from States with proposals which promise initiatives to reform State teacher certification requirements which are designed to ensure that current and future teachers possess the necessary academic content knowledge in the subject areas in which they are certified to teach or which include innovative reforms to hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach; and

"(B) eligible partnership applications which—

"(i) include the eligible grant recipient and demonstrate a high degree of collaboration with the State agency responsible for teacher certification and preparation; and

"(ii) include a local educational agency which includes a school with—

"(I) a high percentage of children in poverty;

"(II) low retention rates for teachers; or

"(III) a high percentage of teachers teaching subjects for which they are not qualified to teach.

"(5) RANKING OF APPLICATIONS.—With respect to each application recommended for funding, the panel shall assign the application a rank, relative to other recommended applications, based on the priority described in subsection (c), the extent to which the application furthers the purposes of this part, and the overall quality of the application, based on the quality and scope of State-supported strategies to improve quality of teacher preparation and their teaching force.

"(6) RECOMMENDATION OF AMOUNT.—With respect to each application recommended for funding, the panel shall make a recommendation to the Secretary with respect to the amount of the grant that should be made. The Secretary shall use ⅓ of the funds made available under this part to fund applications submitted by eligible partnerships.

"(7) SECRETARIAL SELECTION.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall determine, based on the peer review panel's recommendations, which applications shall receive funding and the amounts of such grants. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this part and the types of activities proposed to be carried out.

"(B) EFFECT OF RANKING BY PANEL.—In making grants under this part, the Secretary shall select applications according to the ranking of the applications by the peer review panel, except in cases where the Secretary determines, for good cause, that a variation from that order is appropriate.

"(b) FORMULA GRANTS.—

"(1) ALLOTMENT.—For any fiscal year for which the amount appropriated to carry out this part exceeds $250,000,000, the Secretary shall make allotments to the eligible grant recipient of each State, pursuant to the formula described in paragraph (2), to enable the eligible grant recipient to carry out the activities under this part, including the funding of eligible partnerships to carry out activities described in section 273(b).

"(2) ALLOTMENT FORMULA.—For any such fiscal year, an eligible grant recipient from each State that submits an application under section 272(a) shall receive an allotment under this part in an amount that bears the same ratio to the amount appropriated as the school age population ages 5 through 17 of the State bears to the school age population ages 5 through 17 of all the States, except that no State shall receive less than an amount equal to ¼ of 1 percent of the total amount.

"(c) ADDITIONAL REQUIREMENTS.—

"(1) MATCHING REQUIREMENT.—Each State receiving funds under this part shall provide, from non-Federal sources, an amount equal to ½ of the amount of the grant in cash or in kind to carry out the activities supported by the grant.

"(2) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible recipient that receives a grant under this part may use not more than 2 percent of the grant funds for administrative costs.

"(3) REPORTING.—

"(A) IN GENERAL.—An eligible grant recipient that receives a grant under this section shall submit an accountability report to the Secretary and the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Such reports shall include a description of the degree to which substantial progress has been made in meeting the following goals:

"(i) Raising the State academic standards required to enter the teaching profession.

"(ii) Increasing the percentage of classes taught in core academic subject areas by teachers fully certified by the State to teach in those subject areas.

"(iii) Decreasing shortages of qualified teachers in poor urban and rural areas.

"(iv) Increasing opportunities for enhanced and ongoing professional development which improves the academic content knowledge of teachers in the subject areas in which they are certified to teach or in which they are working toward certification to teach.

"(B) ACCOUNTABILITY OF STATE INSTITUTION OF HIGHER EDUCATION.—Prior to receiving funds under this part, an eligible grant recipient shall demonstrate that at least 80 percent of graduates of each of the exemplary institutions of higher education in any eligible partnership described in section 273(a)(2) who enter the field of teaching pass all applicable State qualification assessments of new teachers, which must include assessments of each prospective teacher's subject matter knowledge in the content area or areas in which the teacher provides instruction. Prior to each subsequent receipt of funds under this part, such State shall demonstrate that 70 percent of the graduates of each institution of higher education in the State have met such goal and continue to progress to exceed such goal. Such assessment shall be at least as rigorous as those in place on the date of enactment of this Act and shall have qualifying scores no lower than those in place on the date of enactment of this Act.

"(C) PROVISION TO PEER REVIEW PANEL.—The Secretary shall provide the reports submitted under subparagraph (A) to the peer review panel convened under subsection (a)(3). The panel shall use such accountability report in recommending applications for subsequent funding under this section.

"(4) TEACHERS QUALIFICATIONS PROVIDED TO PARENT UPON REQUEST.—Any local educational agency that participates as an eligible recipient or partner under this part shall make available, upon request and in an understandable and uniform format, to any parent of a student attending any school in the local educational agency, information regarding the qualifications of the student's classroom teacher, both generally and with regard to the subject matter in which the teacher provides instruction.

"SEC. 275. LIMITATIONS.

"(a) FEDERAL CONTROL PROHIBITED.—Nothing in this part shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under this part.

"(b) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this part shall be construed to encourage or require any change in a State's treatment of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law.

"(c) NATIONAL SYSTEM OF TEACHER CERTIFICATION PROHIBITED.—Nothing in this part shall be construed to permit, allow, encourage, or authorize any national system of teacher certification.

"SEC. 276. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part such sums as may be necessary for each of the fiscal years 1999 through 2003.".

Page 68, after line 11, insert the following new sections (and redesignate the succeeding section and conform the table of contents accordingly):

SEC. 206. CAMPUS SAFETY.

(a) GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN ON CAMPUSES.—Title II is further amended by adding at the end the following new part:

"PART F—GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN ON CAMPUSES

"SEC. 281. GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN ON CAMPUSES.

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education for use to provide training to administrators, security personnel, and campus personnel and student organizations for the purpose of developing and strengthening effective security and investigation strategies to combat violent crimes against women on campuses, and to develop and strengthen victim services in cases involving violent crimes against women on campuses, which may include partnerships with local criminal justice authorities and community-based victims services agencies.

"(2) AWARD BASIS.—The Secretary shall award grants and contracts under this section on a competitive basis.

"(3) EQUITABLE PARTICIPATION.—The Secretary shall make every effort to ensure the equitable participation of private and public institutions of higher education and to ensure the equitable geographic participation of such institutions in the activities assisted under this part.

"(4) PRIORITY.—In the award of grants and contracts under this section, the Secretary shall give priority to institutions of higher education or consortia of such institutions that show the greatest need for the sums requested.

"(b) USE OF GRANT FUNDS.—Funds provided under this part may be used for the following purposes:

"(1) To provide training for campus security and college personnel, including campus disciplinary or judicial boards, that address the issues of sexual assaults, stalking, and domestic violence.

"(2) To implement and operate education programs for the prevention of violent crimes against women.

"(3) To develop, enlarge, or strengthen support services programs including medical or psychological counseling for victims of sexual offense crimes.

"(4) To create, disseminate, or otherwise provide assistance and information about victims' options on and off campus to bring disciplinary or other legal action.

"(5) To train campus administrators and campus security personnel to more effectively identify and respond to violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

"(6) To develop and implement more effective campus policies, protocols, orders, and services specifically devoted to prevent, identify, and respond to violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

"(7) To develop, enlarge, or strengthen victim services programs for local campuses and to improve delivery of victim services on campuses.

"(8) To provide capital improvements (including improved lighting and communications facilities but not including the construction of buildings) on campuses to address violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

"(9) To support improved coordination between campus administrators, campus security personnel, and local law enforcement to reduce violent crimes against women on campus.

"(c) APPLICATIONS.—

"(1) IN GENERAL.—In order to be eligible to be awarded a grant under this section for any fiscal year, an institution of higher education shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall—

"(A) describe the need for grant funds and the plan for implementation for any of the purposes described in subsection (b);

"(B) describe how the campus authorities shall consult and coordinate with nonprofit and other victim services programs, including sexual assault and domestic violence victim services programs;

"(C) provide measurable goals and expected results from the use of the grants funds;

"(D) provide assurances that the Federal funds made available under this section shall be used to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds, be made available by the applicant for the purpose described in this part; and

"(E) include such other information and assurances as the Secretary reasonably determines to be necessary.

"(3) COMPLIANCE WITH CAMPUS CRIME REPORTING REQUIRED.—No institution of higher education shall be eligible for a grant under this section unless such institution is in compliance with the requirements of section 485(f) of this Act.

"(d) REPORTING.—Not later than 180 days after the end of the fiscal year for which grants are made under this part, the Secretary shall submit to the committees of the House of Representatives and the Senate responsible for issues relating to higher education and crime, a report that includes—

"(1) the number of grants and funds distributed under this part;

"(2) a summary of the purposes for which these grants were provided and an evaluation of their progress;

"(3) a statistical summary of the persons served, detailing the nature of victimization, and providing data on age, sex, race, ethnicity, disability, relationship to offender, geographic distribution, and type of campus; and

"(4) an evaluation of the effectiveness of programs funded under this part, including an evaluation based on the reduction observed in crimes reported pursuant to section 485(f).

"(f) GRANTEE REPORTING.—Upon completion of the grant or contract period under this section, the grantee institution or consortium of such institutions shall file a performance report with the Secretary explaining the activities carried out together with an assessment of the effectiveness of those activities in achieving the purposes of this section. The Secretary shall suspend funding for an approved application if an applicant fails to submit an annual performance report.

"(g) DEFINITIONS.—In this part—

"(1) the term 'domestic violence' includes acts or threats of violence, not including acts of self-defense, committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, or by any other person against a victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction;

"(2) the term 'sexual assault' means any conduct proscribed by chapter 109A of title 18, United States Code, whether or not the conduct occurs in the special maritime and territorial jurisdiction of the United States or in a Federal prison and includes both assaults committed by offenders who are strangers to the victim and assaults committed by offenders who are known or related by blood or marriage to the victim; and

"(3) the term 'victim services' means a nonprofit, nongovernmental organization that assists domestic violence or sexual assault victims, including campus women's centers, rape crisis centers, battered women's shelters, and other sexual assault or domestic violence programs including campus counseling support and victim advocate organizations with domestic violence, stalking, and sexual assault programs, whether or not organized and staffed by students.

"(h) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $10,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

Page 108, line 19, insert "State agencies," after "such as".

Page 132, line 15, strike "computer-related careers" and insert "careers in information technology".

Page 135, line 12, strike "September 30, 2001" and insert "the earlier of the date of enactment of the Higher Education Amendments of 1998 or October 1, 1998".

Page 141, beginning on line 22, strike paragraph (5) through page 142, line 4, and insert the following:

"(5) interest earned on the Federal Fund during the first 3 years after the date of enactment of this section by a limited number of guaranty agencies (not to exceed 10) that demonstrate to the Secretary the potential for a negative cash flow in the Operating Fund during the restructuring of their operations in accordance with the requirements of this section and section 422A.

Page 144, line 23, strike "$30,000,000" and insert "$43,000,000".

Page 145, line 16, strike "$150,000,000" and insert "$215,000,000".

Page 145, line 21, insert "agency" after "guaranty".

Page 148, strike lines 10 through 17 and insert the following:

(3) GUARANTY AGENCY RESERVE LEVEL.—Section 428(c)(9) is amended—

(A) in subparagraph (A), by striking ".5 percent" and inserting "0.25 percent"; and

(B) in subparagraph (C)—

(i) by striking "80 percent pursuant to section 428(c)(1)(B)(ii)" and inserting "85 percent pursuant to paragraph (1)(B)(i) of this subsection"; and

(ii) by striking "30 working days" and inserting "45 working days".

Page 149, beginning on line 23, strike "presented that the guaranty agency successfully brings" and insert "paid as a result of the loan being brought".

Page 150, beginning on line 8, strike "the borrower" and all that follows through the period on line 10 and insert the following: "at least 12 months has elapsed between the date the borrower became current in his or her payments and the date the lender filed a subsequent default aversion assistance request.".

Page 153, strike lines 5 through 12 and insert the following:

"(3) PLUS LOANS.—With respect to any loan under section 428B for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

"(A)(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent; or

"(B) 9.0 percent.

"(4) CONSOLIDATION LOANS.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after October 1, 1998, the applicable rate of interest shall be at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(A) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

"(B) 8.25 percent.

Page 154, line 8, after "paragraph," insert "and except as provided in subparagraph (B),".

Page 155, line 10, strike "clause (iv)" and insert "clause (v)".

Page 155, strike lines 12 through 23 and insert the following:

"(iv) CONSOLIDATION LOANS.—In the case of any consolidation loan for which the application is received by an eligible lender on or after October 1, 1998, and for which the applicable interest rate is determined under section 427A(a)(4), clause (i)(III) of this subparagraph shall be applied by substituting '3.1 percent' for '2.8 percent', subject to clause (v) of this subparagraph.

"(v) LIMITATION ON SPECIAL ALLOWANCES FOR PLUS AND CONSOLIDATION LOANS.—In the case of PLUS loans made under section 428B and disbursed on or after July 1, 1998, for which the interest rate is determined under 427A(a)(3), a special allowance shall not be paid for such loan unless the rate determined under subparagraph (A) of such section (without regard to subparagraph (B) of such section) exceeds 9.0 percent. In the case of consolidation loans made under section 428C for which the application is received by an eligible lender on or after October 1, 1998, and for which the applicable interest rate is determined under section 427A(a)(4), a special allowance shall not be paid for such loan unless the rate determined under subparagraph (A) of such section (without regard to subparagraph (B) of such section) exceeds 8.25 percent.".

(2) CONSOLIDATION LOANS.—Section 428C(c)(1) (20 U.S.C. 1078-3) is amended—

(A) by striking everything preceding subparagraph (D) and inserting the following:

"(1) INTEREST RATE.—(A) Except as provided in subparagraph (B), with respect to any loan made under this section for which the application is received by an eligible lender on or after October 1, 1998, the applicable interest rate shall be determined under section 427A(a)(4).'"; and

(B) by redesignating subparagraph (D) as subparagraph (B).

(3) CONFORMING AMENDMENT.—Section 438(b)(2)(C)(ii) is amended by striking "In the

case'' and inserting ''Subject to subparagraph (F), in the case''.

Page 156, strike line 21 and all that follows through page 157, line 5, and insert the following:

that sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G.

Page 157, line 6, strike ''clause (ii) of''.

Page 164, strike lines 21 and 22 and insert the following:

''(2) LIMITATIONS ON BLANKET CERTIFICATE OF GUARANTY.—(A) An eligible lender may not make a loan to a borrower under this section after such lender receives a notification from the guaranty agency that the borrower is not an eligible borrower.

''(B) A guaranty agency and eligible lender

Page 171, strike line 23 and all that follows through page 172, line 6, and insert the following:

statement that sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G.''.

Page 172, after line 22, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(c) CAPITALIZATION OF INTEREST.—Section 428H(e)(2) is amended to read as follows:

''(2) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are not required during the in-school and grace periods or for which payments are deferred under sections 427(a)(2)(C) and 428(b)(1)(M) shall, if agreed upon by the borrower and the lender—

''(A) be paid monthly or quarterly; or

''(B) be added to the principal amount of the loan by the lender only—

''(i) when the loan enters repayment;

''(ii) at the expiration of a grace period, in the case of a loan that qualifies for a grace period;

''(iii) at the expiration of a period of deferment; and

''(iv) when the borrower defaults.

Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.''.

Page 176, line 5, insert ''in accordance'' after ''note''.

Page 184, after line 16, insert the following new subsections:

(d) DEFINITION OF DEFAULT.—

(1) AMENDMENT.—Section 435(*l*) is amended—

(A) by striking ''180 days'' and inserting ''270 days''; and

(B) by striking ''240 days'' and inserting ''330 days''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to loans for which the first day of delinquency occurs on or after the date of enactment of this Act.

(e) COHORT DEFAULT RATE: REHABILITATION.—Section 435(m)(2)(C) is amended by adding at the end the following new sentences: ''Within 2 years after the date of enactment of the Higher Education Amendments of 1998, the Secretary shall, by regulation, require guaranty agencies to collect data with respect to defaulted loans in a manner that will permit the identification of any defaulted loan for which (i) the borrower is currently making payments and has made not less than 6 consecutive on-time payments by the end of such following fiscal year, and (ii) a guaranty agency has renewed the borrower's title IV eligibility as provided in section 428F(b). Upon a determination by the Secretary that such data is available, the Secretary shall, by regulation, prescribe the extent to which any such defaulted loan may be excluded from the calculation of the cohort default rate under this subsection.''.

Page 184, beginning on line 18, strike subsection (a) through line 22 (and redesignate the succeeding subsections accordingly).

Page 184, line 23, strike ''(b) DISCHARGE.—''.

Page 203, after line 2, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

''(4) CONSOLIDATION LOANS.—Any Federal Direct Consolidation loan for which the application is received on or after October 1, 1998, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

''(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

''(ii) 8.25 percent.

Page 203, line 23, strike ''The amendments'' and insert ''Except as otherwise provided therein, the amendments''.

Page 220, line 14, strike ''and'' and after line 14 insert the following new subparagraph (and redesignate the succeeding subparagraph accordingly):

(F) in paragraph (3)(A)(i), by striking ''(H), or (I)'' and inserting ''(H), (I), (J), or (K)''; and

Page 224, strike lines 15 though 21 and insert the following:

''(6) ALLOWANCE FOR PARENTS' NEGATIVE ADJUSTED AVAILABLE INCOME.—The allowance for parents' negative adjusted available income is the amount, if any, by which the sum of the amounts deducted under subparagraphs (A) through (F) of paragraph (2) exceeds the sum of the parents' total income (as defined in section 480) and the family contribution from assets (as determined in accordance with subsection (c).''.

Page 227, line 17, strike ''1997–1998'' and insert ''1999–2000''.

Page 227, line 25, strike ''1996'' and insert ''1998''.

Page 228, after line 2, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 452. SIMPLIFIED NEEDS TEST; ZERO EXPECTED FAMILY CONTRIBUTION.

Section 479 is amended—

(1) in subsection (b)(3)—

(A) in the matter preceding subparagraph (A), by striking ''this paragraph'' and inserting ''this subsection, or subsection (c), as the case may be,'';

(B) in subparagraph (A), by striking ''or'' at the end thereof;

(C) by redesignating subparagraph (B) as subparagraph (C); and

(D) by inserting after subparagraph (A) the following new subparagraph:

''(B) a form 1040 (including any prepared or electronic version of such form) required pursuant to the Internal Revenue Code of 1986, except that such form shall be considered a qualifying form only if the student or family files such form in order to take a tax credit under section 25A of the Internal Revenue Code of 1986, and would otherwise be eligible to file a form described in subparagraph(A); or'';

(2) in subsection (c)—

(A) by amending paragraph (1)(A) to read as follows:

''(A) the student's parents file, or are eligible to file, a form described in subsection (b)(3), or certify that they are not required to file an income tax return and the student files, or is eligible to file, such a form, or certifies that the student is not required to file an income tax return; and''; and

(B) by amending paragraph (2)(A) to read as follows:

''(A) the student (and the student's spouse, if any) files, or is eligible to file, a form described in subsection (b)(3), or certifies that the student (and the student's spouse, if any) is not required to file an income tax return; and''.

Page 231, line 15, strike ''and'', and after such line insert the following new subparagraph (and redesignate the succeeding subparagraph accordingly):

(C) by striking the second sentence and inserting the following: ''The Secretary shall include on the form developed under this subsection such data items as the Secretary determines are appropriate for inclusion, selected in consultation with States to assist in the awarding of State financial assistance, except that in no case shall the number of such data items be less than the number included on the form on the date of enactment of the Higher Education Amendments of 1998.''; and

Page 232, line 12, strike ''graph'' and insert ''graphs''.

Page 233, strike lines 6 through 18, and on line 19, strike ''No fee shall'' and insert the following:

''(C) No fee shall

Page 234, line 17, strike the close quotation marks and following period and after such line insert the following new paragraph:

''(6) SUPPORT TO THIRD PARTY SERVICERS AND PRIVATE SOFTWARE PROVIDERS.—The Secretary shall support private organizations and consortia thereof in the development of software used by eligible institutions for the administration of funds under this title. The Secretary shall provide in a timely manner to such organizations and consortia all necessary specifications that data and software developed, produced, and distributed (including any diskette, modem, or network communications) must meet. These specifications shall contain record layouts for required data and test cases that such organizations or consortia may use to test the accuracy of its software. The Secretary shall develop in advance of each processing cycle an annual schedule for providing such specifications. The Secretary shall, to the extent practicable, use means of providing such support, including conferences and other meetings, outreach, and technical support mechanisms (including telephone support, training and printed reference materials). The Secretary shall, from time to time, solicit from such organizations and consortia means of improving the support provided by the Secretary.''.

Page 235, line 12, strike ''and''; on line 17, strike the period and insert ''; and''; and after line 17 insert the following new paragraph:

(3) in paragraph (5), by striking ''Trust Territory of the Pacific Islands'' and inserting ''the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau''.

Page 235, strike lines 18 through 20 and insert the following:

(b) TERMINATION OF ELIGIBILITY.—Section 484(j) is amended to read as follows:

''(j) ASSISTANCE UNDER SUBPARTS 1 AND 3, OF PART A, AND PART C.—Notwithstanding any other provision of law, a student shall be eligible until September 30, 2001, if otherwise qualified, for assistance under subparts 1 and 3 of part A, and part C, of this title, if the student is otherwise qualified and—

''(1) is a citizen of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, and attends

an institution of higher education in Guam or a public or nonprofit private institution of higher education in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau; or

"(2) meets the requirements of subsection (a)(5) and attends a public or nonprofit private institution of higher education in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.".

Page 236, line 2, after "income," insert "Federal income taxes paid,".

Page 245, line 17, strike the close quotation marks and following period and after such line insert the following:

"(10) Nothing in this section shall require the reporting or disclosure of privileged information.".

Page 252, line 16, after the period insert the following:

Each application shall include—

"(1) a description of the institution or consortium's consultation with a recognized accrediting agency or association with respect to quality assurances for the distance education programs to be offered;

"(2) a description of the statutory and regulatory requirements described in subsection (b)(2) for which a waiver is sought and the reasons for which the waiver is sought;

"(3) a description of the distance education programs to be offered;

"(4) a description of the students to whom distance education programs will be offered;

"(5) an assurance that the institution or consortium will offer full cooperation with the ongoing evaluations of the demonstration program provided for in this section; and

"(6) such other information as the Secretary may require.

Page 252, line 18, insert "of" after "sample".

Page 253, strike lines 9 and 10 and insert the following:

"(A) the extent to which the institution or consortia of institutions has met the goals set forth in its application to the Secretary, including the measures of program quality assurance;

Page 262, line 15, insert "and" after the semicolon, and strike lines 16 through 20 and insert the following:

(I) by striking "(J), and (L)" and inserting "and (K)";

Page 306, strike line 14, and insert the following: "this part for".

Page 335, after line 15, insert the following new section (and conform the table of contents accordingly):

SEC. 808. PROCEDURES FOR CANCELLATIONS AND DEFERMENTS FOR ELIGIBLE DISABLED VETERANS.

The Secretary shall, in consultation with the Secretary of Veterans Affairs, develop and implement a procedure under which Department of Veterans Affairs physicians shall provide the certification and affidavits needed to enable eligible disabled veterans to document their eligibility for deferments and cancellations of student loans made, insured, or guaranteed under this title. Not later than 6 months after the date of the enactment of this Act, the Secretaries of Education and Veterans Affairs shall jointly report to Congress on the progress made in developing and implementing this procedure.

Page 345, beginning on line 9, strike subsection (c) (and redesignate the succeeding subsections accordingly).

Page 347, beginning on line 1, strike title X and insert the following:

TITLE X—FACULTY RETIREMENT PROVISIONS

SEC. 1001. VOLUNTARY RETIREMENT INCENTIVE PLANS.

(a) IN GENERAL.—Section 4 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623) is amended by adding at the end the following:

"(m) Notwithstanding subsection (f)(2)(B), it shall not be a violation of subsection (a), (b), (c), or (e) solely because a plan of an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) offers employees who are serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure) supplemental benefits upon voluntary retirement that are reduced or eliminated on the basis of age, if—

"(1) such institution does not implement with respect to such employees any age-based reduction or cessation of benefits that are not such supplemental benefits, except as permitted by other provisions of this Act;

"(2) such supplemental benefits are in addition to any retirement or severance benefits which have been offered generally to employees serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure), independent of any early retirement or exit-incentive plan, within the preceding 365 days; and

"(3) any employee who attains the minimum age and satisfies all non-age-based conditions for receiving a benefit under the plan has an opportunity lasting not less than 180 days to elect to retire and to receive the maximum benefit that could then be elected by a younger but otherwise similarly situated employee, and the plan does not require retirement to occur sooner than 180 days after such election.".

(b) PLANS PERMITTED.—Section 4(i)(6) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(i)(6)) is amended by adding after the word "accruals" the following: "or it is a plan permitted by subsection (m)."

(c) CONSTRUCTION.—Nothing in the amendment made by subsection (a) shall affect the application of section 4 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623) with respect to—

(1) any plan described in subsection (m) of section 4 of such Act (as added by subsection (a)), for any period prior to enactment of such Act;

(2) any plan not described in subsection (m) of section 4 of such Act (as added by subsection (a)); or

(3) any employer other than an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—This section shall take effect on the date of enactment of this Act.

(2) EFFECT ON CAUSES OF ACTION EXISTING BEFORE DATE OF ENACTMENT.—The amendment made by subsection (a) shall not apply with respect to any cause of action arising under the Age Discrimination in Employment Act of 1967 prior to the date of enactment of this Act.

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania (Mr. GOODLING) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the manager's amendment makes several significant changes to H.R. 6 as reported by the committee. We did not stop working after we voted this out of committee. We continued working to try to iron out some differences that had arisen during the markup.

The amendment reflects a bipartisan agreement with respect to an issue in which Members on both sides of the aisle have expressed much concern, the quality of our Nation's teachers. It is alarming to find that nearly one-third of all high school math teachers and over one-fifth of all high school English teachers in this country have neither majored nor minored in those subjects. It is our intent to provide support to efforts that many States have begun to undertake to improve the quality and ability of classroom teachers, beginning with the institution at which many of these teachers are prepared.

Provisions that were worked out in a bipartisan manner which are now part of this amendment include: an increased emphasis on partnerships consisting of a Governor of a participating State, exemplary schools of education and local educational agencies; focusing the teacher recruitment provisions on those schools most in need of quality teachers, such as in poor urban and rural areas; and including a trigger to change this program from a competitive to a formula grant program if appropriations are over $250 million.

I look forward to the support of my colleagues for this compromise so that we can help States really reform teacher preparation programs and provide high-quality teachers for all of our States.

This amendment also includes a program to provide grants to combat violent crimes against women on college campuses, which was discussed by the committee during the markup. The program authorizes the Secretary of Education to provide grant assistance to institutions of higher education for use in providing training to administrators, security personnel, campus personnel and student organizations in order to strengthen security measures and improve victim services for women who are victims of violent crimes. However, institutions that fail to comply with the current campus crime reporting requirements found in the Higher Education Act will not be eligible for any assistance under this program.

We have made modifications to the development of the Free Application for Federal Student Aid that were requested by States in order to ensure that data items necessary to assist States in the awarding of State financial assistance are included on the form.

We have established interest rates for consolidation loans made on or after

October 1, 1998, that will provide borrowers with an interest rate based on the weighted average of their loans consolidated, capped at a maximum rate of 8.25 percent. This new rate will afford students additional interest rate relief, particularly for those students who borrow Stafford loans at the new rate of 91-day Treasury bill plus 2.3 percent and consolidate those with other loans at higher interest rates.

The amendment establishes clear application requirements for institutions of higher education that wish to offer expanded distance education programs to students. The application requirements are designed to ensure that students are being provided quality education through distance education program.

Finally, the amendment includes offsets from the Committee on Education and the Workforce jurisdiction needed in order to bring H.R. 6 to the floor and provide Members with an assurance the bill will be budget neutral.

I want to thank the gentleman from Georgia (Mr. GINGRICH), the gentleman from Texas (Mr. ARMEY) and the gentleman from Ohio (Mr. KASICH) for their cooperation in this effort. Without their assistance, it would have been impossible for us to be here today talking about a bill to provide students the lowest interest rates in 17 years.

There are many more technical changes and corrections that I will not review in detail. I want to thank my colleagues on the other side of the aisle for their hard work and cooperation in putting this package of amendments together, and I urge its adoption.

Mr. Chairman, I reserve the balance of my time.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to urge my colleagues to join me in supporting the manager's amendment that is now before us.

Mr. Chairman, this amendment makes several changes that significantly improve the bill as it was reported out of committee. The changes in the Teacher Quality Enhancement Grants are especially important.

The overall authorization of such sums and the provision that the program will become a State grant when appropriations reach $250 million mean that the authorizers intend that this be a major teacher initiative. The provision that partnerships involving institutions of higher education and local education agencies receive one-third of the funds means that we will have a "ground up" reform not only of teaching but also in the recruitment of teachers.

The emphasis on serving school districts with a high level of poverty, low teacher retention rates or a high percentage of teachers teaching outside their specialization means we will be focusing funds on those areas most in need.

The new grant program to combat violent crimes against women in college campuses is a very important provision. I commend the gentlewoman from California (Ms. WOOLSEY) for her deep commitment to this issue and for her persistence in seeing it through to a most successful conclusion.

The loan consolidation provision will give students the ability to consolidate their outstanding loans at a weighted interest rate not to exceed 8.25 percent. While these provisions could be improved, they undoubtedly represent a considerable improvement over current law.

We have also significantly improved the faculty retirement provisions. They now enjoy the support of both the college community and organizations representing retired persons. These provisions have required a considerable amount of work and give and take, and I am exceptionally pleased at the result.

Mr. Chairman, I urge the passage of the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield back the balance of my time.

Mr. KILDEE. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Chairman, I would like to thank my friend from Michigan for yielding this time to me, and I want to express my thanks to the chairman and ranking members of the full committee and subcommittee for agreeing to include in the manager's amendment an amendment I offered during full committee consideration. This amendment will help improve the accuracy and reliability of student loan data and further reduce the rate of student loan defaults.

Many schools have made progress in decreasing the rate of loan defaults. My amendment will encourage more vigorous efforts by schools and the lending community to bring defaulters back into repayment status through a process called loan rehabilitation. The result will be that more schools will be able to participate in the loan program and more students will be able to achieve their dreams by attending college.

Mr. Chairman, I want to thank our committee leadership for accommodating this request and working with me to ensure that this amendment was incorporated in H.R. 6 through the manager's amendment.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I would like to thank the ranking member for yielding this time to me, and I rise in support of the manager's amendment.

I would like to thank the chairman and the subcommittee chairman and the ranking members for their cooperation in solving what I believe is a significant problem with respect to the age discrimination law by including in the manager's amendment an excellent provision which will permit institutions around the country to offer early retirement incentive packages to members of the faculty at those universities.

I think this is an excellent piece of legislation that accomplishes three important objectives.

First of all, it is very fair and balanced and treats the members of the faculty in a very fair and evenhanded way. It is very important to note that everyone under this plan will receive full health benefits, and it is purely voluntary with respect to participation.

Second, this is an important cost-saving mechanism for universities and institutions around the country. I believe it is a very solid first step toward the goal of the gentleman from California (Mr. MCKEON) of trying to make college more affordable by addressing the issue of college cost inflation.

Third, I believe that this is an important mechanism for the recruitment of new young faculty. Particularly, I believe this will open the tenure track to many women and minority faculty who have not had the opportunity to advance up through the ranks in prior years.

In summation, Mr. Chairman, I would like to thank those who have worked with us on making this provision a reality, and I urge support of this amendment in its entirety.

Mr. KILDEE. Mr. Chairman, I urge a yes vote, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING).

The amendment was agreed to.

The CHAIRMAN. The Chair announces that there are four sections preceding title I.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Higher Education Amendments of 1998".

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.
Sec. 4. General effective date.

TITLE I—GENERAL PROVISIONS

PART A—EXTENSION AND REVISION OF GENERAL PROVISIONS

Sec. 101. Redesignation and transfer of provisions.

Sec. 102. Definitions.
Sec. 103. Regulatory reform.
PART B—PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.
Sec. 111. Performance-based organization for the delivery of Federal student financial assistance.
TITLE II—POSTSECONDARY EDUCATION IMPROVEMENT PROGRAMS
Sec. 201. Urban community service.
Sec. 202. Fund for the Improvement of Postsecondary Education.
Sec. 203. Grants to States for workplace and community transition training for incarcerated youth offenders.
Sec. 204. Advanced placement fee payment program.
Sec. 205. Teacher quality enhancement grants.
Sec. 206. Additional repeal.
TITLE III—INSTITUTIONAL AID
Sec. 301. Strengthening institutions.
Sec. 302. Historically black colleges and universities.
Sec. 303. Minority science and engineering improvement program.
Sec. 304. General provisions.
TITLE IV—STUDENT ASSISTANCE
PART A—GRANTS TO STUDENTS
Sec. 401. Pell grants.
Sec. 402. Federal TRIO programs.
Sec. 403. National early intervention and partnership program.
Sec. 404. Repeals.
Sec. 405. Establishment of new programs.
Sec. 406. Federal supplemental educational opportunity grants.
Sec. 407. Grants to States for State student incentives.
Sec. 408. Special programs for students whose families are engaged in migrant and seasonal farmwork.
Sec. 409. Byrd scholarships.
PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM
Sec. 411. Limitation repealed.
Sec. 412. Advances to reserve funds.
Sec. 413. Guaranty agency reforms.
Sec. 414. Scope and duration of program.
Sec. 415. Limitations on individual federally insured loans and Federal loan insurance.
Sec. 416. Applicable interest rates.
Sec. 417. Federally guaranteed student loans.
Sec. 418. Voluntary agreements with guaranty agencies.
Sec. 419. Federal consolidation loans.
Sec. 420. Disbursement.
Sec. 421. Unsubsidized Stafford loans.
Sec. 422. Repeal of loan forgiveness.
Sec. 423. Legal powers and responsibilities.
Sec. 424. Student loan information.
Sec. 425. Definitions.
Sec. 426. Discharge.
Sec. 427. Cancellation of loans for certain public service.
Sec. 428. Debt management options.
Sec. 429. Special allowances.
PART C—FEDERAL WORK-STUDY PROGRAMS
Sec. 435. Amendments to part C.
PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM
Sec. 436. Selection of institutions.
Sec. 437. Terms and conditions.
Sec. 438. Contracts.
Sec. 439. Funds for administrative expenses.
Sec. 440. Authority to sell loans.
Sec. 441. Cancellation of loans for certain public service.
PART E—FEDERAL PERKINS LOANS
Sec. 445. Amendments to part E.
PART F—NEED ANALYSIS
Sec. 446. Cost of attendance.
Sec. 447. Data elements.
Sec. 448. Family contribution for dependent students.
Sec. 449. Family contribution for independent students without dependents other than a spouse.
Sec. 450. Family contribution for independent students with dependents other than a spouse.
Sec. 451. Regulations; updated tables and amounts.
Sec. 452. Discretion of student financial aid administrators.
Sec. 453. Treatment of other financial assistance.
PART G—GENERAL PROVISIONS
Sec. 461. Definitions.
Sec. 462. Master calendar.
Sec. 463. Forms and regulations.
Sec. 464. Student eligibility.
Sec. 465. State court judgments.
Sec. 466. Information for students.
Sec. 467. National student loan data system.
Sec. 468. Program participation agreements.
Sec. 469. Quality assurance and regulatory simplification.
Sec. 470. Distance education demonstration programs.
Sec. 471. Garnishment requirements.
Sec. 472. Administrative subpoena authority.
Sec. 473. Advisory committee on student financial assistance.
Sec. 474. Meetings and negotiated rulemaking.
PART H—PROGRAM INTEGRITY
Sec. 476. State postsecondary review program.
Sec. 477. Accrediting agency recognition.
Sec. 478. Eligibility and certification procedures.
Sec. 479. Program review and data.
TITLE V—DEVELOPING INSTITUTIONS
Sec. 501. Establishment of new title V.
TITLE VI—INTERNATIONAL AND GRADUATE EDUCATION PROGRAMS
Sec. 601. International and foreign language studies.
Sec. 602. Business and international education programs.
Sec. 603. Institute for international public policy.
Sec. 604. General provisions.
Sec. 605. Transfer and reauthorization of graduate assistance in areas of national need program.
TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES
Sec. 701. Extension of prior rights and obligations.
Sec. 702. Repeal of part A.
Sec. 703. Extension of authorization of part B.
Sec. 704. Extension of authorization of part C.
TITLE VIII—ADDITIONAL PROVISIONS
Sec. 801. Study of transfer of credits.
Sec. 802. Study of market mechanisms in Federal student loan programs.
Sec. 803. Improvements in market information and public accountability in higher education.
Sec. 804. Differential regulation.
Sec. 805. Annual report on cost of higher education.
Sec. 806. Repeals of previous higher education amendments provisions.
Sec. 807. Limitation.
TITLE IX—AMENDMENTS TO OTHER LAWS
PART A—EDUCATION OF THE DEAF ACT
SUBPART 1—GALLAUDET UNIVERSITY
Sec. 901. Board of Trustees membership.
Sec. 902. Elementary and secondary education programs.
Sec. 903. Agreement with Gallaudet University.
SUBPART 2—NATIONAL INSTITUTE FOR THE DEAF
Sec. 911. Agreement for the National Technical Institute for the Deaf.
SUBPART 3—GENERAL PROVISIONS
Sec. 921. Definitions.
Sec. 922. Audits.
Sec. 923. Reports.
Sec. 924. Monitoring, evaluation, and reporting.
Sec. 925. Responsibility of the liaison.
Sec. 926. Federal endowment programs.
Sec. 927. Scholarship program.
Sec. 928. Oversight and effect of agreements.
Sec. 929. International students.
Sec. 930. Authorization of appropriations.
PART B—EXTENSION AND REVISION OF INDIAN HIGHER EDUCATION PROGRAMS
Sec. 951. Tribally controlled colleges and universities.
Sec. 952. Reauthorization of provisions from Higher Education Amendments of 1992.
Sec. 953. Reauthorization of Navajo Community College Act.
TITLE X—FACULTY RETIREMENT PROVISIONS
Sec. 1001. Voluntary retirement incentive plans.

The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate section 3.

The text of section 3 is as follows:

SEC. 3. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

The CHAIRMAN. Are there any amendments to section 3?

If not, the Clerk will designate section 4.

The text of section 4 is as follows:

SEC. 4. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act or the amendments made by this Act, the amendments made by this Act shall take effect on October 1, 1998.

The CHAIRMAN. Are there any amendments to section 4?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—GENERAL PROVISIONS

PART A—EXTENSION AND REVISION OF GENERAL PROVISIONS

SEC. 101. REDESIGNATION AND TRANSFER OF PROVISIONS.

(a) IN GENERAL.—

(1) REPEAL OF TITLE I.—Title I (20 U.S.C. 1001 et seq.) is repealed.

(2) REPEAL OF TITLE XII PROVISIONS.—The following sections of title XII are repealed: sections 1206, 1211, and 1212 (20 U.S.C. 1145a, 1145e, 1145f).

(3) REDESIGNATIONS.—

(A) Title XII is redesignated as title I.

(B) Sections 1201, 1202, and 1203 (20 U.S.C. 1141, 1142, 1143) are redesignated as sections 101, 102, and 103, respectively.

(C) Section 1204(b), as redesignated by section 251 of the Higher Education Amendments of 1968 (20 U.S.C. 1144(b); 82 Stat. 1042), is redesignated as section 104.

(D) Section 1204, as added by section 1201 of the Education Amendments of 1980 (20 U.S.C.

1144a; 94 Stat. 1495), is redesignated as section 105.

(E) Sections 1205, 1207, 1208, 1209, 1210, and 1213 (20 U.S.C. 1145, 1145b, 1145c, 1145d, 1145d-1, and 1145g) are redesignated as sections 106 through 111, respectively.

(4) TRANSFER.—Title I (including sections 101 through 111), as redesignated by paragraph (3), is transferred to immediately follow the short title of the Higher Education Act of 1965 (20 U.S.C. 1001 note).

(b) INTERNAL CROSS-REFERENCES.—The Higher Education Act of 1965 is amended—

(1) in section 106 (as redesignated by subsection (a)(3)), by striking "481(a)" and inserting "101(a)";

(2) in section 485(f)(1)(I), by striking "section 1213" and inserting "section 111";

(3) in section 498(j)(2), by striking "section 1201(a)(2)" and inserting "section 101(a)(2)";

(4) in section 591(d)(2), by striking "section 1201(a)" and inserting "section 101(a)(1)"; and

(5) in section 631(a)(8), by striking "section 1201(a)" each place it appears and inserting "section 101(a)(1)".

(c) CONFORMING AMENDMENTS.—

(1) TITLE 10, UNITED STATES CODE.—Sections 2193(c)(1) and 2199(2) of title 10, United States Code, are each amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(2) TITLE 18, UNITED STATES CODE.—Section 207(j)(2)(B) of title 18, United States Code, is amended by striking "1201(a)" and inserting "101(a)(1)".

(3) TITLE 39, UNITED STATES CODE.—Section 3626(b)(3) of title 39, United States Code, is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(4) ANTI-DRUG ABUSE ACT OF 1988.—Section 3601(7) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851(7)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(5) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Section 457(9) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899f(9)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(6) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985.—Section 803(1) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 4502(1)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(7) EDUCATION FOR ECONOMIC SECURITY ACT.—Section 3(6) of the Education for Economic Security Act (20 U.S.C. 3902(6)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(8) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—The Elementary and Secondary Education Act of 1965 is amended—

(A) in section 7501(4) (20 U.S.C. 7601(4)) by striking "1201(a)" and inserting "101(a)(1)"; and

(B) in section 14101(17) (20 U.S.C. 8801(17)), by striking "1201(a)" and inserting "101(a)(1)".

(9) FEDERAL AGRICULTURE IMPROVEMENT AND REFORM ACT OF 1996.—Section 922 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2279c) is amended in subsections (a)(1)(B) and (b)(1) by striking "1201 of the Higher Education Act of 1965 (20 U.S.C. 1141)" and inserting "101(a)(1) of the Higher Education Act of 1965".

(10) FOLLOW THROUGH ACT.—Section 670G(5) of the Follow Through Act (42 U.S.C. 9877(5)) is amended by striking "1201 of the Higher Education Act of 1965" and inserting "101(a)(1) of the Higher Education Act of 1965".

(11) FOOD AND AGRICULTURE ACT OF 1977.—Section 1417(h)(1)(A) of the Food and Agriculture Act of 1977 (7 U.S.C. 3152(h)(1)(A)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(12) FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1986 AND 1987.—Section 603(d) of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (20 U.S.C. 4703(d)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(13) GENERAL EDUCATION PROVISIONS ACT.—Section 429(d)(2)(B)(ii) of the General Education Provisions Act (20 U.S.C. 1228c(d)(2)(B)(ii)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(14) HARRY S TRUMAN MEMORIAL SCHOLARSHIP ACT.—Section 3(4) of the Harry S Truman Memorial Scholarship Act (20 U.S.C. 2002(4)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(15) HEAD START ACT.—Section 649(c)(3) of the Head Start Act (42 U.S.C. 9844(c)(3)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(16) HIGHER EDUCATION AMENDMENTS OF 1992.—Section 1371(a)(1)(B) of the Higher Education Amendments of 1992 (25 U.S.C. 3371(a)(1)(B)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(17) INTELLIGENCE AUTHORIZATION ACT, FISCAL YEAR 1992.—Section 808(3) of the Intelligence Authorization Act, Fiscal Year 1992 (20 U.S.C. 1908(3)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(18) JOB TRAINING PARTNERSHIP ACT.—The Job Training Partnership Act is amended—

(A) in section 4(12) (29 U.S.C. 1503(12)), by striking "1201(a)" and inserting "101(a)(1)"; and

(B) in section 141(d)(3)(B) (29 U.S.C. 1551(d)(3)(B)), by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(19) JUSTICE SYSTEM IMPROVEMENT ACT OF 1979.—Section 901(a)(17) of the Justice System Improvement Act of 1979 (42 U.S.C. 3791(a)(17)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(20) MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961.—Section 112(a)(8) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460(a)(8)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(21) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Sections 101(13) and 166(6) of the National and Community Service Act of 1990 (42 U.S.C. 12511(13); 12626(6)) are each amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101 of the Higher Education Act of 1965".

(22) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987.—Section 1403(4) of the National Defense Authorization Act for Fiscal Year 1987 (20 U.S.C. 4702(4)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(23) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—The National Defense Authorization Act for Fiscal Year 1993 is amended in section 4451(b)(1) (10 U.S.C. 2701 note) by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(24) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993.—Section 3132(b)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (42 U.S.C. 7274e(b)(1)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(25) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994.—The National Defense Authorization Act for Fiscal Year 1994 is amended—

(A) in section 841(c)(2) (10 U.S.C. 2324(2) note), by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965";

(B) in section 1333(i)(3) (10 U.S.C. 2701 note), by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965"; and

(C) in section 1334(k)(3) (10 U.S.C. 2701 note), by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(26) NATIONAL EDUCATION STATISTICS ACT OF 1994.—Section 402(c)(3) of the National Education Statistics Act of 1994 (20 U.S.C. 9001(c)(3)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(27) OLDER AMERICANS ACT OF 1965.—Section 102(32) of the Older Americans Act of 1965 (42 U.S.C. 3002(32)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(28) OMNIBUS PARKS AND PUBLIC LANDS MANAGEMENT ACT OF 1996.—Section 1007(c)(5) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 698u–5) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(29) PUBLIC LAW 85 OF THE 67TH CONGRESS.—Public Law 85 of the 67th Congress (42 Stat. 208; 25 U.S.C. 13), popularly referred to as the Snyder Act, is amended by striking "1201" and inserting "101(a)(1)".

(30) COMMUNICATION ACT OF 1934.—Section 223(h)(4) of the Communication Act of 1934 (47 U.S.C. 223(h)(4)) is amended by striking "1201 of the Higher Education Act of 1965 (20 U.S.C. 1141)" and inserting "101(a)(1) of the Higher Education Act of 1965".

(31) FEDERAL WATER POLLUTION CONTROL ACT.—Section 112(a)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1262(a)(1)) is amended by striking "1201" and inserting "101(a)(1)".

(32) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—Section 347(2)(A) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2394(2)(A)) is amended by striking "1201(a)" and inserting "101(a)(1)".

(33) ENERGY POLICY AND CONSERVATION ACT.—Section 362(f)(5)(A) of the Energy Policy and Conservation Act (42 U.S.C. 6322(f)(5)(A)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(34) JAMES MADISON MEMORIAL FELLOWSHIP ACT.—Section 815 of the James Madison Memorial Fellowship Act (20 U.S.C. 4514) is amended—

(A) in paragraph (3), by striking "1201(a)" and inserting "101(a)(1)"; and

(B) in paragraph (4), by striking "1201(d)" and inserting "101(a)(1)".

(35) REHABILITATION ACT OF 1973.—Sections 7(32) and 101(a)(7)(A)(iv)(II) of the Rehabilitation Act of 1973 (29 U.S.C. 706(32); 29 U.S.C.

721(a)(7)(A)(iv)(II)) are each amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(36) TECHNOLOGY RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES ACT OF 1988.—Section 3(8) of the Technology Related Assistance for Individuals with Disabilities Act of 1988 (29 U.S.C. 2202(8)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(37) TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT OF 1978.—The Tribally Controlled Community College Assistance Act of 1978 is amended—

(A) in section 2(a)(5) (25 U.S.C. 1801(a)(5)), by striking "1201(a)" and inserting "101(a)(1)"; and

(B) in section 113(b)(2) (25 U.S.C. 1813(b)(2)), by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965".

(38) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—The Violent Crime Control and Law Enforcement Act of 1994 is amended—

(A) in sections 200103 and 200202 (42 U.S.C. 14092; 14111), by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101(a)(1) of the Higher Education Act of 1965"; and

(B) in section 30401(b) (42 U.S.C. 13791(b)), by striking "a public" through "that Act" and inserting "an elementary school as defined in section 14101(14) of the Elementary and Secondary Education Act of 1965, and a secondary school as defined by section 14101(25) of such Act, which are public institutions".

(39) SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—Section 4 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6103) is amended—

(A) in paragraph (11)(B)(viii), by striking "section 481(b)" and inserting "section 101(a)(3)"; and

(B) in paragraph (12), by striking "section 481" and inserting "section 101(a)(2)".

(40) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 148(g) of the National and Community Service Act of 1990 (42 U.S.C. 12604(g)) is amended by striking "section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a))" and inserting "section 101(a)(2) of the Higher Education Act of 1965".

SEC. 102. DEFINITIONS.

(a) INSTITUTION OF HIGHER EDUCATION.—Section 101 (as redesignated by section 101(a)(3) of this Act) is amended by striking subsections (a) and (b) and inserting the following:

"(a) INSTITUTION OF HIGHER EDUCATION.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (4) of this subsection:

"(A) PRINCIPAL CRITERIA.—The term 'institution of higher education' means an educational institution in any State that—

"(i) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

"(ii) is legally authorized within such State to provide a program of education beyond secondary education;

"(iii) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program that is acceptable for full credit toward such a degree;

"(iv) is a public or other nonprofit institution; and

"(v) is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

"(B) ADDITIONAL INSTITUTIONS INCLUDED.—The term 'institution of higher education' also includes—

"(i) any school that provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of clauses (i), (ii), (iv), and (v) of subparagraph (A); and

"(ii) a public or nonprofit private educational institution in any State that, in lieu of the requirement in subparagraph (A)(i), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

"(C) LIST OF ACCREDITING AGENCIES.—For purposes of this subsection, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that he determines, pursuant to subpart 2 of part H of title IV of this Act, to be reliable authority as to the quality of the education or training offered.

"(2) DEFINITION FOR PURPOSES OF TITLE IV PROGRAMS.—

"(A) INCLUSION OF ADDITIONAL INSTITUTIONS.—Subject to subparagraphs (B) through (D) of this paragraph, the term 'institution of higher education' for purposes of title IV of this Act includes, in addition to the institutions covered by the definition in paragraph (1) of this subsection—

"(i) a proprietary institution of higher education;

"(ii) a postsecondary vocational institution; and

"(iii) only for the purposes of part B of title IV, an institution outside the United States that is comparable to an institution of higher education as defined in paragraph (1) of this subsection and that has been approved by the Secretary for the purpose of part B of title IV.

"(B) INSTITUTIONS OUTSIDE THE UNITED STATES.—

"(i) For the purpose of qualifying as an institution under subparagraph (A)(iii) of this paragraph, the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in paragraph (1) of this subsection. In the case of a graduate medical school outside the United States, such criteria shall include a requirement that a student attending a graduate medical school outside the United States is ineligible for loans made, insured, or guaranteed under part B of this title unless—

"(I)(aa) at least 60 percent of those enrolled and at least 60 percent of the graduates of the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part B of title IV; and

"(bb) at least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of title IV; or

"(II) the institution's clinical training program was approved by a State as of January 1, 1992.

"(ii) For the purpose of qualifying as an institution under subparagraph (A)(iii) of this paragraph, the Secretary shall establish an advisory panel of medical experts that shall—

"(I) evaluate the standards of accreditation applied to applicant foreign medical schools; and

"(II) determine the comparability of those standards to standards for accreditation applied to United States medical schools.

If such accreditation standards are determined not to be comparable, the foreign medical school shall be required to meet the requirements of paragraph (1) of this subsection.

"(iii) The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by clause (i) of this subparagraph shall render such institution ineligible for the purpose of part B of title IV.

"(iv) If, pursuant to this subparagraph, an institution loses eligibility to participate in the programs under title IV, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

"(C) LIMITATIONS BASED ON COURSE OF STUDY OR ENROLLMENT.—An institution shall not be considered to meet the definition of an institution of higher education in subparagraph (A) of this paragraph if such institution—

"(i) offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act;

"(ii) enrolls 50 percent or more of its students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this clause to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-year or 4-year program of instruction for which the institution awards an associate or baccalaureate degree;

"(iii) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the prohibition of this clause for a nonprofit institution that provides a 4-year or a 2-year program of instruction (or both) for which it awards a bachelor's or associate's degree or diploma, respectively; or

"(iv) has a student enrollment in which more than 50 percent of the students do not have a high school diploma or its recognized equivalent and does not provide a 4-year or a 2-year program of instruction (or both) for which it awards a bachelor's or associate's degree, respectively, except that the Secretary may waive the limitation contained in this clause if a nonprofit institution demonstrates to the satisfaction of the Secretary that it exceeds such limitation because it serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a high school diploma or its recognized equivalent.

"(D) LIMITATIONS BASED ON MANAGEMENT.—An institution shall not be considered to meet the definition of an institution of higher education in subparagraph (A) of this paragraph if—

"(i) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy; or

"(ii) the institution, its owner, or its chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds

under title IV, or has been judicially determined to have committed fraud involving funds under title IV.

"(E) CERTIFICATION.—The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 2 of part H.

"(F) LOSS OF ELIGIBILITY.—An institution of higher education shall not be considered to meet the definition of an institution of higher education in subparagraph (A) of this paragraph if such institution is removed from eligibility for funds under title IV as a result of an action pursuant to part H of title IV.

"(3) PROPRIETARY INSTITUTION OF HIGHER EDUCATION.—

"(A) PRINCIPAL CRITERIA.—For the purpose of this subsection, the term 'proprietary institution of higher education' means a school that—

"(i) provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

"(ii) meets the requirements of clauses (i) and (ii) of paragraph (1)(A) of this subsection;

"(iii) does not meet the requirement of clause (iv) of paragraph (1)(A) of this subsection;

"(iv) is accredited by a nationally recognized accrediting agency or association approved by the Secretary pursuant to part H of title IV;

"(v) has been in existence for at least 2 years; and

"(vi) has at least 15 percent of its revenues from sources that are not derived from funds provided under title IV, as determined in accordance with regulations prescribed by the Secretary.

In determining such 15 percent of revenues for purposes of clause (vi), funds from programs of education and training that do not meet the definition of an eligible program in section 481(b), but are provided on a contractual basis under Federal, State, or local training programs, or under specialized business and industry training requests, shall be counted.

"(B) ADDITIONAL INSTITUTIONS.—The term 'proprietary institution of higher education' also includes a proprietary educational institution in any State that, in lieu of the requirement in clause (i) of paragraph (1)(A) of this subsection, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

"(4) POSTSECONDARY VOCATIONAL INSTITUTION.—

"(A) PRINCIPAL CRITERIA.—For the purpose of this subsection, the term 'postsecondary vocational institution' means a school that—

"(i) provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

"(ii) meets the requirements of clauses (i), (ii), (iv), and (v) of paragraph (1)(A) of this subsection; and

"(iii) has been in existence for at least 2 years.

"(B) ADDITIONAL INSTITUTIONS.—The term 'postsecondary vocational institution also includes an educational institution in any State that, in lieu of the requirement in clause (i) of paragraph (1)(A) of this subsection, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

"(b) STATE; FREELY ASSOCIATED STATES.—

"(1) STATE.—The term 'State' includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.

"(2) FREELY ASSOCIATED STATES.—The term 'Freely Associated States' means the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia.".

(b) CONFORMING AMENDMENTS.—

(1) Section 481 (20 U.S.C. 1088) is amended—

(A) by striking subsections (a), (b), and (c); and

(B) by redesignating subsections (d) through (f) as subsections (a) through (c), respectively.

(2) Each of the following provisions are amended by striking "section 481" and inserting "section 101(a)(2)": sections 435(a)(1), 487(d), and 496(j) and (k).

(3) Section 498(i) (20 U.S.C. 1099c) is amended by striking "section 481 (other than the requirements in subsections (b)(5) and (c)(3))" and inserting "section 101(a) (other than the requirements in paragraphs (3)(A)(v) and (4)(A)(iii))".

(4) Section 498(j) is amended by striking "sections 481(b)(5) and 481(c)(3)" and inserting "paragraphs (3)(A)(v) and (4)(A)(iii) of section 101(a)".

(5) Section 105(b) (as redesignated by section 101(a)(3)(D)) is amended by adding at the end the following new sentence: "This subsection shall cease to be effective on October 1, 2001.".

SEC. 103. REGULATORY REFORM.

Title I is amended by adding at the end the following new section:

"SEC. 112. REGULATORY REFORM.

"(a) BIENNIAL REVIEW OF REGULATIONS.—In every even-numbered year (beginning with 1998), the Secretary—

"(1) shall review all regulations issued under title IV of the Higher Education Act of 1965 in effect at the time of the review that apply to the operations or activities of any participant in those programs; and

"(2) shall determine whether any such regulation is no longer necessary in the public interest.

"(b) EFFECT OF DETERMINATION.—The Secretary shall repeal, consolidate, simplify, or otherwise modify any regulation the Secretary determines to be no longer necessary in the public interest.

"(c) REPORT TO CONGRESS.—The Secretary shall report to the Congress any legislative changes necessary to permit regulatory simplification under this section.".

PART B—PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE

SEC. 111. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

Title I (as amended by part A of this title) is amended—

(1) by striking the heading of such title and inserting the following:

"TITLE I—GENERAL AND ADMINISTRATIVE PROVISIONS

"PART A—GENERAL PROVISIONS";

and

(2) by adding at the end the following new part:

"PART B—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

"SEC. 131. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

"(a) ESTABLISHMENT AND PURPOSE.—

"(1) ESTABLISHMENT.—There is established in the Department a Performance-Based Organization (hereafter referred to as the 'PBO') which shall be a discrete management unit responsible for managing the information systems supporting the programs authorized under title IV of this Act, as specified in subsection (b).

"(2) PURPOSES.—The purposes of the PBO are—

"(A) to improve the level of service to students and participants in the programs;

"(B) to reduce the costs of administering the Federal student financial assistance programs authorized under title IV;

"(C) to increase the accountability of the officials responsible for administering the operational aspects of these programs;

"(D) to provide greater flexibility in the management of the operational functions of the Federal student financial assistance programs;

"(E) to integrate the information systems supporting the Federal student financial assistance programs; and

"(F) to implement an open, common, integrated system for the delivery of student financial assistance under title IV.

"(b) AUTHORITY.—

"(1) AUTHORITY OF SECRETARY.— Notwithstanding any other provision of this Act, the Secretary shall maintain responsibility for the development and promulgation of policy relating to the programs of student financial assistance under title IV. In the exercise of its functions, the PBO shall be subject to the direction of the Secretary. The Secretary shall—

"(A) request the advice of, and work in cooperation with, the Chief Operating Officer in developing regulations, policies, administrative guidance, or procedures affecting the information systems administered by the PBO, and other functions performed by the PBO;

"(B) request cost estimates from the Chief Operating Officer for system changes required by specific policies proposed by the Secretary;

"(C) consider the Chief Operating Officer's comments and estimates prior to finalizing such regulations, policies, administrative guidance, or procedures;

"(D) assist the Chief Operating Officer in identifying goals for the administration and modernization of the delivery system for student financial assistance under title IV; and

"(E) if necessary, arrange for additional funding to ensure that the PBO can efficiently perform its functions.

"(2) FUNCTIONS.—The PBO shall carry out the following functions:

"(A) All aspects of contracting for the data and information systems supporting student financial assistance under title IV, including the operational administration of the William D. Ford Federal Direct Loan Program, but not including the development of policy relating to such programs.

"(B) The administrative, accounting, and financial management functions of the delivery system for Federal student assistance, including—

"(i) the collection, processing and transmission of applicant data to students, institutions and authorized third parties, as provided for in section 483;

"(ii) technical specifications for software development and systems supporting the delivery of student financial assistance under title IV;

"(iii) information technology and systems infrastructure related to the delivery and management of student financial assistance under title IV;

"(iv) all software and hardware acquisitions and all information technology contracts related to the delivery and management of student financial assistance under title IV; and

"(v) all customer service, training and user support related to the functions described in clauses (i) through (iv).

"(C) Annual development of a budget for the operations and services of the PBO, in consultation with the Secretary, and for consideration and inclusion in the Department's annual budget submission.

"(D) Annual development of goals, in consultation with the Secretary, for the administration and modernization of the system for delivery of student financial assistance under title IV.

"(E) Other functions proposed by the Secretary, and agreed to by the Chief Operating

Officer as are not inconsistent with the functions of the PBO.

"(3) INDEPENDENCE.—In carrying out its functions, the PBO shall exercise independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions.

"(4) REVIEW OF PBO.—The PBO shall be subject to the usual and customary Federal audit procedures, and be subject to review by the Inspector General of the Department.

"(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of funding the administrative costs incurred by the PBO in administering systems supporting programs under this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 1999 and each of the 4 succeeding fiscal years, except that funds authorized under section 458 shall be made available to the PBO by the Secretary for administrative costs authorized to be funded under that section.

"(d) ORGANIZATIONAL REPORTS.—

"(1) PERFORMANCE PLAN.—Within 6 months of the hiring of the Chief Operating Officer, and every 12 months thereafter, the Secretary and the Chief Operating Officer of the Department shall develop a performance plan for the PBO that establishes measurable goals and objectives for the organization. In developing this performance plan, the Secretary and the Chief Operating Officer shall consult with the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Advisory Committee on Student Financial Assistance. The performance plan shall include a concise statement of goals for a modernized system for the delivery of student financial assistance under title IV and identify action steps necessary to achieve such goals. Such goals shall be used in evaluating the performance of the Chief Operating Officer and the PBO pursuant to paragraph (2).

"(2) ANNUAL ACCOUNTABILITY REPORT.—The Chief Operating Officer shall prepare and submit an annual accountability report to the Secretary and the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate. The accountability report shall include—

"(A) an independent financial audit of the expenditures of both the PBO and programs administered by it;

"(B) financial and performance requirements applicable to the PBO under the Chief Financial Officer Act of 1990 and the Government Performance and Results Act of 1993;

"(C) the results achieved by the PBO during the year relative to the goals established in the organization's performance plan;

"(D) the results of the evaluations of performance of the Chief Operating Officer and senior managers under subsections (e)(2) and (f)(2), including the amounts of bonus compensation awarded to these individuals;

"(E) a discussion of the effectiveness of coordination between the PBO and the Secretary;

"(F) recommendations for legislative and regulatory changes to improve service to students and their families, and to improve program efficiency and integrity; and

"(G) other such information as the Director of the Office of Management and Budget shall prescribe for performance based organizations.

"(e) CHIEF OPERATING OFFICER.—

"(1) IN GENERAL.—The management of the PBO shall be vested in a Chief Operating Officer who shall be appointed by the Secretary to a 5-year term and compensated without regard to chapters 33, 51, and 53 of title 5, United States Code. The Secretary shall appoint the Chief Operating Officer within 6 months of the date of enactment of this part. The Secretary shall consult with the Chairmen of the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate prior to making an appointment. The appointment shall be made on the basis of demonstrated management ability and expertise in information technology, including extensive experience in the financial services industry, and without regard to political affiliation or activity. The Secretary may reappoint the Chief Operating Officer to subsequent terms so long as the performance of the Chief Operating Officer, as set forth in the performance agreement, is satisfactory or better. The Chief Operating Officer may be removed by—

"(A) the President; or

"(B) the Secretary, for misconduct or failure to meet performance goals set forth in the performance agreement in paragraph (2).

The President or Secretary shall communicate the reasons for any such removal to the appropriate committees of Congress.

"(2) PERFORMANCE AGREEMENT.—The Secretary and the Chief Operating Officer shall enter into an annual performance agreement which shall set forth measurable organization and individual goals for the Chief Operating Officer in key operational areas. The agreement shall be subject to review and renegotiation at the end of each term. The final agreement shall be transmitted to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, and made publicly available.

"(3) COMPENSATION.—The Chief Operating Officer is authorized to be paid at an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(B) of such title 5. In addition, the Chief Operating Officer may receive a bonus in an amount up to, but not in excess of, 50 percent of such annual rate of basic pay, based upon the Secretary's evaluation of the Chief Operating Officer's performance in relation to the performance goals set forth in the performance agreement described in paragraph (2). Payment of a bonus under this paragraph may be made to the Chief Operating Officer only to the extent that such payment does not cause the Chief Operating Officer's total aggregate compensation in a calendar year to equal or exceed the amount of the President's salary under section 102 of title 3, United States Code.

"(f) SENIOR MANAGEMENT.—

"(1) IN GENERAL.—The Chief Operating Officer may appoint up to 5 senior managers as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) PERFORMANCE AGREEMENT.—The Chief Operating Officer shall enter into an annual performance agreement with each senior manager appointed under this subsection which shall set forth measurable organization and individual goals in key operational areas. The agreement shall be subject to review and renegotiation at the end of each term.

"(3) COMPENSATION.—The Chief Operating Officer is authorized to pay senior managers at an annual rate of basic pay not to exceed 75 percent of the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of such title 5. In addition, a senior manager may receive a bonus in an amount up to, but not in excess of, 50 percent of such annual rate of basic pay, based upon the Chief Operating Officer's evaluation of the manager's performance in relation to the performance goals set forth in the performance agreement described in paragraph (2).

"(g) PERSONNEL FLEXIBILITY.—

"(1) PERSONNEL CEILINGS.—The PBO shall not be subject to any ceiling relating to the number or grade of employees.

"(2) ADMINISTRATIVE FLEXIBILITY.—The Chief Operating Officer shall work with the Office of Personnel Management to develop and implement personnel flexibilities in staffing, classification, and pay that meet the needs of the PBO, subject to compliance with title 5, United States Code.

"(h) ESTABLISHMENT OF A FAIR AND EQUITABLE SYSTEM FOR MEASURING STAFF PERFORMANCE.—The PBO shall establish an annual performance management system, subject to compliance with title 5, United States Code and consistent with applicable provisions of law and regulations, which strengthens the organizational effectiveness of the PBO by providing for establishing goals or objectives for individual, group, or organizational performance (or any combination thereof), consistent with the performance plan of the PBO and its performance planning procedures, including those established under the Government Performance and Results Act of 1993, and communicating such goals or objectives to employees.

"(i) PROCUREMENT FLEXIBILITY.—

"(1) IN GENERAL.—Except as provided in this subsection, the PBO shall abide by all applicable Federal procurement laws and regulations when procuring property and services. The PBO shall—

"(A) enter into contracts for information systems supporting the programs authorized under title IV to carry out the functions set forth in subsection (b)(2); and

"(B) obtain the services of experts and consultants without regard to section 3109 of title 5, United States Code and set pay in accordance with such section.

"(2) PERFORMANCE BASED SERVICING CONTRACTS.—The Chief Operating Officer shall, to the extent practicable, maximize the use of performance based servicing contracts, consistent with guidelines for such contracts published by the Office of Federal Procurement Policy, to achieve cost savings and improve service.

"(3) FEE FOR SERVICE ARRANGEMENTS.—The Chief Operating Officer shall, to the extent practicable and consistent with the purpose of the PBO, utilize services available outside of the Federal Government in the delivery of Federal student financial assistance. To achieve this purpose, the PBO is authorized to pay fees to an organization that are equivalent to those paid by other entities for such services, if the Chief Operating Officer determines that such organization currently provides an information system or service that meets the requirements of the PBO.

"(j) FOCUS GROUPS.—To facilitate information sharing and customer involvement, the Chief Operating Officer may establish focus groups composed of students, institutions, and other participants in the programs authorized by title IV to provide advice on student aid delivery matters.

"SEC. 132. ADMINISTRATIVE SIMPLIFICATION OF STUDENT AID DELIVERY.

"(a) IN GENERAL.—The Secretary, and the Chief Operating Officer shall improve the efficiency and effectiveness of the student aid delivery system by encouraging and participating in

the establishment of voluntary consensus standards and requirements for the electronic transmission of information necessary for the administration of programs under title IV.

"(b) ADOPTION OF VOLUNTARY CONSENSUS STANDARDS.—Except with respect to the common financial reporting form under section 483(a), the Secretary shall adopt voluntary consensus standards for transactions required under title IV, and common data elements for such transactions, to enable information to be exchanged electronically between systems administered by the Department and among participants in the Federal student aid delivery system.

"(c) REQUIREMENTS FOR ADOPTION OF VOLUNTARY CONSENSUS STANDARDS.—Any voluntary consensus standard adopted under this section shall—

"(1) be a standard that has been developed, adopted, or modified by a standard setting organization that is open to the participation of the various entities engaged in the delivery of Federal student financial assistance; and

"(2) be consistent with the objective of reducing the administrative costs of delivering student financial assistance under title IV.

"(d) PARTICIPATION IN STANDARD SETTING ORGANIZATIONS.—

"(1) The Chief Operating Officer shall participate in the activities of standard setting organizations in carrying out the provisions of this section.

"(2) The Chief Operating Officer shall encourage higher education groups seeking to develop common forms, standards, and procedures in support of the delivery of Federal student financial assistance to conduct these activities within a standard setting organization.

"(3) The Chief Operating Officer may pay necessary dues and fees associated with participating in standard setting organizations pursuant to this subsection from funds available under subsection (j).

"(e) PROCEDURES FOR ADOPTION AND IMPLEMENTATION OF VOLUNTARY CONSENSUS STANDARDS.—In adopting voluntary consensus standards and implementation timetables under this section, including modifications of existing standards, the Secretary shall follow the procedures for negotiated rulemaking in section 492.

"(f) INITIAL VOLUNTARY CONSENSUS STANDARDS TO BE ADOPTED.—Through coordinated participation between the Chief Operating Officer and standard setting organizations, the initial standards adopted by the Secretary shall include the following:

"(1) ELECTRONIC PERSONAL IDENTIFIER NUMBER.—The Secretary shall adopt standards for a single electronic personal identifier number for students receiving assistance under title IV.

"(2) ELECTRONIC SIGNATURE.—The Secretary, in coordination with the Secretary of Commerce, shall adopt standards specifying procedures for the electronic transmission and authentication of signatures with respect to transactions requiring a signature under title IV.

"(3) SINGLE INSTITUTIONAL IDENTIFIER.—The Secretary shall adopt standards for a single identifier for eligible institutions under title IV.

"(g) USE OF CLEARINGHOUSES.—Nothing in this section shall restrict the ability of participating institutions and lenders from using a clearinghouse to comply with the standards for the exchange of information established under this section.

"(h) APPLICABILITY TO CURRENT SYSTEMS.—

"(1) GENERAL RULE.—Except as provided in paragraph (2) and (3), this section shall apply to all Department of Education information systems supporting the delivery of programs under title IV no later than 12 months from the date of enactment of this part.

"(2) NATIONAL STUDENT LOAN DATA SYSTEM.—This section shall apply to sections 485B(e) and (f) no later than 18 months after the date of enactment of this part.

"(3) INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM.—The Secretary shall coordinate the adoption of voluntary consensus standards under this section to ensure that standards are compatible with the integrated postsecondary education data system (IPEDS).

"(i) DATA SECURITY.—Any entity that maintains or transmits information under a transaction covered by this section shall maintain reasonable and appropriate administrative, technical, and physical safeguards—

"(1) to ensure the integrity and confidentiality of the information; and

"(2) to protect against any reasonably anticipated security threats, or unauthorized uses or disclosures of the information.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated in any fiscal year or made available from funds appropriated to carry out activities in this section in any fiscal year such sums as may be necessary to carry out the provisions of this section, except that if no funds are appropriated pursuant to this subsection, the Secretary shall make funds available to carry out this section from amounts appropriated for the operations and expenses of the Department of Education.

"(k) DEFINITIONS.—For purposes of this section:

"(1) The term 'voluntary consensus standard' means a standard developed or used by a standard setting organization accredited by the American National Standards Institute.

"(2) The term 'standard setting organization' means a standard setting organization accredited by the American National Standards Institute that develops standards for information transactions, data elements, or any other standard that is necessary to, or will facilitate, the implementation of this section.

"(3) For purposes of this section, the term 'clearinghouse' means a public or private entity that processes or facilitates the processing of nonstandard data elements into data elements conforming to standards adopted under this section.".

The CHAIRMAN. Are there any amendments to title 1?

AMENDMENT NO. 3 OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. PAUL:

Page 50, line 13, at the end of paragraph (1) add the following new sentence: "The Secretary shall not use the social security account numbers issued under title II of the Social Security Act as the electronic personal identifier, and shall not use any identifier used in any other Federal program as the electronic personal identifier.".

Mr. PAUL. Mr. Chairman, this amendment is not a complex amendment. It merely states that Social Security numbers cannot be used to identify the individuals who will be participating in this program.

This is a common practice, obviously, today. The Social Security number is used just for about everything. As a matter of fact, many Americans think way too often.

There are 40 Federal programs now where the Social Security number is required. Not only that, the Federal Government now has been mandating the uses of the Social Security number for similar purposes even on State programs such as obtaining our driver's license.

The concern that I have and that many Americans have is that government is too intrusive, wants too many records and knows too much about everybody. The government and nongovernment people can get our names and they can get our Social Security numbers and find out more about us than we know about ourselves, and that is not the intent of our Constitution. It certainly is not the intent of the Privacy Act.

The Privacy Act concerns were expressed through this legislation in 1974 stating that, yes, we have overstepped our bounds, there is too much intrusiveness, and we are moving in the direction of a national identification card, something that is unknown and should be unheard of in a free society.

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We should not have an identity card to carry our papers to get jobs, open bank accounts, move about the country, but we are moving rapidly in that direction. This is a token effort to make this point and require the government to use some other identification method for this program. It can be done. There is nothing sacred about the Social Security number. The program can be run without the use of Social Security.

I would like to just read very briefly some passages from the Privacy Act of 1974 to make my colleagues stop and think about what we are doing.

"It shall be unlawful for any Federal, State or local government agency to deny any individual any right, benefit or privilege provided by law because of such individual's refusal to disclose his Social Security number."

If one does not give his Social Security number, one is in big trouble in this country. One cannot even get out of the hospital if one is born without a Social Security number, and one cannot open up a savings account for a child if one does not have a Social Security number. One is not even allowed to die at this time without a Social Security number, because one needs a Social Security number on one's death certificate. Talk about cradle to grave.

"Any Federal, State or local government agency which requests an individual disclose his Social Security number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is listed and what uses will be made of it." We do not have that happening. Numbers are just demanded, and too many people have complied with it, and we go along with it, but more and more Americans are getting upset with this monitoring of everything that we do through the Social Security number.

Every single government program is now requiring it. Like I said, there are 40, 40 programs. Immigration, think about how the immigration programs are monitored through Social Security numbers. There have been attempts to use the Social Security number to monitor people in their voting. We do not need this. We do not need more government surveillance in promoting this kind of a program. The program can survive, can work.

Some would argue, well, possibly, just possibly, the efficiency of the program may be diminished. That will be the argument that I will probably hear. The efficiency of the program will be diminished. Well, if this is the argument, then we are saying that we are here to protect the efficiency of the State. I see an important role for us to be here is to protect the privacy and the civil liberties of the citizen. So we are in conflict. Which should our role be, to protect privacy and civil liberties, or is it to protect the efficiency of the State?

Well, it is not difficult for me to figure that out, and it is not like I am saying this program would not exist, it is just saying that we will put a small amount of surveillance on this where the government is not so casual in expanding its role for the Social Security number.

In the Privacy Act of 1974, in the findings, they made a comment which I think is very important, and this is in 1974 when it was not really bad. "The Congress finds the opportunities for an individual to secure employment, insurance and credit and his right to due process and other legal protections are endangered by the misuse of certain information systems."

I ask my colleagues to support this amendment. This is a positive amendment; this is an amendment to protect civil liberties of every American.

Mr. McKEON. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I agree with many of the things that the gentleman from Texas (Mr. PAUL) has said, and I agree that we have to be alert and vigilant in seeing how the government can impose itself in our lives, but this use of a Social Security number is not new, it has been used for identifying student loan applications since the inception of the program.

I would like to make just a couple of points as to why it is important to have it. It is good to know who we are giving the money out to, especially when we want to collect on the loans. Information provided by students and families in order to receive Federal aid is based on income information which is verified against IRS records to prevent fraud and abuse in the student aid programs.

I think while there are concerns about the intrusiveness of government, there are also a great many concerns as to fraud in programs. It is important that we protect against fraud and abuse in these programs. This is very important to use the Social Security number to do that.

Applications are also matched with the Social Security records to make sure the person applying for aid has a valid Social Security number. I know the gentleman has made point of the fact that we put a Social Security number on death certificates. That is so that when people die, we make sure that they do not apply for student aid. I think that is an important thing to do.

This check is also done to ensure that the correct person is using his or her correct Social Security number and not a fraudulent number.

Social Security numbers are also used for skip tracing in tracking down the current addresses of student who are delinquent or who default on their loans so that they can be contacted to repay the debt. This practice saves taxpayers millions of dollars. I think it is incumbent upon us to be very diligent in the use of taxpayer dollars.

The safeguards afforded the student loan program and the taxpayer by allowing the use of Social Security numbers should not be done away with until such time as another viable alternative exists for matching records and verifying information, which is critical to preventing fraud and abuse in the Federal student aid programs.

While I agree with some of the gentleman's concerns, I think it is very important that we defeat his amendment and use the Social Security number to make this program viable.

Mr. KILDEE. Mr. Chairman, I move to strike the last word.

I know the gentleman from Texas (Mr. PAUL) is very sincere on this; I have talked to him, and I know the issues. But really, the purpose of using the Social Security number in these instances is really to prevent fraud and abuse.

We have millions and millions of dollars involved in these programs to assist students to go to college, and I think that the taxpayers certainly are willing to have a person use their Social Security number to make sure that there is no fraud and abuse in this program. I think it is very important. I just filled out my income tax a few weeks ago, and put my Social Security number on the income tax and did not feel threatened by that. So I would oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PAUL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PAUL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 411, further proceedings on the amendment offered by the gentleman from Texas (Mr. PAUL) will be postponed.

Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—POSTSECONDARY EDUCATION IMPROVEMENT PROGRAMS

SEC. 201. URBAN COMMUNITY SERVICE.

(a) DESIGNATION OF TITLE.—The Higher Education Act of 1965 is amended by inserting at the end of title I (20 U.S.C. 1001 et seq.) the following:

"TITLE II—POSTSECONDARY EDUCATION IMPROVEMENT PROGRAMS".

(b) REDESIGNATION AND TRANSFER OF URBAN COMMUNITY SERVICE PROGRAM.—

(1) INTERNAL CROSS-REFERENCES.—Part A of title XI is amended—

(A) in section 1102(b), by striking "section 1104" and inserting "section 204";

(B) in section 1104(12), by striking "section 1103(a)(2)(B)" and inserting "section 203(a)(2)(B)"; and

(C) in section 1108(1), by striking "section 1103" and inserting "section 203".

(2) REDESIGNATION.—Part A of title XI (20 U.S.C. 1136 et seq.) is redesignated as part A of title II, and sections 1101 through 1109 are redesignated as sections 201 through 209.

(3) TRANSFER.—Part A of title II (including sections 201 through 209), as redesignated by paragraph (2), is transferred to immediately follow the heading inserted by subsection (a) of this section.

(4) REPEAL.—Part B of title XI (20 U.S.C. 1137 et seq.) and the heading of title XI are repealed.

(c) ALLOWABLE ACTIVITIES.—Section 204 (as redesignated by subsection (b)(2)) is amended by adding at the end the following new paragraph:

"(14) Improving access to technology in local communities.".

(d) DESIGNATION OF URBAN GRANT INSTITUTIONS.—Section 207 (as redesignated by subsection (b)(2)) is amended by adding at the end the following new sentence: "The information developed as a result of this section shall be made available to Urban Grant Institutions and to any other interested institution of higher education by any appropriate means, including the Internet.".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 209 (as redesignated by subsection (b)(2)) is amended by striking "1993" and inserting "1999".

SEC. 202. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

(a) REDESIGNATION AND TRANSFER OF PROGRAMS.—

(1) REDESIGNATION.—Part A of title X (20 U.S.C. 1135 et seq.) is redesignated as part B of title II (as amended by section 201) and—

(A) sections 1001 through 1003 (20 U.S.C. 1135 et seq.) are redesignated as sections 221 through 223; and

(B) section 1011 (20 U.S.C. 1135a–11) is redesignated as section 224.

(2) TRANSFER.—Part B of title II (including sections 221 through 224), as redesignated by paragraph (1), is transferred to follow part A of title II.

(3) REPEAL.—Section 1004 and parts B, C, and D of title X (20 U.S.C. 1135a–3, 1135e et seq.) and the heading of title X are repealed.

(b) ENDOWMENT GRANTS.—Section 221(a) (as redesignated by subsection (a)(2)) is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(9) awarding an endowment grant, on a competitive basis, to a national organization to enable such organization to support the establishment or ongoing work of area program centers that foster the development of local affiliated chapters in high-poverty areas to improve graduation rates and postsecondary attendance through the provision of academic support services and scholarship assistance for the pursuit of postsecondary education.".

(c) SPECIAL PROJECTS.—Section 224 (as redesignated by subsection (a)(2)(B)) is amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (c) and inserting the following:

"(1) institutional restructuring to improve learning and promote productivity, efficiency, quality improvement, and cost and price control;

"(2) articulation agreements between two-year and four-year institutions;

"(3) evaluation and dissemination of model programs; and

"(4) international cooperation and student exchange among postsecondary educational institutions."; and

(2) by striking subsection (d).

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) COMBINATION OF SUBPARTS.—Part B of title II (as redesignated by subsection (a)) is amended by striking the subpart designations and headings.

(2) AUTHORIZATION.—Part B of title II (as so redesignated) is amended by adding at the end the following:

"SEC. 225. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $30,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 203. GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS.

(a) REDESIGNATION AND TRANSFER OF PROGRAMS.—

(1) REDESIGNATION.—Part E of title X (20 U.S.C. 1135g) is redesignated as part C of title II and section 1091 is redesignated as section 231.

(2) TRANSFER.—Part C of title II (including section 231), as redesignated by paragraph (1), is transferred to follow part B of title II (as amended by section 202 of this Act).

(b) REAUTHORIZATION.—Section 231(j) (as so redesignated) is amended to read as follows:

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1999 and such sums as may be necessary for each of the four succeeding fiscal years.".

SEC. 204. ADVANCED PLACEMENT FEE PAYMENT PROGRAM.

(a) REDESIGNATION AND TRANSFER OF PROGRAMS.—

(1) REDESIGNATION.—Part G of title XV of the Higher Education Amendments of 1992 (20 U.S.C. 1170) is redesignated as part D of title II and section 1545 of such Act is redesignated as section 241.

(2) TRANSFER.—Part D of title II (including section 241), as redesignated by paragraph (1), is transferred to follow part C of title II (as amended by section 203 of this Act).

(b) REAUTHORIZATION.—Section 241(f) (as so redesignated) is amended by striking "1993" and inserting "1999".

SEC. 205. TEACHER QUALITY ENHANCEMENT GRANTS.

Title II is further amended by adding at the end the following new part:

"PART E—TEACHER QUALITY ENHANCEMENT GRANTS

"SEC. 271. PURPOSE.

"The purposes of this part are—

"(1) to provide competitive grants to States for assistance in strengthening the quality of the teaching force by improving the academic knowledge of teachers in the subject areas in which they teach;

"(2) to hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach, including training in the effective uses of technologies in the classroom; and

"(3) to recruit high quality individuals, including individuals from other occupations, into the teaching force.

"SEC. 272. ELIGIBILITY.

"(a) APPLICATIONS.—To be eligible to receive a grant under this part, a Governor shall, at the time of the initial grant application, submit an application to the Secretary that meets the requirements of this part.

"(b) CONTENTS OF APPLICATION.—Such application shall include a description of how the State intends to use funds provided under this part and such other information and assurances as the Secretary may require.

"(c) STATE AUTHORITY.—Nothing under this part shall be construed to negate or supersede the legal authority, under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official.

"SEC. 273. USE OF FUNDS.

"The Governor of a State that receives a grant under this subpart shall—

"(1) use a portion of such grant to carry out one or more of the following activities:

"(A) reforming State teacher certification requirements to ensure that current and future teachers possess the necessary academic content knowledge in the subject areas in which they are certified and assigned to teach;

"(B) providing prospective teachers alternatives to schools of education through programs at colleges of arts and sciences or at nonprofit organizations;

"(C) funding programs which establish or expand alternative routes to State certification for highly qualified individuals from other occupations;

"(D) developing and implementing effective mechanisms to expeditiously remove incompetent or unqualified teachers; and

"(E) implementing reforms which hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach; and

"(2) use a portion of such grant to establish a lighthouse partnership consisting of the Governor, an exemplary institution of higher education which prepares teachers, and a local educational agency and which may also consist of other institutions of higher education, public charter schools, and public and private nonprofit elementary and secondary schools, for the purpose of carrying out one or more of the following activities:

"(A) creating opportunities for enhancement and ongoing professional development which improves the academic content knowledge of teachers in the subject areas in which they are certified to teach or in which they are working toward certification to teach;

"(B) providing programs designed to implement the successful integration of technology into teaching and learning;

"(C) implementing reforms which hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach;

"(D) reforming State certification requirements to ensure that current and future teachers possess the necessary academic content knowledge in the subject areas in which they are certified to teach; and

"(E) recruiting minorities, and others, into the teaching and counseling profession, including education paraprofessionals, former military personnel, and mid-career professionals, by providing financial and other assistance related to instruction, induction, mentoring and support services.

"SEC. 274. COMPETITIVE AWARDS.

"(a) COMPETITIVE BASIS FOR AWARDS.—The Secretary shall make annual grants under this part on a competitive basis.

"(b) PEER REVIEW PANEL.—The Secretary shall provide the applications submitted by Governors under section 272 to a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

"(c) PRIORITY.—In recommending applications to the Secretary, the panel shall give priority to applications from States with proposals which promise initiatives to reform State teacher certification requirements which are designed to ensure that current and future teachers possess the necessary academic content knowledge in the subject areas in which they are certified to teach or which include innovative reforms to hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which they plan to teach.

"(d) RANKING OF APPLICATIONS.—With respect to each application recommended for funding, the panel shall assign the application a rank, relative to other recommended applications, based on the priority described in subsection (c), the extent to which the application furthers the purposes of this part, and the overall quality of the application, based on the quality and scope of State-supported strategies to improve quality of teacher preparation and their teaching force.

"(e) RECOMMENDATION OF AMOUNT.—With respect to each application recommended for funding, the panel shall make a recommendation to the Secretary with respect to the amount of the grant that should be made.

"(f) SECRETARIAL SELECTION.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall determine, based on the peer review panel's recommendations, which applications shall receive funding and the amounts of such grants. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this part and the types of activities proposed to be carried out.

"(2) EFFECT OF RANKING BY PANEL.—In making grants under this part, the Secretary shall select applications according to the ranking of the applications by the peer review panel, except in cases where the Secretary determines, for good cause, that a variation from that order is appropriate.

"(g) MATCHING REQUIREMENT.—Each State receiving funds under this part shall provide, from non-Federal sources, an amount equal to 1/2 of the amount of the grant in cash or in kind to carry out the activities supported by the grant.

"(h) LIMITATION ON ADMINISTRATIVE EXPENSES.—A State that receives a grant under this part may use not more than 2 percent of the grant funds for administrative costs.

"(i) REPORTING.—

"(1) IN GENERAL.—A Governor that receives a grant under this section shall submit an accountability report to the Secretary and the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Such reports shall include a description of the degree to which the State, in using these funds,

has made substantial progress in meeting the following goals:

"(A) Raising the State academic standards required to enter the teaching profession.

"(B) Increasing the percentage of classes taught in core academic subject areas by teachers fully certified by the State to teach in those subject areas.

"(C) Decreasing shortages of qualified teachers in poor urban and rural areas.

"(D) Increasing opportunities for enhanced and ongoing professional development which improves the academic content knowledge of teachers in the subject areas in which they are certified to teach or in which they are working toward certification to teach.

"(2) ACCOUNTABILITY OF STATE INSTITUTION OF HIGHER EDUCATION.—Prior to receiving funds under this part, a State shall demonstrate that at least 80 percent of graduates of each of the exemplary institutions of higher education in any partnership described in section 273(a)(2) who enter the field of teaching pass all applicable State qualification assessments of new teachers, which must include assessments of each prospective teacher's subject matter knowledge in the content area or areas in which the teacher provides instruction. Prior to each subsequent receipt of funds under this part, such State shall demonstrate that 70 percent of the graduates of each institution of higher education in the State have met such goal and continue to progress to exceed such goal. Such assessment shall be at least as rigorous as those in place on the date of enactment of this Act and shall have qualifying scores no lower than those in place on date of enactment of this Act.

"(3) PROVISION TO PEER REVIEW PANEL.—The Secretary shall provide the reports submitted under paragraph (1) to the peer review panel convened under subsection (b). The panel shall use such accountability report in recommending applications for subsequent funding under this section.

"(j) TEACHERS QUALIFICATIONS PROVIDED TO PARENT UPON REQUEST.—Any local educational agency that participates as an eligible applicant or partner under this part shall make available, upon request and in an understandable and uniform format, to any parent of a student attending any school in the local educational agency, information regarding the qualifications of the student's classroom teacher, both generally and with regard to the subject matter in which the teacher provides instruction.

"SEC. 275. LIMITATIONS.

"(a) FEDERAL CONTROL PROHIBITED.—Nothing in this part shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under this part.

"(b) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this part shall be construed to encourage or require any change in a State's treatment of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law.

"(c) NATIONAL SYSTEM OF TEACHER CERTIFICATION PROHIBITED.—Nothing in this part shall be construed to permit, allow, encourage, or authorize any national system of teacher certification.

"SEC. 276. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATION.—There are authorized to be appropriated to carry out this part, $18,500,000 for fiscal years 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) TRANSITION.—Notwithstanding any other provision of law, the Secretary may use funds appropriated under subsection (a) to complete awards under the original grant period for projects that were funded under subpart 2 of part E of title V of this Act, as in effect prior to enactment of the Higher Education Amendments of 1998.".

SEC. 206. ADDITIONAL REPEAL.

Title VIII (20 U.S.C. 1133 et seq.), relating to cooperative education, is repealed.

The CHAIRMAN. Are there amendments to title II?

AMENDMENT NO. 55 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 55 offered by Mr. SANDERS:

Page 56, after line 18, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

"(5) cooperation between institutions to encourage cost saving initiatives through joint purchase of goods and services, and shared use of facilities and faculty resources."

Mr. SANDERS. Mr. Chairman, I will be very brief, and I want to thank both the majority and the minority for accepting this amendment.

Mr. Chairman, as we attempt to make higher education more affordable and more accessible for the middle-income and working families of our country, we need, in fact, to do a much better job in controlling the escalating cost of a college education.

The cost of a college degree from many institutions in this country today is truly shocking. According to the National Commission on the Cost of Higher Education, and I quote, "In the 20 years between 1976 and 1996, the average tuition at public universities increased from $642 to $3,151, and the average tuition at private universities increased from $2,881 to $15,581."

Tuitions at public 2-year colleges, the least expensive of all types of institutions, they have increased 5 times over. So it seems to me while we do all that we can to increase Federal aid for those middle-income and working families that need a college education, we are doing relatively little, I think, to hold down the costs of college. In fact, the number 1 recommendation of the National Commission on the Cost of Higher Education is to strengthen institutional cost control. That is their number 1 recommendation.

Mr. Chairman, the very simple amendment that I am offering would help institutions in some ways to reduce their costs and hopefully allow them to use those savings to lower the cost of tuition and college fees. In the State of Vermont, where my wife has served as provost of a small college and has been involved in this area, and in many other regions of the country, colleges are beginning to come together to form partnerships or consortia that enables them to share resources and reduce their collective costs.

For example, in some cases, significant cost savings can be realized by joint purchasing of goods and services when schools come together to purchase things like fuel, and in the State of Vermont fuel is an expensive cost, or insurance; if they pool their resources, they can save money and use those savings to lower the cost of tuition. The problem right now, however, is that many hard-pressed schools, many of the smaller schools, simply do not have the resources or the available technical expertise to figure out how they can do those things and how they can work with other colleges to reduce costs.

This amendment, which would add no additional costs to any of the higher education programs, would instead give the Fund for the Improvement of Postsecondary Education, which administers a competitive grant program for higher education institutions, a broader mission and allow them to make competitive grants available to institutions which seek to cooperate and reduce costs through the joint purchase of goods and services.

Mr. Chairman, this amendment is consistent with the National Commission on the Cost of Higher Education which recommends: "Greater institutional and regional cooperation in using existing facilities and institutions of higher education," and that is what this amendment does.

I thank both the majority and the minority for accepting this amendment.

Mr. MCKEON. Mr. Chairman, I rise in support of the amendment. We thank the gentleman from Vermont (Mr. SANDERS) for his efforts to improve the bill, and we gladly accept his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to title II?

AMENDMENT NO. 20 OFFERED BY MR. FARR OF CALIFORNIA

Mr. FARR of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 20 offered by Mr. FARR of California:

Insert at the end of section 271(1) of the Higher Education Act of 1965 as amended by the manager's amendment offered by the Gentleman from Pennsylvania the following: ", such as math, science, English, foreign languages, history, economics, art, and civics".

Mr. FARR of California. Mr. Chairman, I just want to say that I really enjoy seeing this wonderful bipartisan support for education here on the House floor. I cannot think of any issue that is more of interest to the people in

this country now than education, and it is wonderful that we are at a time when education has become our most important product, and I would like to acknowledge and compliment the leadership on both sides of the aisle, the gentleman from Pennsylvania (Mr. GOODLING) for his great leadership and the gentleman from Michigan (Mr. KILDEE).

I have a quick amendment. This amendment is to Part E of the Teacher Quality Enforcement Enhancement Grants, which is section 271(i). This section is the one that consolidates 17 existing higher education programs into a new competitive grant program to improve teacher training.

Section 271(i) provides competitive grants to the States to strengthen the quality of teaching force in the core subject areas. My language would merely list those core subject areas as math, science, English, foreign languages, history, economics, art and civics.

MODIFICATION TO AMENDMENT NO. 20 OFFERED BY MR. FARR OF CALIFORNIA

Mr. FARR of California. Mr. Chairman, I also discovered there was a drafting error that omitted government and geography from the list, so I would ask unanimous consent to modify my amendment to add government and geography.

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The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. FARR of California:

In the matter proposed to be inserted strike out "and", and insert before the closing quotation mark "government and geography".

The CHAIRMAN. Is there objection to the modification to the amendment offered by the gentleman from California (Mr. FARR)?

There was no objection.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from California (Mr. FARR).

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there any further amendments?

AMENDMENT NO. 51 OFFERED BY MR. OWENS

Mr. OWENS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 51 offered by Mr. OWENS:

Page 68, after line 11, insert the following new section (and redesignate the succeeding section accordingly):

SEC. 206. POSTSECONDARY INFORMATION TECHNOLOGY EDUCATION RECRUITMENT

(a) FINDINGS.—The Congress finds the following:

(1) There are more than 200,000 to 400,000 vacancies in various categories of information technology jobs.

(2) From 1996 to 2005, more than 1,300,000 new computer scientists, engineers, and systems analysts will be required in the United States to fill vacant jobs, which equals 136,800 new workers per year.

(3) Systems analysts will experience the largest job growth, accounting for a 103 percent increase in the number of new positions from 1996 (506,000) to 2005 (1,025,000).

(4) The shortage of information technology workers transcends industries, affecting the manufacturing, service, transportation, health care, education, and government sectors. Within each sector, vacancies exist at all levels from aides and mechanics to programmers and designers.

(5) The information technology worker shortage is having an adverse effect on the viability of businesses in the United States and on the Nation's competitiveness. Industry surveys report that half of industry executives cite the lack of workers skilled in technology as the number one obstacle to their company's growth. An additional 20 percent of industry executives identify the lack of information technology workers as a major obstacle to their company's growth.

(6) A major factor affecting the short supply of information technology workers is the mismatch between what universities teach and what industry needs.

(7) It is in the national interest to promote special initiatives which effectively educate and train our domestic workforce to keep pace with these expanding job opportunities.

(8) Institutions of higher education have the capacity and resources to provide a role of oversight and technical assistance to a wide range of local entities, including community-based organizations, participating in a comprehensive education and training program for potential technology workers.

(9) Higher education institutions must be responsive to the digital environment and expand both their outreach efforts and on-campus activities to train and certify individuals to close the information technology worker gap.

(b) AMENDMENT.—Title II is amended by adding at the end the following:

"PART G—INFORMATION TECHNOLOGY EDUCATION RECRUITMENT

"SEC. 281. PARTNERSHIPS FOR POSTSECONDARY INFORMATION TECHNOLOGY EDUCATION RECRUITMENT

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary may make grants under this section, in accordance with competitive criteria established by the Secretary, to institutions of higher education, in order to establish, oversee the operation of, and provide technical assistance to, projects described in paragraph (2).

"(2) PROJECTS.—Projects under this section shall be projects implemented by a community-based organization described in subsection (b), or by the institution of higher education receiving the grant, to provide postsecondary information technology education and employment procurement assistance to eligible individuals described in subsection (c).

"(3) RESTRICTIONS.—An institution of higher education shall be eligible to receive only one grant under this section, but may, subject to the requirements of this section, use the grant to enter into contracts with more than one community-based organization. A community-based organization shall not be eligible to enter into a contract under this section with more than one institution of higher education.

"(4) PERIOD OF GRANT.—The provision of payments under a grant under this section shall not exceed 5 fiscal years and shall be subject to the annual approval of the Secretary and subject to the availability of appropriations for each fiscal year involved.

"(b) COMMUNITY-BASED ORGANIZATIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), a community-based organization described in this subsection is an entity that, at the time the entity enters into a contract with an institution of higher education for a project under this section, and throughout the duration of that contract—

"(A) is—

"(i) a governmental agency; or

"(ii) an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; and

"(B) is one of the following:

"(i) A local partnership (as defined in section 4 of the School-to-Work Opportunities Act of 1994) receiving a grant under section 302 of such Act.

"(ii) An entity organized and operated for religious purposes.

"(iii) An entity furnishing school-age child care services after school.

"(iv) A community-based college computer recruitment center.

"(v) An entity furnishing adult education.

"(vi) A library.

"(vii) A museum.

"(viii) Any other entity organized and operated for cultural, literary, or educational purposes.

"(2) LIMITATION.—An entity shall not be considered a community-based organization described in this subsection unless, at the time the entity enters into a contract with an institution of higher education for a project under this section, it has demonstrated to the satisfaction of the Secretary that—

"(A) it has the capacity successfully to recruit eligible individuals described in subsection (c) for participation in a project described in subsection (a), consistent with the enrollment requirements in subsection (d)(2)(E);

"(B) it is providing an educational service, social service, or employment procurement service; and

"(C) in the case of an entity that independently manages its own finances, it has been in existence 2 years or more.

"(c) ELIGIBLE INDIVIDUALS.—An eligible individual described in this subsection is an individual who—

"(1) has submitted a satisfactory application to receive postsecondary information technology education recruitment assistance through a project under this section; and

"(2) has a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate.

"(d) DUTIES.—

"(1) INSTITUTIONS OF HIGHER EDUCATION.—An institution of higher education receiving a grant under this section shall use the funds provided under the grant to carry out the following duties:

"(A) Final selection of community-based organizations described in subsection (b) desiring to provide, at one or more sites, in accordance with a contract with the institution of higher education and this section, postsecondary information technology education and employment procurement assistance to eligible individuals described in subsection (c).

"(B) Entering into a contract with each community-based organization selected under subparagraph (A) under which the institution and the organization agree to carry

out the duties respectively required of them under this section with respect to each site described in subparagraph (A).

"(C) With respect to each site described in subparagraph (A)—

"(i) design of a process for the recruitment of students from site to enroll in college courses or matriculate in college programs;

"(ii) provision of such funding for the establishment and initial operation of the site as was specified in the grant application submitted by the institution to the Secretary;

"(iii) approval of final site selection and preparation;

"(iv) initial orientation and training of personnel employed to manage and operate the site;

"(v) design and certification of the instructional and academic programs, and oversight of the implementation of the programs;

"(vi) oversight of equipment purchases and contracts for equipment maintenance; and

"(vii) selection of an outside contractor for periodic evaluation of the management and operation of the site.

"(2) COMMUNITY-BASED ORGANIZATIONS.—

"(A) IN GENERAL.—A community-based organization implementing a project under this section with an institution of higher education, at one or more sites, shall carry out the duties described in this paragraph, with respect to each such site, subject to the oversight and guidance of the institution.

"(B) GENERAL DUTIES.—The organization—

"(i) shall undertake final site selection and preparation;

"(ii) shall recruit and hire a site director;

"(iii) shall carry out any supplementary instructional, academic, or educational activities specified in the contract with the institution of higher education that are not described in subparagraph (D);

"(iv) shall assemble an advisory committee composed of individuals residing in the community in which the site is located, as well as industry representatives, who desire to assist the organization in ensuring that the goals of the organization are consistent with the goals and needs of the community population;

"(v) shall provide to the institution other evidence of volunteer support from among individuals residing in the community in which the site is located and industry representatives;

"(vi) shall recruit eligible individuals for enrollment, subject to subparagraph (E);

"(vii) shall maintain waiting lists of eligible individuals desiring to enroll in the project's programs;

"(C) SITE REQUIREMENTS.—The organization shall ensure that each site—

"(i) has a minimum of 20 fully functioning computers with sufficient capacity to perform all of the computer operations that are the subject of the curriculum specified in subparagraph (D);

"(ii) in addition to the space for the computers described in clause (i), has—

"(I) a classroom space with the capacity for seating a minimum of 30 students;

"(II) a separate office for the site director;

"(iii) is real property subject to the control of the organization or the institution, through a lease or other legal instrument, for a period of not less than 5 years;

"(iv) is open to enrolled individuals not less than 12 hours per day; and

"(v) is located within walking distance of public transportation.

"(D) INFORMATION TECHNOLOGY CURRICULUM.—

"(i) IN GENERAL.—The organization shall ensure that each site offers enrollees a curriculum that includes a broad range of course work in information technology.

"(ii) COURSES LEADING TO CERTIFICATION.—Such curriculum shall include course work leading to a certification of competence in areas of information technology recognized by the National Skill Standards Board established under the National Skill Standards Act of 1994.

"(iii) SPECIFIC COURSES.—The computer training offered shall include courses in basic computer competence, on-the-job upgrade assistance, and advanced computer competence.

"(E) ENROLLMENT REQUIREMENTS.—The organization shall ensure that its enrollment of eligible individuals at each site is consistent with the following:

"(i) Not less than 50 percent of the eligible individuals shall be, at the time of enrollment, individuals—

"(I) to whom a credit was allowed under section 32 of the Internal Revenue Code of 1986 for the preceding taxable year;

"(II) who are recipients of assistance under a State program funded under part A of title IV of the Social Security Act;

"(III) who are a member of a household participating in the food stamp program; or

"(IV) who are considered low-income pursuant to regulations promulgated by the Secretary under this section.

"(ii) Not less than 50 percent of the eligible individuals shall be, at the time of enrollment, under 25 years of age.

"(iii) No prerequisite relating to net worth, income, or assets may be applied to any eligible individual who, at the time of enrollment, is over 50 years of age, except that this requirement shall not be construed to supersede clause (i).

"(e) IMPLEMENTATION OF PROJECTS SOLELY BY INSTITUTIONS.—The Secretary may make a grant under this section to an institution of higher education that desires to implement a project under this section without the participation of a community-based organization described in subsection (b), if the institution agrees to carry out all of the duties required of such an organization under this section, in addition to the duties otherwise required of an institution of higher education. The Secretary shall, in awarding grants under this section, give priority to institutions of higher education whose grant application includes an assurance that the institution will contract with one or more community-based organizations in accordance with this section.

"(f) APPLICATIONS.—To apply for a grant under this section for any fiscal year, an institution of higher education shall submit an application to the Secretary in accordance with the procedures established by the Secretary. The application shall specify the institution's preliminary selections for the community-based organizations (if any) with which the institution proposes to contract, and shall include information with respect to preliminary site selections.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(h) DEFINITIONS.—For purposes of this section:

"(1) ADULT EDUCATION.—The term 'adult education' has the meaning given such term in section 312 of the Adult Education Act.

"(2) COMMUNITY-BASED COLLEGE COMPUTER RECRUITMENT CENTER.—The term 'community-based computer center' means a computer center—

"(A) funded by both the Federal Government and at least one private sector entity;

"(B) located in a low-income community (as determined by the Secretary); and

"(C) organized and operated for the purpose of providing families with access to computer resources that otherwise would not be available to them.

"(3) FOOD STAMP PROGRAM.—The term 'food stamp program' has the meaning given such term in section 3(h) of the Food Stamp Act of 1977.

"(4) LIBRARY.—The term 'library' has the meaning given such term in section 213 of the Library Services and Technology Act.

"(5) MUSEUM.—The term 'museum' has the meaning given such term in section 272 of the Museum and Library Services Act.".

Mr. OWENS. Mr. Chairman, this amendment seeks to deal with the omission which I cited earlier. There is a problem, there is a crisis, there is a great need for more information technology workers. There is a crisis that will be met with legislation from this House of Representatives in the 105th Congress. There are a number of different committees looking at the problem, and this committee should do its duty and address the problem.

Government analyses, industry reports, media headlines, and lobbying activities from businesses point to a crisis in the American education system and the workplace. There are not enough workers to fill 200,000 to 400,000 current vacancies in various categories of information technology jobs.

It has been reported that "a major factor affecting the short supply of information technology workers is a mismatch between what universities teach and what industry needs." One industry executive likened the current situation to "running out of iron ore in the middle of the industrial revolution."

While I commend the chairmen and ranking members of both the committee and the subcommittee for fashioning a palatable bill, H.R. 6 does not comprehensively address the anchor role that our higher education institutions could play in eliminating America's newest deficit of high skilled technology workers. The Information Technology Partnership Amendment which I am offering here would correct this gross oversight in H.R. 6.

This amendment would authorize a competitive grant program for colleges and universities to establish and oversee information technology education recruitment projects. Higher education institutions would be expected to expand existing resources to establish computer training centers off campus. Priority would be given to those colleges and universities that enter into partnerships with community-based organizations such as after-school centers and nonprofit cultural and educational organizations and even churches.

Many of my colleagues in Congress understand the severity of the shortage

of workers with the necessary education to compete in this new millennium. Several reports have documented this crisis: The Commerce Department report entitled "America's New Deficit"; reports from the Bureau of Labor Statistics; another Commerce report entitled "The Emerging Digital Economy"; and a report from an industry trade association called "Help Wanted: A Call for Deliberative Action for the New Millennium." These analyses draw a dramatic conclusion about the gross shortages that will exist now and into the year 2005.

Because of the crisis, the Information Technology Association of America has pledged its support for this amendment. As the trade association that represents information technology workers and businesses, ITAA documents how businesses are themselves complaining for assistance.

Mr. Chairman, I submit a letter from ITAA which supports this amendment:

ITAA,
Arlington, VA, April 28, 1998.

Hon. MAJOR R. OWENS,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN OWENS: I understand that you are soon to introduce a bill, the "Workforce Investment Partnership Act." Based on a review of your draft legislation, it appears it addresses the information technology (IT) training needs that are critical to the growth of American industry. As the industry association with leadership on growing the domestic IT workforce, the Information Technology Association of America (ITAA) is pleased to see the way you are attempting to deal with creatively the workforce shortage.

ITAA's recently released a study conducted by Virginia Polytechnic Institute and State University (VA Tech), Help Wanted 1998: A call for Collaborative Action for the New Millennium. This study found that there are currently 346,000 vacant IT positions in American companies. These vacancies exist both at high tech companies and in other industry sectors, including banking, retail, insurance, and hospitality. Every region of the country is impacted by this lack of IT talent. The IT skills gap represents thousands of missed opportunities for American workers, because these high paying, high growth jobs remain vacant.

ITAA supports partnerships among stakeholders in business, academia, and government which create opportunities for Americans to pursue IT jobs. ITAA is especially supportive of those partnerships that leverage existing resources (such as college faculties and community-based organizations) for new types of training programs, as your legislation suggest. ITAA looks forward to working with you and your staff to develop this project and include industry leaders in the process.

Thank you for your leadership on this critical issue. If you have any questions or comments please feel free to contact me at hmiller@itaa.org or 703-284-5340, or contact Lauren Brownstein, ITAA's Workforce Education Program Manager, at lbrownstein@itaa.org or 703-284-5318.

Sincerely,

HARRIS N. MILLER,
President.

ITAA MEMBER COMPANIES

3Com Corporation; A.I.H. Systems Group, Inc.; ABT Corporation; Accelr8 Technology Corporation; Adobe Systems, Inc. Federal Systems Division; Advanced Information Network Systems; Advanced Technology Systems Corporation; Affiliated Computer Services, Inc.; AH&T Technology Brokers; AITECH Research, Inc.; Albers & Company; ALIT Inc.; Altenbern, Douglas Honorary ITAA Member; Ambassador Capital Corporation; Amdahl Corporation; America Online, Inc.; ANATEC; Andersen Consulting LLP; ANSTEC, Inc.; ARKSYS; Arter & Hadden; AT&T; Atkinson & Associates, Inc.; Atlantic Data Services, Inc.; AVATAR Solutions, Inc.;

BDM International, Inc.; BEA Systems; Beach, Stephen H. Honorary ITTA Member; Bellcore; Best Computer Consultants, Inc.; Billennium L.P.; Bob Lejeune, Honorary Member; Boeing; Boston Technology, Inc.; BrightStar Information Technology Group, Inc.; Brookline Technologies Inc.; BTG, Inc.; Business Representation Inc.

CACI International Inc.; Caine Farber and Gordon, Inc.; Caliber Learning Network, Inc.; Cap Gemini America; Capital Technology Information Services: Capricorn Systems, Inc.; Carpenter Associates; Carr, Ambrose A., Jr. Honorary ITAA Member; CCD Online Systems, Inc.; Center For Innovative Technology; Century for Innovative Technology; Century Staffing Consultants; Chuck Wheeler Associates, Inc.; CIBER 2000, Inc.; Claremont Technology Group, Inc.; Class Solutions Ltd.; Cognos Corporation; COLMAR Corporation; Complete Business Solutions, Inc.; Computec International Resources Inc.; Computer Associates International, Inc.; Computer Generated Solutions, Inc.; Computer Horizons Corporation; Computer People Inc.; Computer Sciences Corporation; Computer Task Group, Inc. (CTG); COMSYS Technical Services, Inc.; Consist International, Inc.; Contract Solutions, Inc.; Coopers & Lybrand L.L.P.; Corporate Executive Computing, Inc.; Cotelligent Group, Inc.; CROSS ACCESS Corporation; CrossRoute Software, Inc.; Crowell & Moring; CTA Incorporated; CyberCash, Inc.; Cyborg Systems, Inc.

Data Dimensions, Inc.; Data General Corporation; Data Processing & Accounting Services; Data Processing Resources Corporation; Data Systems Analysts, Inc.; Dataccount Corporation; De Bellas & Co.; Doloitte & Touche LLP; DemoNet Inc.; Dickstein, Shapiro & Morin, LLP; Digital Commerce Corp.; Digital Equipment Corporation; Distributed Software Development, Inc.; DSQ Software Corporation; DynCorp.

Edge Information Group; EDS Corporation; Emerald Solutions, Inc.; Envision, Inc.; Epsilon Software Development Company; Ernst & Young.

Fargo Provisioning; Federal Data Corporation; Federal Sources, Inc.; First Floor Software; Forecross Corporation; Foursight Seminars, Inc.; Fujitsu Limited; Fundamental Software.

G2R; Galland, Kharasch & Garfinkle, P.C.; GE Information Services; Geac Computer Systems, Inc.; General Dynamics Information Systems; Global Data Solutions; GMR Technologies International; GMRTI; Goel & Associates, P.C.; Goetz Associates Honorary ITAA Member; Golder, Thoma, Cressey, Rauner, Inc.; Government Strategy Advisors; Government Technology Services, Inc.; Grant Thornton LLP; Great Lakes Technologies Group; Greenbrier & Russel, Inc.; GTE Internetworking; GTE Technology and Systems.

Hanover & Associates, Ltd.; Hazel & Thomas, PC; Highmark Blue Cross Blue Shield; Hinton Industries, Inc.; Hogan & Hartson; Holland & Knight LLP; Howard Systems International, Inc.

IBM Corporation; IBM Global Services; IBS Conversions, Inc.; IDC Governments, Inc.; IMI Systems, Inc.; Immigration Law Group, LLP; Information Management Resources, Inc.; Information Systems Resources, Inc.; INPUT; Intermetrics, Inc.; INTERSOLV, Inc.; Intertec Communications, Inc.; Into 2000 Inc.; Introspect Corporation; IONA Technologies.

J.G. Van Dyke Associates, Inc.; James Martin Government Consulting, Inc.; James, Luanne Honorary ITAA Member; Jerger Associates.

Keane, Inc.; Kearney & Company; Keith Bates & Associates, Inc.; Kirkpatrick & Lockhart LLP; Knautz, Allan Honorary ITAA Member; KPMG Peat Marwick LLP.

Landmark Systems Corporation; Levi, Ray & Shoup, Inc.; LexiBridge Corporation; Litton PRC; Locate In Kent; Lockheed Martin Federal Systems; Lyons & Associates, Inc.

Manley, Robert Honorary ITAA Member; MAPSYS; Marimba, Inc.; Market* Access International; Martec Computer Services Company; MASTECH Corporation; MatchPoint Systems, Inc.; MAXIMUS, Inc.; Maxxion Systems Inc.; McCabe & Associates, Inc.; McGuire, Woods, Battle & Booth; MCI Inc.; McKenna & Cuneo, L.L.P.; Mercer Computer Systems, Inc.; Merrill Lynch; Micro Focus, Inc.; Microsoft Corporation; Millennia III; Millennium Dynamics, Inc.; MCL Group, Inc.; modis.

Napersoft, Inc.; National Comprehensive Services Corp.; NBS Systems, Inc.; NeoMedia Technologies, Inc.; NEPS Inc.; NETCOM On-Line Communication Services, Inc.; Netscape Communications Corp.; New Art Technologies, Inc.; Next Millennium Consulting, Inc.; NIIT (USA) Inc.; Northrop Grumman Corp—Data Systems & Serv. Div.; Novadyne Computer Systems, Inc.

O'Grady-Peyton International; Olympic Staffing Services; Onstad, Phillip C. Honorary ITAA Member; Open Market, Inc.; Oracle Corporation; Oracle Corporation.

Paragon Computer Professionals, Inc.; Pentamation Enterprises, Inc.; Peopleware Technical Resources, Inc.; Performance Technology Group; Phil Butler & Associates, Ltd.; Phoenix Software International; Pierre Audoin Conseil; Piscopo, J.A. Honorary ITAA Member; PLATINUM Technology, Inc.; Price Waterhouse LLP; PRINCE Software, Inc.; Princeton Information Ltd.; Prodigy Services Corporation; PSDI.

Quality Engineering Software Automation (QES).

Rapasky, John R. Honorary ITAA Member; Rational Software Corp.; RCG Information Technology, Inc.; Reasoning, Inc.; Renaissance Solutions, Inc.; Renaissance Worldwide; Robbins-Gioia, Inc.; Robert Half International, Inc.; Rollins, Arthur Honorary ITAA Member.

Sachs, Spector, Glasser & Waxman, P.C.; Sam Albert Associates; SCB Computer Technology, Inc.; Schoenberg, Lawrence ITAA Honorary Member; Science Applications International Corporation (SAIC); SCO; Secure Computing Corp.; Government Division; Sentry Technology Group; Sequent Computer Systems, Inc. (Federal Division); SERENA Software International; Serendipity Consulting; Seyfarth, Shaw, Fairweather & Geraldson; Shaw Pittman Potts & Trowbridge; Signet Bank; Silicon Graphics, Inc.; Silverline Industries, Inc.; Softech International; Software AG Americas; Software Productivity Consortium;

Software Services Corporation; Software Synergy, Inc.; SOFTWORKS, Inc.; Solomon Software; Southbridge Financial Corporation; Southwestern Business Resources; Specifics, Inc.; SPR Inc.; Sprint; Spyglass, Inc.; SRA International, Inc.; SRI Consulting; STA America; Standard Data Corporation; Stanford Consulting Group; Sterling Commerce, Inc.; Sterling Software, Inc.; Strategia Corporation; Sun Microsystems/Gov't Software Group; SunGard Data Systems Inc.; Superlative Technologies, Inc.; SVI America Corporation; Sybase Federal; Symantec Federal Region; Syntel, Inc.; System One Technical, Inc.; Systems & Computer Technology Corporation.

TCG Software, Inc.; TechnoPraxis Group Inc.; Techquest, Inc.; The Comdyn Group; The Dun & Bradstreet Corporation; The Jefferson Group; The Software Factory; The Updata Group, Inc.; Thinking Tools, Inc.; Tone Software Corporation; Tracor Enterprise Solutions, Inc.; Transition Software Corporation; Transportation Consulting Group, Inc.; Triad Data Inc.; TRW; TSI International Software, Ltd.

Ultim—IT Solutions Inc.; Ultradata Corporation; Ultradata Systems Inc.; Ulysses Group Associates, Inc.; Unisys Federal Systems Division; USF&G Corporation.

Vanstar Corp., Gov't Systems Group; Vector Consulting; VentureTech 2000, Inc.; Veronex Technologies, Inc.; Vertex Inc.; Veson, Inc.; VIASOFT, Inc.; Village Information Solutions, L.L.C.; Virtual Consulting.

Wang Federal; Wang, Inc.; Waterfield Technology Group, Inc.; Wellinger & Associates, Inc.; Welsh, Carson, Anderson & Stowe; Wheat International Communications Corp.; William M. Mercer, Inc.

Y2K Solutions Group, Inc.; Y2Kplus, Inc.; Year 2000 Inventory Management Ltd.; Zitel Corporation; Zmax Corporation.

Mr. Chairman, I might add also that there is another solution being proposed by the Committee on the Judiciary. The Committee on the Judiciary proposes to meet this crisis by importing, or by changing the visa quota by increasing it from 60,000 to 115,000 and bringing in professionals from foreign countries, trained professionals in this area from foreign countries. They will solve the problem that way instead of addressing the need to prepare more of our own citizens for this very important set of jobs.

Mr. Chairman, these jobs will be around for a long time. There is a stratification. It is not only the people at the very top who are designers and the engineers for computers and for software. It is not only the computer programmers, but also technicians and technologists.

All of the estimates of the vacancies so far have not taken into consideration the needs outside of business. They are only looking at business needs. They have not looked at the needs of the schools and the colleges where there is a shortage of people who can deal with educational information technology. Education technology will require more teachers and teachers will have to have technology assistants and technicians.

Just as we have an automobile culture in this country that has built up over many decades of the automobile existing, we are going to have a culture of the computer and a culture of information technology which will have people at all strata and we should prepare for that now.

This amendment recognizes that higher education institutions have the capacity and the resources to provide the major role for a comprehensive information technology education recruitment program. The Information Technology Partnerships Amendment offers an incentive for colleges and universities to leverage their existing resources, enter into partnerships with community groups and obtain input from industry groups to help educate and prepare American citizens for these vast job opportunities.

Colleges and universities would be expected to recruit the participants who will be trained at the computer education centers. Those recruits would go on for college study. This amendment would encourage colleges to recruit actively those individuals who would normally not be exposed to such computer training and to the college environment.

In low-income communities, as has been documented by several articles in The Washington Post and the New York Times, the exposure to computers is not there. Students cannot learn this field or get involved in it unless they have the opportunity to practice on computers.

So I urge that this amendment be adopted, that we go into the 21st century with the participation of this committee on this particular piece of legislation to place us in the bargaining process that is going to take place among all the committees to solve this problem.

Mr. McKEON. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, the gentleman's heart is in the right place, he is trying to do what is right, and I think has some very good things that he is trying to do in this amendment. This is a bipartisan bill and we worked together on a lot of these areas, but it was one amendment that we were not able to accept.

Mr. Chairman, we just cannot do everything with a Federal program. According to the Department of Education, more than 550,000 students were enrolled in computer science programs in the 1995–96 academic year. The current student aid program provides millions of individuals with the opportunity to pursue any field they choose as workforce demands change for different occupations. Students can choose programs as short as 6 months or as long as a Ph.D.

States that have shortages in finding employees to fill technical jobs can use funds they match under the State Student Incentive Program which is currently authorized and appropriated for providing student financial aid programs targeted to those fields.

Or, as a last resort, we can do it without the Federal Government. We can do a program like is being done in my district. We have a community college that joined with a city that joined with several industries and put together a program on their own to train employees.

I agree wholeheartedly with the gentleman from New York (Mr. OWENS) that we should not be importing employees. We should be doing a better job of training them. I think that there are just better ways to do it than in this new amendment, and I would urge a "no" vote on the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OWENS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OWENS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 411, further proceedings on the amendment offered by the gentleman from New York (Mr. OWENS) will be postponed.

The point of no quorum is considered withdrawn.

Are there any further amendments to title II?

AMENDMENT NO. 19 OFFERED BY MR. EDWARDS

Mr. EDWARDS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 Offered by Mr. EDWARDS:

In section 271 of the Higher Education Act of 1965, as amended by the manager's amendment offered by the gentleman from Pennsylvania, strike "and" at the end of paragraph (2), strike the period at the end of paragraph (3) and insert "; and", and after such paragraph (3) insert the following new paragraph:

"(4) to provide competitive grants to States for assistance in improving the managerial skills of school principals and superintendents.

In section 273(a) of the Higher Education Act of 1965, as amended by the manager's amendment offered by the gentleman from Pennsylvania, add at the end the following new paragraphs:

"(7) Developing and implementing effective mechanisms to provide principals and superintendents with advanced managerial skills.

"(8) Creating opportunities for school principals and superintendents to further their professional development by providing advanced managerial skills training.

MODIFICATION TO AMENDMENT NO. 19 OFFERED BY MR. EDWARDS

Mr. EDWARDS. Mr. Chairman, I ask unanimous consent that the amendment be modified in the new form at the desk, which I believe is acceptable to the committee chairman, subcommittee chairman and full committee ranking member.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 19 offered by Mr. EDWARDS:

In section 273(a) of the Higher Education Act of 1965, as amended by the manager's amendment offered by the gentleman from Pennsylvania, add at the end the following new paragraphs:

"(7) Developing and implementing effective mechanisms to provide principals and superintendents with advanced managerial skills.

"(8) Creating opportunities for school principals and superintendents to further their professional development by providing advanced managerial skills training.

The CHAIRMAN. Is there objection to the modification to the amendment offered by the gentleman from Texas (Mr. EDWARDS)?

There was no objection.

Mr. EDWARDS. Mr. Chairman, this bill wisely brings together State and local officials in a commitment to improving the quality of training for our Nation's teachers. I strongly support that effort.

My amendment would expand the focus of job development grants to include management training for school superintendents and principals.

I believe it is critical for the future of our children that we provide better management training to our school principals and superintendents, because they play a very significant role in the lives of our students, they play a vital role in our public school system in America.

Mr. Chairman it is interesting if we look at dozens and dozens of cases of school turnarounds around the country where a school district had essentially the same amount of funds, the same students, the same teachers, and yet from one year to the next over a period of 2 years there was a significant turnaround and improvement of morale and student achievement. The one common bond we find in all of those cases is that there was a strong leader as a principal or as a superintendent that came into that school or district and used all of the many management skills necessary to lead an educational institution.

It is no coincidence that corporations provide millions of dollars for management training for their mid-level and upper-level management personnel. And yet historically our Nation has provided but a pittance for management training of those principals and superintendents who oversee products, our children, far more important than a product of any corporation in this country.

Providing professional development opportunities and management training will allow school administrators to improve their skills. Improved management at both the school and district level will have a positive effect on students, teachers and parents.

Students will learn more effectively in a positive environment and teachers, like all employees anywhere, are happier and more effective under good leadership and strong management. Better trained administrators will improve the overall quality of our Nation's education system.

I believe it makes sense to focus on management training in business, and I believe in this bill it will make sense to focus a small amount of resources on management training of our Nation's school superintendents and principals.

For that reason, I urge the passage of this amendment.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman from Texas (Mr. EDWARDS) for yielding.

Mr. Chairman, I want to salute my good friend and classmate from the State of Texas for coming up with this idea on this amendment. I support this amendment for three reasons: First of all because it expands the quality management to the very top level. It does not make any sense for us in business to say that the middle managers are going to get trained but then it is CEOs are not going to be eligible for that training.

Secondly, I am going to support this amendment because I believe sharing this expertise is one of the most critical functions in professional development. We have an award where we have a local teacher who just won it, the Christa McAuliffe award. She came back from spending several days in California with fellow teachers and came back to school in South Bend, Indiana, and never had the time to share the knowledge and the good things that she gleaned from the other teachers with her fellow teachers in South Bend. We need to provide more opportunities for this quality enhancement in management.

And lastly, because the world is changing so quickly, we have technology and software that many teachers who have been teaching for 20 years are not keeping up with this technology and software improvement. We need to be able to get into the classrooms, whether they be principals or whether they be teachers, all of the people together working on professional development and enhancing the quality of teaching in our schools.

So I salute the gentleman. I applaud him for this good amendment, and I encourage my colleagues to vote for it.

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Mr. MCKEON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend the gentleman from Texas. He is not a member of the committee, but he has great appreciation for education, and he has put a lot of thought in this amendment, and I think it really strengthens the bill. I would be happy to accept it.

Mr. EDWARDS. Mr. Chairman, if the gentleman will yield, I thank the Chairman and full committee chairman and the ranking member for their support and help and leadership on this issue.

The CHAIRMAN. Is there further discussion on the amendment?

The question is on the amendment, as modified, offered by the gentleman from Texas (Mr. EDWARDS).

The amendment, as modified, was agreed to.

AMENDMENT NO. 49 OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 49 offered by Mr. MILLER of California:

Page 68, line 12, redesignate section 206 as section 207, and before such line insert the following new section (and conform the table of contents accordingly):

SEC. 206. ACCOUNTABILITY FOR INSTITUTIONS OF HIGHER EDUCATION THAT PREPARE TEACHERS.

Title II is further amended by adding at the end the following new part:

"PART F—ACCOUNTABILITY FOR INSTITUTIONS OF HIGHER EDUCATION THAT PREPARE TEACHERS

"SEC. 281. DATA COLLECTION.

"(a) DATA REQUIRED.—Within one year after the date of enactment of the Higher Education Amendments of 1998, and annually thereafter, the Secretary shall collect from each State receiving funds under this Act and publish the following information:

"(1) A description of the teacher licensing and credentialing assessments used by each State, including any and all assessments required in the subject matter area or areas in which a teacher provides instruction.

"(2) The standards and criteria established by each State that teachers or prospective teachers must meet in order to receive a passing score on such assessments, including information on the extent to which passing such examinations is required in order for an individual to be a classroom teacher.

"(3) Information on the extent to which teachers or prospective teachers in each State are required to take examinations or other assessments of their subject matter knowledge in the area or areas in which they provide instruction, the standards established for passing any such assessments, and the extent to which teachers or prospective teachers are required to receive a passing score on such assessments in order to teach in specific subject areas or grade levels.

"(4) Information on the extent to which each State waives teacher credentialing and licensing requirements, including the proportion of all teachers or prospective teachers in the State for whom such licensing and credentialing requirements have been waived and the distribution of such individuals across high- and low-poverty schools and across grade levels and subject areas.

"(5) The pass rate, for the preceding year, on all teacher licensing and credentialing assessments for all individuals in the State

who took such assessments, disaggregated by the institution of higher education from which the teacher received his or her most recent degree.

"(b) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher licensing or credentialing assessments in a State other than the State in which the individual received his or her most recent degree.

"(c) USE OF LOCAL AGENCIES.—For each State in which there are no State licensing or credentialing assessments, the Secretary shall, to the extent practicable, collect data comparable to the data described in paragraphs (1) through (5) of subsection (a) from local educational agencies, colleges and universities, or other entities that administer such assessments to teachers or prospective teachers.

"SEC. 282. DATA DISSEMINATION.

"(a) EFFECTIVE DATE OF REQUIREMENTS.—The data required to be distributed under this section shall be distributed beginning within 3 years after the date of enactment of the Higher Education Amendments of 1998 and annually thereafter.

"(b) PASSING RATES.—Each institution of higher education that has a course of study that prepares elementary and secondary school teachers and receives Federal funds will report and distribute widely, including through prominent publications such as catalogs and promotional materials sent to potential applicants, high school guidance counselors, and the employers of graduates of such institutions, their pass rate for graduates of the institution on each of the State's initial teacher certification and licensing assessments for the most recent year for which data are available at the time of publication of such materials.

"(c) IDENTIFICATION OF INSTITUTIONS WITH PASSING RATES BELOW 70 PERCENT.—Each State shall submit to the Secretary a list of institutions of higher education that prepare teachers and receive Federal funds under this Act for which, for the preceding year, less than 70 percent of graduates who took any of the State's initial teacher licensing and credentialing assessments failed to receive a passing score on any such assessment. For each assessment, data shall be disaggregated by the institution of higher education from which the student received his or her most recent degree, unless such degree was granted more than 3 years prior to the date such assessment was administered.

"SEC. 283. STATE FUNCTIONS.

"(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State shall, no later than one year after the date of enactment of the Higher Education Amendments of 1998, have in place a procedure to identify low performing programs of teacher preparation within institutions of higher education. Such levels of performance shall be determined solely by the State and may include criteria based upon information collected pursuant to this part. Such assessment shall be described in the report under section 281.

"(b) TERMINATION OF ELIGIBILITY.—Any institution of higher education that offers a program of teacher preparation in which the State has withdrawn its approval or terminated its financial support due to the low performance of its teacher preparation program based upon the State assessment described in section (a)—

"(1) shall be ineligible for any funding for professional development activities awarded by the Department of Education; and

"(2) shall not be permitted to accept or enroll any student that receives aid under title IV of this Act in its teacher preparation program.

"SEC. 284. NEGOTIATED RULEMAKING.

"If the Secretary develops any regulations implementing section 283(b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process which shall include representatives of States and institutions of higher education for their review and comment.

Mr. MILLER of California. Mr. Chairman, teacher preparation is the foundation of our entire educational system. All across the Nation, States and local school districts are raising the standards for what students should know and be able to do. If we are truly serious about helping all of these students meet these new standards, we must ensure that the teachers of the future have the requisite knowledge and skills to get them there.

One important step in meeting that goal is to strengthen the quality of programs that prepare our prospective teachers. While many colleges and universities do a fine job of preparing teachers, others fall short, sometimes far short, in providing the prospective teachers with the education and training that they need. This bill presents an opportunity.

In the committee, I offered an amendment which would have cut off funding for teacher colleges that did not meet a certain test. That amendment was not accepted. Since that time, I have been spending time with the minority and other members of the committee to work on this amendment to see whether or not we can get it acceptable. I want to thank the gentleman from Pennsylvania (Mr. GOODLING), the chairman, and the gentleman from California (Mr. MCKEON), the subcommittee chairman, for all of their help and support on this amendment. I want to thank the gentleman from Tennessee (Mr. FORD) for all of his help with this amendment.

We offer this amendment to try to encourage States and to increase, one, the information about their schools of education and how they are doing, and to make sure that that information is disseminated to prospective candidates to those schools so that they will understand when they go to that school what is the passage rate at that school; and also to disseminate to the policymakers within that State exactly what is the status of that school.

I think this is very important because the Federal Government provides about $1.8 billion in Federal support to schools of education, that is grants, loans, and work studies, in 1995 and 1996 alone and does not count other Federal monies that flows to these schools.

I think it is important that we know and the prospective students in these schools know what it is that they will get when they enroll in these schools. What my amendment would do, after much conversation and consultation with the minority and others, it would see to it that the schools of education would try and prepare the students who want to become teachers of the future to meet the quality standards set by those States; not quality standards set by the Federal Government, but quality standards set by those States.

It is intended to spur the schools of education to undertake reforms that will upgrade the quality of the teacher preparation programs. It is designed to send a message to schools and to colleges and universities that they should raise the status of teacher education to a level similar to the programs of other professionals.

We very often hear that we do not pay teachers enough or we do not treat them like professionals. But until such time as we have the quality standards to gain the confidence of the American public, it is likely that we will continue to underpay our teachers. I think that that is most unfortunate.

This amendment is also designed to provide greater accountability for the money that the Federal Government spends. Why do we do this? We do this because teacher quality is important.

Earlier this evening, I talked about how our committee held hearings and listened to constructive critics of the current system of higher education and teaching and education and all that went with it, and we heard a lot of evidence.

One of the things we heard over and over and over, we heard it from conservatives and from liberals, from professionals in the field and from critics in the field, the teacher quality is arguably the most important factor outside of family affecting student achievement.

I believe that this amendment directs both information to people who want to become teachers and that hold teacher colleges accountable should those States decide to do it.

We ought to understand that teacher quality accounts, according to information given to our committee, for 43 percent of the variance in student achievement scores. Other information from the University of Tennessee indicates that poor teachers in early grades have serious and long-lasting effects on the achievement of our students.

That is what this amendment is designed to remedy. It does it in a far different fashion than I offered it in committee. I think it is consistent with the concerns the minority had that the States be able to continue to keep control of these systems. It does it in a consistent way with actions that were seen taken in States like New York, Florida, Texas, California, Pennsylvania, and others that are all moving in this direction.

It augments, I think, some very important steps that have already been

taken in this legislation to increase the ability of this legislation to address teacher quality through student loan forgiveness for qualified teachers who teach in high-priority schools, grants to States for upgrading student teacher preparation, and certification systems and partnerships between colleges and school districts to provide intensive professional development program.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 1 additional minute.)

Mr. MILLER of California. Mr. Chairman, I do this because we have got to make sure that, for the quality education that we know our economy and American society and the world economy are going to demand of our children and the children, future graduates, of our systems of higher education, that we have got to provide them with quality education.

No longer can we have a situation where barely a quarter of the applicants in New York who were seeking a teaching position on Long Island could pass the high school graduation English test. We can no longer accept that.

Teachers deserve to have professional status. They deserve to have professional pay. I believe this goes a long way toward helping that situation out and providing some accountability for schools where taxpayers invest billions of dollars.

Again, I want to thank the gentleman from California (Mr. MCKEON), the subcommittee chairman, and the gentleman from Pennsylvania (Mr. GOODLING), chairman, for all of their help and their effort and their counsel in coming to an agreement on this amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to point out that the initial amendment that the gentleman from California (Mr. MILLER) had offered I had considerable problems with. It has been dramatically modified, and I would like to explain that.

I want to highlight what I believe represents a significant difference between this amendment and the earlier versions that were offered by the gentleman from California (Mr. MILLER) during the full committee of this legislation.

Specifically, this amendment does not include a minimum Federal pass rate standard. Under that proposal, institutions of higher education failing to meet this Federal standard would have automatically lost access to title IV student loan funding.

I had several problems with that approach, because I do not support placing a Federal standard on States and institutions that would dictate when Federal funds would be terminated. I do not believe that Washington should set such a standard.

Second, I thought the approach was too arbitrary given that nearly all States have different tests which they require for teacher licensure, and those that have similar tests often score them very differently. I believe that this approach would have, in effect, penalized those States with the hardest tests while at the same time provide a disincentive to States which, under our block grants, we have encouraged to strengthen our exams and focus more on content knowledge.

I was concerned about terminating title IV student aid to an institution based on this arbitrary Federal standard. Under the new amendment, there is no Federal pass rate standard. Instead, States will implement procedures to identify low-performing teacher preparation programs based upon performance determined solely by the State.

In the event a State ends financial assistance or approval for a low-performing teacher preparation program, this amendment would also ensure that such institution would not be eligible for any Federal professional development funds from the U.S. Department of Education, nor would such programs be permitted to accept or enroll students in its teacher preparation program.

The bottom line is that the Federal Government should not fund the teacher preparation program which the State itself does not support due to its poor quality and in which the State has terminated State funds.

Let me make a point with respect to the information which States will have to collect and disseminate. It is my understanding that this information, such as pass rates for teacher license exams, is already collected by many States and institutions. However, this information is rarely provided to prospective students who are trying to make informed decisions regarding which program or institution to attend. By ensuring this information is made available, I believe there will be more competition between these programs resulting in better programs.

With the modifications and with the changes, we accept the amendment offered by the gentleman from California (Mr. MILLER).

Mr. KILDEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is certainly a better amendment than was offered in committee, but it does add elaborate and costly new comprehensive reporting requirements for States.

Some States, under this amendment, would be required to provide information they do not currently collect. It also adds new substantial and costly reporting requirements for higher education institutions.

This information, as it is required to be reported under the amendment, gives potentially misleading information about the performance of education programs and should not become the basis for terminating Federal or State support alone.

Finally, the amendment appears to condition future eligibility for Federal student loans and grants for education programs based solely on the level of State financial support.

The full effect of this amendment is not really known; however, it could have an adverse effect upon certain institutions such as historically black colleges and universities as well as others.

It is also reminiscent, Mr. Chairman, of the State postsecondary review entities which H.R. 6 repeals. I recently received a letter from the American Council on Education which urges our vigorous opposition to this, quote, heavy-handed Federal intrusion.

I certainly would like to work with the sponsor of this amendment, the gentleman from California (Mr. MILLER), in conference to address his goal of improving the quality of teacher instruction, but I feel this is a defective device to achieve that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MILLER).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II?

The Clerk will designate title III.

The text of title III is as follows:

TITLE III—INSTITUTIONAL AID

SEC. 301. STRENGTHENING INSTITUTIONS.

(a) PROGRAM PURPOSE; USE OF FUNDS.—Section 311 (20 U.S.C. 1057) is amended—

(1) in subsection (b)(2), by striking "or" at the end of subparagraph (A) and inserting "and";

(2) by amending paragraph (3) of subsection (b) to read as follows:

"(3) Special consideration shall be given to applications which propose, pursuant to the institution's plan, the use of funds for integrating computer technology into institutional facilities to create smart buildings."; and

(3) by adding at the end the following new subsections:

"(c) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for one or more of the following activities:

"(1) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(2) construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities;

"(3) support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in their field of instruction;

"(4) purchase of library books, periodicals, and other educational materials, including telecommunications program material;

"(5) tutoring, counseling, and student service programs designed to improve academic success;

"(6) funds management, administrative management, and acquisition of equipment for use in strengthening funds management;

"(7) joint use of facilities, such as laboratories and libraries;

"(8) establishing or improving a development office to strengthen or improve contributions from alumni and the private sector;

"(9) establishing or improving an endowment fund;

"(10) creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services; and

"(11) other activities proposed in the application submitted pursuant to subsection (c) that—

"(A) contribute to carrying out the purposes of this section; and

"(B) are approved by the Secretary as part of the review and acceptance of such application.

"(d) ENDOWMENT FUND LIMITATIONS.—

"(1) PORTION OF GRANT.—An institution may not use more than 20 percent of its grant under this part for any fiscal year for establishing or improving an endowment fund.

"(2) MATCHING REQUIRED.—An institution that uses any portion of its grant under this part for any fiscal year for establishing or improving an endowment fund shall provide an equal or greater amount for such purposes from non-Federal funds.

"(3) REGULATIONS.—The Secretary shall publish rules and regulations specifically governing the use of funds for establishing or improving an endowment fund.".

(b) ENDOWMENT FUND DEFINITION.—Section 312 (20 U.S.C. 1058) is amended by adding at the end the following new subsection:

"(g) ENDOWMENT FUND.—For the purpose of this part, the term 'endowment fund' means a fund that—

"(1) is established by State law, by an institution of higher education, or by a foundation that is exempt from Federal income taxation;

"(2) is maintained for the purpose of generating income for the support of the institution; and

"(3) does not include real estate.".

(c) DURATION OF GRANT.—Section 313 (20 U.S.C. 1059) is amended—

(1) in subsection (a), by inserting before the period at the end the following: ", except that no institution shall be eligible to secure a subsequent 5-year grant award under this part until two calendar years have elapsed since the expiration of its most recent 5-year grant award"; and

(2) in subsection (b), by inserting "subsection (c) and a grant under" before "section 354(a)(1)".

(d) APPLICATIONS.—Title III is amended by striking section 314 (20 U.S.C. 1059a) and inserting the following:

"SEC. 314. APPLICATIONS.

"Each eligible institution desiring to receive assistance under this part shall submit an application in accordance with the requirements of section 351.".

(e) PROGRAM FOR TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.—Section 316 (20 U.S.C. 1059c) is amended to read as follows:

"SEC. 316. AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

"(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to American Indian Tribal Colleges and Universities to enable such institutions to improve and expand their capacity to serve Indian students.

"(b) DEFINITIONS.—For the purposes of this section:

"(1) The term 'Indian' has the same meaning as in section 2 of the Tribally Controlled Community Colleges Act of 1978.

"(2) The term 'Indian tribe' has the same meaning as in section 2 of such Act.

"(3) The term 'Tribal College or University' has the meaning given the term 'tribally controlled college or university' in section 2 of such Act, and includes an institution listed in the Equity in Educational Land Grant Status Act of 1994.

"(4) The term 'institution of higher education' means an institution of higher education as defined by section 101(a)(1) of this Act, except that subparagraph (A)(ii) of such section shall not be applicable.

"(c) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used by Tribal Colleges or Universities to assist such institutions to plan, develop, undertake, and carry out authorized activities. Such authorized activities may include—

"(1) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(2) construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

"(3) support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in their field of instruction;

"(4) academic instruction in disciplines in which American Indians are underrepresented;

"(5) purchase of library books, periodicals, and other educational materials, including telecommunications program material;

"(6) tutoring, counseling, and student service programs designed to improve academic success;

"(7) funds management, administrative management, and acquisition of equipment for use in strengthening funds management;

"(8) joint use of facilities, such as laboratories and libraries;

"(9) establishing or improving a development office to strengthen or improve contributions from alumni and the private sector;

"(10) establishing or enhancing a program of teacher education designed to qualify students to teach in elementary or secondary schools, with a particular emphasis on teaching American Indian children and youth, that shall include, as part of such program, preparation for teacher certification;

"(11) establishing community outreach programs which will encourage American Indian elementary and secondary students to develop the academic skills and the interest to pursue postsecondary education;

"(12) establishing or improving an endowment fund; and

"(13) other activities proposed in the application submitted pursuant to this subsection that—

"(A) contribute to carrying out the purposes of this section; and

"(B) are approved by the Secretary as part of the review and acceptance of such application.

"(d) APPLICATION PROCESS.—

"(1) INSTITUTIONAL ELIGIBILITY.—To be eligible to receive assistance under this section, an institution shall be an institution which—

"(A) is an eligible institution under section 312(b);

"(B) is eligible to receive assistance under the Tribally Controlled Community College Assistance Act of 1978 (Public Law 95–471); or

"(C) is eligible to receive funds under the Equity in Educational Land Grant Status Act of 1994.

"(2) APPLICATION.—Any institution desiring to receive assistance under this section shall submit an application to the Secretary at such time, and in such manner, as the Secretary may by regulation reasonably require. Each such application shall include—

"(A) a 5-year plan for improving the assistance provided by the Tribal College or university to Indian students, increasing the rates at which Indian high school students enroll in higher education, and increasing overall postsecondary retention rates for Indian students; and

"(B) such enrollment data and other information and assurances as the Secretary may require to demonstrate compliance with subparagraphs (A) and (B) of paragraph (1).

"(3) SPECIAL RULE.—For the purposes of this part, no Tribal College or University which is eligible for and receives funds under this section may concurrently receive other funds under this part or part B.".

SEC. 302. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

(a) USES OF FUNDS.—Section 323(a) (20 U.S.C. 1062(a)) is amended—

(1) by redesignating paragraph (12) as paragraph (13); and

(2) by inserting after paragraph (11) the following new paragraph:

"(12) Establishing or improving an endowment fund.".

(b) LIMITATIONS.—Section 323(b) is amended by striking paragraph (3) and inserting the following:

"(3)(A) An institution may not use more than 20 percent of its grant under this part for any fiscal year for establishing or improving an endowment fund.

"(B) An institution that uses any portion of its grant under this part for any fiscal year for establishing or improving an endowment fund shall provide an equal or greater amount for such purposes from non-Federal funds.

"(C) The Secretary shall publish rules and regulations specifically governing the use of funds for establishing or improving an endowment fund.".

(c) PROFESSIONAL OR GRADUATE INSTITUTIONS.—

(1) GENERAL AUTHORIZATION.—Section 326(a) (20 U.S.C. 1063b(a)) is amended—

(A) in paragraph (1), by inserting "in mathematics or the physical or natural sciences" after "graduate education opportunities"; and

(B) in paragraph (2), by striking "except that" and all that follows and inserting the following: ", except that no institution shall be required to match any portion of the first $500,000 of its award from the Secretary. After allocations are made to each eligible institution under the funding rules provided in subsection (f), the Secretary shall reallocate, on a pro rata basis, any amounts which remain unallocated (by reason of the failure of an institution to comply with the matching requirements of this paragraph) among the institutions that have complied with such matching requirement.".

(2) USE OF FUNDS.—Section 326(c) (20 U.S.C. 1063b(c)) is amended by striking paragraphs (1) through (3) and inserting the following:

"(1) purchase, rental or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(2) construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities used exclusively for the purposes of this section, including purchase or rental of telecommunications technology equipment or services;

"(3) purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;

"(4) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit their enrollment in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;

"(5) establish or improve a development office to strengthen and increase contributions from alumni and the private sector;

"(6) assist in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331 of this title; and

"(7) funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems.".

(3) ELIGIBILITY.—Section 326(e) (20 U.S.C. 1063b(e)) is amended—

(A) in paragraph (1)

(i) by striking "include—" and inserting "are the following:";

(ii) by inserting "and other qualified graduate programs" before the semicolon at the end of subparagraphs (F) through (J);

(iii) by striking "and" at the end of subparagraph (O);

(iv) by inserting "University" after "Jackson State" in subparagraph (P);

(v) by striking the period at the end of such subparagraph and inserting a semicolon; and

(vi) by inserting after such subparagraph the following new subparagraphs:

"(Q) Norfolk State University qualified graduate program; and

"(R) Tennessee State University qualified graduate program."; and

(B) by striking paragraphs (2) and (3) and inserting the following:

"(2) QUALIFIED GRADUATE PROGRAM.—For the purposes of this section, the term 'qualified graduate program' means a graduate or professional program that provides an accredited program of instruction in the physical or natural sciences, engineering, mathematics, or other scientific discipline in which African Americans are underrepresented and has students enrolled in such program at the time of application for a grant under this section.

"(3) SPECIAL RULE.—Institutions that were awarded grants under this section prior to October 1, 1998, shall continue to receive such grants, subject to the availability of appropriated funds, regardless of the eligibility of the institutions described in subparagraphs (Q) and (R) of paragraph (1).''; and

(C) in paragraph (4), by inserting before the period at the end the following: ", except that the president or chancellor of the institution may decide which graduate or professional school or qualified graduate program will receive funds under the grant in any one fiscal year".

(4) FUNDING RULE.—Section 326(f) (20 U.S.C. 1063b(f)) is amended—

(A) by striking "Of the amount appropriated" and inserting "Subject to subsection (g), of the amount appropriated";

(B) in paragraph (1)—

(i) by striking "$12,000,000" and inserting "$26,000,000"; and

(ii) by striking "(A) through (E)" and inserting "(A) through (P)".

(C) by striking paragraph (2) and inserting the following:

"(2) the next $1,000,000 in excess of $26,000,000 shall be available for the purpose of making grants to institutions or programs identified in subparagraphs (Q) and (R) of subsection (e)(1); and

"(3) if the amount appropriated exceeds $27,000,000, the Secretary shall develop a formula for making allotments of such excess to each of the institutions or programs identified in subparagraphs (A) through (R) using the following elements:

"(A) the number of students enrolled in the eligible institution's professional or graduate school, or qualified graduate program which received funding under this section in the previous year;

"(B) the average cost of education per student for all full-time graduate or professional students (or the equivalent) enrolled in the eligible professional school, graduate school or doctoral students in the qualified graduate program; and

"(C) the number of students who received their first professional or doctoral degree at the professional or graduate school or the qualified graduate program in the preceding year for which the institution received funding under this section.".

(5) HOLD HARMLESS RULE.—Section 326 is further amended by adding at the end the following new subsection:

"(g) HOLD HARMLESS RULE.—Notwithstanding paragraphs (2) and (3) of subsection (f), no institution or qualified program identified in subsection (e)(1) that received a grant for fiscal year 1998 and that is eligible to receive a grant in a subsequent fiscal year shall receive a grant amount in any such subsequent fiscal year that is less than the grant amount received for fiscal year 1998, unless the amount appropriated is not sufficient to provide such grant amounts to all such institutions and programs.".

SEC. 303. MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM.

(a) AMENDMENT.—Title III (20 U.S.C. 1051) is amended—

(1) by redesignating part D as part E; and

(2) by inserting after part C the following new part:

"PART D—MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM

"SEC. 341. PROGRAM AUTHORIZED.

"The Secretary shall, in accordance with the provisions of this part, carry out a program of making grants to institutions of higher education that are designed to effect long-range improvements in science and engineering education, and improve support programs for minority students enrolled in science and engineering programs at predominantly minority institutions.

"SEC. 342. USE OF FUNDS.

"Funds appropriated for the purpose of this subpart may be made available for—

"(1) providing needed services to groups of minority institutions or providing training for scientists and engineers from eligible minority institutions;

"(2) providing needed services to groups of institutions serving significant numbers of minority students or providing training for scientists and engineers from such institutions to improve their ability to train minority students in science or engineering;

"(3) assisting minority institutions to improve the quality of preparation of their students for graduate work or careers in science, mathematics, and technology;

"(4) improving access of undergraduate students at minority institutions to careers in the sciences, mathematics, and engineering;

"(5) improving access of minority students, particularly minority women, to careers in the sciences, mathematics, and engineering;

"(6) improving access for pre-college minority students to careers in science, mathematics, and engineering through community outreach programs conducted through colleges and universities eligible for support through the Minority Science and Engineering Improvement Programs;

"(7) disseminating activities, information, and educational materials designed to address specific barriers to the entry of minorities into science and technology, and conducting activities and studies concerning the flow of underrepresented ethnic minorities into scientific careers;

"(8) supporting curriculum models to encourage minority student participation in research careers in science, mathematics, and technology; and

"(9) improving the capability of minority institutions for self-assessment, management, and evaluation of their science, mathematics, and engineering programs and dissemination of their results.

"SEC. 343. ELIGIBILITY FOR GRANTS.

"The Secretary may make grants under this part to minority institutions (as defined in section 347), organizations, and entities to enable them to carry out programs and activities authorized by this part:

"(1)(A) institutions of higher education granting baccalaureate degrees; and

"(B) institutions of higher education granting associate degrees which—

"(i) have a curriculum including science or engineering subjects;

"(ii) apply jointly with institutions described in subparagraph (A); and

"(iii) have an articulation agreement with institutions described in subparagraph (A) for its science or engineering students; and

"(2) consortia of—

"(A) institutions which have a curriculum in science or engineering;

"(B) graduate institutions which have a curriculum in science or engineering;

"(C) Federal Education Research Centers;

"(D) research laboratories of, or under contract with, the Department of Energy;

"(E) private organizations which have science or engineering facilities; or

"(F) quasi-governmental entities which have a significant scientific or engineering mission;

to enable such institutions and consortia to carry programs and activities authorized by this part.

"SEC. 344. GRANT APPLICATION.

"(a) SUBMISSION AND CONTENTS OF APPLICATIONS.—An eligible applicant (as determined under section 343) that desires to receive a grant under this part shall submit to the Secretary an application therefor at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth—

"(1) a program of activities for carrying out one or more of the purposes described in section 342 in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purpose or purposes; and

"(2) such other policies, procedures, and assurances as the Secretary may require by regulation.

"(b) APPROVAL BASED ON LIKELIHOOD OF PROGRESS.—The Secretary shall approve an application only if the Secretary determines that the application sets forth a program of activities which are likely to make substantial progress toward achieving the purposes of this part.

"SEC. 345. CROSS PROGRAM AND CROSS AGENCY COOPERATION.

"The Minority Science and Engineering Improvement Programs shall cooperate and consult with other programs within the Department and within Federal, State, and private agencies which carry out programs to improve the quality of science, mathematics, and engineering education.

"SEC. 346. ADMINISTRATIVE PROVISIONS.

"(a) TECHNICAL STAFF.—The Secretary shall appoint, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not less than one technical employees with appropriate scientific and educational background to administer the programs under this part who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(b) PROCEDURES FOR GRANT REVIEW.—The Secretary shall establish procedures for reviewing and evaluating grants and contracts made or entered into under such programs. Procedures for reviewing grant applications, based on the peer review system, or contracts for financial assistance under this title may not be subject to any review outside of officials responsible for the administration of the Minority Science and Engineering Improvement Program.

"SEC. 347. DEFINITIONS.

"For the purpose of this part—

"(1) The term 'minority institution' means an institution of higher education whose enrollment of a single minority or a combination of minorities (as defined in paragraph (2)) exceeds 50 percent of the total enrollment. The Secretary shall verify this information from the data on enrollments in the higher education general information surveys (HEGIS) furnished by the institution to the Office for Civil Rights, Department of Education.

"(2) The term 'minority' means American Indian, Alaskan Native, Black (not of Hispanic origin), Hispanic (including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin), Pacific Islander or other ethnic group underrepresented in science and engineering.

"(3) The term 'science' means, for the purpose of this program, the biological, engineering, mathematical, physical, behavioral, and social sciences, and history and philosophy of science; also included are interdisciplinary fields which are comprised of overlapping areas among two or more sciences.".

SEC. 304. GENERAL PROVISIONS.

(a) APPLICATIONS FOR ASSISTANCE.—Section 351(a) (20 U.S.C. 1066(a)) is amended to read as follows:

"(a) APPLICATIONS.—

"(1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate its need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title only if the Secretary determines that—

"(A) the application meets the requirements of subsection (b);

"(B) the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought; and

"(C) the applicant's performance goals are sufficiently rigorous as to meet the purposes of this title and the performance objectives and indicators for this title established by the Secretary pursuant to the Government Performance and Results Act.

"(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary shall develop a preliminary application for use by eligible institutions applying under part A prior to the submission of the principal application.".

(b) CONTENTS OF APPLICATIONS.—Section 351(b) is amended—

(1) in paragraph (5)(A), by inserting "and the Government Performance and Results Act" after "under this title"; and

(2) in paragraph (6), by inserting before the semicolon the following: ", except that for purposes of section 316, paragraphs (2) and (3) shall not apply".

(c) WAIVERS.—Section 352(a) (20 U.S.C. 1067(a)) is amended—

(1) by striking "or" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) that is a tribally controlled community college as defined in the Tribally Controlled Community College Act of 1978; or".

(d) APPLICATION REVIEW PROCESS.—Section 353(a) (20 U.S.C. 1068(a)) is amended—

(1) in paragraph (2), by striking "Native American colleges and universities" and inserting "Tribal Colleges and Universities"; and

(2) in paragraph (3)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(e) CONTINUATION AWARDS.—Part D of title III is amended by inserting after section 354 (20 U.S.C. 1069) the following new section:

"SEC. 355. CONTINUATION AWARDS.

"The Secretary shall make continuation awards under this title for the second and succeeding years of a grant only after determining that the recipient is making satisfactory progress in carrying out the grant.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 360 (20 U.S.C. 1069f) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) AUTHORIZATIONS.—

"(1) PART A.—(A) There are authorized to be appropriated to carry out part A (other that sections 316), $135,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(B) There are authorized to be appropriated to carry out section 316, $10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) PART B.—(A) There are authorized to be appropriated to carry out part B (other than section 326), $135,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(B) There are authorized to be appropriated to carry out section 326, $35,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(3) PART C.—There are authorized to be appropriated to carry out part C, $10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(4) PART D.—There are authorized to be appropriated to carry out Part D, $10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years."; and

(2) by striking subsections (c), (d) and (e).

The CHAIRMAN. Are there any amendments to title III.

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

SEC. 401. PELL GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 401(a) (20 U.S.C. 1070a(a)) is amended—

(1) in paragraph (1)—

(A) by striking "September 30, 1998" and inserting "September 30, 2004"; and

(B) by striking the second sentence; and

(2) in paragraph (2), by striking "the disbursement system required by paragraph (1)" and inserting "the disbursement of Federal Pell Grants".

(b) AMOUNT OF GRANT.—Section 401(b)(2)(A) is amended to read as follows:

"(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be—

"(i) $4,500 for academic year 1999–2000,

"(ii) $4,700 for academic year 2000–2001,

"(iii) $4,900 for academic year 2001–2002,

"(iv) $5,100 for academic year 2002–2003, and

"(v) $5,300 for academic year 2003–2004,

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.".

(c) RELATION OF MAXIMUM GRANT TO TUITION AND EXPENSES.—Section 401(b)(3) is amended—

(1) by striking "$2,400" each place it appears and inserting "$3,000"; and

(2) by adding at the end the following new subparagraph:

"(C) An institution that charged only fees in lieu of tuition as of January 31, 1997, may include in its determination of tuition charged, fees that would normally constitute tuition.".

(d) DEPENDENT CARE AND DISABILITY RELATED EXPENSES.—Section 401(b)(3)(B) is amended by striking "$750" and inserting "$1,500".

(e) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—Section 401 is amended by adding at the end the following new subsection:

"(j) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—

"(1) IN GENERAL.—No institution of higher education shall be an eligible institution for purposes of this section if such institution of higher education is ineligible to participate in a loan program under this title as a result of a final default rate determination made by the Secretary under part B or D of this title, or both, after the final publication of fiscal year 1996 cohort default rates.

"(2) SANCTIONS SUBJECT TO APPEAL OPPORTUNITY.—No institution may be subject to the terms of this subsection unless it has had the opportunity to appeal its default rate determination under regulations issued by the Secretary for the Federal Family Education Loan or Federal Direct Loan Program, as applicable. This subsection shall not apply to an institution that was not participating in the loan programs authorized under part B or D of this title on the date of enactment of the Higher Education Amendments of 1998, unless the institution subsequently participates in the loan programs.".

(f) CONFORMING AMENDMENTS.—

(1) Section 400(a)(1) (20 U.S.C. 1070(a)(1)) is amended by striking "basic educational opportunity grants" and inserting "Federal Pell Grants".

(2) The heading of subpart 1 of part A of title IV is amended to read as follows:

"Subpart 1—Federal Pell Grants".

(3) Section 401 is amended—

(A) in the heading of the section, by striking "***basic educational opportunity***" and inserting "***federal pell***";

(B) in subsection (a)(3), by striking "Basic grants" and inserting "Grants";

(C) by striking "basic grant" each place it appears and inserting "Federal Pell Grant"; and

(D) by striking "basic grants" each place it appears and inserting "Federal Pell Grants".

(4) Section 401(f)(3) is amended by striking "Education and Labor" and inserting "Education and the Workforce".

(5) Section 452(c) (20 U.S.C. 1087b(c)) is amended by striking "basic grants" and inserting "Federal Pell Grants".

(6) Subsections (j)(2) and (k)(3) of section 455 (20 U.S.C. 1087e) are each amended by striking "basic grants" and inserting "Federal Pell Grants".

SEC. 402. FEDERAL TRIO PROGRAMS.

(a) PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.—

(1) DURATION OF GRANTS.—Section 402A(b)(2) (20 U.S.C. 1070a–11(b)(2)) is amended—

(A) by striking subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting "; and";

(C) by redesignating subparagraph (B) as subparagraph (A); and

(D) by adding at the end the following new subparagraph:

"(B) grants under section 402H shall be awarded for a period determined by the Secretary.".

(2) MINIMUM GRANTS.—Section 402A(b)(3) is amended to read as follows:

"(3) MINIMUM GRANTS.—Unless the institution or agency requests a smaller amount, individual grants under this chapter shall be no less than—

"(A) $170,000 for programs authorized by sections 402D and 402G;

"(B) $180,000 for programs authorized by sections 402B and 402F; and

"(C) $190,000 for programs authorized by sections 402C and 402E.".

(3) PROCEDURES FOR AWARDING GRANTS AND CONTRACTS.—Subsection (c) of section 402A is amended to read as follows:

"(c) PROCEDURES FOR AWARDING GRANTS AND CONTRACTS.—

"(1) APPLICATION REQUIREMENTS.—An eligible entity that desires to receive a grant or contract under this chapter shall submit an application to the Secretary in such manner and form, and containing such information and assurances, as the Secretary may reasonably require.

"(2) PRIOR EXPERIENCE.—In making grants under this chapter, the Secretary shall consider each applicant's prior experience of service delivery under the particular program for which funds are sought. The level of consideration given the factor of prior experience shall not vary from the level of consideration given such factor during fiscal years 1994 through 1997, except that grants made under section 402H shall not be given prior experience consideration.

"(3) ORDER OF AWARDS; PROGRAM FRAUD.—(A) Except with respect to grants made under sections 402G and 402H and as provided in subparagraph (B), the Secretary shall award grants and contracts under this chapter in the order of the scores received by the application for such grant or contract in the peer review process required under section 110 and adjusted for prior experience in accordance with paragraph (2) of this subsection.

"(B) The Secretary is not required to provide assistance to a program otherwise eligible for assistance under this chapter, if the Secretary has determined that such program has involved the fraudulent use of funds under this chapter.

"(4) PEER REVIEW PROCESS.—(A) The Secretary shall assure that, to the extent practicable, members of groups underrepresented in higher education, including African Americans, Hispanics, Native Americans, Alaska Natives, Asian Americans, Native American Pacific Islanders (including Native Hawaiians), are represented as readers of applications submitted under this chapter. The Secretary shall also assure that persons from urban and rural backgrounds are represented as readers.

"(B) The Secretary shall ensure that each application submitted under this chapter is read by at least 3 readers who are not employees of the Federal Government (other than as readers of applications).

"(5) NUMBER OF APPLICATIONS FOR GRANTS AND CONTRACTS.—The Secretary shall not limit the number of applications submitted by an entity under any program authorized under this chapter if the additional applications describe programs serving different populations or campuses.

"(6) COORDINATION WITH OTHER PROGRAMS FOR DISADVANTAGED STUDENTS.—The Secretary shall encourage coordination of programs assisted under this chapter with other programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding source of such programs. The Secretary shall not limit an entity's eligibility to receive funds under this chapter because such entity sponsors a program similar to the program to be assisted under this chapter, regardless of the funding source of such program. The Secretary shall permit the Director of a program receiving funds under this chapter to administer one or more additional programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding sources of such programs.

"(7) APPLICATION STATUS.—The Secretary shall inform each entity operating programs under this chapter regarding the status of their application for continued funding at least 8 months prior to the expiration of the grant or contract. The Secretary, in the case of an entity that is continuing to operate a successful program under this chapter, shall ensure that the startup date for a new grant or contract for such program immediately follows the termination of preceding grant or contract so that no interruption of funding occurs for such successful reapplicants. The Secretary shall inform each entity requesting assistance under this chapter for a new program regarding the status of their application at least 8 months prior to the proposed startup date of such program.".

(4) AUTHORIZATION OF APPROPRIATIONS.—Section 402A(f) is amended—

(A) by striking "$650,000,000 for fiscal year 1993" and inserting "$800,000,000 for fiscal year 1999"; and

(B) by striking everything after the first sentence.

(b) TALENT SEARCH.—Section 402B(b) (20 U.S.C. 1070a–12(b)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) guidance on and assistance in secondary school reentry, entry to general educational development (GED) programs, other alternative education programs for secondary school dropouts, or postsecondary education;"; and

(2) in paragraph (8), by striking "parents" and inserting "families".

(c) UPWARD BOUND.—Section 402C (20 U.S.C. 1070a–13) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking "personal counseling" and inserting "counseling and workshops";

(B) in paragraph (6)—

(i) by inserting "work-study and other" before "activities"; and

(ii) by inserting before the semicolon at the end the following: ", including careers requiring a postsecondary degree";

(C) in paragraph (9), by striking "and" at the end;

(D) in paragraph (10), by striking "through (9)" and inserting "through (10)"; and

(E) by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10) special services to enable veterans to make the transition to postsecondary education; and"; and

(2) in subsection (c), by inserting ", other than a project a majority of the participants in which are veterans," after "this chapter".

(d) STUDENT SUPPORT SERVICES.—Section 402D(c)(6) (20 U.S.C. 1070a–14(c)(6)) is amended by inserting before the period at the end the following: "and minimize the student's loan burden".

(e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM.—Section 402E (20 U.S.C. 1070a–15) is amended—

(1) in subsection (c)(3), by inserting "or accepted in a graduate program" after "degree program"; and

(2) in subsection (e)(1), by striking "$2,400" and inserting "$3,200".

(f) STAFF DEVELOPMENT ACTIVITIES.—Section 402G(b) (20 U.S.C. 1070a–17(b)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) The use of appropriate educational technology in the operation of projects assisted under this chapter.".

(g) EVALUATION FOR PROJECT IMPROVEMENT.—Section 402H(b) (20 U.S.C. 1070a–18(b)) is amended by adding at the end the following new sentence: "Such evaluations shall also investigate the effectiveness of alternative and innovative methods within Federal TRIO programs of increasing access to, and retention of, students in postsecondary education.".

SEC. 403. NATIONAL EARLY INTERVENTION AND PARTNERSHIP PROGRAM.

Section 404G (20 U.S.C. 1070a–27) is amended by striking "1993" and inserting "1999".

SEC. 404. REPEALS.

(a) REPEALS OF SUBPART 2 PROVISIONS.—The following provisions of subpart 2 of part A of title IV are repealed:

(1) Chapter 3 (20 U.S.C. 1070a–31 et seq.).

(2) Chapter 4 (20 U.S.C. 1070a–41 et seq.).

(3) Chapter 5 (20 U.S.C. 1070a–51 et seq.).

(4) Chapter 6 (20 U.S.C. 1070a–61 et seq.).

(5) Chapter 7 (20 U.S.C. 1070a–71 et seq.).

(6) Chapter 8 (20 U.S.C. 1070a–81 et seq.).

(b) SUBPART 8.—Subpart 8 of part A of title IV (20 U.S.C. 1070f) is repealed.

(c) CONFORMING AMENDMENT.—Section 400(b) (20 U.S.C. 1070(b)) is amended by striking "subparts 1 through 8" and inserting "subparts 1 through 6".

SEC. 405. ESTABLISHMENT OF NEW PROGRAMS.

Subpart 2 of part A of title IV is amended by inserting after chapter 2 (20 U.S.C. 1070a–81) the following new chapters:

"CHAPTER 3—HIGH HOPES FOR COLLEGE

"Subchapter A—21st Century Scholar Certificates

"SEC. 406A. 21ST CENTURY SCHOLAR CERTIFICATES.

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

"(1) Among low-income students who, despite high test scores, are not planning on attending college, nearly 60 percent cite an inability to afford school as the reason.

"(2) About 80 percent of our 12th graders who are interested in continuing their education after high school go on to college if their parents read materials about financial aid, compared to only 55 percent of such students if their parents do not read this material.

"(3) In 1996, the American Council on Education found that the public overestimated the tuition of public 2-year colleges by about 3 times the actual average tuition, of public 4-year colleges by over twice the actual average tuition, and of private 4-year universities by almost one-third more than the actual average tuition.

"(4) There is a need for, and a significant benefit from, providing students, and through them their parents, with information about the variety of Federal student financial assistance programs, such as Pell grants, Federal work-study and loans, and the AmeriCorps Education Awards that make college more affordable than ever before.

"(b) AUTHORITY.—

"(1) The Secretary, using funds appropriated under section 407H(a) of this Act—

"(A) shall ensure that certificates, to be known as 21st Century Scholar Certificates, are provided to all students participating in projects under chapter 2; and

"(B) may, as practicable, ensure that such certificates are provided to all students in grades 6 through 12 who attend schools at which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch.

"(2) A 21st Century Scholar Certificate shall be personalized for each student and indicate the amount of Federal financial aid for college for which a student may be eligible.

"Subchapter B—High Hopes Partnerships

"SEC. 407A. PURPOSE.

"It is the purpose of this chapter to encourage and prepare students in low-income communities, beginning not later than the 7th grade, to prepare for, enter, and successfully complete college by assisting college-school-community partnerships to—

"(1) provide in-school and on-campus early college awareness activities to these students and their parents;

"(2) ensure ongoing adult guidance and other support to these students;

"(3) provide useful, early information to these students and their parents on the need for, options related to, and financing (including the availability of financial assistance) of a college education; and

"(4) help ensure that these students have access to rigorous core courses, such as algebra and geometry, that prepare them for college.

"SEC. 407B. GRANTS.

"(a) GRANTS AUTHORIZED.—From funds appropriated under section 407H(a), the Secretary shall make grants to college-school-community partnerships for activities under section 407D.

"(b) ELIGIBLE PARTNERSHIP.—For purposes of this chapter, an eligible partnership shall include—

"(1) one or more local educational agencies acting on behalf of—

"(A) one or more participating schools; and

"(B) the public secondary schools that students from these schools would normally attend;

"(2) one or more degree granting institutions of higher education; and

"(3) at least two community organizations or entities, such as businesses, professional associations, community-based organizations, or other public or private agencies or organizations.

"(c) DEFINITIONS.—For the purpose of this chapter—

"(1) 'participating school' means a public school in which—

"(A) there is a 7th grade;

"(B) one or more cohorts of students receive services under this chapter; and

"(C) at least 50 percent of the students enrolled are eligible for free or reduced-price lunch; and

"(2) 'cohort of students' means—

"(A) an entire grade level of students in a participating school; or

"(B) if the partnership determines that it would promote the effectiveness of a project, an entire grade level of students, beginning not later than the 7th grade, who reside in public housing as defined in section 3(b)(1) of the United States Housing Act of 1937.

"(d) DURATION.—Each grant awarded under this chapter shall be for a 6-year period.

"(e) COST SHARING.—

"(1) Federal funds shall provide no more than 80 percent of the cost of the project in the first year, 70 percent of the cost in the second year, 60 percent of the cost in the third year, 50 percent of the cost in the fourth year, 40 percent of the cost in the fifth year, and 30 percent of the cost in the sixth year.

"(2) The non-Federal share of grants awarded under this chapter may—

"(A) be in cash or in kind, fairly evaluated, including services, supplies, or equipment; and

"(B) include the non-Federal share of work-study grants under part C of title IV of this Act awarded to students who serve as tutors or mentors in projects under this chapter.

"(3) The Secretary may waive the cost sharing requirement described in paragraph (1) for any eligible partnership that demonstrates to the satisfaction of the Secretary an extraordinary hardship that prevents compliance with that requirement.

"(f) EQUITABLE GEOGRAPHIC DISTRIBUTION.—To the extent possible, the Secretary shall award grants under this chapter in a manner that achieves an equitable geographic distribution of those grants.

"(g) PRIORITY AWARDS UNDER CHAPTER 2.—Before making grants under this chapter for fiscal year 1999, the Secretary shall, as appropriate, make awards to recipients eligible for continuation awards under chapter 2 of subpart 2 of this title as it was in effect prior to the enactment of the Higher Education Amendments of 1998.

"SEC. 407C. GRANT APPLICATION; PREFERENCES.

"(a) APPLICATION REQUIRED.—An eligible partnership desiring to receive a grant under this chapter shall submit an application to the Secretary, in such form and containing such information, as the Secretary may require.

"(b) APPLICATION CONTENTS.—Each application shall include—

"(1) the name of each partner and a description of its responsibilities, including the designation of either an institution of higher education or a local educational agency as the fiscal agent for the partnership;

"(2) a description of the need for the project, including a description of how the project will build on existing services and activities, if any;

"(3) a listing of the human, financial (other than funds under this chapter), and other resources that each member of the partnership will contribute to the partnership, and a description of the efforts each member of the partnership will make in seeking additional resources;

"(4) a description of how the project will operate, including how grant funds will be used to meet the purpose of this chapter;

"(5) a description of how services will be coordinated with, and will complement and enhance, services received by participating schools and students under other related Federal and non-Federal programs, including programs under title I, part A of title VII, and part 1 of title X of the Elementary and Secondary Education Act of 1965, the School-to-Work Opportunities Act of 1994, section 402 of this Act, and the Individuals with Disabilities Education Act;

"(6) a description of how the partnership will support and continue the services under this chapter after the grant has expired;

"(7) an assurance from each local educational agency using funds under this chapter that—

"(A) at least 50 percent of the students enrolled in each participating school are eligible for free or reduced-price lunch;

"(B) its aggregate expenditures per student for activities described in this chapter will not be reduced from the level of such expenditures in the year prior to the grant; and

"(C) someone at each participating school will be designated as the primary point of contact for the partnership;

"(8) an assurance that participating students will have access to rigorous core academic courses that reflect challenging State or local academic standards; and

"(9) an assurance that members will provide the performance information required by the Secretary, which would be used to base continuation of the grant.

"(c) PREFERENCES.—In reviewing applications under this chapter, the Secretary shall give preference to projects that—

"(1) will serve participating schools in which at least 75 percent of the students enrolled are eligible for free or reduced-price lunch;

"(2) provide a commitment from non-Federal sources to pay all or part of the cost of college, through tuition assistance or guarantees (not already available), such as 'last-dollar grants', for participating students; and

"(3) hold participating students responsible for school or community service and high academic performance.

"SEC. 407D. PROGRAM REQUIREMENTS; USES OF FUNDS.

"(a) PROGRAM REQUIREMENTS.—Projects under this chapter shall—

"(1) have a program coordinator who is either full-time or whose primary responsibility is the project under this chapter;

"(2) provide services to at least one cohort of students, beginning not later than the 7th grade;

"(3) ensure that the services authorized under this chapter are provided through the 12th grade to students in the cohort, including students who attend another participating school or a secondary school identified under section 407B(b)(1)(B);

"(4) include activities and information that foster and improve parent involvement in promoting postsecondary education for their children, including the provision of useful early information on the advantages of a college education, academic admissions requirements, and the need to take core courses, admissions and achievement tests, application procedures, college costs and options, and the availability of student financial aid;

"(5) include academic counseling, career awareness, and tutoring or mentoring from trained personnel, as well as other student support services that enable students to succeed academically and apply for, enter, and complete college;

"(6) include training in promoting early college awareness for classroom teachers, guidance counselors, and staff of the schools involved in the project; faculty and program personnel in participating institutions of higher education; and participating mentors and tutors;

"(7) include activities on college campuses and enrichment activities associated with postsecondary education; and

"(8) include arrangements that ensure that all participating students have access to rigorous core courses that reflect challenging State or local academic standards and that prepare them for college.

"(b) USE OF FUNDS.—In addition to the activities described in subsection (a), a recipient of funds under this chapter may use them—

"(1) where necessary and appropriate to ensure active participation, to pay stipends to participating students and their mentors;

"(2) where necessary and appropriate to ensure active participation, to pay transportation costs for participants to attend project-sponsored activities;

"(3) to provide out-of-school and summer activities related to the project;

"(4) for project evaluation; and

"(5) to recognize the responsibility and achievement of participating students through ceremonies, awards, and other means.

"SEC. 407E. SERVICES FOR STUDENTS ATTENDING PRIVATE SCHOOLS.

"A local educational agency that participates in an eligible partnership shall provide services supported with Federal funds under this chapter on an equitable basis, consistent with section 14503 of Elementary and Secondary Education Act of 1965, to students in private schools that—

"(1) have a 7th grade;

"(2) have students at least 50 percent of whom are eligible for free or reduced-price lunch; and

"(3) are located in the normal attendance area of a participating school.

"SEC. 407F. EVALUATION.

"In order to improve the operation of the program assisted under this chapter, the Secretary shall, with funds appropriated under section 407H(a), make grants to, and enter into contracts and cooperative agreements with, institutions of higher education and other public and private institutions and organizations to evaluate the effectiveness of the program assisted

under this chapter and, as appropriate, disseminate such results.

"SEC. 407G. PEER REVIEW.

"The Secretary shall use a peer review process to review applications under this chapter and make recommendations for funding to the Secretary.

"SEC. 407H. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated $140,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 5 succeeding fiscal years to carry out this chapter.

"(b) RESERVATION FOR TECHNICAL ASSISTANCE AND PEER REVIEW.—From the amount appropriated under subsection (a) for any fiscal year, the Secretary may reserve up 0.5 percent of that amount to obtain additional qualified readers and additional staff to review applications, to increase the level of oversight monitoring, to support impact studies, program assessments and reviews, and to provide technical assistance to potential applicants and current grantees.

"CHAPTER 4—FRANK TEJEDA SCHOLARSHIP PROGRAM

"SEC. 408A. STATEMENT OF PURPOSE.

"It is the purpose of this chapter to establish a Frank Tejeda Scholarship Program to recruit and train teachers who are proficient in both Spanish and English and who show promise of academic achievement.

"SEC. 408B. SCHOLARSHIPS AUTHORIZED.

"(a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this chapter, to award scholarships to individuals consistent with the purposes of this chapter.

"(b) TEJEDA SCHOLARS.—Individuals awarded scholarships under this chapter shall be known as 'Tejeda Scholars'.

"SEC. 408C. ALLOCATION AMONG STATES.

"(a) ALLOCATION FORMULA.—From the sums appropriated pursuant to the authority of section 408H for any fiscal year, the Secretary shall allocate to each State an amount equal to $5,000 multiplied by the number of scholarships determined by the Secretary to be available to such State in accordance with subsection (b).

"(b) NUMBER OF SCHOLARSHIPS AVAILABLE.—The number of scholarships to be made available in a State for any fiscal year shall bear the same ratio to the number of scholarships made available to all States as the State's population ages 5 through 17 bears to the population ages 5 through 17 in all the States, except that not less than 10 scholarships shall be made available to any State.

"(c) USE OF CENSUS DATA.—For the purpose of this section, the population ages 5 through 17 in a State and in all the States shall be determined by the most recently available data, satisfactory to the Secretary, from the Bureau of the Census. The Bureau of the Census shall produce and publish intercensal data for Puerto Rico and the other territories.

"SEC. 408D. ELIGIBILITY OF SCHOLARS.

"(a) HIGH SCHOOL GRADUATION OR EQUIVALENT AND ADMISSION TO INSTITUTION REQUIRED.—Each student awarded a scholarship under this chapter shall—

"(1) be—

"(A) a low-income individual, as that term is defined in section 402A(g)(2) of this title; or

"(B) an individual who is eligible for a Pell Grant under subpart 1 of this part;

"(2) be a citizen of the United States;

"(3) be a resident of the State in which he or she applies;

"(4) be enrolled or accepted for enrollment on a full- or part-time basis, at a graduate or undergraduate level, in an institution of higher education that has an accredited teacher preparation program;

"(5) have demonstrated proficiency in the English and Spanish languages, as certified by the applicant's academic institution; and

"(6) have agreed, upon graduation from such program—

"(A) to serve no less than one year for each year of scholarship assistance, but no fewer than two years of service in total, as a teacher in a public elementary or secondary school in which there is a demonstrated need for Spanish-speaking teachers and professionals, as determined by the Secretary;

"(B) to complete such service within 6 years of graduation; and

"(C) that if the student is unable to complete such service, the student will, except as provided in subsection (c), repay the Secretary the total amount, or a pro rata amount of the scholarship received under this chapter in proportion to the amount of service completed, plus interest and collection costs in the same manner as repayment of a student loan made under part D of this title.

"(b) SELECTION BASED ON PROMISE OF ACADEMIC ACHIEVEMENT.—Each student awarded a scholarship under this chapter must demonstrate outstanding academic achievement and show promise of continued academic achievement, as certified by the student's academic institution.

"(c) EXCEPTION TO REPAYMENT OBLIGATION.—

"(1) DEFERRAL DURING CERTAIN PERIODS.—A recipient shall not be considered in violation of the agreement entered into pursuant to subsection (a)(4)(C) during any period in which the recipient—

"(A) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

"(B) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(C) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(D) is unable to secure employment for a period not to exceed 12 months by reason of having to care for a spouse, child, parent, or immediate family member who is disabled;

"(E) is seeking and unable to find full-time employment for a single period not to exceed 12 months;

"(F) is seeking and unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or education program for a single period not to exceed 27 months; or

"(G) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this subpart.

"(2) FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.—A recipient shall be excused from repayment of any scholarship assistance received under this chapter if the recipient becomes permanently totally disabled as established by sworn affidavit of a qualified physician.

"SEC. 408E. SELECTION OF SCHOLARS.

"(a) ESTABLISHMENT OF CRITERIA.—The Secretary shall establish criteria for the selection of scholars under this chapter that meet the requirements of section 408D.

"(b) TIMING OF SELECTION.—The selection process shall be completed, and the awards made, no later than May 1 of the academic year preceding the academic year for which the award will be used.

"SEC. 408F. STIPENDS AND SCHOLARSHIP CONDITIONS.

"(a) AMOUNT OF AWARD.—Each student awarded a scholarship under this chapter shall receive a stipend of $5,000 for the academic year of study for which the scholarship is awarded, except that in no case shall the total amount of financial aid awarded to such student exceed such student's total cost-of-attendance.

"(b) USE OF AWARD.—The State educational agency shall establish procedures to assure that a scholar awarded a scholarship under this chapter pursues a course of study at an institution of higher education.

"SEC. 408G. CONSTRUCTION OF NEEDS PROVISIONS.

"Notwithstanding section 471, nothing in this chapter, or any other Act, shall be construed to permit the receipt of a scholarship under this chapter to be counted for any needs test in connection with the awarding of any grant or the making of any loan under this Act or any other provision of Federal law relating to educational assistance.

"SEC. 408H. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for this chapter $5,000,000 for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"CHAPTER 5—CAMPUS-BASED CHILD CARE

"SEC. 410A. CAMPUS-BASED CHILD CARE.

"(a) PROGRAM AUTHORIZED.—

"(1) AUTHORITY.—The Secretary may award grants to institutions of higher education to assist the institutions in providing campus-based child care services to low-income students.

"(2) AMOUNT OF GRANTS.—

"(A) IN GENERAL.—The amount of a grant awarded to an institution of higher education under this section for a fiscal year shall not exceed 1 percent of the total amount of all Federal Pell Grant funds awarded to students enrolled at the institution of higher education for the preceding fiscal year.

"(B) MINIMUM.—A grant under this section shall be awarded in an amount that is not less than $10,000.

"(3) DURATION AND PAYMENTS.—

"(A) DURATION.—The Secretary shall award a grant under this section for a period of 3 years.

"(B) PAYMENTS.—Subject to paragraph (2), the Secretary shall make annual grant payments under this section.

"(4) ELIGIBLE INSTITUTIONS.—An institution of higher education shall be eligible to receive a grant under this section for a fiscal year if the total amount of all Federal Pell Grant funds awarded to students enrolled at the institution of higher education for the preceding fiscal year equals or exceeds $350,000.

"(5) USE OF FUNDS.—Grant funds under this section shall be used by an institution of higher education to support or establish a campus-based child care program serving the needs of low-income students enrolled at the institution of higher education.

"(6) DEFINITION OF LOW-INCOME STUDENT.—For the purpose of this section, the term 'low-income student' means a student who is eligible to receive a Federal Pell Grant for the fiscal year for which the determination is made.

"(b) APPLICATIONS.—An institution of higher education desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall—

"(1) demonstrate that the institution is an eligible institution described in subsection (a)(4);

"(2) specify the amount of funds requested;

"(3) demonstrate the need of low-income students at the institution for campus-based child care services by including in the application student demographics and other relevant data;

"(4) identify the resources the institution will draw upon to support the child care program and the participation of low-income students in the program, such as accessing social services funding, using student activity fees to help pay the costs of child care, using resources obtained

by meeting the needs of parents who are not low-income students, accessing foundation, corporate, or other institutional support, and demonstrating that the use of the resources will not result in increases in student tuition;

"(5) contain an assurance that the institution will meet the child care needs of low-income students through the provision of services, or through a contract for the provision of services;

"(6) provide a timeline, covering the period from receipt of the grant through the provision of the child care services, delineating the specific steps the institution will take to achieve the goal of providing low-income students with child care services;

"(7) specify any measures the institution will take to assist low-income students with child care during the period before the institution provides child care services;

"(8) include a plan for identifying resources needed for the child care services, including space in which to provide child care services, and technical assistance if necessary;

"(9) contain an assurance that any child care facility assisted under this section will meet the applicable State or local government licensing, certification, approval, or registration requirements; and

"(10) contain a plan for any child care facility assisted under this section to become accredited within 3 years of the date the institution first receives assistance under this section.

"(c) REPORTING REQUIREMENTS; CONTINUING ELIGIBILITY.—

"(1) REPORTING REQUIREMENTS.—

"(A) REPORTS.—Each institution of higher education receiving a grant under this section shall report to the Secretary 18 months and 36 months after receiving the first grant payment under this section.

"(B) CONTENTS.—The report shall include—

"(i) data on the population served under this section;

"(ii) information on campus and community resources and funding used to help low-income students access child care services;

"(iii) information on progress made toward accreditation of any child care facility; and

"(iv) information on the impact of the grant on the quality, availability, and affordability of campus-based child care services.

"(2) CONTINUING ELIGIBILITY.—The Secretary shall make the third annual grant payment under this section to an institution of higher education only if the Secretary determines, on the basis of the 18-month report submitted under paragraph (1), that the institution is making a good faith effort to ensure that low-income students at the institution have access to affordable, quality child care services.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $30,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 406. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking "1993" and inserting "1999".

(b) USE OF FUNDS FOR LESS-THAN-FULL-TIME STUDENTS.—Subsection (d) of section 413C (20 U.S.C. 1070b–2(d)) is amended by striking "and if the total financial need" and all that follows and inserting the following: ", then grant funds shall be made available to such independent and less-than-full-time students.".

(c) ALLOCATION OF FUNDS.—Section 413D (20 U.S.C. 1070b-3) is amended—

(1) by striking subsection (b); and

(2) in subsection (c)(1), by striking "three-quarters of the remainder" and inserting "the remainder";

(3) in subsection (c)(2)(A)(i), by striking "subsection (d)" and inserting "subsection (c)";

(4) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively; and

(5) by inserting after subsection (e) (as so redesignated) the following new subsection:

"(f) CARRY-OVER/CARRY-BACK AUTHORITY.—

"(1) CARRY-OVER AUTHORITY.—

"(A) CARRY-OVER UP TO 10 PERCENT.—Of the sums granted to an eligible institution under this subpart for any fiscal year, 10 percent may, at the discretion of the institution, remain available for expenditure during the succeeding fiscal year to carry out the program under this subpart.

"(B) REALLOCATION OF EXCESS.—Any of the sums so granted to an institution for a fiscal year which are not needed by that institution to operate programs under this subpart during that fiscal year, and which it does not wish to use during the next fiscal year as authorized in the preceding sentence, shall remain available to the Secretary for making grants under section 413B to other institutions in the same State until the close of the second fiscal year next succeeding the fiscal year for which such funds were appropriated.

"(2) CARRY-BACK AUTHORITY.—

"(A) CARRY-BACK UP TO 10 PERCENT.—Up to 10 percent of the sums the Secretary determines an eligible institution may receive from funds which have been appropriated for a fiscal year may be used by the institution for expenditure during the fiscal year preceding the fiscal year for which the sums were appropriated.

"(B) USE OF CARRIED-BACK FUNDS.—An eligible institution may make grants to students after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.".

SEC. 407. GRANTS TO STATES FOR STATE STUDENT INCENTIVES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 415A(b) of the Higher Education Act of 1965 (20 U.S.C. 1070c(b)) is amended—

(1) in paragraph (1), by striking "1993" and inserting "1999";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

"(2) RESERVATION.—For any fiscal year for which the amount appropriated under paragraph (1) exceeds $25,000,000, the excess shall be available to carry out section 415E.".

(b) SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.—Subpart 4 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070c et seq.) is amended—

(1) by redesignating section 415E as section 415F; and

(2) by inserting after section 415D the following:

"SEC. 415E. SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

"(a) IN GENERAL.—From amounts reserved under section 415A(b)(2) for each fiscal year, the Secretary shall—

"(1) make allotments among States in the same manner as the Secretary makes allotments among States under section 415B; and

"(2) award grants to States, from allotments under paragraph (1), to enable the States to pay the Federal share of the cost of the authorized activities described in subsection (c).

"(b) AUTHORIZED ACTIVITIES.—Each State receiving a grant under this section may use the grant funds for—

"(1) increasing the dollar amount of grants awarded under section 415B to eligible students who demonstrate financial need;

"(2) carrying out transition programs from secondary school to postsecondary education for eligible students who demonstrate financial need;

"(3) carrying out a financial aid program for eligible students who demonstrate financial need and wish to enter teaching or computer-related careers, or other fields of study determined by the State to be critical to the State's workforce needs;

"(4) carrying out early intervention programs, mentoring programs, and career education programs for eligible students who demonstrate financial need; and

"(5) awarding merit or academic scholarships to eligible students who demonstrate financial need.

"(c) MAINTENANCE OF EFFORT REQUIREMENT.—Each State receiving a grant under this section for a fiscal year shall provide the Secretary an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (b) for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditures by the State for the activities for the second preceding fiscal year. The Secretary may waive this subsection for good cause, as determined by the Secretary.

"(d) FEDERAL SHARE.—The Federal share of the cost of the authorized activities described in subsection (b) for any fiscal year shall be 25 percent.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) PURPOSE.—Subsection (a) of section 415A of the Higher Education Act of 1965 (20 U.S.C. 1070c(a)) is amended to read as follows:

"(a) PURPOSE OF SUBPART.—It is the purpose of this subpart to make incentive grants available to States to assist States in—

"(1) providing grants to—

"(A) eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled; and

"(B) eligible students for campus-based community service work-study; and

"(2) carrying out the activities described in section 415F.".

(2) ALLOTMENT.—Section 415B(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1070c–1(a)(1)) is amended by inserting "and not reserved under section 415A(b)(2)" after "415A(b)(1)".

SEC. 408. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.

(a) COORDINATION.—Section 418A(d) (20 U.S.C. 1070d–2(d)) is amended by inserting after "contains assurances" the following: "that the grant recipient will coordinate its project, to the extent feasible, with other local, State, and Federal programs to maximize the resources available for migrant students, and".

(b) EXTENSION OF AUTHORITY.—Section 418A(g) is amended by striking "1993" each place it appears and inserting "1999".

(c) DATA COLLECTION.—Section 418A is amended by adding at the end the following new subsection:

"(h) DATA COLLECTION.—The National Center for Education Statistics shall collect postsecondary education data on migrant students.".

(d) TECHNICAL AMENDMENTS.—Section 418A(e) is amended by striking "authorized by subpart 4 of this part in accordance with section 417A(b)(2)" and inserting "in accordance with section 402A(c)(1)".

SEC. 409. BYRD SCHOLARSHIPS.

(a) ELIGIBILITY.—Section 419G (20 U.S.C. 1070d–37) is amended by adding at the end the following new subsection:

"(e) TERMINATION OF ELIGIBILITY.—The eligibility of students from the Federated States of

Micronesia, the Republic of the Marshall Islands, and Palau shall expire on September 30, 2001.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 419K (20 U.S.C. 1070d–41) is amended by striking "$10,000,000 for fiscal year 1993" and inserting "$40,000,000 for fiscal year 1999".

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 411. LIMITATION REPEALED.

Section 421 (20 U.S.C. 1071) is amended by striking subsection (d).

SEC. 412. ADVANCES TO RESERVE FUNDS.

Section 422 (20 U.S.C. 1072) is amended—

(1) in subsection (a)(2), by striking "428(c)(10)(E)" and inserting "428(c)(9)(E)";

(2) in subsection (c)(6)(B)(i), by striking "handle written" and inserting "handle written, electronic,";

(3) in subsection (c)(7)

(A) by striking "to a guaranty agency—" and everything that follows through "(B) if the Secretary" and inserting "to a guaranty agency, if the Secretary";

(B) by striking "428(c)(10)(F)(v)" and inserting "428(c)(9)(F)(v)";

(C) by inserting "and" after "cash needs,"; and

(D) by striking "or ensure" and everything that follows and inserting a period; and

(4) in the first and second sentences of subsection (g)(1), by striking "or the program authorized by part D of this title" each place it appears.

SEC. 413. GUARANTY AGENCY REFORMS.

(a) FEDERAL STUDENT LOAN RESERVE FUND.—Part B of title IV is amended by inserting after section 422 (20 U.S.C. 1072) the following new section:

"SEC. 422A. FEDERAL STUDENT LOAN RESERVE FUND.

"(a) ESTABLISHMENT.—Each guaranty agency shall, not later than 60 days after the date of enactment of this section, deposit all funds, securities, and other liquid assets contained in the reserve fund established pursuant to section 422 of this part into a Federal Student Loan Reserve Fund (in this section and section 422B referred to as the 'Federal Fund') which shall be an account of a type selected by the agency, with the approval of the Secretary.

"(b) INVESTMENT OF FUNDS.—Funds maintained in the Federal Fund shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities selected by the guaranty agency.

"(c) ADDITIONAL DEPOSITS.—After the establishment of the Federal Fund, a guaranty agency shall deposit into the Federal Fund—

"(1) all amounts received from the Secretary as payment of reinsurance on loans pursuant to section 428(c)(1);

"(2) from amounts collected on behalf of the obligation of a defaulted borrower, a percentage amount equal to the complement of the reinsurance percentage in effect when payment under the guaranty agreement was made with respect to the defaulted loan pursuant to sections 428(c)(6)(A) and 428F(a)(1)(B); and

"(3) insurance premiums collected from borrowers pursuant to sections 428(b)(1)(H) and 428H(h).

"(d) USES OF FUNDS.—Subject to subsection (f), the Federal Fund may only be used by a guaranty agency—

"(1) to pay lender claims pursuant to section 428(b)(1)(G), section 428(j), section 437, and section 439(q); and

"(2) to pay into the Agency Operating Fund established pursuant to section 422B a default prevention fee in accordance with section 428(l).

"(e) OWNERSHIP OF FEDERAL FUND.—

"(1) IN GENERAL.—The Federal Fund of the guaranty agency, and any assets purchased or developed with funds from the Federal Fund or any other funds considered reserve funds on the date of enactment of this section, regardless of who holds or controls the reserves or assets, shall be considered to be the property of the United States to be used in the operation of the program authorized by this part, as provided in subsection (d) of this section.

"(2) NONLIQUID RESERVE FUND AND OTHER ASSETS.—Notwithstanding any other provision of law, nonliquid reserve fund assets, such as buildings and equipment purchased or developed by the guaranty agency with funds from the Federal Fund, or any other funds considered reserve funds on the date of enactment of this section shall—

"(A) remain the property of the United States;

"(B) be used only for such purposes as the Secretary determines are appropriate; and

"(C) be subject to such restrictions on the disposition of such assets (which may include a requirement that any sale of such assets be at not less than fair market value) as the Secretary determines are appropriate.

"(f) TRANSITION.—

"(1) IN GENERAL.—In order to establish the Agency Operating Fund authorized by section 422B, each guaranty agency may transfer up to 180 days cash expenses for normal operating expenses, as a working capital reserve as defined in Office of Management and budget circular A–87 (Cost Accounting Standards) from the Federal Fund for deposit into the Agency Operating Fund for use in the performance of its duties under this part. Such transfers may occur during the first three years following the establishment of the Operating Fund. However, no agency may transfer in excess of 50 percent of the Federal Fund balance to its Operating Fund during any fiscal year. In determining the transfer amount, the agency shall insure that sufficient funds remain in the Federal Fund to pay lender claims within the required time periods and to meet the reserve recall requirements of the Balanced Budget Act of 1997.

"(2) REPAYMENT PROVISIONS.—Each guaranty agency shall begin repayment of sums transferred pursuant to this subsection no later than the start of the fourth year after the establishment of the Agency Operating Fund, and shall repay all amounts transferred no later than 5 years from the date of the establishment of the Agency Operating Fund. Each guaranty agency shall provide to the Secretary, on an annual basis, a financial analysis demonstrating its ability to repay all outstanding amounts while any transferred amounts are owned to the Federal Fund.

"(3) SPECIAL RULE.—In applying the minimum reserve level required by section 428(c)(9)(A), the Secretary shall include all amounts owed to the Federal Fund by the agency due to transfers allowed under paragraph (1) in the calculation.".

(b) AGENCY OPERATING FUND ESTABLISHED.—Part B of title IV is further amended by inserting after section 422A (as added by subsection (a)) the following new section:

"SEC. 422B. AGENCY OPERATING FUND.

"(a) ESTABLISHMENT.—Each guaranty agency shall, not later than 60 days after the date of enactment of this section, establish a fund designated as the Agency Operating Fund (hereinafter referred to as the 'Operating Fund').

"(b) INVESTMENT OF FUNDS.—Funds deposited into the Operating Fund shall be invested at the discretion of the guaranty agency in accordance with prudent investor standards.

"(c) ADDITIONAL DEPOSITS.—After the establishment of the Operating Fund, the guaranty agency shall deposit into the Operating Fund—

"(1) the loan processing and issuance fee paid by the Secretary pursuant to section 428(f);

"(2) the portfolio maintenance fee paid by the Secretary pursuant to section 458;

"(3) the default prevention fee paid in accordance with section 428(l);

"(4) amounts retained by the guaranty agency pursuant to section 428(c)(6)(B) from collection on defaulted loans held by the agency, after payment of the Secretary's equitable share, excluding amounts deposited in the Federal Fund pursuant to section 422A(c)(2); and

"(5) interest earned on the Federal Fund during the first 3 years after the date of enactment of this section, but only to the extent permitted by regulations prescribed by the Secretary to permit a limited number of guaranty agencies (not to exceed 10) essential resources to maintain sufficient operating funds and to restructure their operations in accordance with the requirements of this section and section 422A.

"(d) USES OF FUNDS.—

"(1) IN GENERAL.—Funds in the Operating Fund shall be used for activities related to student financial aid, including application processing, loan disbursement, enrollment and repayment status management, default prevention activities, default collection activities, school and lender training, financial awareness and outreach activities, compliance monitoring, other loan program related activities in support of postsecondary education and other student financial aid related activities as determined by the guaranty agency.

"(2) SPECIAL RULE.—The guaranty agency may, in its discretion, transfer funds from the Operating Fund to the Federal Student Loan Reserve Fund for use in accordance with section 422A. Such transfer shall be irrevocable, and any funds so transferred shall become the property of the United States.

"(3) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'default collection activities' means activities of a guaranty agency which are directly related to the collection of the loan on which a default claim has been paid to the participating lender, including the due diligence activities required pursuant to regulations of the Secretary.

"(B) The term 'default prevention activities' means activities of a guaranty agency which are directly related to providing collection assistance to the lender on a delinquent loan, prior to the loan's being legally in a default status, including due diligence activities required pursuant to regulations of the Secretary.

"(C) The term 'enrollment and repayment status management' means activities of a guaranty agency which are directly related to ascertaining the student's enrollment status, including prompt notification to the lender of such status, an audit of the note or written agreement to determine if the provisions of that note or agreement are consistent with the records of the guaranty agency as to the principal amount of the loan guaranteed, and an examination of the note or agreement to assure that the repayment provisions are consistent with the provisions of this part.

"(e) OWNERSHIP OF OPERATING FUND.—The Operating Fund of the guaranty agency shall be considered to be the property of the guaranty agency. The Secretary may regulate the uses or expenditure of moneys in the Operating Fund with respect to activities required under guaranty agency agreements under subsections (b) and (c) of section 428 until such time as a guaranty agency has repaid to the Federal Fund all reserve funds transferred under section 422A(f). During any period in which funds are owed to the Federal Fund as a result of a transfer under 422A(f), moneys in the Operating Fund may only be used for expenses related to the student loan programs authorized under this part. The Secretary may require such necessary reports and audits as provided in section 428(b)(2).".

(c) ADDITIONAL RECALL OF RESERVES.—Section 422 (as amended by section 412) is further

amended by adding at the end the following new subsection:

"(i) ADDITIONAL RECALL OF RESERVES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall recall $30,000,000 for each of the fiscal years 1999, 2000, 2001, 2002, and 2003 from the reserve funds held by guaranty agencies.

"(2) DEPOSIT.—Funds recalled by the Secretary under this subsection shall be deposited in the Treasury.

"(3) REQUIRED SHARE.—The Secretary shall require each guaranty agency to return annually reserve funds under paragraph (1) based on one-fifth of the agency's required share. For purposes of this paragraph, a guaranty agency's required share shall be determined as follows:

"(A) The Secretary shall impose on each guaranty agency an equal percentage reduction in the amount of the agency's reserve funds held as of September 30, 1996.

"(B) The equal percentage reduction shall be the percentage obtained by dividing—

"(i) $150,000,000 by

"(ii) the total amount of all such agencies' reserve funds held as of September 30, 1996.

"(4) OFFSET OF REQUIRED SHARES.—If any guaranty returns to the Secretary any reserves in excess of the amount required under this subsection or subsection (h), the total amount required to be returned under paragraph (1) shall be reduced by the amount of such additional reserve return.

"(5) DEFINITION OF RESERVE FUNDS.—The term 'reserve funds' when used with respect to a guaranty agency—

"(A) includes any reserve funds in cash or liquid assets held by the guaranty agency, or held by, or under the control of, any other entity; and

"(B) does not include building, equipment, or other nonliquid assets.".

(d) CONFORMING AMENDMENTS.—

(1) REINSURANCE PAYMENTS.—

(A) AMENDMENTS.—Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is amended—

(i) in subparagraph (A), by striking "98 percent" and inserting "95 percent";

(ii) in subparagraph (B)(i), by striking "88 percent" and inserting "85 percent"; and

(iii) in subparagraph (B)(ii), by striking "78 percent" and inserting "75 percent";

(iv) in subparagraph (E)—

(I) by striking "for '98 percent';" and inserting "for '95 percent';";

(II) by striking "for '88 percent';" and inserting "for '85 percent';"; and

(III) by striking "for '78 percent'." and inserting "for '75 percent'.";

(v) in subparagraph (F)—

(I) by striking "for '98 percent';" and inserting "for '95 percent';";

(II) by striking "for '88 percent';" and inserting "for '85 percent';"; and

(III) by striking "for '78 percent'." and inserting "for '75 percent'.";

(vi) by striking subparagraph (D) and redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) of this paragraph apply to loans for which the first disbursement is made on or after October 1, 1998.

(2) EQUITABLE SHARE.—Section 428(c)(6) is amended—

(A) in subparagraph (A)—

(i) by striking "(A) For the purpose" and inserting "For the purpose"; and

(ii) by striking clause (ii) and inserting the following:

"(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B.";

(B) by striking subparagraphs (B) and (C); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B).

(3) GUARANTY AGENCY RESERVE LEVEL.—Section 428(c)(9)(C) is amended—

(A) by striking "80 percent pursuant to section 428(c)(1)(B)(ii)" and inserting "85 percent pursuant to paragraph (1)(B)(i) of this subsection"; and

(B) by striking "30 working days" and inserting "45 working days".

(4) PAYMENT OF CERTAIN COSTS.—Section 428(f) is amended—

(A) by striking paragraph (1)(A) and inserting the following:

"(1) PAYMENT FOR CERTAIN ACTIVITIES.—(A) The Secretary shall, in accordance with the provisions of this paragraph, pay to each guaranty agency for each fiscal year a loan processing and issuance fee equal to 0.65 percent of the total principal amount of the loans on which insurance was issued under this part during such fiscal year by such agency."; and

(B) in paragraph (1)(B), by striking the first sentence and inserting the following: "The payment required by subparagraph (A) shall be paid on a quarterly basis.".

(5) DEFAULT AVERSION ASSISTANCE.—Section 428(l) is amended to read as follows:

"(l) DEFAULT AVERSION ASSISTANCE.—

"(1) ASSISTANCE REQUIRED.—Upon receipt of a proper request from a lender received not earlier than the 60th day of delinquency, a guaranty agency having an agreement with the Secretary under subsection (c) of this section shall engage in default aversion activities designed to prevent the default by a borrower on a loan covered by such agreement.

"(2) REIMBURSEMENT.—(A) A guaranty agency may, in accordance with the provisions of this paragraph, transfer from the Federal Student Loan Reserve Account to the Operating Account a default aversion fee. Such fee shall be paid for any loan on which a claim for default has not been presented that the guaranty agency successfully brings into current repayment status on or before the 210th day after the loan becomes 60 days delinquent.

"(B) The default aversion fee shall be equal to 1 percent of the total unpaid principal and accrued interest on the loan at the time the request is submitted by the lender. Such fee shall not be paid more than once on any loan for which the guaranty agency averts the default unless the borrower remained current in payments for at least 12 months prior to the subsequent delinquency. A guaranty agency may transfer such fees earned under this subsection no more frequently than monthly.

"(C) For the purpose of earning the default aversion fee, the term 'current repayment status' means that the borrower is not delinquent in the payment of any principal or interest on the loan.".

SEC. 414. SCOPE AND DURATION OF PROGRAM.

Section 424(a) (20 U.S.C. 1074(a)) is amended—

(1) by striking "October 1, 2002" and inserting "October 1, 2004"; and

(2) by striking "September 30, 2006" and inserting "September 30, 2008".

SEC. 415. LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND FEDERAL LOAN INSURANCE.

Section 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

(1) in clause (i)—

(A) by inserting "and" after the semicolon at the end of subclause (I); and

(B) by striking subclauses (II) and (III) and inserting the following:

"(II) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;"; and

(2) by inserting "and" after the semicolon at the end of clause (iii).

SEC. 416. APPLICABLE INTEREST RATES.

(a) APPLICABLE INTEREST RATES.—

(1) AMENDMENT.—Section 427A (20 U.S.C. 1077a) is amended to read as follows:

"SEC. 427A. APPLICABLE INTEREST RATES.

"(a) INTEREST RATES FOR NEW LOANS ON OR AFTER JULY 1, 1998.—

"(1) IN GENERAL.—Subject to paragraph (2), with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

"(2) IN SCHOOL AND GRACE PERIOD RULES.—With respect to any loan under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan; or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall be determined under paragraph (1) by substituting '1.7 percent' for '2.3 percent'.

"(3) PLUS LOANS.—With respect to any loan under section 428B for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest shall be determined under paragraph (1)—

"(A) by substituting '3.1 percent' for '2.3 percent'; and

"(B) by substituting '9.0 percent' for '8.25 percent'.

"(b) LESSER RATES PERMITTED.—Nothing in this section or section 428C shall be construed to prohibit a lender from charging a borrower interest at a rate less than the rate which is applicable under this part.

"(c) CONSULTATION.—The Secretary shall determine the applicable rate of interest under this section after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.".

(2) CONFORMING AMENDMENT.—Section 428B(d)(4) (20 U.S.C. 1078–2(d)(4)) is amended by striking "section 427A(c)" and inserting "section 427A(a)(3)".

(b) SPECIAL ALLOWANCES.—

(1) AMENDMENT.—Section 438(b)(2)(F) (20 U.S.C. 1087–1(b)(2)(F)) is amended to read as follows:

"(F) LOANS DISBURSED AFTER JULY 1, 1998.—

"(i) IN GENERAL.—Subject to paragraph (4) and clauses (ii), (iii), and (iv) of this subparagraph, the special allowance paid pursuant to this subsection on loans for which the first disbursement is made on or after July 1, 1998, shall be computed—

"(I) by determining the average of the bond equivalent rates of 91-day Treasury bills auctioned for such 3-month period;

"(II) by subtracting the applicable interest rates on such loans from such average bond equivalent rate;

"(III) by adding 2.8 percent to the resultant percent; and

"(IV) by dividing the resultant percent by 4.

"(ii) IN SCHOOL AND GRACE PERIOD.—In the case of any loan for which the first disbursement is made on or after July 1, 1998, and for which the applicable rate of interest is described in section 427A(a)(2), clause (i)(III) of this subparagraph shall be applied by substituting '2.2 percent' for '2.8 percent'.

"(iii) PLUS LOANS.—In the case of any loan for which the first disbursement is made on or after July 1, 1998, and for which the applicable rate of interest is described in section 427A(a)(3), clause (i)(III) of this subparagraph shall be applied by substituting '3.1 percent' for '2.8 percent', subject to clause (iv) of this subparagraph.

"(iv) LIMITATION ON SPECIAL ALLOWANCES FOR PLUS LOANS.—In the case of loans disbursed on or after July 1, 1998, for which the interest rate is determined under 427A(a)(3), a special allowance shall not be paid for a loan made under section 428B unless the rate determined for any 12-month period under section 427A(a)(3) exceeds 9 percent.".

(2) CONFORMING AMENDMENT.—Section 438(b)(2)(C)(ii) is amended by striking "In the case" and inserting "Subject to subparagraph (F), in the case".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 for which the first disbursement is made on or after July 1, 1998.

SEC. 417. FEDERALLY GUARANTEED STUDENT LOANS.

(a) REQUIREMENTS FOR FEDERAL INTEREST SUBSIDIES.—Section 428(a)(2) (20 U.S.C. 1078(a)(2)) is amended by striking everything preceding subparagraph (D) and inserting the following:

"(2) ADDITIONAL REQUIREMENTS TO RECEIVE SUBSIDY.—(A) Each student qualifying for a portion of an interest payment under paragraph (1) shall provide to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which the student is in attendance, which certifies the eligibility of the student to receive a loan under this part and the amount of the loan for which such student is eligible.

"(B) A student shall qualify for a portion of an interest payment under paragraph (1) if the eligible institution has provided the lender with a statement that—

"(i) at the lender's request, sets forth such student's estimated cost of attendance (as determined under section 472);

"(ii) sets forth such student's estimated financial assistance; and

"(iii) sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G.

"(C) For the purpose of clause (ii) of subparagraph (B), a student shall qualify for a portion of an interest payment under paragraph (1) if the eligible institution has provided the lender with a statement evidencing a determination of need for a loan (as determined under part F of this title) and the amount of such need, subject to the provisions of subparagraph (D).".

(b) DURATION OF AUTHORITY.—Section 428(a)(5) is amended—

(1) by striking "September 30, 2002" and inserting "September 30, 2004"; and

(2) by striking "September 30, 2006" and inserting "September 30, 2008".

(c) ANNUAL LOAN LIMITS.—Section 428(b)(1)(A) is amended—

(1) in clause (i)—

(A) by inserting "and" after the semicolon at the end of subclause (I); and

(B) by striking subclauses (II) and (III) and inserting the following:

"(II) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;"; and

(2) by inserting "and" after the semicolon at the end of clause (iii).

(d) SELECTION OF REPAYMENT PLANS.—Section 428(b)(1)(D) is amended by striking "and (iii)" and inserting the following: "(iii) the student borrower may annually change the selection of a repayment plan under this part, and (iv)".

(e) COINSURANCE.—Section 428(b)(1)(G) is amended by striking "not less than".

(f) DEFERMENTS.—Section 428(b)(1)(M) is amended—

(1) in clause (i)(I), by inserting before the semicolon the following: ", except that no borrower, notwithstanding the provisions of the promissory note, shall be required to borrow an additional loan under this title in order to be eligible to receive a deferment under this clause"; and

(2) in clause (ii), by inserting before the semicolon the following: ", except that no borrower who qualifies for unemployment benefits shall be required to provide any additional paperwork for a deferment under this clause".

(g) LIMITATION, SUSPENSION, AND TERMINATION.—Section 428(b)(1)(U) is amended—

(1) by striking "emergency action,," each place it appears and inserting "emergency action,"; and

(2) by striking "a compliance audit of each lender" and inserting the following: "in the case of any lender that originates or holds more than $5,000,000 in loans made under this title during an annual audit period, a compliance audit of such lender".

(h) ADDITIONAL INSURANCE PROGRAM REQUIREMENTS.—Section 428(b)(1) is further amended—

(1) by striking "and" at the end of subparagraph (W);

(2) in subparagraph (X)—

(A) by striking "428(c)(10)" and inserting "428(c)(9)"; and

(B) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(Y) provides that the lender shall determine the eligibility of a borrower for a deferment described in subparagraph (M)(i) based on receipt of (i) a request for deferment from the borrower, (ii) a newly completed loan application that documents the borrower's eligibility for a deferment, or (iii) student status information received by the lender that the borrower is enrolled on at least a half-time basis.".

(i) RESTRICTIONS ON INDUCEMENTS.—Section 428(b)(3) is amended—

(1) by striking subparagraph (C) and inserting the following:

"(C) conduct unsolicited mailings of student loan application forms to students enrolled in secondary school or a postsecondary institution, or to parents of such students, except that applications may be mailed to students who have previously received loans guaranteed under this part by the guaranty agency; or"; and

(2) by adding at the end the following new sentence:

"It shall not be a violation of this paragraph for a guaranty agency to provide assistance to institutions of higher education comparable to the kinds of assistance provided to institutions of higher education by the Department of Education.".

(j) GUARANTY AGENCY INFORMATION TO ELIGIBLE INSTITUTIONS.—Section 428(c)(2)(H)(ii) is amended to read as follows:

"(ii) the guaranty agency shall not require the payment from the institution of any fee for such information; and".

(k) FORBEARANCE.—Section 428(c)(3) is amended—

(1) in subparagraph (A)(i), by striking "written";

(2) in subparagraph (B), by inserting before the semicolon the following: ", including forbearance granted after consideration of a borrower's total debt burden"; and

(3) in the last sentence—

(A) by striking "and (ii)" and inserting "(ii)"; and

(B) by inserting before the period at the end the following: ", and (iii) forbearance for periods not to exceed 60 days if the lender reasonably determines that such suspensions are necessary to research or process information relative to such loan or to collect appropriate documentation relating to the borrower's request for a deferment or forbearance".

(l) ASSIGNMENT.—Section 428(c)(8) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraph (B).

(m) AGENCY TERMINATION.—Section 428(c)(9) is amended—

(1) in subparagraph (E)—

(A) by inserting "or" at the end of clause (iv);

(B) by striking "; or" at the end of clause (v) and inserting a period; and

(C) by striking clause (vi);

(2) in subparagraph (F)(vii), by striking "to avoid disruption" and everything that follows and inserting "and to avoid disruption of the student loan program.";

(3) in subparagraph (I), by inserting "on the record" after "for a hearing"; and

(4) in subparagraph (K)—

(A) by striking "and Labor" and inserting "and the Workforce"; and

(B) by striking everything after "guaranty agency system" and inserting a period.

(n) LENDER REFERRAL.—Section 428(e) is amended—

(1) in paragraph (1)(B)(ii), by striking "during the transition" and everything that follows through "part D of this title"; and

(2) in paragraph (3), by striking "for costs of transition".

(o) ACTION ON AGREEMENTS.—Section 428(g) is amended by striking "and Labor" and inserting "and the Workforce".

(p) LENDERS-OF-LAST RESORT.—Section 428(j) is amended by striking paragraph (3).

(q) INCOME CONTINGENT REPAYMENT.—Section 428(m) is amended by striking "shall require at least 10 percent of the borrowers" and inserting "may require borrowers".

(r) STATE SHARE OF DEFAULT COSTS.—Subsection (n) of section 428 is repealed.

(s) BLANKET CERTIFICATE OF GUARANTY.—Section 428 of the Act is amended by adding at the end the following new subsection:

"(n) BLANKET CERTIFICATE OF LOAN GUARANTY.—

"(1) IN GENERAL.—Any guaranty agency that has or enters into any insurance program agreement with the Secretary under this part may—

"(A) offer eligible lenders participating in the agency's guaranty program blanket certificates of loan guaranty that permit the lender to make loans without receiving prior approval from the guaranty agency of individual loans for eligible borrowers enrolled in eligible programs at eligible institutions; and

"(B) provide eligible lenders with the ability to transmit electronically data to the agency concerning loans the lender has elected to make under the agency's insurance program via

standard reporting formats, such reporting to occur at reasonable, mutually acceptable intervals.

"(2) LIMITATIONS ON BLANKET CERTIFICATE OF GUARANTY.—A guaranty agency and eligible lender may establish by mutual agreement limitations or restrictions on the number or volume of loans issued by a lender under the blanket certificate of guaranty.".

SEC. 418. VOLUNTARY AGREEMENTS WITH GUARANTY AGENCIES.

Part B of title IV is amended by inserting after section 428 (20 U.S.C. 1078) the following new section:

"SEC. 428A. VOLUNTARY FLEXIBLE AGREEMENTS WITH GUARANTY AGENCIES.

"(a) VOLUNTARY AGREEMENTS.—

"(1) AUTHORITY.—Notwithstanding any other provision of law, the Secretary may enter into a voluntary, flexible agreement with not more than 6 guaranty agencies under this section, in lieu of agreements with a guaranty agency under subsections (b) and (c) of section 428, under which the Secretary may waive or modify any requirement under this title applicable to the responsibilities of the Secretary and a guaranty agency.

"(2) ELIGIBILITY.—Any guaranty agency that had one or more agreements with the Secretary under subsections (b) and (c) of section 428 as of the day before the date of enactment of this section may enter into an agreement with the Secretary under this subsection.

"(b) TERMS OF AGREEMENT.—An agreement between the Secretary and a guaranty agency under this section—

"(1) shall be developed by the Secretary, in consultation with the guaranty agency;

"(2) shall be for a period not to exceed five years, and may be renewed upon the agreement of the parties;

"(3) may include provisions—

"(A) specifying the responsibilities of the guaranty agency under the agreement, such as—

"(i) administering the issuance of insurance on loans made under this part on behalf of the Secretary;

"(ii) monitoring insurance commitments made under this part;

"(iii) default prevention activities;

"(iv) review of default claims made by lenders;

"(v) payment of default claims;

"(vi) collection of defaulted loans;

"(vii) adoption of internal systems of accounting and auditing that are acceptable to the Secretary, and reporting the result thereof to the Secretary on a timely, accurate, and auditable basis;

"(viii) timely and accurate collection and reporting of such other data as the Secretary may require to carry out the purposes of the programs under this title;

"(ix) monitoring of institutions and lenders participating in the program under this part; and

"(x) the performance of other program functions by the guaranty agency.

"(B) regarding the fees the Secretary shall pay, in lieu of revenues that the guaranty agency may otherwise receive under this part, to the guaranty agency under the agreement, and other funds that the guaranty agency may receive or retain under the agreement, except that in no case may the cost to the Secretary of the agreement, as reasonably projected by the Secretary, exceed the cost to the Secretary, as similarly projected, in the absence of the agreement;

"(C) regarding the use of net revenues, as described in the agreement under this section, for such other activities in support of postsecondary education as may be agreed to by the Secretary and the guaranty agency;

"(D) regarding the standards by which the guaranty agency's performance of its responsibilities under the agreement will be assessed, and the consequences for a guaranty agency's failure to achieve a specified level of performance on 1 or more performance standards;

"(E) regarding the circumstances in which a guaranty agency's agreement under this section may be ended in advance of its expiration date;

"(F) regarding such other businesses, previously purchased or developed with reserve funds, that relate to the program under this part and in which the Secretary permits the guaranty agency to engage; and

"(G) such other provisions as the Secretary may determine to be necessary to protect the United States from the risk of unreasonable loss and to promote the purposes of this part; and

"(4) shall provide for uniform lender participation with the guaranty agency under the terms of the agreement.

"(c) TERMINATION.—At the expiration or early termination of an agreement under this section, the Secretary shall reinstate the guaranty agency's prior agreements under subsections (b) and (c) of section 428, subject only to such additional requirements as the Secretary determines to be necessary in order to ensure the efficient transfer of responsibilities between the agreement under this section and the agreements under subsections (b) and (c) of section 428, including the guaranty agency's compliance with reserve requirements under sections 422 and 428.".

SEC. 419. FEDERAL CONSOLIDATION LOANS.

(a) AGREEMENTS WITH LENDERS.—Section 428C(a) (20 U.S.C. 1078–3(a)) is amended—

(1) by striking subclause (II) of paragraph (3)(B)(i) and inserting the following:

"(II) that loans received during the 180-day period following the making of the consolidation loan may be added to the consolidation loan."; and

(2) by striking subparagraph (C) of paragraph (4) and inserting the following:

"(C) made under part D of this title;".

(b) CONTENTS OF AGREEMENTS.—Section 428C(b) is amended—

(1) in paragraph (1)(A), by striking "under this section and (i)" and everything that follows and inserting "under this section;";

(2) in paragraph (4)(C)(ii)—

(A) by redesignating subclause (III) as subclause (IV);

(B) by inserting after subclause (II) the following new clause:

"(III) by the Secretary, in the case of a consolidation loan for which the application is received by an eligible lender on or after October 1, 1998, except that the Secretary shall pay such interest only on that portion of the loan that repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455; or"; and

(C) in subclause (IV) (as redesignated), by striking "subclause (I) or (II)" and inserting "subclause (I), (II), or (III)"; and

(3) in paragraph (6)(A), by inserting before the semicolon at the end the following: "except that (i) a lender is not required to consolidate loans described in subparagraph (D) or (E) of subsection (a)(4); and (ii) a lender is not prohibited from establishing a minimum loan balance for which it will process a consolidation loan application".

(c) EXTENSION OF AUTHORITY.—Section 428C(e) is amended by striking "September 30, 2002" and inserting "September 30, 2004".

SEC. 420. DISBURSEMENT.

(a) REQUIREMENTS.—Section 428G(a)(1) (20 U.S.C. 1078–7(a)(1)) is amended by inserting "greater than one semester, one trimester, one quarter, or four months" after "period of enrollment".

(b) DISBURSEMENT.—Section 428G(b)(1) is amended by adding at the end the following new sentence: "An institution whose cohort default rate (as determined under section 435(a)) for each of the three most recent fiscal years for which data are available is less than 10 percent shall be exempt from the requirements of this paragraph.".

(c) WITHHOLDING OF SECOND DISBURSEMENT.—Section 428G(d)(2) is amended by inserting "by more than $300" after "under this title".

SEC. 421. UNSUBSIDIZED STAFFORD LOANS.

(a) ELIGIBLE BORROWERS.—Section 428H(b) (20 U.S.C. 1078–8(b)) is amended by striking "which—" and everything that follows and inserting the following:

"which certifies the eligibility of the student to receive a loan under this part and the amount of the loan for which such student is eligible. A student shall qualify for a loan if the eligible institution has provided the lender with a statement that—

"(1) at the lender's request, sets forth such student's estimated cost of attendance (as determined under section 472);

"(2) sets forth such student's estimated financial assistance, including a loan which qualifies for subsidy payments under section 428; and

"(3) sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G.".

(b) LOAN LIMITS.—Section 428H(d)(2)(A) is amended—

(1) by inserting "and" after the semicolon at the end of clause (i); and

(2) by striking clauses (ii) and (iii) and inserting the following:

"(ii) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in clause (i) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;".

(c) QUALIFICATION.—Section 428H(e) is amended by adding at the end the following new paragraph:

"(7) QUALIFICATION FOR FORBEARANCE, DEFERMENT, AND INCOME-SENSITIVE REPAYMENT.—A borrower of a loan made under this section may qualify for a forbearance or deferment, or an income-sensitive repayment plan for which the borrower is eligible, immediately upon receipt by the lender or holder of a request from the borrower. Any necessary supporting documentation shall be secured by the lender or holder within 30 days of the request in order to continue the forbearance, deferment, or income-sensitive repayment plan.".

(d) REPEAL.—Section 428H(f) is repealed.

SEC. 422. REPEAL OF LOAN FORGIVENESS.

Section 428J (20 U.S.C. 1078–10) is repealed.

SEC. 423. LEGAL POWERS AND RESPONSIBILITIES.

(a) GENERAL POWERS.—Section 432(a)(2) (20 U.S.C. 1082(a)(2)) is amended by inserting "except that this section shall not be deemed to limit court review under chapter 7 of title 5, United States Code" after "Secretary's control".

(b) AUDIT OF FINANCIAL TRANSACTIONS.—Section 432(f)(1) is amended—

(1) in subparagraph (B), by striking "section 435(d)(1) (D), (F), or (H);" and inserting "section 435(d)(1); and";

(2) in subparagraph (C)—

(A) by striking "and Labor" and inserting "and the Workforce"; and

(B) by striking "; and" and inserting a period; and

(3) by striking subparagraph (D).

(c) PROGRAM OF ASSISTANCE.—Section 432(k)(3) is amended by striking "Within 1

year" and everything that follows through "1992, the" and inserting "The".

(d) COMMON FORMS AND FORMATS.—Section 432(m) is amended—

(1) in paragraph (1)(A), by striking "The Secretary" and inserting "Subject to paragraph (2), the Secretary";

(2) by striking subparagraph (C) of paragraph (1);

(3) in subparagraph (D), by striking "Nothing" and inserting "Subject to paragraph (2), nothing";

(4) by redesignating subparagraph (D) of such paragraph as subparagraph (C);

(5) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(6) by inserting after paragraph (1) the following new paragraph:

"(2) FREE APPLICATION FOR FEDERAL STUDENT AID.—For academic year 1999–2000 and thereafter, the Secretary shall prescribe the Free Application for Federal Student Aid as the application form under this part (other than sections 428B and 428C)."; and

(7) by adding at the end the following new paragraph:

"(5) MASTER PROMISSORY NOTE.—

"(A) DEVELOPMENT AND APPROVAL.—Within 180 days of enactment of this Act, the Secretary, in cooperation with representatives of guaranty agencies, eligible lenders, institutions, students, and organizations involved in student financial assistance, shall develop and approve a master promissory note that will allow for a multiyear line of credit. Such note shall address the needs of participants in the programs under this part. The Secretary shall also develop and approve a corresponding master promissory note for use under part D of this title that addresses the needs of participants in the programs under such part.

"(B) SALE AND ASSIGNMENT; ENFORCEMENT.—Notwithstanding the preceding provisions of this section, each loan made under a master promissory note providing for a line of credit may be sold and assigned independently of any other loan made under the same promissory note, and each such loan shall be separately enforceable in all State and Federal courts on the basis of an original or copy of the master promissory note with its terms.".

(e) DEFAULT REDUCTION MANAGEMENT.—Section 432(n) is amended—

(1) in paragraph (1), by striking "1993" and inserting "1999"; and

(2) in paragraph (3), by striking "and Labor" and inserting "and the Workforce".

(f) REPORTING REQUIREMENT.—Section 432(p) is amended by striking "State postsecondary reviewing entities designated under subpart 1 of part H,".

SEC. 424. STUDENT LOAN INFORMATION.

Section 433 (20 U.S.C. 1083) is amended—

(1) in the first sentence of subsection (a), by inserting "in simple and understandable terms" after "to the borrower"; and

(2) in the first sentence of subsection (b), by inserting "in simple and understandable terms" after "under this subsection".

SEC. 425. DEFINITIONS.

(a) COHORT DEFAULT RATE.—Section 435(a) (20 U.S.C. 1085(a)) is amended—

(1) in subparagraph (A) of paragraph (2)—

(A) by striking "or" at the end of clause (i); and

(B) by striking clause (ii) and inserting the following:

"(ii) there are exceptional mitigating circumstances within the meaning of paragraph (4); or

"(iii) there are, in the judgment of the Secretary, other exceptional mitigating circumstances that would make the application of this paragraph inequitable.";

(2) in subparagraph (C) of paragraph (2), by striking "July 1, 1998," and inserting "July 1, 1999,";

(3) in paragraph (3), by inserting "or, at the request of the institution, a complete copy of the records for loans made under this part or of the direct loan servicer for loans made under part D" after "and loan servicers"; and

(4) by adding at the end the following new paragraphs:

"(4) DEFINITION OF MITIGATING CIRCUMSTANCES.—For purposes of paragraph (2), an institution shall be treated as having exceptional mitigating circumstances that make application of that paragraph inequitable if such institution is certified by a certified public accountant to meet each of the following criteria:

"(A) at least two-thirds of the students enrolled on at least a half-time basis at the institution—

"(i) are eligible to receive a Federal Pell Grant award that is at least equal to one-half the maximum Federal Pell Grant award for which the student would be eligible based on his or her enrollment status; or

"(ii) have an adjusted gross income of the student, and his or her parents (unless the student is an independent student), of less than the poverty level, as determined under criteria established by the Department of Health and Human Services;

"(B) at least two-thirds of the students enrolled on a full-time basis at the institution in any 12-month period ending not more than six months prior to the date the institution submits its appeal, and who remain enrolled beyond the point at which the student would be entitled to a tuition refund of 100 percent—

"(i) complete the educational program in which they are enrolled within the time normally required to complete that program, as specified in the institution's enrollment contract, catalog, or other materials; or

"(ii) continue to be enrolled and are making satisfactory academic progress toward completion of their program; or

"(iii) have entered active duty in the armed forces of the United States; and

"(C) at least two-thirds of the students enrolled on a full-time basis at the institution who complete the educational program in which they are enrolled within any 12-month period ending not more than six months prior to the date the institution submits its appeal are placed for at least 13 weeks in an employment position for which they have been trained, or are enrolled for at least 13 weeks in higher level education program for which the educational program of the institution provided substantial preparation, or have entered active duty in the armed forces of the United States.

"(5) REDUCTION OF DEFAULT RATES AT CERTAIN MINORITY INSTITUTIONS.—

"(A) BENEFICIARIES OF EXCEPTION REQUIRED TO ESTABLISH MANAGEMENT PLAN.—After July 1, 1998, any institution that has a cohort default rate that equals or exceeds 25 percent for each of the three most recent fiscal years for which data are available and that relies on the exception in paragraph (2)(C) of this subsection to continue to be an eligible institution shall—

"(i) submit to the Secretary a default management plan which the Secretary, in his discretion, after consideration of the institution's history, resources, dollars in default, and targets for default reduction, determines is acceptable and provides reasonable assurance that the institution will, by July 1, 2001, have a cohort default rate that is less than 25 percent;

"(ii) engage an independent third party (which may be paid with funds received under part B of title III) to provide technical assistance in implementing such default management plan; and

"(iii) provide to the Secretary, on an annual basis or at such other intervals as the Secretary may require, evidence of cohort default rate improvement and successful implementation of such default management plan.

"(B) DISCRETIONARY ELIGIBILITY CONDITIONED ON IMPROVEMENT.—Notwithstanding the expiration of the exception in paragraph (2)(C), the Secretary may, in his discretion, continue to treat an institution described in subparagraph (A) of this paragraph as an eligible institution for each of the one-year periods beginning on July 1, 1999, and July 1, 2000, only if the institution submits by the beginning of such period evidence satisfactory to the Secretary that—

"(i) such institution has complied and is continuing to comply with the requirements of subparagraph (A); and

"(ii) such institution has made substantial improvement, during each of the preceding one-year periods, in its cohort default rate.

"(6) SPECIAL RULE BASED ON PARTICIPATION RATE INDICES.—(A) An institution that demonstrates to the Secretary that its participation rate index (as defined in regulations in effect on July 1, 1996) is equal to or less than .0375 for any of the three most recent fiscal years for which data are available shall not be subject to paragraph (2).

"(B) An institution shall provide the Secretary with sufficient data to determine its participation rate index within 30 days after receiving an initial notification of its draft cohort default rate.

"(C) Prior to publication of a final cohort default rate for an institution that provides the data under subparagraph (B), the Secretary shall notify the institution of its compliance or noncompliance with subparagraph (A).".

(b) ELIGIBLE LENDER.—Section 435(d) is amended—

(1) in paragraph (1)(A)(ii)—

(A) by striking "or" at the end of subclause (I); and

(B) by inserting before the semicolon at the end of subclause (II) the following: ", or (III) it is a bank that is a wholly owned subsidiary of a nonprofit foundation, the foundation is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code and has been participating in the program authorized by this part for three years as of the date of enactment of the Higher Education Amendments of 1998 and only makes loans to undergraduate students who are 22 years of age or younger and has a portfolio of not more than $10,000,000; and in determining whether the making or holding of loans to students and parents under this part is the primary consumer credit function of the eligible lender, all loans (including student loans and other consumer loans) made or held as trustee or in a trust capacity for the benefit of a third party shall be considered";

(2) in paragraph (1)—

(A) by striking "and" at the end of subparagraph (I);

(B) by striking the period at the end of subparagraph (J) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(K) a wholly owned subsidiary of a publicly held holding company which, for the three years preceding the date of enactment of this subparagraph, through one or more subsidiaries (i) acts as a finance company, and (ii) participates in the program authorized by this part pursuant to subparagraph (C)."; and

(3) in paragraph (5), by adding at the end the following new sentence:

"It shall not be a violation of this paragraph for a lender to provide assistance to institutions of higher education comparable to the kinds of assistance provided to institutions of higher education by the Department of Education.".

(c) LINE OF CREDIT.—Section 435(e) is amended to read as follows:

"(e) LINE OF CREDIT.—The term 'line of credit' means an agreement between the lender and the borrower pursuant to a master promissory note under which the lender may make and disburse, in addition to the initial loan, additional loans in subsequent years.".

SEC. 426. DISCHARGE.

(a) DOCUMENTATION.—Section 437(a) (20 U.S.C. 1087(a)) is amended by adding at the end the following: "A certification of permanent and total disability from a Veteran's Hospital shall be acceptable documentation for discharge under this subsection.".

(b) DISCHARGE.—Section 437(c)(1) is amended—

(1) by inserting after "falsely certified by the eligible institution," the following: "or if the institution failed to make a refund of loan proceeds which it owed to such student's lender,"; and

(2) by adding at the end the following new sentences: "In the case of a discharge based upon a failure to refund, the amount of the discharge shall not exceed that portion of the loan which should have been refunded. The Secretary shall report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate annually as to the dollar amount of loan discharges attributable to failures to make refunds.".

SEC. 427. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

Section 437 is further amended—

(1) in the section heading, by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "**loan forgiveness for teaching.**";

(2) by amending the heading for subsection (c) to read as follows: "DISCHARGE RELATED TO SCHOOL CLOSURE OR FALSE CERTIFICATION.—"; and

(3) by adding at the end thereof the following new subsection:

"(e) CANCELLATION OF LOANS FOR TEACHING.—

"(1) FUNCTIONS OF SECRETARY.—The Secretary shall discharge the liability of a borrower of a qualifying loan by repaying the amount owed on the loan, to the extent specified in paragraph (4), for service described in paragraph (3).

"(2) QUALIFYING LOANS.—

"(A) IN GENERAL.—For purposes of this subsection, a loan is a qualifying loan if—

"(i) the loan was made under section 428 on or after the date of enactment of the Higher Education Amendments of 1998 to a borrower who, on the date of entering into the note or other written evidence of the loan, had no outstanding balance of principal or interest on any loan made before such date; and

"(ii) the loan was obtained to cover the cost of instruction for an academic year after the first and second year of undergraduate education.

"(B) LIMITATION.—The Secretary may not repay loans described in subparagraph (A) to cover the costs of instruction for more than two academic years, or three academic years in the case of a program of instruction normally requiring five years.

"(C) TREATMENT OF CONSOLIDATION LOANS.—A loan made under section 428C may be a qualifying loan for the purposes of this subsection only to the extent that such loan was used to repay a loan or loans that meet the requirements of subparagraphs (A) and (B), as determined in accordance with regulations prescribed by the Secretary.

"(3) QUALIFYING SERVICE.—A loan shall be discharged under paragraph (1) for service by the borrower as a full-time teacher for each complete academic year of service, after completion of the second academic year of service, in a public or other nonprofit private elementary or secondary school—

"(A) which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965; and

"(B) which for the purpose of this paragraph and for that year has been determined by the State educational agency of the State in which the school is located to be a school in which the enrollment of children counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

"(4) RATE OF DISCHARGE.—(A) Loans shall be discharged under this subsection at the rate of—

"(i) 30 percent for the first or second complete academic year of qualifying service as described in paragraph (3) (after completion of two years of service); and

"(ii) 40 percent for the third complete year of such qualifying service.

"(B) The total amount that may be discharged under this subsection for any borrower shall not exceed $17,750.

"(C) If a portion of a loan is discharged under subparagraph (A) for any year, the entire amount of interest on that loan that accrues for that year shall also be discharged by the Secretary.

"(D) Nothing in this section shall be construed to authorize refunding of any repayment of a loan.

"(5) LIMITATION ON TEACHER ELIGIBILITY.—

"(A) SECONDARY SCHOOL TEACHERS.—A borrower may not receive assistance under this subsection by virtue of teaching in a secondary school unless such borrower majored in the subject area in which they are teaching.

"(B) ELEMENTARY SCHOOL TEACHERS.—A borrower may not receive assistance under this subsection by virtue of teaching in a elementary school unless such borrower demonstrates, in accordance with State teacher certification or licensing requirements, subject matter knowledge and teaching skills in reading, writing, mathematics, and other subjects taught in elementary schools.

"(6) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same service, receive a benefit under both this subsection and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

"(7) METHOD OF PAYMENT.—The Secretary shall specify in regulations the manner in which lenders shall be reimbursed for loans made under this part, or portions thereof, that are discharged under this subsection.

"(8) LIST.—If the list of schools in which a teacher may perform service pursuant to paragraph (3) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

"(9) CONTINUING ELIGIBILITY.—Any teacher who performs service in a school which—

"(A) meets the requirements of paragraph (3) in any year during such service; and

"(B) in a subsequent year fails to meet the requirements of such subsection,

may continue to teach in such school and shall be eligible for loan cancellation pursuant to this subsection with respect to such subsequent years.".

SEC. 428. DEBT MANAGEMENT OPTIONS.

Section 437A (20 U.S.C. 1087–O) is repealed.

SEC. 429. SPECIAL ALLOWANCES.

(a) COMPUTATION.—Section 438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended—

(1) in subparagraph (A), by striking "(E), and (F)" and inserting "and (E)"; and

(2) in subparagraph (B)(iv), by striking ", (E), or (F)" and inserting "or (E)".

(b) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2)—

(A) by striking "(other than" and inserting "(including loans made under section 428H, but excluding"; and

(B) by adding at the end the following new sentence: "Except as provided in paragraph (8), a lender is not authorized to assess an origination fee under this paragraph unless the lender assesses the same fee to all student borrowers."; and

(2) by adding at the end the following new paragraph:

"(8) EXCEPTION.—Notwithstanding paragraph (2), a lender may assess a lesser origination fee for a borrower demonstrating greater financial need as determined by such borrower's adjusted gross family income.".

(c) LENDING FROM PROCEEDS OF TAX EXEMPT OBLIGATIONS.—Section 438 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(d) STUDY.—Section 438 is amended by adding at the end the following new subsection:

"(f) STUDY.—The Comptroller General shall conduct a statistical analysis of the subsidized and unsubsidized student loan programs under part B to gather data on lenders' policies on charging origination fees and to determine if there are any anomalies that would indicate any institutional, programmatic, or socioeconomic discrimination in the assessing or waiving of such fees. The Comptroller General shall report to the appropriate committees of Congress within two years after the date of enactment of the Higher Education Amendments of 1998.".

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 435. AMENDMENTS TO PART C.

(a) EXTENSION OF AUTHORITY; DEFINITION.—

(1) ELIGIBLE STUDENTS.—Section 441(a) (20 U.S.C. 2751(a)) is amended by inserting after "professional students" the following: ", including students participating in an internship or practicum, or as a research assistant, as determined by the Secretary,".

(2) EXTENSION OF AUTHORITY.—Section 441(b) is amended by striking "$800,000,000 for fiscal year 1993" and inserting "$1,000,000,000 for fiscal year 1999".

(3) DEFINITION OF COMMUNITY SERVICE.—Section 441(c) is amended by striking "which are" and inserting "that are performed off-campus or on-campus and that are".

(b) ALLOCATION OF FUNDS.—Section 442 (42 U.S.C. 2752) is amended—

(1) by striking subsection (b);

(2) in subsection (c)(1), by striking "three-quarters of the remainder" and inserting "the remainder";

(3) in subsection (c)(2)(A)(i), by striking "subsection (d)" and inserting "subsection (c)";

(4) in subsection (e)(1), by striking "subsection (c)" and inserting "subsection (b)"; and

(5) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(c) TUTORING AND LITERACY ACTIVITIES.—

Section 443 of the Higher Education Act of 1965 (42 U.S.C. 2753) is amended—

(1) in subsection (b)(2)—

(A) by striking "and" at the end of subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) in academic year 1999 and succeeding academic years, an institution shall use at least

2 percent of the total amount of funds granted to such institution under this section for such academic year in accordance with subsection (d); and"; and

(2) by adding at the end the following new subsection:

"(d) TUTORING AND LITERACY ACTIVITIES.—

"(1) USE OF FUNDS.—In any academic year to which subsection (b)(2)(B) applies, an institution shall use the amount required to be used in accordance with this subsection to compensate (including compensation for time spent in directly related training and travel) students—

"(A) employed as a reading tutor for children who are in preschool through elementary school; or

"(B) employed in family literacy projects.

"(2) PRIORITY FOR SCHOOLS.—An institution shall—

"(A) give priority, in using such funds, to the employment of students in the provision of tutoring services in schools that—

"(i) are identified for school improvement under section 1116(c) of the Elementary and Secondary Education Act of 1965; or

"(ii) are selected by a local educational agency under section 15104(a)(2) of such Act; and

"(B) ensure that any student compensated with such funds who is employed in a school selected under section 15104(a)(2) of the Elementary and Secondary Education Act of 1965 is trained in the instructional practices based on reliable, replicable research on reading used by the school pursuant to such section 15104.

"(3) FEDERAL SHARE.—The Federal share of the compensation of work study students compensated under this subsection may exceed 75 percent.

"(4) WAIVER.—The Secretary may waive the requirements of this subsection if the Secretary determines that enforcing such requirements would cause a hardship for students at the institution.

"(5) RETURN OF FUNDS.—Any institution that does not use the amount required under this subsection, and that does not request and receive a waiver from the Secretary under paragraph (4), shall return to the Secretary, at such time as the Secretary may require for reallocation under paragraph (6), any balance of such amount that is not used as so required.

"(6) REALLOCATION.—The Secretary shall reallot any amounts returned pursuant to paragraph (5) among institutions that used at least 4 percent of the total amount of funds granted to such institution under this section to compensate students employed in tutoring and literacy activities in the preceding academic year. Such funds shall be reallotted among such institutions on the same basis as excess eligible amounts are allocated to institutions pursuant to section 442(c). Funds received by institutions pursuant to this paragraph shall be used in the same manner as amounts required to be used in accordance with this subsection.".

(d) GRANT REQUIREMENTS.—

(1) COMMUNITY SERVICE.—Section 443(b)(2)(A) (42 U.S.C. 2753(b)(2)(A)) is amended—

(A) by striking "in fiscal year 1994 and succeeding fiscal years,"; and

(B) by inserting "(including time spent in travel or training, or both, directly related to such community service)" after "community service".

(2) USE OF FUNDS FOR INDEPENDENT AND LESS-THAN-FULL-TIME STUDENTS.—Section 443(b)(3) (42 U.S.C. 2753(b)(3)) is amended to read as follows:

"(3) provide that in the selection of students for employment under such work-study program, only students, who demonstrate financial need in accordance with part F of this title, and who meet the requirements of section 484 will be assisted, except that if the institution's grant under this part is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution less than full time, or (B) independent students, then grant funds shall be made available to such less than full-time and independent students;".

(3) AVAILABILITY OF EMPLOYMENT.—Section 443(b)(6) is amended by striking everything after "in need thereof" and inserting a semicolon.

(4) ACADEMIC RELEVANCE.—Section 443(c)(4) is amended by inserting before the semicolon at the end the following: ", to the maximum extent practicable".

(e) FLEXIBLE USE OF FUNDS.—Section 445(b) (42 U.S.C. 2755(b)) is amended by adding at the end the following new paragraph:

"(3) An eligible institution may, with the permission of a student, make payments to the student under this part by crediting the student's account at the institution or by making a direct deposit to the student's account at a depository institution. An eligible institution may only credit the student's account at the institution for (A) tuition and fees, (B) in the case of institutionally owned housing, room and board, and (C) other institutionally provided goods and services.".

(f) JOB LOCATION AND DEVELOPMENT PROGRAMS.—Section 446 (42 U.S.C. 2756) is amended—

(1) in subsection (a)(1)—

(A) by striking "$50,000" and inserting "$60,000"; and

(B) by striking "community service jobs, for currently enrolled students" and inserting "community service jobs and cooperative education jobs, for currently enrolled students, including students participating in work-study programs under this part"; and

(2) in subsection (b)—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7); and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) provide that the institution will notify the Secretary if the institution will use funds under this section to develop cooperative education jobs and will provide assurances that—

"(A) the funds provided under this paragraph will supplement and not supplant any cooperative education funds available to the institution;

"(B) in the case of 2-year programs, funds will be used to develop and expand cooperative education, jobs for associate degree or certificate students only;

"(C) the work portion of a cooperative education job developed or expanded under this paragraph will be related to a student's academic program; and

"(D) the institution will furnish the Secretary a report on cooperative education jobs expanded and developed under this paragraph, including—

"(i) how the funds were used;

"(ii) a list of employers and whether the employer is a for-profit or not-for-profit entity; and

"(iii) the employers' role in the cooperative education job.".

(g) WORK COLLEGES EXTENSION OF AUTHORITY.—Section 448(f) (42 U.S.C. 2756b(f)) is amended by striking "1993" and inserting "1999".

PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

SEC. 436. SELECTION OF INSTITUTIONS.

(a) GENERAL AUTHORITY.—Section 453(a) (20 U.S.C. 1087c(a)) is amended—

(1) by striking "PHASE-IN" and everything that follows through "GENERAL AUTHORITY.—" and inserting "GENERAL AUTHORITY.—"; and

(2) by striking paragraphs (2), (3), and (4).

(b) SELECTION CRITERIA.—Section 453(b)(2) is amended by striking "prescribe," and everything that follows through the end of subparagraph (B) and inserting "prescribe.".

(c) ORIGINATION.—Section 453(c) is amended—

(1) in paragraph (2)—

(A) in the heading, by striking "TRANSITION SELECTION CRITERIA" and inserting "SELECTION CRITERIA";

(B) by striking "For academic year 1994–1995, the Secretary" and inserting "The Secretary";

(C) by striking subparagraph (A); and

(D) in subparagraph (E), by striking everything after "deficiencies" and inserting a semicolon; and

(E) by redesignating subparagraphs (B) through (H) as subparagraphs (A) through (G); and

(2) in paragraph (3)—

(A) in the heading, by striking "AFTER TRANSITION"; and

(B) by striking "For academic year 1995–1996 and subsequent academic years, the Secretary" and inserting "The Secretary".

SEC. 437. TERMS AND CONDITIONS.

(a) INTEREST RATES.—

(1) AMENDMENT.—Section 455(b) (20 U.S.C. 1087e(b)) is amended to read as follows:

"(b) INTEREST RATE.—

"(1) RATES FOR FDSL AND FDUSL.—For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

"(2) IN SCHOOL AND GRACE PERIOD RULES.—With respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after July 1, 1995, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan; or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall be determined under paragraph (1) by substituting '1.7 percent' for '2.3 percent'.

"(3) PLUS LOANS.—With respect to Federal Direct PLUS Loan for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest shall be determined under paragraph (1)—

"(A) by substituting '3.1 percent' for '2.3 percent'; and

"(B) by substituting '9.0 percent' for '8.25 percent'.

"(4) REPAYMENT INCENTIVES.—Notwithstanding any other provision of this part, the Secretary is authorized to prescribe in regulation such reductions in the interest rate paid by a borrower of a loan made under this part as the Secretary determines appropriate to encourage on-time repayment. Such reductions may be offered only if the Secretary determines they are both cost neutral and in the best financial interest of the Federal Government. Any increase in subsidy costs resulting from such reductions must be completely offset by corresponding savings in funds available for the Direct Loan Program in that fiscal year from section 458 and other administrative accounts.

"(5) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.".

(2) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any loan made under part D of title IV of the Higher Education Act of 1965 for which the first disbursement is made on or after July 1, 1998.

(b) CONSOLIDATION LOANS.—The first sentence of section 455(g) is amended by striking everything after "section 428C(a)(4)" and inserting a period.

SEC. 438. CONTRACTS.

Section 456(b) (20 U.S.C. 1087f(b)) is amended—

(1) by inserting "and" after the semicolon at the end of paragraph (3);

(2) by striking paragraph (4); and

(3) by redesignating paragraph (5) as paragraph (4).

SEC. 439. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458 (20 U.S.C. 1087h) is amended—

(1) in subsection (a)(1), by striking subparagraph (B) and everything that follows and inserting the following:

"(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with paragraph (2),

not to exceed (from such funds not otherwise appropriated) $626,000,000 in fiscal year 1999, $726,000,000 in fiscal year 2000, $770,000,000 in fiscal year 2001, $780,000,000 in fiscal year 2002, and $795,000,000 in fiscal year 2003. Account maintenance fees under subparagraph (B) of this paragraph shall be paid quarterly and deposited in the Operating Fund established under 422B. The Secretary may carry over funds available under this section to a subsequent fiscal year.";

(2) by striking paragraph (2) of subsection (a) and inserting the following:

"(2) CALCULATION BASIS.—Account maintenance fees payable to guaranty agencies under paragraph (1)(B) shall be calculated for fiscal year 1999 and fiscal year 2000, on the basis of 0.12 percent of the original principal amount of outstanding loans on which insurance was issued under part B, and for fiscal years 2001 and succeeding fiscal years, shall be calculated on the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B."; and

(3) by striking subsection (d).

SEC. 440. AUTHORITY TO SELL LOANS.

Part D of title IV (20 U.S.C. 1087a et seq.) is amended by adding at the end the following new section:

"SEC. 459. AUTHORITY TO SELL LOANS.

"The Secretary, in consultation with the Secretary of the Treasury, is authorized to sell loans made under this part on such terms as the Secretary determines are in the best interest of the United States, except that any such sale shall not result in any cost to the Federal Government. Notwithstanding any other provision of law, the proceeds of any such sale may be used by the Secretary to offer reductions in the interest rate paid by a borrower of a loan made under this part as the Secretary determines appropriate to encourage on-time repayment. Such reductions may be offered only if the Secretary determines they are in the best financial interests of the Federal Government.".

SEC. 441. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

Part D of title IV is amended by inserting after section 459, as added by section 440, the following new section:

"SEC. 459A. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

"(a) CANCELLATION OF PERCENTAGE OF DEBT BASED ON YEARS OF QUALIFYING SERVICE.—

"(1) FUNCTIONS OF SECRETARY.—The percent specified in paragraph (4) of the total amount of any qualifying loan shall be canceled for each complete year of service by the borrower described in paragraph (3).

"(2) QUALIFYING LOANS.—

"(A) IN GENERAL.—For purposes of this subsection, a loan is a qualifying loan if—

"(i) the loan was a Federal Direct Stafford Loan made on or after the date of enactment of the Higher Education Amendments of 1998 to a borrower who, on the date of entering into the note or other written evidence of the loan, had no outstanding balance of principal or interest on any loan made before such date; and

"(ii) the loan was obtained to cover the cost of instruction for an academic year after the first and second year of undergraduate education.

"(B) LIMITATION.—The Secretary may not repay loans described in subparagraph (A) to cover the costs of instruction for more than two academic years, or three academic years in the case of a program of instruction normally requiring five years.

"(C) TREATMENT OF CONSOLIDATION LOANS.—A Federal Direct Consolidation Loan may be a qualifying loan for the purposes of this subsection only to the extent that such loan was used to repay a loan or loans that meet the requirements of subparagraphs (A) and (B), as determined in accordance with regulations prescribed by the Secretary.

"(3) QUALIFYING SERVICE.—A loan shall be cancelled under paragraph (1) for service by the borrower as a full-time teacher for each complete academic year of service, after completion of the second academic year of service, in a public or other nonprofit private elementary or secondary school—

"(A) which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965; and

"(B) which for the purpose of this paragraph and for that year has been determined by the State educational agency of the State in which the school is located to be a school in which the enrollment of children counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

"(4) PERCENTAGE OF CANCELLATION.—(A) The percent of a loan which shall be canceled under paragraph (1) of this subsection is at the rate of—

"(i) 30 percent for the first or second complete academic year of qualifying service as described in paragraph (3) (after completion of two years of service); and

"(ii) 40 percent for the third complete year of such qualifying service.

"(B) The total amount that may be canceled under this subsection for any borrower shall not exceed $17,750.

"(C) If a portion of a loan is canceled under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be canceled.

"(D) Nothing in this section shall be construed to authorize refunding of any repayment of a loan.

"(5) LIMITATION ON TEACHER ELIGIBILITY.—

"(A) SECONDARY SCHOOL TEACHERS.—A borrower may not receive assistance under this subsection by virtue of teaching in a secondary school unless such borrower majored in the subject area in which they are teaching.

"(B) ELEMENTARY SCHOOL TEACHERS.—A borrower may not receive assistance under this subsection by virtue of teaching in a elementary school unless such borrower demonstrates, in accordance with State teacher certification or licensing requirements, subject matter knowledge and teaching skills in reading, writing, mathematics, and other subjects taught in elementary schools.

"(6) DEFINITION.—For the purpose of this section, the term 'year' where applied to service as a teacher means an academic year as defined by the Secretary.

"(7) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

"(b) SPECIAL RULES.—

"(1) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (a)(3) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

"(2) CONTINUING ELIGIBILITY.—Any teacher who performs service in a school which—

"(A) meets the requirements of subsection (a)(3) in any year during such service; and

"(B) in a subsequent year fails to meet the requirements of such subsection,

may continue to teach in such school and shall be eligible for loan cancellation pursuant to subsection (a)(1) with respect to such subsequent years.".

PART E—FEDERAL PERKINS LOANS

SEC. 445. AMENDMENTS TO PART E.

(a) EXTENSION OF AUTHORITY.—Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

(1) in paragraph (1), by striking "1993" and inserting "1999"; and

(2) in paragraph (2), by striking "1997" each place it appears and inserting "2003".

(b) ALLOCATION OF FUNDS.—Section 462 (20 U.S.C. 1087bb) is amended—

(1) by striking subsection (b);

(2) in subsection (c)(1), by striking "three-quarters of the remainder" and inserting "the remainder";

(3) in subsection (c)(2), by striking "subsection (g)" and inserting "subsection (f)";

(4) in subsection (c)(3)—

(A) by striking "subsection (d)" and inserting "subsection (c)";

(B) by striking "subsection (f)" and inserting "subsection (e)"; and

(C) by striking "subsection (g)" and inserting "subsection (f)";

(5) in subsection (f)(1), by striking "subsection (g)" and inserting "subsection (f)";

(6) in subsection (j)(2)—

(A) by striking "subsection (c)" and inserting "subsection (b)"; and

(B) by striking "subsection (c) of section 462" and inserting "subsection (b)"; and

(7) by redesignating subsections (c) through (j) as subsections (b) through (i), respectively.

(c) DEFAULT REDUCTION PENALTIES.—Section 462(e)(2)(A) (as redesignated by subsection (b)(7) of this section) is amended by inserting before the semicolon at the end the following: ", except that a plan shall not be required with respect to any such institution that has a default rate of less than 20 percent and has less than 100 students who have loans under this part in any academic year".

(d) DEFINITIONS FOR DEFAULT RATE CALCULATIONS.—Section 462(g) (as redesignated by subsection (b)(7) of this section) is amended by adding at the end the following new paragraph:

"(5) For the purpose of this subsection, the term 'satisfactory arrangements to resume payment' includes—

"(A) receipt of voluntary monthly payments for three consecutive months after the time periods specified in paragraph (4);

"(B) receipt of voluntary payments sufficient to bring the loan current prior to the calculation being made for any award year under paragraph (3);

"(C) obtaining any deferment, postponement, rehabilitation, forbearance, or cancellation of

the loan after the time periods specified in paragraph (4), but prior to the calculation being made for any award year under paragraph (3);

"(D) receipt of the full amount due on the loan after the time periods specified in paragraph (4), but prior to the calculation being made for any award year under paragraph (3); or

"(E) any other arrangements to resume payment which the Secretary determines to be satisfactory.".

(e) REPORTS TO CREDIT BUREAUS OF PAYMENT RESUMPTIONS.—Section 463(c) (20 U.S.C. 1087cc(c)) is amended by adding at the end the following new paragraph:

"(5) Each institution of higher education shall notify the appropriate credit bureau organizations whenever a borrower of a loan that is made and held by the institution and that is in default makes 12 consecutive monthly payments on such loan, for the purpose of encouraging such organizations to update the status of information maintained with respect to that borrower.".

(f) INCENTIVE REPAYMENT PROGRAMS.—Section 463 is amended by adding at the end the following new subsection:

"(f) INCENTIVE REPAYMENT PROGRAMS.—

"(1) PROGRAM AUTHORIZED.—Any institution of higher education participating in the program under this part may establish, with the approval of the Secretary, an incentive repayment program designed to reduce defaults on loans under this part and to assist in replenishing the student loan fund established under this part.

"(2) CONTENTS OF PROGRAM.—An incentive repayment program under this part may contain provisions that—

"(A) offer a reduction in the interest rate on a loan on which the borrower has made 48 consecutive monthly payments, but in no event may the interest rate be reduced by more than one percent;

"(B) provide for a discount on the balance owed on a loan on which the borrower pays the principal and interest in full prior to the end of the applicable repayment period, but in no event shall such discount exceed 5 percent of the unpaid principal balance due on the loan at the time the early repayment is made; and

"(C) include such other incentive repayment options as the institution determines, with the approval of the Secretary, will carry out the objectives of this subsection.

"(3) NO NET COST TO THE GOVERNMENT.—No incentive option contained in a program authorized by this subsection may be charged to the Federal Government.".

(g) TERMS OF LOANS.—

(1) AGGREGATE AMOUNT.—Section 464(a)(2)(B) (20 U.S.C. 1087dd(a)(2)(B)) is amended by striking "the aggregate of the loans for all years" and inserting "the aggregate unpaid principal amount for all loans".

(2) ALLOCATION TO LESS-THAN-FULL-TIME STUDENTS.—Section 464(b) is amended—

(A) by striking "(1)"; and

(B) by striking paragraph (2).

(3) QUALIFICATION FOR DEFERMENTS.—Section 464(c)(2) is amended by adding at the end the following new subparagraph:

"(C) An individual with an outstanding loan balance who meets the eligibility criteria for a deferment described in subparagraph (A) as in effect on the date of enactment of this subparagraph shall be eligible for deferment under this paragraph notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such deferment.".

(4) CLERICAL AMENDMENT.—The matter following clause (iv) of section 464(c)(2)(A) is amended by striking "subparagraph (B)" and inserting "subparagraph (A) of paragraph (1)".

(h) REHABILITATION AND DISCHARGE OF LOANS.—Section 464 is further amended by adding at the end the following new subsections:

"(g) REHABILITATION OF LOANS.—(1)(A) If the borrower of a loan made under this part who has defaulted on the loan makes 12 on-time, consecutive, monthly payments of amounts owed on the loan, the loan shall be considered rehabilitated, and the institution that made the loan (or the Secretary, in the case of a loan held by the Secretary) shall instruct any credit reporting organization to which the default was reported to remove the default from the borrower's credit history.

"(B) As long as the borrower continues to make scheduled repayments on a loan rehabilitated under this paragraph, the rehabilitated loan shall be subject to the same terms and conditions, and qualify for the same benefits and privileges, as other loans made under this part.

"(C) The borrower of a rehabilitated loan shall not be precluded by section 484 from receiving additional grant, loan, or work assistance under this title (for which he or she is otherwise eligible) on the basis of defaulting on the loan prior to such rehabilitation.

"(D) A borrower may obtain the benefit of this paragraph with respect to rehabilitating the loan only once.

"(2) If the borrower of loan made under this part who has defaulted on that loan makes 6 on-time, consecutive, monthly payments of amounts owed on such loan, the borrower's eligibility for grant, loan, or work assistance under this title shall be restored. A borrower may obtain the benefit of this paragraph with respect to restored eligibility only once.

"(h) DISCHARGE.—

"(1) IN GENERAL.—If a student borrower who received a loan made under this part on or after January 1, 1986, is unable to complete the program in which such student is enrolled due to the closure of the institution, then the Secretary shall discharge the borrower's liability on the loan (including interest and collection fees) by repaying the amount owed on the loan and shall subsequently pursue any claim available to such borrower against the institution and its affiliates and principals, or settle the loan obligation.

"(2) ASSIGNMENT.—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund up to the amount discharged against the institution and its affiliates and principals.

"(3) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—The period of a student's assistance at an institution at which the student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title.

"(4) SPECIAL RULE.—A borrower whose loan has been discharged pursuant to this subsection shall not be precluded, because of that discharge, from receiving additional grant, loan, or work assistance under this title for which the borrower would be otherwise eligible (but for the default on the discharged loan). The amount discharged under this subsection shall be treated the same as loans under section 465(a)(5).

"(5) REPORTING.—The Secretary or institution, as the case may be, shall report to credit bureaus with respect to loans that have been discharged pursuant to this subsection.".

(i) CANCELLATION.—Section 465 (20 U.S.C. 1087ee) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C), by striking "section 676(b)(9)" and inserting "section 635(a)(10)";

(B) by striking subparagraph (H) of paragraph (2) and inserting the following:

"(H) as a full-time nurse or medical technician providing health care services;";

(C) by striking the period at the end of subparagraph (I) of such paragraph and inserting a semicolon;

(D) by adding at the end of such paragraph the following new subparagraphs:

"(J) as a member of the Commissioned Corps of the Public Health Service of the United States; or

"(K) as a non-physician mental health professional providing health care services in a health professional shortage area designated under section 332 of the Public Health Service Act.";

(E) in the last sentence of paragraph (2), by striking "section 602(a)(1)" and inserting "section 602(3)"; and

(F) by adding at the end the following new paragraph:

"(7) An individual with an outstanding loan obligation who performs service of any type that is described in paragraph (2) as in effect on the date of enactment of this paragraph shall be eligible for cancellation under this section for such service notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such service."; and

(2) in subsection (b), by adding at the end the following new sentence: "To the extent feasible, the Secretary shall pay the amounts for which any institution qualifies under this subsection no later than three months after the institution files an institutional application for campus-based funds.".

(j) DISTRIBUTION OF ASSETS.—Section 466 (20 U.S.C. 1087ff) is amended—

(1) by striking "1996" each place it appears and inserting "2003"; and

(2) by striking "1997" each place it appears and inserting "2004".

(k) COLLECTION OF DEFAULTED LOANS.—

(1) REPEAL.—Subsection (c) of section 467 (20 U.S.C. 1087gg(c)) is repealed.

(2) DEPOSIT.—Any funds in the Perkins Revolving Loan Fund on the date of enactment of this Act shall be deposited in the general fund of the Treasury.

(l) STATUS CONFIRMATION REPORTS.—Section 468 (20 U.S.C. 1087hh) is amended—

(1) by inserting "(a) IN GENERAL.—" before "In carrying out"; and

(2) by adding at the end the following new subsection:

"(b) STUDENT STATUS CONFIRMATION REPORTS.—The Secretary shall ensure that borrowers under this part are included in the student status confirmation report required by the Secretary in the same manner as borrowers under parts B and D of this title.".

PART F—NEED ANALYSIS

SEC. 446. COST OF ATTENDANCE.

Section 472 (20 U.S.C. 1087ll) is amended—

(1) in paragraph (2), by inserting after "personal expenses" the following: ", including a reasonable allowance for the rental or purchase of a personal computer,"; and

(2) in paragraph (10), by striking everything after "determining costs" and inserting a semicolon.

SEC. 447. DATA ELEMENTS.

Section 474(b)(3) (20 U.S.C. 1087nn(b)(3)) is amended by inserting ", excluding the student's parents," after "family of the student".

SEC. 448. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

(a) PARENTS' CONTRIBUTION FROM ADJUSTED AVAILABLE INCOME.—Section 475(b)(3) (20 U.S.C. 1087oo(b)(3)) is amended by inserting ",

excluding the student's parents," after "number of the family members".

(b) FAMILY CONTRIBUTION FROM ASSETS.—Section 475 is amended—

(1) in subsection (b)(1)(B), by striking "parents' contribution" and inserting "family contribution";

(2) in the heading of subsection (d), by striking "PARENTS' CONTRIBUTION" and inserting "FAMILY CONTRIBUTION";

(3) in subsection (d)(1)—

(A) by striking "parents' contribution" and inserting "family contribution"; and

(B) by striking "parental net worth" in subparagraph (A) and inserting "family net worth";

(4) in subsection (d)(2)—

(A) by striking "PARENTAL" in the heading and inserting "FAMILY";

(B) by striking "parental net worth" and inserting "family net worth"; and

(C) by inserting ", for both the parents and the dependent student" after "by adding";

(5) by striking subsection (h); and

(6) by redesignating subsection (i) as subsection (h).

(c) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.—Section 475(g) is amended—

(1) in paragraph (2)—

(A) in subparagraph (D), by striking "$1,750; and" and inserting "$3,000, or a successor amount prescribed by the Secretary under section 478;";

(B) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) an allowance for parents' negative available income, determined in accordance with paragraph (6)."; and

(2) by adding at the end the following new paragraph:

"(6) ALLOWANCE FOR PARENTS' NEGATIVE AVAILABLE INCOME.—The allowance for parents' negative available income is the amount, if any, by which the sum of the amounts deducted under subparagraphs (A) through (F) of paragraph (2) exceeds the parents' total income (as defined in section 480).".

(e) ADJUSTMENTS TO STUDENTS CONTRIBUTION FOR ENROLLMENT PERIODS OTHER THAN NINE MONTHS.—Section 475 is amended by adding at the end the following new subsection:

"(i) ADJUSTMENTS TO STUDENTS CONTRIBUTION FOR ENROLLMENT PERIODS OF LESS THAN NINE MONTHS.—For periods of enrollment of less than nine months, the student's contribution from adjusted available income (as determined under subsection (g)) is determined, for purposes other than subpart 2 of part A, by dividing amount determined under such subsection by nine, and multiplying the result by the number of months in the period of enrollment.".

SEC. 449. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

(a) ADJUSTMENTS FOR ENROLLMENT PERIODS OTHER THAN NINE MONTHS.—Section 476(a) (20 U.S.C. 1087pp(a)) is amended—

(1) by striking "and" at the end of paragraph (1)(B);

(2) by inserting "and" after the semicolon at the end of paragraph (2); and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) for periods of enrollment of other than 9 months, for purposes other than subpart 2 of part A—

"(A) dividing the quotient resulting under paragraph (2) by nine; and

"(B) multiplying the result by the number of months in the period of enrollment;".

(b) CONTRIBUTION FROM AVAILABLE INCOME.—Section 476(b)(1)(A)(iv) is amended—

(1) by striking "allowance of—" and inserting "allowance of the following amount (or a successor amount prescribed by the Secretary under section 478)—";

(2) by striking "$3,000" each place it appears in subclauses (I) and (II) and inserting "$5,500"; and

(3) by striking "$6,000" in subclause (III) and inserting "$8,500".

SEC. 450. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

Section 477(a) (20 U.S.C. 1087qq(a)) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by inserting "and" after the semicolon at the end of paragraph (3); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) for periods of enrollment of other than 9 months, for purposes other than subpart 2 of part A—

"(A) dividing the quotient resulting under paragraph (3) by nine; and

"(B) multiplying the result by the number of months in the period of enrollment;".

SEC. 451. REGULATIONS; UPDATED TABLES AND AMOUNTS.

Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) by striking "For each academic year" and inserting the following:

"(1) REVISED TABLES.—For each academic year"; and

(2) by adding at the end the following new paragraph:

"(2) REVISED AMOUNTS.—For each academic year after academic year 1997–1998, the Secretary shall publish in the Federal Register revised income protection allowances for the purpose of sections 475(g)(2)(D) and 476(b)(1)(A)(iv). Such revised allowances shall be developed by increasing each of the dollar amounts contained in such section by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1996 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.".

SEC. 452. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

(a) SPECIAL CIRCUMSTANCES.—Section 479A(a) (20 U.S.C. 1087tt(a)) is amended—

(1) in the first sentence, by inserting after "(or both)" the following: "or, in extraordinary circumstances, the amount of the expected family contribution,"; and

(2) by inserting after the second sentence the following new sentence: "Special circumstances may include tuition expenses at an elementary or secondary school, medical or dental expenses not covered by insurance, unusually high child care costs, recent unemployment of a family member, or other changes in a family's income or assets or a student's status. Extraordinary circumstances shall be defined by the Secretary by regulation.".

(b) REFUSAL OR ADJUSTMENT OF LOAN CERTIFICATIONS.—Section 479A is amended by striking subsection (c) and inserting the following:

"(c) REFUSAL OR ADJUSTMENT OF LOAN CERTIFICATIONS.—On a case-by-case basis, an eligible institution may refuse to certify a statement which permits a student to receive a loan under part B, or refuse to make a loan under part D, or may certify a loan amount or make a loan that is less than the student's determination of need (as determined under this part), if the reason for the action is documented and provided in written form to the student and the student is afforded an opportunity to appeal the action in a timely fashion. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or handicapped status.".

SEC. 453. TREATMENT OF OTHER FINANCIAL ASSISTANCE.

Section 480(j)(3) (20 U.S.C. 1087vv(j)(3)) is amended by inserting after "paragraph (1)," the following: "a post-service benefit under chapter 30 of title 38, United States Code, or".

PART G—GENERAL PROVISIONS

SEC. 461. DEFINITIONS.

Section 481 (20 U.S.C. 1088), as amended by section 102(b), is further amended by adding at the end the following new subsection:

"(d) DISTANCE LEARNING.—For the purpose of any program under this title, the term 'distance learning' means an educational process that is characterized by the separation, in time or place, between instructor and student. Distance learning may include courses offered principally through the use of—

"(1) television, audio, or computer transmission, such as open broadcast, closed circuit, cable, microwave, or satellite transmission;

"(2) audio or computer conferencing;

"(3) video cassettes or discs; or

"(4) correspondence.".

SEC. 462. MASTER CALENDAR.

(a) REQUIRED SCHEDULE.—Section 482(a) (20 U.S.C. 1089(a)) is amended by adding at the end the following new paragraphs:

"(3) The Secretary shall, to the extent practicable, notify eligible institutions, guaranty agencies, lenders, interested software providers, and, upon request, other interested parties, by December 1 prior to the start of an award year of minimal hardware and software requirements necessary to administer programs under this title.

"(4) The Secretary shall attempt to conduct training activities for financial aid administrators and others in an expeditious and timely manner prior to the start of such award year in order to ensure that all participants are informed of all administrative requirements.".

(b) DELAY OF EFFECTIVE DATE.—Section 482(c) is amended by striking the second sentence and inserting the following: "The Secretary shall provide a period for public comment of not less than 60 days after publication of any notice of proposed rulemaking affecting programs under this title.".

SEC. 463. FORMS AND REGULATIONS.

(a) COMMON FINANCIAL AID FORM.—Section 483(a) (20 U.S.C. 1090(a)) is amended—

(1) in paragraph (1)—

(A) by striking "A, C, D, and E" and inserting "A through E";

(B) by striking "and to determine the need of a student for the purpose of part B of this title"; and

(C) by striking the last sentence and inserting the following: "The Secretary shall include, on the first page of the form, a prominently displayed notice to students and parents advising them to check with the college financial aid office in the event that they have unusual circumstances which may affect their eligibility for financial aid.";

(2) in paragraph (2)—

(A) by striking "A, C, D, and E" each place it appears and inserting "A through E";

(B) by striking "and the need of a student for the purpose of part B of this title,"; and

(C) by striking "or have the student's need established for the purpose of part B of this title";

(3) in the first sentence of paragraph (3), by inserting "processing loan applications and" after "for the purposes of"; and

(4) by adding at the end the following new paragraph:

"(5) ELECTRONIC FORMS.—(A) The Secretary, in cooperation with representatives of agencies

and organizations involved in student financial assistance, including private computer software providers, shall develop an electronic version of the form described in paragraph (1). Such an electronic version shall not require a signature to be collected at the time such version is submitted, as permitted by the Secretary. The Secretary shall prescribe such version no later than 120 days after the date of enactment of the Higher Education Amendments of 1998.

"(B) Nothing in this section shall prohibit the use of the version of the form developed by the Secretary pursuant to subparagraph (A) by an eligible institution, eligible lender, guaranty agency, State grant agency, private computer software providers, a consortium thereof, or such other entities as the Secretary may designate.

"(C) The Secretary shall provide to such organization or consortium necessary specifications that software developed, produced, distributed (including any diskette, modem or network communications, or otherwise) must meet. Included in the specifications shall be test cases that such organization or consortia must use to prove accuracy of its cases to the Secretary. If the results of the test cases are inconsistent with the provisions of this part, the Secretary shall notify the submitting organizations or consortium of his objection within 30 days of such submission. In the absence of such an objection the organization or consortium may use the electronic form as submitted. No fee shall be charged to students in connection with the use of the electronic form, or of any other electronic forms used in conjunction with such form in applying for Federal or State student financial assistance.

"(D) The Secretary shall ensure that data collection complies with section 552a of title 5, United States Code, and that any entity using the version of the form developed by the Secretary pursuant to subparagraph (A) shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the version of the form. Data collected by such version of the form shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate. No data collected by such version of the form shall be used for making final aid awards under this title until such data have been processed by the Secretary or a contractor or designee of the Secretary.".

(b) STREAMLINED REAPPLICATION PROCESS.—Section 483(b)(1) is amended by striking ", within 240 days" and everything that follows through "of 1992,".

(c) INFORMATION TO COMMITTEES.—Section 483(c) is amended by striking "and Labor" and inserting "and the Workforce".

(d) TOLL-FREE INFORMATION.—Section 483(d) is amended by striking "section 633(c)" and inserting "section 685(d)(2)(C)".

(e) REPEAL.—Subsection (f) of section 483 is repealed.

SEC. 464. STUDENT ELIGIBILITY.

(a) IN GENERAL.—Section 484(a) (20 U.S.C. 1091(a))—

(1) in paragraph (4), by striking "the institution" and everything that follows through "lender), a document" and inserting "the Federal Government, as part of the original financial aid application process, a certification"; and

(2) in paragraph (4)(B), by inserting after "social security number," the following: "and if a dependent student, the social security number of any parent of such student whose income information is required to be included on the form,".

(b) TERMINATION OF ELIGIBILITY.—Section 484(j) is amended by inserting "until September 30, 2001" after "a student shall be eligible".

(c) VERIFICATION OF INCOME DATA.—Section 484 is amended by adding at the end the following new subsection:

"(q) VERIFICATION OF INCOME DATA.—

"(1) CONFIRMATION WITH IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the adjusted gross income, filing status, and exemptions reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications.

"(2) NOTIFICATION.—The Secretary shall establish procedures under which an applicant is notified that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(l)(13) of the Internal Revenue Code of 1986.".

(d) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.—

(1) AMENDMENT.—Section 484 is further amended by adding at the end thereof the following new subsection:

"(r) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.—

"(1) IN GENERAL.—An individual student who has been convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance shall not be eligible to receive any grant, loan, or work assistance under this title during the period beginning on the date of such conviction and ending after the interval specified in the following table:

"If convicted of an offense involving:	
The possession of a controlled substance:	*Ineligibility period is:*
First offense	*1 year*
Second offense ...	*2 years*
Third offense	*indefinite*
The sale of a controlled substance:	
First offense	*2 years*
Second offense ...	*indefinite*

"(2) REHABILITATION.—A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the period determined under such paragraph if the student satisfactorily completes a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this paragraph.

"(3) DEFINITIONS.—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to financial assistance to cover the costs of attendance for periods of enrollment beginning after the date of enactment of this Act.

SEC. 465. STATE COURT JUDGMENTS.

Section 484A (20 U.S.C. 1091a) is amended by adding at the end the following new subsection:

"(c) STATE COURT JUDGMENTS.—A judgment of a State court for the recovery of money provided as grant, loan, or work assistance under this title that has been assigned or transferred to the Secretary under this title may be registered in any district court by filing a certified copy of the judgment and the assignment or other transfer to the Secretary. A judgment so registered shall have the same force and effect, and may be enforced in the same manner, as a judgment of the district court of the district in which the judgment is registered.".

SEC. 466. INFORMATION FOR STUDENTS.

(a) INFORMATION DISSEMINATION.—Section 485(a) (20 U.S.C. 1092(a)) is amended—

(1) in paragraph (1), by striking the second sentence and inserting the following: "The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media to all current students and to any prospective student. Each eligible institution shall, on an annual basis, provide to all enrolled students a list of the information that is required to be provided by institutions to students by this Act and section 444 of the General Education Provisions Act (also referred to as the Family Educational Rights and Privacy Act of 1974), together with a statement of the procedures required to obtain such information.";

(2) in paragraph (3)—

(A) in the first sentence, by striking ", or enrolled in any program of an eligible institution for which the prior program provides substantial preparation"; and

(B) by striking subparagraph (A) and inserting the following:

"(A) shall be made available by July 1 each year to current and prospective students prior to enrolling or entering into any financial obligation; and"; and

(3) by adding at the end the following new paragraph:

"(6) Each institution may, but is not required to, provide supplemental information to enrolled and prospective students showing the completion or graduation rate for students transferring into the institution or information showing the rate at which students transfer out of the institution.".

(b) DEPARTMENTAL PUBLICATIONS.—Section 485(d) is amended—

(1) by striking "(1) assist" and inserting "(A) assist";

(2) by striking "(2) assist" and inserting "(B) assist";

(3) by inserting "(1)" before "The Secretary" the first place it appears; and

(4) by adding at the end the following new paragraphs:

"(2) The Secretary shall, to the extent such information is available, compile information describing State prepaid tuition programs and disseminate such information to States, eligible institutions, students, and parents in departmental publications.

"(3) The Secretary shall, to the extent practicable, update the Department's Internet site to include direct links to databases which contain information on public and private financial assistance programs. The Secretary shall only provide direct links to databases which can be accessed without charge and shall verify with appropriate parties that the databases included in the direct link are not in any way providing fraudulent information. The Secretary shall prominently display adjacent to the direct link a disclaimer indicating that a direct link to a database does not constitute an endorsement or recommendation of the database or its provider or any services or products of such provider. The Secretary shall provide additional direct links to information resources from which students may obtain information about fraudulent and deceptive practices in the provision of services related to student financial aid.".

(c) DISCLOSURES.—Section 485(e) is amended—

(1) in paragraph (2)—

(A) by striking "his parents, his guidance" and inserting "the student's parents, guidance"; and

(B) by adding at the end the following new sentence: "If the institution is a member of a national collegiate athletic association that compiles graduation rate data on behalf of its member institutions that the Secretary determines is substantially comparable to the information described in paragraph (1), the distribution of the compilation of such data to all secondary schools in the United States shall fulfill

the responsibility of the institution to provide information to a prospective student athlete's guidance counselor and coach.";

(2) in paragraph (4), by striking "when such completion or graduation rate includes students transferring into and out of such institution" and inserting "for students transferring into the institution or information showing the rate at which students transfer out of the institution"; and

(3) by striking paragraph (9) and inserting the following:

"(9) The reports required by this subsection shall be due on each July 1 and shall cover the 1-year period ending August 31 of the preceding year.".

(d) CAMPUS CRIME REPORTING AND DISCLOSURE.—Section 485(f) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (F) and inserting the following:

"(F) Statistics concerning the occurrence on campus, during the most recent calendar year, and during the 2 preceding calendar years, of the following criminal offenses or arrests reported to campus security authorities, campus officials who have direct administrative responsibility for student or campus activities, disciplinary officers and other officials responsible for resolving student disciplinary matters, athletic department officials, or local police agencies (including offenses handled through the campus disciplinary system):

"(i) murder;

"(ii) sex offenses, forcible or nonforcible;

"(iii) robbery;

"(iv) aggravated assault;

"(v) burglary;

"(vi) motor vehicle theft;

"(vii) manslaughter;

"(viii) larceny;

"(ix) arson; and

"(x) arrests or persons referred for campus disciplinary action for liquor law violations, drug-related violations, and weapons possession.";

(B) by striking subparagraph (H); and

(C) by redesignating subparagraph (I) as subparagraph (H);

(2) in paragraph (4)—

(A) by striking "Upon request of the Secretary, each" and inserting "On an annual basis, each";

(B) by striking "paragraphs (1)(F) and (1)(H)" and inserting "paragraph (1)(F)";

(C) by striking "and Labor" and inserting "and the Workforce";

(D) by striking "1995" and inserting "2000";

(E) by striking "and" at the end of subparagraph (A);

(F) by redesignating subparagraph (B) as subparagraph (C); and

(G) by inserting after subparagraph (A) the following new subparagraph:

"(B) make copies of the statistics submitted to the Secretary available to the public; and";

(3) in paragraph (6)—

(A) by striking "paragraphs (1)(F) and (1)(H)" and inserting "paragraph (1)(F)"; and

(B) by adding at the end the following new sentence: "Such statistics shall not identify victims of crimes or persons accused of crimes."; and

(4) by adding at the end the following new paragraphs:

"(8)(A) Each institution participating in any program under this title that maintains either a police or security department of any kind shall make, keep, and maintain a daily log, written in a form that can be easily understood, recording in chronological order all crimes reported to such police or security department, including the nature, date, time, and general location of each crime and the disposition of the complaint, if known.

"(B) All entries that are required by this paragraph shall be open to public inspection during normal business hours within two business days of the initial report being made to the department, unless—

"(i) disclosure of such information is prohibited by law; or

"(ii) the release of such information is likely to jeopardize an ongoing criminal investigation or the safety of an individual, cause a suspect to flee or evade detection, or result in the destruction of evidence.

Any information withheld under clause (ii) shall be open to public inspection as soon as the damage that is the basis for such withholding is no longer likely to occur.

"(9) The Secretary shall provide technical assistance in complying with the provisions of this section to an institution of higher education who requests such assistance.".

(e) DATA REQUIRED.—Section 485(g) is amended—

(1) in paragraph (1), by adding at the end the following new subparagraphs:

"(I)(i) The total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, derived by the institution from its intercollegiate athletics activities.

"(ii) For the purpose of clause (i), revenues from intercollegiate athletics activities allocable to a sport shall include (without limitation) gate receipts, broadcast revenues, appearance guarantees and options, concessions, and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only.

"(J)(i) The total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, made by the institution for its intercollegiate athletics activities.

"(ii) For the purpose of clause (i) expenses for intercollegiate athletics activities allocable to a sport shall include (without limitation) grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only.

"(K) A statement of any reduction that may or is likely to occur during the ensuing 4 academic years in the number of athletes that will be permitted to participate in any collegiate sport, or in the financial resources that the institution will make available to any such sport, and the reasons for any such reduction."; and

(2) by striking paragraph (5).

SEC. 467. NATIONAL STUDENT LOAN DATA SYSTEM.

Section 485B(a) (20 U.S.C. 1092b(a)) is amended by inserting before the period at the end of the third sentence the following: "no later than one year after the date of enactment of the Higher Education Amendments of 1997".

SEC. 468. PROGRAM PARTICIPATION AGREEMENTS.

(a) REQUIRED CONTENT.—Section 487(a) (20 U.S.C. 1094(a)) is amended—

(1) in the first sentence, by striking ", except with respect to a program under subpart 4 of part A,";

(2) in paragraph (3), by striking subparagraph (B) and inserting the following:

"(B) the appropriate State agency;";

(3) in paragraph (4), by striking "subsection (b)" and inserting "subsection (c)";

(4) in paragraph (15), by striking "State review entities under subpart 1 of part H" and inserting "appropriate State agencies";

(5) by striking paragraph (18) and inserting the following:

"(18) The institution will meet the requirements established pursuant to section 485(g)."; and

(6) by striking paragraph (21) and inserting the following:

"(21) The institution will meet the requirements established by the Secretary, appropriate State agencies, and accrediting agencies, pursuant to part H of this title.".

(b) AUDITS; FINANCIAL RESPONSIBILITY.—Section 487(c) is amended—

(1) in paragraph (1)(A)(i), by striking "State agencies" and everything that follows through the semicolon and inserting "and appropriate State agencies;";

(2) in paragraph (2), by striking "subpart 3" and inserting "subpart 2";

(3) in paragraph (4), by striking ", after consultation" and everything that follows through "part H,"; and

(4) in paragraph (5), by striking "State review" and everything that follows through "part H" and inserting "appropriate State agencies".

SEC. 469. QUALITY ASSURANCE AND REGULATORY SIMPLIFICATION.

Section 487A (20 U.S.C. 1094a) is amended to read as follows:

"SEC. 487A. QUALITY ASSURANCE AND REGULATORY SIMPLIFICATION PROGRAM.

"(a) IN GENERAL.—The Secretary is authorized to select institutions for voluntary participation in a Regulatory Simplification Program that provides participating institutions with the opportunity to develop and implement an alternative management program that—

"(1) shall allow alternative methods of complying with regulations issued with respect to parts A through E and G of this title;

"(2) shall not modify or waive the application of any requirement or other provision of this Act; and

"(3) may include a Quality Assurance Program through which individual schools develop and implement their own comprehensive systems to verify student financial aid application data, thereby enhancing program integrity within the student aid delivery system.

"(b) SELECTION CRITERIA.—The criteria for selecting institutions for participation in the Regulatory Simplification Program shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration regulatory simplification goals, as determined by the Secretary. The selection criteria shall ensure the participation of representatives of institutions of higher education according to size, mission, and geographical distribution.

"(c) REMOVAL FROM THE PROGRAM.—The Secretary is authorized to determine—

"(1) when an institution that is unable to administer the Regulatory Simplification Program must be removed from such program, and

"(2) when institutions desiring to cease participation in such Program will be required to complete the current award year under the requirements of the Program.

"(d) EXPERIMENTAL SITES.—The Secretary is authorized to designate institutions selected for participation in the Regulatory Simplification Program as Experimental Sites.

"(e) DEFINITIONS.—For purposes of this section, the term 'current award year' means the award year during which the participating institution indicates its intention to cease participation.".

SEC. 470. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

Part G of title IV is amended—

(1) by redesignating section 487B (20 U.S.C. 1094b) as section 487C; and

(2) by inserting after section 487A (as amended by section 469) the following new section:

"SEC. 487B. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

"(a) PURPOSE.—It is the purpose of this section—

"(1) to allow demonstration programs that are strictly monitored by the Department of Education to test the quality and viability of expanded distance education programs currently restricted under this Act;

"(2) to provide for increased student access to higher education through distance education programs;

"(3) to help determine the most effective means of delivering quality education via distance education course offerings; and

"(4) to help determine the appropriate level of Federal assistance for students enrolled in distance education programs.

"(b) DEMONSTRATION PROGRAMS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to select institutions or a consortia of institutions for voluntary participation in a Distance Education Demonstration Program that provides participating institutions with the ability to offer distance education programs without regard to the current restrictions in part F or G of this title or part A of title I.

"(2) EXEMPTIONS.—The Secretary is authorized to exempt any institution or consortia participating in a Distance Education Demonstration Program from any of the requirements of parts F or G of this title, or part A of title I, or the regulations prescribed under such parts.

"(c) APPLICATION.—Each institution or consortia of institutions desiring to participate in a demonstration program under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(d) SELECTION.—To the extent feasible, the Secretary shall select a representative sample institutions for participation in the demonstration program authorized under this section. In selecting institutions for participation, the Secretary shall take into consideration the institution's financial and administrative capability and the type of program or programs being offered via distance education course offerings. The Secretary shall, in the exercise of his discretion, determine the number of demonstration programs to be allowed based on the number and quality of applications received and the Department's capacity to oversee and monitor each demonstration program.

"(e) EVALUATION AND REPORT.—

"(1) EVALUATION.—The Secretary shall, on an annual basis, evaluate the demonstration programs authorized under this section. Such evaluations shall specifically review—

"(A) the quality of the programs being offered;

"(B) issues related to student financial assistance for distance education; and

"(C) effective technologies for delivering distance education course offerings.

"(2) POLICY ANALYSIS.—In addition, the Secretary shall review current policies and identify those policies which present impediments to the development and use of distance learning and other nontraditional methods of expanding access to education.

"(3) REPORT.—The Secretary shall report to the appropriate committees of Congress with respect to—

"(A) the evaluations of the demonstration programs authorized under this section; and

"(B) any proposed legislative changes designed to enhance the use of distance education.".

SEC. 471. GARNISHMENT REQUIREMENTS.

(a) MAXIMUM PERCENTAGE.—Section 488A(a)(1) (20 U.S.C. 1095a(a)(1)) is amended by striking "10 percent" and inserting "15 percent".

(b) NO ATTACHMENT OF STUDENT ASSISTANCE.—Section 488A is further amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) NO ATTACHMENT OF STUDENT ASSISTANCE.—Except as authorized in this section, notwithstanding any other provision of Federal or State law, no grant, loan, or work assistance awarded under this title, or property traceable to such assistance, shall be subject to garnishment or attachment in order to satisfy any debt owed by the student awarded such assistance, other than a debt owed to the Secretary and arising under this title.".

SEC. 472. ADMINISTRATIVE SUBPOENA AUTHORITY.

Part G of title IV of the Act is further amended by inserting immediately after section 490 (20 U.S.C. 1097) the following new section:

"SEC. 490A. ADMINISTRATIVE SUBPOENAS.

"(a) AUTHORITY.—To assist the Secretary in the conduct of investigations of possible violations of the provisions of this title, the Secretary is authorized to require by subpoena the production of information, documents, reports, answers, records, accounts, papers, and other documentary evidence pertaining to participation in any program under this title. The production of any such records may be required from any place in a State.

"(b) ENFORCEMENT.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the Attorney General to invoke the aid of any court of the United States where such person resides or transacts business for a court order for the enforcement of this section.".

SEC. 473. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

Section 491 (20 U.S.C. 1098) is amended—

(1) in subsection (b)—

(A) by inserting "staffing levels," after "allocations and expenditures," the first place it appears; and

(B) by striking the fourth and fifth sentences and inserting the following: "Reports, publications, and other documents, including documents in electronic form, shall not be subject to review by the Secretary.";

(2) in subsection (c)(1)—

(A) by striking "11 members" and inserting "15 members"; and

(B) by striking "3 members" each place it appears in subparagraphs (A) and (B) and inserting "5 members";

(3) in subsection (c)(2), by striking "7 members" and inserting "11 members";

(4) in subsection (e)—

(A) by striking everything after "except that," in paragraph (1) and inserting the following:

"within 90 days after the date of enactment of the Higher Education Amendments of 1998, 2 additional members shall be appointed by the President pro tempore of the Senate (one upon the recommendation of the Majority Leader and one upon the recommendation of the Minority Leader) and 2 additional members shall be appointed by the Speaker of the House (one upon the recommendation of the Majority Leader and one upon the recommendation of the Minority Leader). Of the additional members—

"(A) 2 shall be appointed for a term of 1 year;

"(B) 1 shall be appointed for a term of 2 years; and

"(C) 1 shall be appointed for a term of 3 years.";

(B) by striking "Six members" in paragraph (4) and inserting "Eight members"; and

(C) by adding at the end the following new paragraph:

"(6) No officer or full-time employee of the United States shall serve as members of the Advisory Committee.";

(5) by striking subsection (g) and inserting the following:

"(g) COMPENSATION AND EXPENSES.—Members of the Advisory Committee may each receive reimbursement for travel expenses incident to attending Advisory Committee meetings, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.";

(6) in subsection (h)(1), by striking "may be necessary by the Chairman without regard to" and inserting "may be deemed necessary by the Chairman without regard to personnel ceilings or";

(7) in subsection (i), by striking "$750,000" and inserting "$850,000";

(8) by striking subsection (j) and inserting the following:

"(j) SPECIAL ANALYSES AND ACTIVITIES.—The committee shall—

"(1) monitor and evaluate the modernization of student financial aid systems and delivery processes;

"(2) monitor and evaluate the implementation of a performance-based organization within the Department of Education and report to Congress, on not less than an annual basis, including recommendations for improvements; and

"(3) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assessment and information for first-year high school students.";

(9) in subsection (k), by striking "1998" and inserting "2004"; and

(10) by striking subsection (l).

SEC. 474. MEETINGS AND NEGOTIATED RULEMAKING.

Section 492 (20 U.S.C. 1098a) is amended to read as follows:

"SEC. 492. NEGOTIATED RULEMAKING.

"(a) IN GENERAL.—

"(1) REGULATION DEVELOPMENT.—In developing regulations and revisions thereof under this title, the Secretary shall obtain the advice and recommendations of individuals and representatives of the groups involved in student financial assistance programs under this title, such as students, legal assistance organizations that represent students, institutions of higher education, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.

"(2) INPUT.—Such advice and recommendations may be obtained through such mechanisms as national meetings and electronic exchanges of information.

"(b) PROPOSED REGULATIONS.—After obtaining such advice and recommendations, and prior to publishing any proposed regulations and revisions thereof under this title in the Federal Register, the Secretary shall prepare draft regulations and submit such regulations to a negotiated rulemaking process. In establishing the negotiated rulemaking process under this section, the Secretary shall—

"(1) follow the procedural requirements used in implementing section 1601(b) of the Elementary and Secondary Education Act of 1965;

"(2) select participants in the negotiations process from individuals and groups participating in the exchanges described in subsection (a)(1), including both representatives of such groups from the District of Columbia, and industry participants, and to the extent possible, the Secretary shall select individuals reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets;

"(3) conduct the negotiations process in a timely manner in order that final regulations may be issued by the Secretary within the 240-

day period described in section 431(g) of the General Education Provisions Act, and any subsequent revisions to regulations under this title may be issued in accordance with the master calendar provisions of section 482 of this title; and

"(4) prepare a transcript of the negotiated rulemaking proceedings that shall be available to the public prior to the issuance of any final regulations.

"(c) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to activities carried out under this section.".

PART H—PROGRAM INTEGRITY

SEC. 476. STATE POSTSECONDARY REVIEW PROGRAM.

(a) AMENDMENTS.—Part H of title IV is amended—

*(1) in the heading of the part, by striking "**TRIAD**";*

(2) by striking subpart 1 (20 U.S.C. 1099a through 1099a–3); and

(3) by redesignating subparts 2 and 3 as subparts 1 and 2, respectively.

(b) CONFORMING AMENDMENTS.—Section 496 (20 U.S.C. 1099b) is amended by striking "subpart 3" each place it appears in subsections (j) and (k) and inserting "subpart 2".

SEC. 477. ACCREDITING AGENCY RECOGNITION.

(a) RECOGNITION.—

*(1) The heading of subpart 1 of part H (as redesignated by section 476(a)(3)) is amended by striking "**APPROVAL**" and inserting "**RECOGNITION**".*

*(2) The heading of section 496 is amended by striking "**APPROVAL**" and inserting "**RECOGNITION**".*

(b) STANDARDS.—Section 496(a) is amended—

(1) by striking "STANDARDS" and inserting "CRITERIA";

(2) by striking "standards" each place it appears and inserting "criteria";

(3) in paragraph (5)—

(A) by striking "of accreditation" and inserting "for accreditation";

(B) by inserting "the quality (including the quality of distance learning programs or courses) of" before "the institution's";

(C) in subparagraph (G), by striking "program length and tuition and fees in relation to the subject matters taught" and inserting "measures of program length";

(D) by striking subparagraph (J);

(E) in subparagraph (L), by inserting "the most recent student loan default rate data provided by the Secretary and" after "including";

(F) by striking "and" at the end of subparagraph (K);

(G) by inserting "and" after the semicolon at the end of subparagraph (L);

(H) by redesignating subparagraphs (K) and (L) as subparagraphs (J) and (K), respectively;

(I) by inserting after subparagraph (K) (as so redesignated) the following new subparagraph:

"(L) refund policy;"; and

(J) by striking "(J), and (L)" and inserting "(K) and (L)";

(4) in paragraph (7), by striking "State postsecondary review entity" and inserting "State licensing or authorizing agency"; and

(5) in paragraph (8), by striking "State postsecondary" and everything that follows through "is located" and inserting "State licensing or authorizing agency".

(c) OPERATING PROCEDURES.—Section 496(c) is amended—

(1) by striking "approved by the Secretary" and inserting "recognized by the Secretary";

(2) in paragraph (1), by striking "(at least" and everything that follows through "unannounced)," and inserting "(which may include unannounced site visits)"; and

(3) in paragraph (3), by inserting before the semicolon at the end the following: ", except that new sites offered through telecommunications for programs previously included in the scope of accreditation approval need not be subject to such on-site visits".

(d) CONFORMING AMENDMENTS.—Section 496 is further amended—

(1) in subsection (d)—

(A) by striking "APPROVAL" in the heading of such subsection and inserting "RECOGNITION"; and

(B) by striking "approved" and inserting "recognized";

(2) in subsection (f), by striking "approved" and inserting "recognized";

(3) in subsection (g)—

(A) by striking "STANDARDS" and inserting "CRITERIA"; and

(B) by striking "standards" and inserting "criteria";

(4) in subsection (k)(2), by striking "standards" and inserting "criteria";

(5) in subsection (l)—

(A) by striking "APPROVAL" in the heading of such subsection and inserting "RECOGNITION";

(B) by striking "the standards" each place it appears and inserting "its standards"; and

(C) by striking "approval" and inserting "recognition"; and

(6) in subsection (n)—

(A) by striking "standards" each place it appears and inserting "criteria";

(B) in paragraph (3)—

(i) by striking "approval or disapproval" and inserting "recognition or denial of recognition"; and

(ii) by striking "approval process" and inserting "recognition process"; and

(C) by striking paragraph (4) and inserting the following:

"(4) The Secretary shall maintain sufficient documentation to support the conclusions reached in the recognition process, and, if the Secretary does not recognize any accreditation agency or association, shall make publicly available the reason for denying recognition, including reference to the specific criteria under this section which have not been fulfilled.".

SEC. 478. ELIGIBILITY AND CERTIFICATION PROCEDURES.

(a) SINGLE APPLICATION FORM.—Section 498(b)(1) (20 U.S.C. 1099c(b)(1)) is amended by striking "accreditation, and capability" and inserting "accreditation, financial responsibility, and administrative capacity".

(b) FINANCIAL RESPONSIBILITY STANDARDS.—Section 498(c) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking "is able" and inserting "has sufficient resources to ensure against the precipitous closure of the institution and is able";

(2) in paragraph (2)—

(A) in the first sentence, by striking "operating losses, net worth, asset-to-liabilities ratios, or operating fund deficits" and inserting "to ratios that demonstrate financial responsibility,";

(B) in the second sentence, by inserting ", public," after "for profit"; and

(C) by inserting before the period at the end the following: ", and develop an appropriate and cost effective process under this subpart that does not duplicate other reporting requirements for assessing and reviewing financial responsibility"; and

(3) in paragraph (4)—

(A) in the first sentence, by striking "ratio of current assets to current liabilities" and inserting "criteria"; and

(B) in subparagraph (C), by striking "current operating ratio requirement" and inserting "criteria imposed by the Secretary pursuant to paragraph (2)".

(c) ADMINISTRATIVE CAPACITY.—Section 498(d)(1) is amended—

(1) in subparagraph (A), by striking "student aid programs; and" and inserting "student financial assistance under this title;";

(2) by redesignating subparagraph (B) as subparagraph (D); and

(3) by inserting after subparagraph (A) the following new subparagraphs:

"(B) written procedures for, or written information relating to, each office with respect to, the approval, disbursement, and delivery of student financial assistance under this title;

"(C)(i) a division of functions for authorizing payments of student financial assistance under this title and the disbursement or delivery of such assistance, so that no office at the institution has responsibility for both functions; and

"(ii) an adequate system of checks and balances for internal control at the institution with respect to student financial assistance under this title; and".

(d) ACTIONS ON APPLICATIONS.—Section 498(f) is amended—

(1) by striking "shall conduct" and inserting "may conduct";

(2) by striking "may establish" and inserting "shall establish";

(3) by striking "may coordinate" and inserting "shall, to the extent practicable, coordinate"; and

(4) by adding at the end the following new sentence: "The Secretary may exempt from the site visit requirement any institution that is participating in the Quality Assurance Program established under section 487A at the time such site visit would be required under this subsection.".

(e) TIME LIMITATIONS.—Section 498(g) is amended to read as follows:

"(g) TIME LIMITATIONS.—(1) After the expiration of the certification of any institution or upon request for initial certification from an institution not previously certified, the Secretary may certify the eligibility for the purposes of any program authorized under this title of each such institution for a period not to exceed 6 years.

"(2) The Secretary shall notify each institution of the expiration of its eligibility no later than six months prior to such expiration.".

(f) CONFORMING AMENDMENT.—Section 498(h)(2) is amended by striking "approval" and inserting "recognition".

(g) PROVISIONAL CERTIFICATION.—Section 498(i) is amended by adding at the end the following new paragraph:

"(4)(A) The Secretary may provisionally certify an institution seeking approval of a change in ownership based on the preliminary review by the Secretary of a materially complete application that is received by the Secretary within 10 business days of the transaction for which the approval is sought.

"(B) A provisional certification under this paragraph shall expire no later than the end of the month following the month in which the transaction occurred, except that if the Secretary has not issued a decision on the application for the change of ownership within that period, the Secretary may continue such provisional certification on a month-to-month basis until such decision has been issued.".

SEC. 479. PROGRAM REVIEW AND DATA.

(a) GENERAL AUTHORITY.—Section 498A(a) (20 U.S.C. 1099c–1(a)) is amended—

(1) in paragraph (2)—

(A) by striking "may give" and inserting "shall give";

(B) by inserting before the semicolon at the end of subparagraph (C) the following: ", that are not accounted for by changes in those programs";

(C) in subparagraph (D), by striking "the appropriate" and everything that follows through "of this part" and inserting "the State licensing or authorizing agency";

(D) by striking subparagraph (F); and

(E) by redesignating subparagraph (G) as subparagraph (F); and

(2) in paragraph (3)(A), by inserting "relevant" after "all".

(b) SPECIAL ADMINISTRATIVE RULES.—Section 498A(b) is amended to read as follows:

"(b) SPECIAL ADMINISTRATIVE RULES.—(1) In carrying out paragraphs (1) and (2) of subsection (a), the Secretary shall—

"(A) establish guidelines designed to ensure uniformity of practice in the conduct of program reviews of institutions; and

"(B) inform the appropriate State agency and accrediting agency or association whenever taking action against an institution under this section, section 498, or section 432.

"(2) The Secretary shall review the regulations of the Department and the application of such regulations to ensure the uniformity of interpretation and application of the regulations. In conducting such review, the Secretary shall consult with relevant representatives of institutions participating in the programs authorized by this title.".

The CHAIRMAN. Are there amendments to title IV?

AMENDMENT NO. 53 OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 53 offered by Mr. PETRI:

Page 192, after line 10, insert the following new section (and conform the table of contents accordingly):

SEC. 430. MARKET-BASED DETERMINATIONS OF INTEREST SUBSIDIES.

(a) AMENDMENT.—Section 438 (20 U.S.C. 1087-1) is amended by adding at the end the following new subsection:

"(g) MARKET-BASED DETERMINATIONS OF INTEREST SUBSIDIES.—

"(1) APPLICABILITY.—Notwithstanding the preceding provisions of this section, no special allowance or other payment shall be paid under this section with respect to any loan disbursed on or after July 1, 1999, except as provided pursuant to this subsection.

"(2) USE OF AUCTIONS TO APPORTION LENDING AUTHORITY.—

"(A) AUCTIONS REQUIRED.—The Secretary shall conduct an auction in accordance with paragraph (3) to allocate the authority to make loans under this part among eligible lenders for any academic year. The Secretary shall estimate the amount of lending authority that will be required by eligible students for such an academic year, and shall by auction allocate such amount, plus a reasonable margin for unexpected loan demand.

"(B) LENDING AUTHORITY REQUIRED.—A lender may not make a loan under this part that is disbursed on or after July 1, 1999, except pursuant to an allocation of lending authority pursuant to this paragraph.

"(C) TRANSFERABILITY OF LENDING AUTHORITY.—An eligible lender may transfer any lending authority acquired pursuant to this subsection to another eligible lender upon such terms as may be agreed upon between such lenders, except that the acquiring lender may not extend loans pursuant to such authority except after notice to the Secretary in such form and manner as the Secretary may require by regulation.

"(D) EXERCISE OF LENDING AUTHORITY.—The Secretary shall, by regulation, provide for verification that a lender is not making loans under this part in excess of the amounts of lending authority obtained in accordance with this paragraph. Such regulations shall provide that any lender who acquires, directly or pursuant to subparagraph (C), lending authority that was obtained at auction pursuant to two or more bids of different amounts shall be deemed to exercise such authority in descending order based on the amounts of such bids.

"(3) CONDUCT OF AUCTION.—

"(A) IN GENERAL.—The Secretary shall allocate the amount of lending authority determined under paragraph (2)(A) among eligible lenders submitting bids in descending order by the unit price bid, but permitting each bidding lender to acquire such authority at the unit price bid by the next lower ranking bid, except that the Secretary may establish by regulation a different procedure for the conduct of the auction if the Secretary determines that such procedure will secure more receipts for the United States. The Secretary shall not permit any lender to acquire more than one-third of the amount of the lending authority offered at any auction conducted under this subsection, but a lender shall not be prohibited from acquiring more than such amount pursuant to paragraph (2)(C).

"(B) BIDS GREATER THAN ZERO.—Any lender whose bid is accepted pursuant to subparagraph (A) shall, if such bid is made at a unit price exceeding zero, promptly pay to the Secretary an amount equal to (i) the unit price, multiplied by (ii) the amount of lending authority allocated to such lender. A lender making such a payment shall have no claim to a refund or remuneration based on the lender making loans in an amount that is less than the amount of lending authority obtained.

"(C) BIDS LESS THAN ZERO.—The Secretary shall pay to any lender whose bid is accepted pursuant to subparagraph (A), if such bid is made at a unit price that is less than zero, an amount equal to—

"(i) the amount by which the unit price is less than zero, multiplied by

"(ii) the amount of lending authority that the lender demonstrates, in accordance with regulations prescribed by the Secretary, has exercised by making and disbursing loans under this part.

"(D) CONTRACTUAL RIGHT OF HOLDERS TO SPECIAL ALLOWANCE.—Any lender whose bid is accepted pursuant to subparagraph (A), if such bid is made at a unit price that is less than zero, shall be deemed to have a contractual right against the United States, to receive the payment required by subparagraph (C). Such payment shall be made promptly and without administrative delay after receipt of an accurate and complete request for payment, pursuant to procedures established by regulations promulgated under this subsection.

"(E) PENALTY FOR LATE PAYMENT.—If a payment required by subparagraphs (C) and (D) has not been made within 30 days after the Secretary has received an accurate, timely, and complete request for payment thereof, the amount payable to such lender shall be increased by an amount equal to the daily interest accruing on the payments due the lender. For such purpose, the daily interest shall be the daily equivalent of the applicable rate of interest determined under section 427A(a)(1).

"(4) MEASURES TO FACILITATE EXERCISE OF LENDING AUTHORITY.—

"(A) INFORMATION.—The Secretary shall provide for the establishment of facilities for the communication of information that permits eligible borrowers to be informed of the identity of, and means to contact, lenders holding unexercised lending authority pursuant to this subsection.

"(B) COORDINATION.—The Secretary shall, by regulation, coordinate the availability of loans pursuant to section 428(j) to the extent necessary—

"(i) to permit lenders to exercise the lending authority secured pursuant to this subsection; and

"(ii) to ensure that eligible borrowers obtain loans under this part.

"(5) AUTHORITY TO PREPARE FOR PROGRAM.—Notwithstanding paragraph (1), the Secretary may, before July 1, 1999—

"(A) prescribe regulations to carry out this subsection; and

"(B) expend funds appropriated pursuant to this part to carry out activities necessary to the implementation of the programs authorized by this subsection.".

(b) CONFORMING AMENDMENT.—Section 428(j)(1) (20 U.S.C. 1078(j)(1)) is amended by adding at the end the following new sentence: "The availability of loans under this subsection shall be coordinated in accordance with regulations prescribed by the Secretary under section 438(g)(5).".

Mr. PETRI. Mr. Chairman, this amendment which I am offering along with the gentleman from New Jersey (Mr. ANDREWS) would institute an auction process to allocate to private lenders the rights to make federally-guaranteed student loans.

Under our amendment, private lenders would submit bids to the Secretary in a yearly auction somewhat similar to the auctions of Treasury securities. In this way, a market mechanism would be used to determine the payments required by banks to provide the Nation's students with loans at reasonable interest rates.

The amendment would end the recurring battle between student groups and lenders over the industry on student loans, which results in the price of private sector services being set by political negotiation without regard to the actual cost of the services.

The amendment also has the potential to save the American taxpayers billions of dollars through competition for this profitable business. Up to now, with the exceptions of in-school interest and the overall interest cap, the banks have always received the same interest the students paid on student loans.

This bill breaks that link for the first time. Under this bill, the banks will receive one-half percent more interest than the borrowers pay, with the American taxpayers picking up the difference on every loan for as long as it is outstanding. That will be an administrative monster as well as a drain on the Treasury.

Our amendment would keep the students' interest rates the same as they are in the bill. However, the banks, depending on whether winning bids were positive or negative, would either make a one-time payment for the right to make blocks of loans on those terms or would receive a one-time payment from the government to make it worth their while to make these loans.

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In either case, the process would be simpler and use a market-based price discovery mechanism.

If the banks are right that these loans are unprofitable even under the terms provided by the bill, this process provides them an opportunity to get better terms. I personally do not believe for a minute that that would happen, however. I am convinced that the competition produced by this approach will drive down by a substantial amount the cost of these loans to the U.S. Government.

I urge all my colleagues to support this amendment.

Mr. MCKEON. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from California.

Mr. MCKEON. Mr. Chairman, I know the gentleman from Wisconsin has worked very hard for many years in efforts to improve the student loan program. I commend him for his effort on his amendment. In fact, I agree with its general thrust.

The gentleman is correct that up to now we have tried to figure out how much to pay the lenders for providing student loans in a political negotiation and we in Congress really have no way of knowing what the right price is. It would be much better if we had market process to determine that.

I am interested in working in that direction. That is why we have a provision in the bill to study this whole issue. In fact, I understand there also is interest in this subject in the other body, and it could even come up in the conference on this bill.

However, I believe that the gentleman's amendment is simply too much, too fast. It was not offered in committee, and we simply are not ready at this point to adopt one particular full-blown market process from among the many alternatives in the manner the gentleman's amendment provides.

Therefore, I would urge the gentleman to withdraw his amendment, and I will be happy to work with him to move toward incorporating a market mechanism in this program in the future.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I share the views of the chairman, the gentleman from California (Mr. MCKEON). I would be very happy to work with the gentleman to see if we can resolve this in conference, and if the gentleman would withdraw, the three of us could work together to see if we can resolve this.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from New Jersey.

Mr. ANDREWS. Mr. Chairman, I thank the gentleman; and I was proud to coauthor this amendment with my friend from Wisconsin, who I would like to acknowledge as, I think, the most knowledgeable person in the House on the issue of student loans.

I am also pleased that the subcommittee chairman and the ranking member have agreed they will continue to discuss with us and negotiate with us this issue beyond conference and up through conference. I happen to think that the debate of the last number of months proves the validity of the underlying idea here.

Some of us believe that the subsidy of the guaranteed student loan program is too high. Others believe it is too low. I think that what this amendment says is that it is not a judgment that we should make in this body as to whether the subsidy rate is too high or too low. Instead, we should turn to the marketplace and let interested lenders step forward and bid for the right to receive these government guaranteed franchises.

This is not a new idea. It is an idea that, frankly, works in the FHA mortgage context in much larger quantities of dollars with great success.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. PETRI) has expired.

(On request of Mr. ANDREWS, and by unanimous consent, Mr. PETRI was allowed to proceed for 1 additional minute.)

Mr. ANDREWS. If the gentleman will continue to yield, Mr. Chairman, I would like to commend my coauthor of this amendment. I also commend the subcommittee chairman and ranking member for their willingness to work together with us on this.

I believe that the right answer to this conundrum, as to whether it is too much or too little, is to turn to the marketplace and let the marketplace answer that question for us.

Mr. PETRI. Reclaiming my time, Mr. Chairman, I thank my colleague. And in light of the interest from Senator KENNEDY and others in the other body, and in light of the interest on both sides of the aisle in this body in pursuing this approach and the study that is in the bill.

Mr. Chairman, I would ask unanimous consent to withdraw my amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Are there further amendments to title IV?

AMENDMENT NO. 54 OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer Amendment No. 54.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 54 offered by Mr. ROEMER:

Page 172, after line 22, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(c) ADDITIONAL ANNUAL LOAN LIMIT FLEXIBILITY.

(1) IN GENERAL.—Section 428H(d)(2) is amended—

(A) by striking subparagraph (C); and

(B) by inserting after subparagraph (B) the following new subparagraphs:

"(C) notwithstanding subparagraph (A) and (B), in the case of such a student who is pursuing a program of study at an eligible institution leading to the baccalaureate degree—

"(i) $7,200 if such student is enrolled in a program whose length is at least 1 academic year (as determined under section 481);

"(ii) $4,500 if such student is enrolled in a program whose length is less than 1 academic year, but at least ⅔ of such an academic year; and

"(iii) $2,700 if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year;

"(D) in the case of such a student who is a graduate or professional student enrolled at an eligible institution, an amount not to exceed the student's estimated cost of attendance (as determined under section 472), less the sum of—

"(i) any loan for which the student is eligible under section 428; and

"(ii) an estimate of any financial assistance reasonably available to such student.".

(2) DEPENDENT STUDENTS AMENDMENT.—Section 428H(d) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) ANNUAL LIMITS FOR DEPENDENT STUDENTS.—Notwithstanding paragraph (2), in the case of a dependent student who is enrolled in a program leading to the baccalaureate degree whose length is at least 1 academic year (as determined under section 481), the maximum annual amount of loans under this section such a student may borrow in any academic year or its equivalent or in any period of 7 consecutive months, whichever is longer, shall be the amount determined under paragraph (1) plus $1,500."

Mr. ROEMER. Mr. Chairman, as we moved into hearings on this very important bipartisan higher education bill, what we heard both in Washington, D.C., and in field hearings in Indiana and across the country was the resounding call for more flexibility, not more mandates upon our institutions of higher education, and trying to do things to reduce the cost and the debt to students as they come out of college.

This amendment, the loan flexibility amendment, achieves both of those objectives. It tries to provide more flexibility to our schools and to our students. It also enhances the ability to combine the loan programs and give the students a reduced rate. This amendment would retain the aggregate loan limits while giving students greater borrowing flexibility under the Federal student loan programs.

In the subsidized loan program, student lending has both aggregate and annual loan limits. The annual loan limit forces many students into the more expensive private loan market.

This amendment would apply only to unsubsidized loans for students at 4 year degree granting institutions and would not change the total amount students may borrow in the Federal programs under current law. Therefore, students will not be incurring additional debt.

We have tried to work an agreement out with the Democrat and Republican side on this amendment from the full committee.

This amendment would retain the aggregate loan limits, while giving students greater borrowing flexibility under the federal student loan programs.

In the subsidized loan program, student lending has both aggregate and annual loan limits. The annual loan limits force many students into the more expensive private loan market.

This amendment would apply only to unsubsidized loans for students at four-year, degree-granting institutions, and would not change the total amount students may borrow in the federal programs under current law—therefore, students will not be incurring additional debt.

The amendment has three parts, which apply respectively to dependent undergraduate students, independent undergraduates, and graduate students.

Dependent Undergraduates—Currently dependent undergraduates may borrow unsubsidized loans only under limited circumstances, forcing them into private loan programs with uncapped interest rates. This amendment would permit full-time dependent undergraduates to borrow up to $1500 a year in unsubsidized loans in addition to the subsidized loans they may borrow under current law—but the combined total of subsidized and unsubsidized borrowing could not exceed the existing undergraduate maximum of $2300.

Independent Undergraduates—Currently independent undergraduates are limited to $4000 in unsubsidized maximums for their freshman and sophomore years, and $5000 for their junior and senior years, forcing them into private loan programs to make up the difference. Independent undergraduates would be permitted to borrow up to $7200 per year in unsubsidized loans, which again keeps total borrowing under the existing cumulative limits.

Graduate Students—Under current law, graduate students may borrow $8500 in subsidized loans and $10,000 in unsubsidized loans per year, meaning that amounts over those limits must be borrowed from private programs. Graduate students would be permitted to borrow unsubsidized loans up to the cost of attendance minus subsidized loans and other aid, provided that there is no change to the cumulative amounts graduate students are permitted to borrow under current law.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

We are willing to accept the amendment with the understanding that we will have a rollcall vote on it; and so if we find out tomorrow that it does cost money, then, of course, we would have to have that vote. But we would accept it tonight with the understanding that I will call for a rollcall vote.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Chairman, I wish to, first of all, I want to compliment the chairman on his willingness when I offered this amendment in committee to continue to work with me and my staff to try to perfect this amendment, to make sure that we attain the goals of flexibility and reduce costs to the students and, therefore, reduced debt to the students. We have worked with the gentleman, and I want to compliment the gentleman and his staff for working through those issues.

We are hopeful that this will not be costed by CBO. We are also hopeful that we will not have a vote on this and that the gentleman will accept it and that we may not have a rollcall vote.

We also would prefer, if we could, in the morning, once we get CBO to score it, if in fact there is a way that we can continue to have the gentleman support this amendment and further perfect it in conference, we would maintain that flexibility as well.

Mr. GOODLING. Mr. Chairman, reclaiming my time, we would be happy to continue to work as we go into conference. It is just, I think, necessary to say that we would have a rollcall vote even though we would accept it, to see whether or not there is a cost involved.

Mr. ROEMER. Mr. Chairman, if the gentleman will continue to yield, we would be happy to work with the chairman. We appreciate all his expertise and help up to this point, and I am happy with the Chairman's acceptance of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. ROEMER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. GOODLING. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 411, further proceedings on the amendment offered by the gentleman from Indiana (Mr. ROEMER) will be postponed.

Are there further amendments to title IV?

AMENDMENT NO. 33, AS MODIFIED, OFFERED BY MRS. KELLY

Mrs. KELLY. Mr. Chairman, I offer Amendment No. 33, and I ask unanimous consent that the amendment I have submitted at the desk be considered as a substitute to the amendment I had preprinted in the CONGRESSIONAL RECORD.

The text of Amendment No. 33 is as follows:

Page 128, line 12, strike the close quotation marks and following period and after such line insert the following new chapter:

"CHAPTER 6—PUBLIC SAFETY OFFICER MEMORIAL SCHOLARSHIPS.

"SEC. 411A. SCHOLARSHIPS AUTHORIZED.

"(a) IN GENERAL.—

"(1) SCHOLARSHIP AWARDS.—The Secretary is authorized to award a scholarship to any eligible applicant who is enrolled, or has been accepted for enrollment, in an eligible institution as a full-time or part-time postsecondary level student.

"(2) APPLICATION.—To receive a scholarship award under this chapter, each eligible applicant shall submit an application to the Secretary in such time and manner as may be determined appropriate by the Secretary, accompanied by a certification from the head of the agency that employed the public safety officer to whom the applicant was married (in the case of a surviving spouse), or with whom the applicant was living or from whom the applicant was receiving support contributions (in the case of a dependent child), stating that such officer died as a result of the performance of the officer's official duties.

"(b) MAXIMUM AWARD.—For any academic year, the maximum amount of a scholarship award under this section for a postsecondary student may equal, but not exceed, the lesser of the following:

"(1) The average cost of attendance (as defined in section 472), at a State university in the State in which the student resides, for a State resident carrying the same academic workload as the student, with the same number of dependents as the student, and residing in the same type of housing as the student.

"(2) The actual cost of attendance (as defined in section 472) of such student.

"(c) AWARD PERIOD.—The duration of each award under this chapter for a postsecondary student, shall be the lesser of—

"(1) the time actually required by the student to complete a course of study and obtain a diploma; and

"(2) 6 years in the case of a student engaged in undergraduate studies and 3 years in the case of a student engaged in postgraduate studies.

"(d) NOTIFICATION.—The Secretary shall notify the recipient and the eligible institution of the applicant's selection for receipt of an award under this chapter, the conditions pertaining to award eligibility and continuance.

"(e) FISCAL AGENT.—The Secretary shall, if practicable, use the eligible institution as fiscal agent for payment of an award.

"SEC. 411B. ADDITIONAL AWARD REQUIREMENTS.

"A student awarded a scholarship grant under this chapter, as a condition for initial receipt of such award and periodically thereafter as a condition for its continuation, shall demonstrate to the satisfaction of the Secretary that the student is—

"(1) maintaining satisfactory progress in the course of study the student is pursuing consistent with section 484(c);

"(2) committed to remaining drug-free; and

"(3) attending class on a regular basis as to not interfere with normal course of studies except for excused absence for vacation, illness, military service and such other periods deemed good cause by the eligible institution or the Secretary.

"SEC. 411C. AGREEMENTS WITH ELIGIBLE INSTITUTIONS.

"For the purposes of this chapter, the Secretary is authorized to enter into agreements with eligible institutions in which any student receiving a scholarship award under this chapter has enrolled or has been accepted for enrollment. Each such agreement shall—

"(1) provide that an eligible institution will cooperate with the Secretary in carrying out the provisions of this chapter, including the provision of information necessary for a student to satisfy the requirements in section 411B;

"(2) provide that the institution will conduct a periodic review to determine whether students enrolled and receiving scholarship awards continue to be entitled to payments under this chapter and will notify the Secretary of the results of such reviews; and

"(3) provide for control and accounting procedures as may be necessary to assure proper disbursements and accounting of funds paid under to the institution under section 411A(e).

"SEC. 411D. DEFINITIONS.

"In this chapter:

"(1) DEPENDENT CHILD.—The term 'dependent child' means a child who is either living with or receiving regular support contributions from a public safety officer at the time of the officer's death, including a stepchild or an adopted child.

"(2) ELIGIBLE APPLICANT.—The term 'eligible applicant' means a person residing in a State who is—

"(A) a surviving spouse; or

"(B) a dependent child.

"(3) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an eligible institution as defined in section 435(a) that—

"(A) is located in a State; and

"(B) complies with the antidiscrimination provisions of section 601 of the Civil Rights Act of 1964 and does not discriminate on the basis of race.

"(4) PUBLIC SAFETY OFFICER.—The term 'public safety officer' means a person serving a public agency of a State or of a unit of general local government, with or without compensation, as—

"(A) a law enforcement officer, including a corrections or a court officer engaged in—

"(i) apprehending or attempting to apprehend of any person—

"(I) for the commission of a criminal act; or

"(II) who at the time was sought as a material witness in a criminal proceeding; or

"(ii) protecting or guarding a person held for the commission of a criminal act, or held as a material witness in connection with a criminal act; or

"(iii) lawfully preventing of, or lawfully attempting to prevent the commission of, a criminal act or an apparent criminal act in the performance of his official duty; or

"(B) a firefighter.

"(5) SURVIVING SPOUSE.—The term 'surviving spouse' means the legally married husband or wife of a public safety officer at the time of the officer's death.

"(6) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' means any city, county, township, town, borough, parish, village, or any other general purpose subdivision of a State, or any Indian tribe which the Secretary of the Interior determines performs law enforcement functions."

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Amendment No. 33, as modified, offered by Mrs. KELLY:

Page 128, line 12, strike the close quotation marks and following period and after such line insert the following new chapter:

"CHAPTER 6—PUBLIC SAFETY OFFICER MEMORIAL SCHOLARSHIPS.

"SEC. 411A.. SCHOLARSHIPS AUTHORIZED.

"(a) IN GENERAL.—

"(1) SCHOLARSHIP AWARDS.—The Secretary is authorized to award a scholarship to any eligible applicant who is enrolled, or has been accepted for enrollment, in an eligible institution as a full-time or part-time postsecondary level student.

"(2) APPLICATION.—To receive a scholarship award under this chapter, each eligible applicant shall submit an application to the Secretary in such time and manner as may be determined appropriate by the Secretary—

"(A) accompanied by a certification from the head of the agency that employed the public safety officer to whom the applicant was married (in the case of a surviving spouse), or with whom the applicant was living or from whom the applicant was receiving support contributions (in the case of a dependent child), stating that such officer died as a result of the performance of the officer's official duties; and

"(B) demonstrating the applicant's need for financial aid under part F of this title, determined without regard to any assets derived from death benefits for such officer, to pursue a program of postsecondary education.

"(b) MAXIMUM AWARD.—For any academic year, the maximum amount of a scholarship award under this section for a postsecondary student may equal, but not exceed, the lesser of the following:

"(1) The average cost of attendance (as defined in section 472), at a State university in the State in which the student resides, for a State resident carrying the same academic workload as the student, with the same number of dependents as the student, and residing in the same type of housing as the student.

"(2) The actual cost of attendance (as defined in section 472) of such student.

"(c) AWARD PERIOD.—The duration of each award under this chapter for a postsecondary student, shall be the lesser of—

"(1) the time actually required by the student to complete a course of study and obtain a diploma; and

"(2) 6 years in the case of a student engaged in undergraduate studies and 3 years in the case of a student engaged in postgraduate studies.

"(d) NOTIFICATION.—The Secretary shall notify the recipient and the eligible institution of the applicant's selection for receipt of an award under this chapter, the conditions pertaining to award eligibility and continuance.

"(e) FISCAL AGENT.—The Secretary shall, if practicable, use the eligible institution as fiscal agent for payment of an award.

"SEC. 411B. ADDITIONAL AWARD REQUIREMENTS.

"A student awarded a scholarship grant under this chapter, as a condition for initial receipt of such award and periodically thereafter as a condition for its continuation, shall demonstrate to the satisfaction of the Secretary that the student is—

"(1) maintaining satisfactory progress in the course of study the student is pursuing consistent with section 484(c);

"(2) committed to remaining drug-free; and

"(3) attending class on a regular basis as to not interfere with normal course of studies except for excused absence for vacation, illness, military service and such other periods deemed good cause by the eligible institution or the Secretary.

"SEC. 411C. AGREEMENTS WITH ELIGIBLE INSTITUTIONS.

"For the purposes of this chapter, the Secretary is authorized to enter into agreements with eligible institutions in which any student receiving a scholarship award under this chapter has enrolled or has been accepted for enrollment. Each such agreement shall—

"(1) provide that an eligible institution will cooperate with the Secretary in carrying out the provisions of this chapter, including the provision of information necessary for a student to satisfy the requirements in section 411B;

"(2) provide that the institution will conduct a periodic review to determine whether students enrolled and receiving scholarship awards continue to be entitled to payments under this chapter and will notify the Secretary of the results of such reviews; and

"(3) provide for control and accounting procedures as may be necessary to assure proper disbursements and accounting of funds paid under to the institution under section 411A(e).

"SEC. 411D. DEFINITIONS.

"In this chapter:

"(1) DEPENDENT CHILD.—The term 'dependent child" means a child who is either living with or receiving regular support contributions from a public safety officer at the time of the officer's death, including a stepchild or an adopted child.

"(2) ELIGIBLE APPLICANT.—The term 'eligible applicant" means a person residing in a State who is—

"(A) a surviving spouse; or

"(B) a dependent child.

"(3) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an eligible institution as defined in section 435(a) that—

"(A) is located in a State; and

"(B) complies with the antidiscrimination provisions of section 601 of the Civil Rights Act of 1964 and does not discriminate on the basis of race.

"(4) PUBLIC SAFETY OFFICER.—The term 'public safety officer" means a person serving a public agency of a State or of a unit of general local government, with or without compensation, as—

"(A) a law enforcement officer, including a corrections or a court officer engaged in—

"(i) apprehending or attempting to apprehend of any person—

"(I) for the commission of a criminal act; or

"(II) who at the time was sought as a material witness in a criminal proceeding; or

"(ii) protecting or guarding a person held for the commission of a criminal act, or held as a material witness in connection with a criminal act; or

"(iii) lawfully preventing of, or lawfully attempting to prevent the commission of, a criminal act or an apparent criminal act in the performance of his official duty; or

"(B) a firefighter.

"(5) SURVIVING SPOUSE.—The term 'surviving spouse" means the legally married husband or wife of a public safety officer at the time of the officer's death.

"(6) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government" means any city, county, township, town, borough, parish, village, or any other general purpose subdivision of a State, or any Indian tribe which the Secretary of the Interior determines performs law enforcement functions.".

Mrs. KELLY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The CHAIRMAN. Is there objection to the modification offered by the gentlewoman from New York?

There was no objection.

The CHAIRMAN. The modification is accepted.

Mrs. KELLY. Mr. Chairman, I rise today to introduce an amendment that provides needed assistance to the family members of public safety officers who are killed in the line of duty.

Police officers and firefighters lay their lives on the lines on a daily basis, Mr. Chairman, and, sadly, all too often they make the ultimate sacrifice in their service of their communities.

This tragic fact was illustrated most recently in my district in New York when a volunteer firefighter, Michael Neuner, who was also a police officer, was killed last summer while fighting a fire in the town of Southeast.

This unfortunate story is repeated around the country, Mr. Chairman. These are our friends, our neighbors, our loved ones, and they leave behind families who must continue on. The death of a father or mother takes an obvious emotional toll, but it has an impact on the financial security of the family, particularly when it comes to meeting educational expenses.

Oftentimes, for the sake of putting food on the table and a roof over their family's heads, a single parent who has lost their spouse will forsake providing for their children's education for the sake of survival. We can prevent this phenomenon by passing the amendment before us today.

This amendment seeks to address this particular problem. Specifically, the bill authorizes the Secretary of Education to award education scholarships to the spouse or dependent child of a public safety officer, police, firefighter or corrections officer who is killed in the line of duty. These scholarships may be used to cover education expenses to attend a postsecondary institution as a full-time or part-time student.

This version of my amendment differs from the original preprinted version because it makes these scholarships need-based and extracts from the calculation of that need any death benefits received by the family on account of the officer's death.

The last Congress adopted similar legislation to award education assistance to family members of Federal law enforcement officers killed in the line of duty. I was pleased to support that legislation, which passed both the House and the Senate by voice votes and was signed into law by President Clinton. I am proud to introduce this amendment, which takes the next logical step and extends this benefit to the families of all public safety officers who are killed while serving their communities.

Crime is a reality in our Nation, and we should acknowledge those brave and dedicated people who devote their careers to fighting crime in our neighborhoods. Our public safety officers deserve our respect, gratitude and support. I urge my colleagues to join me in support of this important amendment.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I join the gentlewoman from New York (Mrs. KELLY) in this outstanding amendment. We have an outstanding bill here, but this amendment also makes it better.

To establish a memorial scholarship program, to assist families of State and local public safety officials, law enforcement officers and firefighters who are killed in the line of duty with educational assistance is certainly an all-American ideal and an all-American idea.

I worked with the gentlewoman from New York last year on the bill for the Federal officers along with Senator SPECTER of Pennsylvania. That was inspired, of course, by the Federal officer, Marshal Degan, who died at Ruby Ridge, as well as an officer in my district, Chuck Reed, who was the first Federal officer at the FBI ever killed out of the Philadelphia office.

The fact is, these people do put their lives on the line everyday. When they leave their family, they do not know whether they will come back. And the fact is, their families have to go on, hopefully as well as they can to try to make a whole life while knowing that their spouse has sacrificed greatly to keep our communities safe, free of crime and also free of the fire tragedies that can occur.

□ 2200

And so, by establishing this memorial scholarship, the gentlewoman from New York (Mrs. KELLY) is leading the fight for us across America in making sure that our communities, while they remain safe, will also make sure we remember the families.

So I rise, Mr. Speaker, and other Members of the House on both sides of the aisle, this is a truly a bipartisan idea for a bipartisan bill, and I look for unanimous adoption here in the House and an eventual adoption into law.

Mr. McKEON. Mr. Chairman, I move to strike the requisite number of words.

I want to congratulate the gentlewoman from New York (Mrs. KELLY) for her amendment. It is very commendable to want to provide assistance to the sons and daughters of public safety officers who died as a result of the performance of their official duties.

The awards made under this program will be need-based, so the money will be going to a student who has financial need as determined under the Higher Education Act. I would support this amendment.

Mr. KILDEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as one who has seen too many police and firefighters and correction officers in my own district killed in the line of duty, I commend the gentlewoman from New York (Mrs. KELLY) for her amendment. I think it is a very good amendment, and we accept it on this side.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Mrs. KELLY), as modified.

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there other amendments to title IV?

AMENDMENT NO. 11 OFFERED BY MR. ALLEN

Mr. ALLEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 Offered by Mr. ALLEN:

Page 267, after line 11, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(d) FINANCIAL RESPONSIBILITY FOR REFUNDS AND DURING PROVISIONAL CERTIFICATION.—

(1) AMENDMENT.—Section 498(e) is amended by adding at the end the following new paragraphs:

"(6) Notwithstanding any other provision of law, any person required to pay, on behalf of a student or borrower, a refund of unearned institutional charges to a lender, or the Secretary, who willfully fails to pay such refund or willfully attempts in any manner to evade payment of such refund, shall, in addition to other penalties provided by law, be liable to the Secretary for the amount of the refund not paid, to the same extent with respect to such refund that such an individual would be liable as a responsible person for a penalty under section 6672(a) of title 26, United States Code, with respect to the nonpayment of taxes.

"(7) Notwithstanding any other provision of law, a proprietary institution of higher education, as defined in section 481(b), may be provisionally certified under subsection (h) only if it provides the Secretary with financial guarantees from one or more individuals whom the Secretary determines, in accordance with subsection (e)(2), exercise substantial control over such institution. Such financial guarantees shall be in addition to any financial guarantees otherwise required from the institution and shall be in an amount determined by the Secretary to be sufficient to satisfy the institution's potential liability to the Federal Government, student assistance recipients, and other program participants for funds under this title during the period of provisional certification.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1)—

(A) relating to responsibility for unpaid refunds, shall be effective with respect to any unpaid refunds that were first required to be paid to a lender or to the Secretary on or after 90 days after the date of enactment of this Act;

(B) relating to financial guarantees required for provisional certification, shall be effective with respect to any proprietary institution of higher education provisionally certified by the Secretary on or after the date of enactment of this Act.

Page 269, after line 4, insert the following new subsection:

(i) CHANGE IN STATUS.—

(1) AMENDMENT.—Section 498(i)(2) is amended by striking subparagraph (E) and inserting the following new subparagraph:

"(E) the change in tax filing status of an institution from for-profit to non-profit; or".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on the date of the enactment of this Act.

MODIFICATION TO AMENDMENT NO. 11 OFFERED BY MR. ALLEN

Mr. ALLEN. Mr. Chairman, I ask unanimous consent that the amendment be modified in the form at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Amendment No. 11, as modified, offered by Mr. ALLEN:

Page 267, after line 11, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(d) FINANCIAL RESPONSIBILITY FOR REFUNDS AND DURING PROVISIONAL CERTIFICATION.—

(1) AMENDMENT.—Section 498(e) is amended by adding at the end the following new paragraph:

"(6) Notwithstanding any other provision of law, any person required to pay, on behalf of a student or borrower, a refund of unearned institutional charges to a lender, or the Secretary, who willfully fails to pay such refund or willfully attempts in any manner to evade payment of such refund, shall, in addition to other penalties provided by law, be liable to the Secretary for the amount of the refund not paid, to the same extent with respect to such refund that such an individual would be liable as a responsible person for a penalty under section 6672(a) of title 26, United States Code, with respect to the nonpayment of taxes.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective with respect to any unpaid refunds that were first required to be paid to a lender or to the Secretary on or after 90 days after the date of enactment of this Act.

Mr. ALLEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

The CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

The CHAIRMAN. The gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

Mr. ALLEN. Mr. Chairman, I wanted to thank the chairman and ranking member of the subcommittee and chairman and ranking member of the full committee and say that the modified version of my amendment removes the requirement of financial guarantees from prospective owners of for-profit educational institutions during provisional certification.

The modified amendment maintains the provisions which ensure that owners of higher education institutions may be held liable for repayment of funds that taxpayers intended for eligible students.

In Maine, students and families are owed hundreds of thousands of dollars in refunds by owners of for-profit institutions which have been closed down due to mismanagement. An owner of one such institution has been able to move his business to another State and continue to draw Federal financial aid dollars.

This situation is not peculiar to Maine. Students and families all over the country are owed money by owners of schools that have failed. I have been told by the Inspector General's Office that between 85 and 95 percent of their open cases concerning for-profit institutions involve student loan refund problems.

Students should be able to attend an educational institution and trust that their tuition and financial aid dollars are being handled properly. When this is not the case, the Secretary should have the power to impose appropriate sanctions not only against the institution involved, but also against the owner of the institution.

My amendment will solidify the Secretary's power to hold the institution of a proprietary higher education institution liable for financial losses to the Federal Government and student loan recipients. Presently, the Secretary has only been able to seek recourse from institutions, not their owners; however, many such institutions are bankrupt, so no money is recovered.

My amendment provides the Secretary with a mechanism to collect the funds. It does so by holding the owner liable in the same way that an individual would be responsible for penalties for the nonpayment of taxes. Taxpayer dollars must be protected to ensure the continued availability and viability of student financial aid programs.

I urge my colleagues to accept this amendment, support this amendment.

Mr. MCKEON. Mr. Chairman, I move to strike the last word.

Again, the gentleman from Maine (Mr. ALLEN) is not a member of the committee, but has added a good, thoughtful amendment, and I would support that amendment.

Mr. ANDREWS. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment of the gentleman from Maine. I would like to make a couple comments about it. First of all, I thank him for his modification. I think it is very important that we continue the custom and tradition in this bill of treating all schools on a level playing field, not singling out any category of higher education for special favored or disfavored treatment. I think the gentleman has remained consistent with that tradition by making the modification to this amendment. I appreciate that.

I would like to point out one concern that I have, for the RECORD, which I would hope that we would address at conference with the gentleman's participation, and that is clearing up any ambiguity about the definition of the word "person" in what is subparagraph 6 of his amendment, where it says, "Any person required to pay, on behalf of a student or borrower, a refund shall, in addition to other penalties provided by law, be liable to the Secretary for the amount of the refund not paid."

I think it is very important that we be clear as to who the person is, for the following reasons: If the institution that is on the hook for this is a community college, let us say we want to be very clear that the comptroller of the community college will not be personally liable for this obligation unless he or she committed some kind of crime.

I am sure that is not the intent of the gentleman. The same would be true of a for-profit school if an individual is not financially involved, but the corporation for which the individual is. And I would hope that we would have the cooperation of the gentleman in resolving those matters as we proceed.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Maine.

Mr. ALLEN. Mr. Chairman, I am happy to work through those issues with my colleague. It is certainly not our intent to hold the comptroller of any institution liable. We have felt that this amendment would apply only to for-profit institutions and not to any public universities or nonprofits. But if it is written in a way to apply to everyone, it should only apply to those who are owners in the sense that they own stock in the institution. That is the intention.

Mr. ANDREWS. Reclaiming my time, I again understand that this is designed to keep the same level playing field we have always had on that basis, and with that reservation, I will be happy to support the amendment of the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. ALLEN), as modified.

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT NO. 7 OFFERED BY MR. LAZIO OF NEW YORK

Mr. LAZIO of New York. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. LAZIO of New York:

Page 192, after line 10, insert the following new section (and conform the table of contents accordingly):

SEC. 430. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

(a) PURPOSE.—It is the purpose of this section—

(1) to bring more highly trained individuals into the early child care profession; and

(2) to keep more highly trained child care providers in the early child care field for longer periods of time.

(b) LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.—Part B (20 U.S.C. 1071 et seq.) is amended by inserting after section 428J (as added by section 432) (20 U.S.C. 1078–10) the following:

"SEC. 428K. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

"(a) DEFINITIONS.—In this section:

"(1) CHILD CARE FACILITY.—The term 'child care facility' means a facility, including a home, that—

"(A) provides child care services; and

"(B) meets applicable State or local government licensing, certification, approval, or registration requirements, if any.

"(2) CHILD CARE SERVICES.—The term 'child care services' means activities and services provided for the education and care of children from birth through age 5 by an individual who has a degree in early childhood education.

"(3) DEGREE.—The term 'degree' means an associate's or bachelor's degree awarded by an institution of higher education.

"(4) EARLY CHILDHOOD EDUCATION.—The term 'early childhood education' means education in the areas of early child education, child care, or any other educational area related to child care that the Secretary determines appropriate.

"(b) DEMONSTRATION PROGRAM.—

"(1) IN GENERAL.—The Secretary may carry out a demonstration program of assuming the obligation to repay, pursuant to subsection (c), a loan made, insured or guaranteed under this part or part D (excluding loans made under sections 428B and 428C) for any new borrower after the date of enactment of the Higher Education Amendments of 1998, who—

"(A) completes a degree in early childhood education; and

"(B) obtains employment in a child care facility.

"(2) AWARD BASIS; PRIORITY.—

"(A) AWARD BASIS.—Subject to subparagraph (B), loan repayment under this section shall be on a first-come, first-served basis and subject to the availability of appropriations.

"(B) PRIORITY.—The Secretary shall give priority in providing loan repayment under this section for a fiscal year to student borrowers who received loan repayment under this section for the preceding fiscal year.

"(3) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.

"(c) LOAN REPAYMENT.—

"(1) IN GENERAL.—The Secretary shall assume the obligation to repay—

"(A) after the second year of employment described in subparagraphs (B) and (C) of subsection (b)(1), 20 percent of the total amount of all loans made after date of enactment of the Higher Education Amendments of 1998, to a student under this part or part D;

"(B) after the third year of such employment, 20 percent of the total amount of all such loans; and

"(C) after each of the fourth and fifth years of such employment, 30 percent of the total amount of all such loans.

"(2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under this part or part D.

"(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

"(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a degree in early childhood education, the Secretary is authorized to assume the obligation to repay the total amount of loans made under this part or part D incurred for a maximum of two academic years in returning to an institution of higher education for the purpose of obtaining a degree in early childhood education. Such loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

"(5) INELIGIBILITY OF NATIONAL SERVICE AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

"(d) REPAYMENT TO ELIGIBLE LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to repayment pursuant to this section for such year.

"(e) APPLICATION FOR REPAYMENT.—

"(1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(2) CONDITIONS.—An eligible individual may apply for loan repayment under this section after completing each year of qualifying employment. The borrower shall receive forbearance while engaged in qualifying employment unless the borrower is in deferment while so engaged.

"(f) EVALUATION.—

"(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the demonstration program assisted under this section on the field of early childhood education.

"(2) COMPETITIVE BASIS.—The grant or contract described in subsection (a) shall be awarded on a competitive basis.

"(3) CONTENTS.—The evaluation described in this subsection shall—

"(A) determine the number of individuals who were encouraged by the demonstration program assisted under this section to pursue early childhood education;

"(B) determine the number of individuals who remain employed in a child care facility as a result of participation in the program;

"(C) identify the barriers to the effectiveness of the program;

"(D) assess the cost-effectiveness of the program in improving the quality of—

"(i) early childhood education; and

"(ii) child care services;

"(E) identify the reasons why participants in the program have chosen to take part in the program;

"(F) identify the number of individuals participating in the program who received an associate's degree and the number of such individuals who received a bachelor's degree; and

"(G) identify the number of years each individual participates in the program.

"(4) INTERIM AND FINAL EVALUATION REPORTS.—The Secretary shall prepare and submit to the President and the Congress such interim reports regarding the evaluation described in this subsection as the Secretary deems appropriate, and shall prepare and so submit a final report regarding the evaluation by January 1, 2002.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

Mr. LAZIO of New York. Mr. Speaker, the Lazio-Gilman-Tauscher amendment will address a matter of dire importance to American families, the need for high-quality child care.

As a parent of two, I know how difficult it is to leave our children in the care of others. While most of us agree that a parent would provide the best care for a young child, many of our young families simply do not have the option of doing so. Today in America, more and more parents work outside the home. In fact, 62 percent of moms with children under 6 are in the work force. While we fight to reduce the tax burden that forces families into this economic situation, we need to assure the parents who must work that their children will be taken care of by qualified, competent individuals.

We know that parents want the best for their children. They want to know that if their children cannot be at home, they are in a healthy and nurturing environment. Today, 13 million children under the age of 6 are in child care programs. For these children the care and attention that they receive from child care staff is critical. When children have stable and caring educators, they feel secure and are ready to learn.

A study by the National Institutes of Health shows that staff-child ratio and teacher education contribute to the quality of a child care program. Children in quality facilities have fewer behavioral problems, stronger language ability, and a higher level of school readiness. Unfortunately, because of high staff turnover and low staff salary, quality is something many child care programs lack.

The NIH report shows that a low staff-child care ratio clearly benefits children. In fact, an article from Monday's New York Times highlights this very issue at a child care center in Houston. According to the article, workers at facilities with fewer adults see their role more as managing children than in interacting with them. Staff in these Houston centers do not have the time to engage the children who are playing or attend to babies unless they need immediate attention. Despite these findings, we have seen the average ratio of children to caregivers increase considerably from 6.8 to

8.5 children per worker between 1976 and 1990.

Mr. Speaker, as more parents return to work, we can expect the number of children in child care to increase. In order to provide our children with quality care, we must have more caregivers per child. Bringing more well-educated, dedicated early child care graduates into the field would help alleviate the problem.

Most students who choose a child care career want the best for children and value the care and education they can provide for each child. However, child care professionals are paid on average about $6.90 per hour and receive few, if any, benefits. For students graduating with $12,000 to $15,000 in college loans, and many more than that, there is very little incentive to stay in the profession.

As a result, Mr. Speaker, many of the country's best qualified early education graduates either do not enter or do not remain in the field. In fact, the turnover rate for child care workers is four times higher than for their counterparts in the public schools.

As large numbers of the early childhood work force consider leaving their positions, we have the opportunity to offer a modest yet meaningful incentive to the most qualified staff members who stay in the field, loan forgiveness. Our amendment would offer student loan forgiveness to individuals who earn a degree in early child education and work in a licensed child care facility, including a home-based child care center.

In order to maintain stability in the industry, my amendment would provide an incentive to enter and remain in the child care field. After the second and third year of service, a child care worker would be eligible to receive 20 percent loan forgiveness. After the fourth and fifth years, the child care provider would qualify for 30 percent loan forgiveness.

In order to ensure efficiency at the end of this 5-year demonstration program, the Secretary of Education would publish a report on the initiative. Rather than create an enormous mandatory spending program to address the need for quality child care, this amendment offers a focused, reasonable approach to resolving the problem.

By offering loan forgiveness to child care staff, we can begin to recruit and maintain a more qualified work force. An early child care work force composed of staff with specialized knowledge about young children and how they learn and grow will significantly increase the quality of care in this country. We can expect these graduates to be effective teachers who provide meaningful learning experiences during the most critical period of a child's development.

Of course, parents carry the major responsibility for their children. Part of this responsibility for parents who must work is finding dependable child care professionals to provide responsible care for their children. Without the availability of stable care, employers find that their employees are apt to miss work or in some cases leave their jobs altogether.

As we try to move forward individuals from welfare to the work force, we must provide families with the support of a highly trained and reliable child care work force.

Mr. Chairman, as long as our current economic climate forces parents to work outside the home, we must provide some assurance that their children are properly cared for by encouraging bright and qualified early child care graduates to enter and stay with the profession. This amendment will help give more families access to quality child care. I urge my colleagues to adopt it.

Mrs. TAUSCHER. Mr. Chairman, I move to strike the last word.

Mr. Speaker, I rise in support of the Lazio-Gilman-Tauscher amendment and urge my colleagues to support this important provision. This amendment is based on a measure recently introduced by the gentleman from New York (Mr. LAZIO) and was included as part the Senate-based Higher Education Act.

This amendment would authorize funding for a demonstration project that would forgive Federal student loans for individuals who have an associate or bachelor's degree in early childhood education and who work in a licensed child care facility for 5 years.

I believe it is imperative that we as a Nation do more to provide stability in the lives of our young children. Part of that stability comes from them having the same providers teaching them and taking care of them every day. However, trained individuals who want to work for child care centers often cannot enter this field because they are unable to find a job that gives them adequate financial footing to pay back their student loans.

On average, the cost of a 2-year degree at a private college is about $12,500. And, unfortunately, child care teaching staff earn on average less than $8 per hour, or only $13,000 per year, for the very valuable work that they do.

□ 2215

They earn these low wages despite the fact that they are better educated than the general population.

The average salary for child care providers in center-based care is only about $4500 higher than the Federal poverty guidelines for a single adult and is nowhere near the $16,000 per year salary which is considered to be a livable wage for a single adult.

It is no wonder, then, that 31 percent of all child care teachers leave their jobs each year for other employment. They simply cannot afford to simultaneously pay back any student loans that they may have and financially support themselves.

The Lazio-Gilman-Tauscher amendment would help lower this astronomically high attrition rate among qualified child care providers by providing loan forgiveness for student loans, thus making it financially feasible for knowledgeable providers to actually stay and work in the field for which they were trained. The language in this amendment is based on the Lazio bill, H.R. 3727, a similar provision is in my bill, H.R. 3686, the Model States Child Care Enhancement Act which I introduced a month ago with the gentleman from Maine (Mr. ALLEN) and the gentleman from Virginia (Mr. MORAN). Although slightly different in design, the intent is the same.

We must do more to help qualified child care providers make ends meet, and we must do more to provide our kids with that level of security in their lives that they require. We must not underestimate the effect this stability has on our Nation's children.

Quality is a function of experience. Nationwide, only 32 percent of child care teachers have been employed in their centers for at least 5 years. When teachers have the dual benefit of education and experience, then we as parents can be assured that our children are receiving the highest quality in child care. Let us help those people who have made the educational commitment to caring for children stay in the field and get that valuable experience.

I am pleased to work so closely with the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. GILMAN) and I urge acceptance of this bipartisan, bicameral amendment.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words. I would like to thank the gentleman from New York (Mr. LAZIO), the gentleman from New York (Mr. GILMAN) and the gentlewoman from California (Mrs. TAUSCHER) for offering this important amendment to the Higher Education Amendments.

Child care is an issue that concerns all families. Making sure that American families have access to quality child care should be one of our top priorities in the Congress. As Members may know, an average child care worker earns less than $7 per hour. It is easy to see that this does not provide enormous incentive for young graduates to enter the child care profession.

Moreover, the best child care is provided by educated workers. We all know the majority of students graduating from college are burdened with thousands of dollars of student loan debt. This is a further disincentive to entering the child care field.

The aim of this amendment is to provide an incentive for students to enter into child care professions. This amendment would forgive a percentage of the debt owed by graduates that choose to enter the child care field.

The challenge here is that while students may strongly desire to work in child care and teach young children, they know that their income will be so modest that there will be no way possible that they could ever realistically repay their student loans. This amendment provides a much-needed incentive for students to choose this vitally important career path. The amendment would also seek to retain these workers in the child care field by increasing the percentage of loan forgiveness the longer they work.

It is very difficult for parents to, of course, leave their children in the care of others. Unfortunately this is necessary because of our current economic climate, with many parents working more than one job and both parents working. Although most parents would prefer to stay home with their children, about 75 percent of married couples with children work outside the home. This amendment will go a long way towards ensuring that our children are left in qualified, well-trained hands. It will also provide parents important peace of mind.

Again, I would like to thank the gentleman from New York (Mr. LAZIO) for his leadership on this issue. I urge my colleagues to vote for this important initiative.

Mrs. CLAYTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I also want to rise to support the Lazio-Gilman-Tauscher amendment. I want to speak about the importance of providing quality child care and doing all that we can to increase the supply of well-trained individuals to provide for our precious children.

A tragic story most poignantly pointed out the need of providing child care. Recently in the Washington Post we all heard about a police officer who found that she had to choose between having child care and taking care of her children. Since she had no child care, she had only one day job. You heard the story. On her first day of being jobless and with her children at her side, she held her colleagues who came to her home at bay with a gun.

While none of us condone her action, we all have to recognize the pressure, the agony and the desperation she must have felt in trying to keep her job and to care for her children as well.

We understand that this Nation's future, millions of our babies, children and youth, spend large quantities of their time in the child care environment. Therefore, it is understandable that we need to provide the best-trained individuals to make sure that they are taken care of.

This modest amendment will have a major impact, because it will help produce more competent child care workers. These child care providers are crucial to the health and the welfare of our children. They are crucial to the parents who must support their families. I urge that this amendment be adopted so that we can provide the necessary care.

Mr. KILDEE. Mr. Chairman, I move to strike the requisite number of words. I rise to support the amendment.

I introduced the first child care bill in this House since Richard Nixon had proposed child care many years ago. Richard Nixon did some good things, among them his child care bill. In analyzing and studying child care at the time, I discovered that the workers at our Nation's zoos, who earn every penny that they earn, they certainly earn it all, but they make more than child care workers. I have always felt that those who take care of children should at least be making the amount of money as those who would take care of the animals at our Nation's zoos.

We have had a desperate situation in child care and the remuneration to our workers there. I think that the amendment that the gentleman from New York (Mr. LAZIO) is offering will help alleviate that to a great degree. I support the amendment.

Mr. ANDREWS. Mr. Chairman, I move to strike the requisite number of words. I also rise in support of the amendment offered by the gentleman from New York (Mr. LAZIO), the gentleman from New York (Mr. GILMAN) and the gentlewoman from California (Mrs. TAUSCHER).

I think it is important that we understand how much of a sacrifice people make when they go to work in the child care field. The gentleman from New York (Mr. LAZIO) and the gentlewoman from California (Mrs. TAUSCHER) have spoken very clearly and eloquently about that, but I think there are some numbers that were in the newspaper, in the New York Times today, which dramatically illustrate the economic priority we put on taking care of our children as opposed to the rhetoric that we talk about taking care of our children.

There was a study done which indicates that the median hourly wage of animal caretakers, people who take care of our pets, is $6.90 an hour; the median hourly wage of parking lot attendants, people who watch our cars, is $6.38 an hour; and the median wage of child care workers, who care for and watch our children, was $6.12 an hour. So we literally pay people more to watch our pets and our cars than we do our children.

One of the ways that we begin to redress that grievance, and it is a grievance, is this proposal which suggests that a limited number of child care workers will be able to finance their education by working in quality, affordable child care.

This is an example, and I know that both the gentlewoman from California (Mrs. TAUSCHER) and the gentleman from New York (Mr. LAZIO) are the parents of young children, as am I, so they know this issue very personally. It is an example of how the two sides of the aisle can come together on a very practical idea. I commend the authors and heartily support the amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, we do appreciate very much this very forthright and forward thinking legislation.

Another number I would like to share with my colleagues is that the average salary of a child care worker may be barely $12,000. It is very important that we provide the opportunities for professionalism, for training, for incentives, for learning creative techniques and styles of teaching our very young children.

As Mrs. Clinton has indicated in her emphasis on the zero to 3 development, early development, it is so very important the kind of exposure our children have, safe and secure environment, and the kind of caretaker who not only cares and loves them but also has a professional attitude and an ability to train them.

I want to add my accolades but as well my support enthusiastically to the kind of legislation that will provide opportunities for professional child care providers, making this the kind of system that we can be proud of. I think this will particularly help our mothers moving from welfare to work. I thank the gentleman for yielding.

Mr. McKEON. Mr. Chairman, I move to strike the requisite number of words. I want to commend the gentleman from New York (Mr. LAZIO), classmate, subcommittee chairman on another committee, for a well thought out and good amendment. I want to support his amendment.

This program was patterned after the loan forgiveness for teachers already included in H.R. 6. Students cannot receive loan forgiveness until after they have completed their second year of employment, at which time 20 percent of their loans may be forgiven, 20 percent after the third year, and 30 percent after the fourth and fifth years of employment, which guarantees that people will continue to work in the program for a period of time, which is very beneficial. Loan forgiveness programs structured in this manner serve as good incentives to attract and retain qualified teachers, especially in low paying professions or areas. I urge a "yes" vote on the amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of

words. I rise to bring reality to the discussion. We are making each other feel good. The last amendment was a good amendment. This is a good amendment.

Where is the gentleman from South Carolina (Mr. SPRATT) when I need him? Obviously we know very well that if any of these amendments get funded, money must be taken from some other place. I do not know where that will be, but it might be one of your other favorite programs or, even worse, it might be one of my favorite programs.

I just want to have a little reality check here and make sure everybody understands. We are feeling good. But if they take money from us in order to fund these programs, we will not be feeling so good.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. LAZIO).

The amendment was agreed to.

AMENDMENT NO. 29 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 29 offered by Ms. JACKSON-LEE of Texas:

Page 182, line 14, strike the close quotation marks and following period and after such line insert the following new paragraph:

"(7) AUTHORITY OF THE SECRETARY TO ASSIST DISTRESSED INSTITUTION.—The Secretary is authorized to provide administrative, fiscal, management, strategic planning and technical assistance through a qualified third-party consultant identified by the institution or an organization representing such institutions. Institutions eligible for such assistance include those institutions which qualify for the exemption in paragraph (2)(C)(i), (ii), and (iii) of this subsection, or which have submitted a default management plan under paragraph (5) which has been accepted by the Secretary.

MODIFICATION TO AMENDMENT NO. 29 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent that my amendment be modified with the modification at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Amendment No. 29 offered Ms. JACKSON-LEE of Texas, as modified:

Page 182, line 14, strike the close quotation marks and following period and after such line insert the following new paragraph:

"(7) AUTHORITY OF THE SECRETARY TO ASSIST DISTRESSED INSTITUTIONS.—The Secretary is authorized pursuant to section 326(c)(7) to provide administrative, fiscal, management, strategic planning, and technical assistance through a qualified third-party consultant identified by the institution or an organization representing such institutions. Institutions eligible for such assistance include those institutions which qualify for the exemption in paragraph (2)(C)(i), (ii), and (iii) of this subsection, or which have submitted a default management plan under paragraph (5) which has been accepted by the Secretary.

Ms. JACKSON-LEE of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

The CHAIRMAN. Without objection, the modification is accepted.

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, particularly I would like to thank the leadership of this committee which includes, of course, the gentleman from Missouri (Mr. CLAY), the gentleman from Michigan (Mr. KILDEE), certainly the gentleman from Pennsylvania (Mr. GOODLING) and various other subcommittee chairs for really the cooperative effort and spirit of this legislation.

It is important for the American people to see that all of the Congress supports education. This bill I think will help us, Mr. Chairman, do something that we would really like to see occur, and that is to see our student loans repaid. This amendment requests a study of default rates. It will make the lenders happy, it will make the students happy, it will make the government happy, because it will provide us with the kind of analysis that will help us determine why there may be a high default rate, what are the approaches we are using or not using.

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I would hope that the Micro Computer Technology Institute located in the city of Houston, which provides technology education to the residents of the Eighteenth Congressional District, would benefit from this. Eighty-seven students from my congressional district were included in the cohort for fiscal year 1993. Of that number, 54 were adversely effected by what appeared to be improper servicing of their loans.

There are many issues, Mr. Chairman, that impact why loans are defaulted. I believe in student loans. I had student loans. I paid back student loans. I want to see student loans being a viable element of our higher education. It helps so many of our constituents.

So I would offer this amendment so that we can get, if my colleagues will, to the bottom of it, provide the kind of information and possibly avoid the kind of default rates that we have had and the criticism of our very viable loan programs.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I want to make sure that we have this clear. We are accepting her amendment, but she said she was offering 29, but she talked about 27. But we are going to accept 29 and 27, but her discussion was on 27 rather than on 29.

Ms. JACKSON-LEE of Texas. Mr. Chairman, the gentleman may be right. Because I have had them both here, and the gentleman is absolutely right. One was on distressed institutions.

Mr. GOODLING. We are going to accept both of them.

Ms. JACKSON-LEE of Texas. Great. Then I will not add anything to it other than to say the one I was speaking about originally was 29, and that was distressed institutions, and that is the opportunity to use a third party consultant. Is that the gentleman's understanding?

Mr. GOODLING. Mr. Chairman, the gentlewoman had said 29, but her discussion was on 27.

Ms. JACKSON-LEE of Texas. Right.

Mr. GOODLING. And we are going to accept both 27 and 29.

Ms. JACKSON-LEE of Texas. And 29 was on distressed institutions that had to do with using a third party consultant.

Mr. GOODLING. Yes.

Ms. JACKSON-LEE of Texas. And the gentleman will accept that one and 27.

Mr. GOODLING. Right.

Ms. JACKSON-LEE of Texas. All right, Mr. Chairman. I thank the gentleman.

Mr. Chairman, I rise today in support of my amendment to H.R. 6, the Higher Education Amendments of 1998, which would allow distressed institutions that are already provided for in the text of this bill, the opportunity to utilize a third party consultant, if they so desire, to conduct their administrative, fiscal and technical assistance. This addition is not simply about the fact that a third party consultant, specifically trained and prepared to offer this kind of assistance, will generally provide a higher level of quality and performance than an advisor assigned by a federal agency to consult an institution of higher education, but there are serious ethical issues at play here as well.

A Department of Education official that is assigned to consult a college or university about possible improvements in their administrative or fiscal management procedures is not only charged to improve the quality of the college's or university's procedures, but as well, they are required to report any violations of federal law or regulations conducted by the college/university that they observe. It is one thing for our larger colleges and universities with seemingly unlimited resources to hold to this high standard of review, but it is highly unlikely that a Harvard or Yale or a University of Texas, even, would ever need fiscal, administrative or technical assistance from the Department of Education.

No, it will be our smaller colleges and universities that will be requesting help from the government, and they often make mistakes in their procedures and policies that they need not be penalized for by the very group that they are requesting help from. But the Department of Education's officials have an ethical mandate to report any infractions that they observe whether they are done by omission or

by commission. On the other hand, however, a valid technical argument can be made by our smaller colleges and universities against Department of Education consultation. Essentially, why should a college or university be forced to take into counsel a representative from a group that has an oversight relationship with them? It makes no sense. Our small colleges and universities should be able to have impartial consultation about their administrative or fiscal needs without facing consequences for previous actions from the federal government.

The only logical solution to this ethical dilemma for both the Department of Education and our small colleges and universities, is to allow a third-party consultant to advise the institution about its needs and concerns, if they so desire. This way, a college or university can begin steps to correct any procedural mistakes they may be making, without experiencing the unfair possibility of facing future Department of Education penalties. We must not punish those who sincerely need our help, but encourage them to make their institution the very best that it can be. So I urge you to support this amendment to level the playing field for our many distressed institutions of higher learning in need of comprehensive assistance.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE), as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 27 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Ms. JACKSON-LEE of Texas:

Page 136, line 19 add the following new section:

TITLE IV—GUARANTY AGENCY REFORMS

SEC. 413. GUARANTY AGENCY REFORMS.

Directs the Secretary to conduct a study to investigate to what extent the actions of the lenders and the guarantors impact upon the default rates of student borrowers as it relates to the servicing of the loans or the due diligence of the loan.

Ms. JACKSON-LEE of Texas. Mr. Chairman, because of the kindness of the gentleman from Pennsylvania (Mr. GOODLING) the gentleman from Michigan (Mr. KILDEE) the gentleman from Missouri (Mr. CLAY) and others, I will be brief on this.

This, again, has to do with guarantee agency reforms which is to allow the Secretary of Education to conduct a study to determine if the actions and guarantors of student loans impact default rates. Simply, this provides us with information; and, as I said earlier in my comments, this helps to avoid some of the dilemma that we face with default rates. Let us find out why, let us try to improve it, and let us insure that student loans remains a viable part of our educational process.

With that, Mr. Chairman, I ask my colleagues to support this amendment that can only help to enhance our educational system for higher education.

Mr. Chairman, I rise to offer the following amendment to H.R. 6, the Higher Education Amendment of 1998.

This amendment would result in a study to determine to what extent the actions of the lenders and the guarantors impact upon the default rates of student borrowers as it relates to the servicing of the loans or the due diligence of the loan. The goal of this study will be to determine the source of default rates of student loans.

The Microcomputer Technology Institute located in the City of Houston provides technology educations to residents of the 18th Congressional District which I represent. Eighty-seven students from my Congressional district were included in the Cohort for Fiscal year 1993. Of that number, 54 were adversely affected by what appeared to be improper servicing of their loans by one of the lender/guarantor units used by the Microcomputer Technology Institute during that period. The remaining 33 students did much better, their loans having been serviced by a different lender/guarantor combination, which resulted in a cohort default rate approximately one-third that of the first group.

It is evident that the way and manner that loans are serviced can and will affect certain students ability to pay back the loans as well as the resultant cohort default rate assigned to an institution.

If Microcomputer Technology Institute had placed all of its students loans with the first lender that had a high default rate then its potential default rate could have been greater than 40%—defining Microcomputer Technology Institute as a bad school for the purpose of Department of Education approval of Federal Student Loans.

Currently, under the Department of Education rule, if the borrower made even a single payment on the loan, the default can not be due to improper servicing, no matter how deficient the servicing has been.

Lending institutions and guarantors may accomplish servicing in a wide variety of ways from those which do an excellent job of providing payment coupons, and reminder calls to those which rely on a letter serving notice that repayment of a loan is due.

I would contend that the level of repayment is directly related to the due diligence of the loan, because the effort put into generating payments once a student has concluded their education is of vital importance in securing repayment.

I believe that we should not let this issue continue without study because the results of high loan default rates are penalties to the educationally institution.

There are many factors that may contribute to student loan default rates, but without this study there will be no way to determine if more should or could be done to reduce the number of loan defaults.

Congress recognized the responsibility of lenders and guaranty agencies when the Higher Education Amendments of 1992 amended the Higher Education Act of 1965 to require the Department to calculate and publish cohort default rates for original lenders, current holders, and guaranty agencies.

Congress should pursue its interest in student loan defaults with a study to learn what if any thing could be done to improve student repayment rates. In Fiscal Year 1995 of the 7,644 schools reviewed with a total of 1,918,453 borrowers there were a total of 199,346 defaults.

I ask my colleagues to join me in support of this important amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The amendment was agreed to.

AMENDMENT NO. 30 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 30 offered by Ms. JACKSON-LEE:

Page 270, after line 16, insert the following new section:

SEC. 480. RELIEF FROM OBLIGATION.

To the extent authorized in advance in an appropriation Act, the Secretary may, in settlement of claims found or arising under audits and program reviews under title IV of the Higher Education Act of 1965, forgive the obligations to pay such claims of Texas Southern University relating to the administration of programs under such title, subject to such terms and conditions as Secretary may require with respect to conduct of programs under such title on and after the date of enactment of this Act.

Ms. JACKSON-LEE of Texas. Mr. Chairman, simply, my amendment deals specifically with concerns of an institution that has a great history in our community. Texas Southern University was a State or is a State institution founded in 1948. It was founded on the basis of students in Texas, African Americans, not being allowed to go to the white institutions in Texas out of segregation. And over the years Texas Southern University has educated a high degrees of our pharmacists, our lawyers, our educators. In fact, Texas Southern University has educated most of the teachers in the State of Texas.

It particularly serves a significant number of low-income minority students in Texas. It trains a significant percentage of the State's legal and pharmaceutical students as well as it trains a huge number of our Hispanic attorneys in the State of Texas.

Texas Southern University has historically been underfunded by the State of Texas. That is something that we are trying to work on. However, this has resulted in its reduced ability to marginize many of its internal systems, some of them so very important to keeping the appropriate or the kinds of records necessary in this fast-paced economy. As a result of this historical

underfunding, it has not been able to maintain sufficient staff to provide total administrational support that is necessary.

Problems created by prior inadequate funding have been identified and are in the process of being resolved, currently negotiating with the Department of Education to resolve its prior deficiencies and to identify such deficiencies and result in a settlement.

My amendment acknowledges the historical role that Texas Southern University has and would ask that we would, if my colleagues will, forgive any settlement that might come about so that Texas Southern University might move forward, establishing a more proper procedure and as well to survive in this particular competitive climate.

I would hope that the point made about Texas Southern University is that it is trying to correct its deficiencies, that it is a valuable institution and that, hopefully, we would be able to agree with the fact that an institution such as Texas Southern University needs to be preserved.

Mr. Chairman, I ask the gentleman from Pennsylvania, as he responds to me, I may want to have this amendment withdrawn, and I would like to have enough time to be able to speak on that point.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I was under the impression that the gentlewoman was going to withdraw this amendment.

Ms. JACKSON-LEE of Texas. And I am, Mr. Chairman.

Mr. GOODLING. Of course, the major reason is we have already had four requests similar, and we have a pay-go problem, and so they will have to deal with the secretaries to try to get it all straightened out.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I will take the gentleman's remarks as a positive. They will have to deal with the secretary. It certainly does not speak against the historical nature of Texas Southern University, but we are in the process of doing that. We hope that we will have positive results, and I was hoping to get relief here on the floor of the House, and I respect the chairman.

Mr. Chairman, I rise today in support of my amendment to forgive the debt obligation of Texas Southern University to the United States Department of Education incurred as a result of difficulties that arose in the Administration of their Title IX Student Financial Aid program. This amendment, Mr. Chairman, seeks only to give the same protections to some of our smaller institutions of higher learning, which desperately need financial and technical assistance from the Department of Education, that the Department of Commerce and the Small Business Administration currently give to our small and disadvantaged businesses. Essentially, the relationship is no different.

Our small colleges and universities in this country are a valuable resource in giving certain people an opportunity to receive an undergraduate education that might not otherwise be able to do so. A prime example of one of these colleges and universities is Texas Southern University in Houston, Texas. Texas Southern University, or TSU as it is popularly called, was founded as a compromise in the settlement of a lawsuit between a man named Herman Sweatt and the University of Texas. Sweatt, the plaintiff in the famous 1950 Supreme Court case of *Sweatt* v. *Painter*, was fighting the Texas Constitutional provision which mandated separate treatment of Blacks and Whites, so that he might be able to attend the University of Texas Law School. In the midst of Sweatt's four year long protracted legal battle, state officials thought he might be pacified by the creation of a "Negro" university that was also funded by the State. So in 1947, the Texas State University for Negroes was created, and in 1951, after Sweatt's victory in the Supreme Court, the university's name was changed to Texas Southern University.

And even though Texas Southern's mandate from the State was to provide "courses equivalent" to those provided by other state-supported universities, over the last 4 decades, the University has been consistently underfunded. This open secret culminated in 1981 when the Office of Civil Rights found that the State of Texas was operating "a dual and unequal system of higher education". The bottomline is that for too long, our small colleges and universities have been treated like "unwanted stepchildren" by our state funding agencies. Despite all of this, TSU has become an institution that enrolls students of all racial, religious, cultural, and ethnic backgrounds from Texas, the nation, and the world. It is more than just a collection of students, it is a conduit between cultures, races and lifestyles; truly a constant source of viable political, civic, and business leaders for the Greater Houston community. So why not help our small colleges and universities like TSU?

These institutions need our technical assistance and long-term financial support in order to encourage greater institutional stability, a trademark of our larger colleges and universities. Today, I ask for only Texas Southern University, because I recognize that this forgiveness from financial obligation must not be abused. But as special and worthwhile cases may arise, like this one, we should not, we can not, we must not, shrink from our responsibility to help those institutions of higher learning that need us most. We are not forgiving the debt of a "fat cat", multinational corporation; quite to the contrary, we are setting forth an honorable act of absolution to an institution that genuinely needs our help. Simply stated, we are allowing tens of thousands of children the opportunity to maximize the potential; to someday realize their dreams. For this reason, above all, I ask all of my colleagues to support this amendment, and preserve the sacred gift of education.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT NO. 59 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 59 offered by Mr. SOUDER:

Page 237, strike lines 4 through 10 and insert the following:

"(2) REHABILITATION.—A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the period determined under such paragraph if the student satisfactorily completes a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this paragraph and that includes two unannounced drug tests.

Mr. SOUDER. Mr. Chairman, my amendment is very simple. On page 237 it strikes lines 4 through 10 and inserts the following: Under rehabilitation, a student whose eligibility has been suspended under paragraph 1 may resume eligibility before the end of the period determined under such paragraph if the student satisfactorily completes a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this paragraph and that includes two unannounced drug tests.

The addition to the underlying bill is that it includes 2 unannounced drug tests.

This amendment has no estimated drug spending, unless, of course, somebody would fail the drug test and then, while that is not our goal, it would actually save money. But our goal is to make sure that, actually, the students are clean when they come back.

Now let me go through the history of how this got in the main bill and then discuss particularly my change which I hope will be considered a friendly amendment and can be supported. It is not general drug testing. It is not testing of anyone other than people who have been convicted of drug use and are now under this bill going through drug rehab and making sure they are actually clean.

But I want to go through the actual epidemic that we are facing. We have a major crisis in this country, and the question is are we serious about it or not. And this bill has an important first step, and I would like to just refine this a little bit more. It is easy for us to criticize Mexico; it is easy for us to criticize Columbia. The question is, are we really committed in this country?

The Chronicle of Higher Education, March 21, 1997, states that crime data from 489 of the largest colleges and universities in this country indicate that drug arrests on college campuses

jumped by close to 18 percent in 1995 when they have the data in the fourth consecutive year with a double digit increase. By comparison, all other crimes, including murder, robbery, aggravated assault, burglary, vehicle theft and violations of weapons laws declined. So it is clear in our universities we have had drug use as an increasing problem. This 18 percent jump is even more troubling when you consider that those are the kids that get caught.

According to this same article, researchers at the University of Michigan found that 33.5 percent of the college students surveyed in 1995 had used illegal drugs within that year up 2.1 percent from 1994 and up even further from an earlier survey.

I have recently seen the survey study, and it included 17-year-olds who are just about to head to college. They are seniors in high school, and in there two-thirds said that they knew where they could get marijuana within a day, and 44 percent within an hour or less, that our schools are, in fact, not drug-free even in high school. Thirty-seven percent of the principles said they were drug-free; 46 percent of the teachers. But 76 percent of the students said that their school was not drug-free. They understand they are at risk when they were asked, 17-year-olds, what they thought their greatest problem was. Drugs were not seen as much of a problem, as their major problem, as all the other issues combined.

Now this suggests that our children know they are at risk, and we need to take some steps to make sure they are not in danger.

This amendment, to go through some of the history, has been in our bill before coming through the House, the full underlying amendment that came through committee before this adjustment, and my colleague and friend, the gentleman from New York (Mr. SOLOMON) has been the pioneer and the leader with this. He is a great American, and I am going to miss him, and many others are. He has been a crusader for the values that made this country great.

He had this in the Higher Ed Reauthorization bill in 1992. We lost it in conference, and we are coming back again with the underlying treatment amendment in the beginning, and let me explain what the underlying amendment does:

One loses their taxpayer subsidized loan for 1 year for first offense, 2 years for their second offense and indefinitely for the third. If they sell drugs, they get suspended for 2 years for a first offense and indefinitely on a second offense.

The point here is not to get people out of college. That is why we have the treatment program and then they come back in. We want to get people rehabbed so they can learn. But the problem here is we need to make sure not just that they are going through treatment programs and insurance companies can make a lot of money and treatment programs can make a lot of money, but that, in fact, people are cured.

This can be done, quite frankly, faster than the suspension period. If they successfully complete a rehab program and they get through a drug test that is clean, they are back in school.

I have no desire to eliminate anybody's opportunity to climb out of the situation they are in to advance their career, but the best way to do that is to make sure one is clean of drugs. And I believe that this amendment will actually make the underlying amendment that we had in committee even stronger and put teeth in that, and I hope that it can be supported by all sides. Because, once again, I want to say it is not a general testing amendment; it is only for people who have been convicted and lost their student loan.

Mr. GOODLING. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Indiana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. SOUDER).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT NO. 18 OFFERED BY MRS. CLAYTON

Mrs. Clayton. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Mrs. CLAYTON:

Page 248, line 4, strike "and"; on line 10, strike the second period and insert "; and", and after line 10 insert the following:

(7) by adding at the end the following new paragraph:

"(23) The institution will distribute to each student, during registration for enrollment in its instructional program, the mail voter registration application form described in section 9(a)(2) of the National Voter Registration Act of 1993, unless the student, in writing, declines to receive such form.".

Mrs. CLAYTON. Mr. Chairman, this is an amendment to allow that college students, as they begin their career as college students, to have the opportunity to begin their careers also as citizens participating in our great democracy. As my colleagues well know, the ages between 18 and 24 happened to be the lowest rate of participation. All Americans really should be ashamed at the rate we are participating but, simply put, this allows a simple access to a college student coming to register to also be able to register to vote.

□ 2245

To our knowledge, this does not require any Federal funds, so it should not be a question about the funding of this.

This amendment simply addresses access and opportunity. Currently, the Motor Voter registration allows for anyone to register at a library. It simply means that the Board of Elections of those particular cities will send this information or registration form to the colleges.

This is not a partisan amendment; this does not have added costs. This is simply a way for college students to participate in the democracy.

Mr. Chairman, with that, I will yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I am going to say the same thing that the gentleman from California (Mr. MCKEON) was told to say, which is the same thing that he mentioned.

We are accepting this amendment this evening with the understanding that if it creates too much heartburn, we will discuss it in conference.

Mrs. CLAYTON. Mr. Chairman, reclaiming my time, we appreciate the gentleman's willingness to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from North Carolina (Mrs. CLAYTON).

The amendment was agreed to.

AMENDMENT NO. 16 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment numbered 16.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. ANDREWS:

Page 164, after line 25, insert the following new subsection:

(t) NOTICE OF AVAILABILITY OF INCOME-SENSITIVE REPAYMENT OPTION.—

(1) AMENDMENT.—Section 428 is further amended by adding at the end the following new subsection:

"(o) NOTICE OF AVAILABILITY OF INCOME-SENSITIVE REPAYMENT OPTION.—At the time of offering a borrower a loan under this part, and at the time of offering the borrower the option of repaying a loan in accordance with this subsection, the lender shall provide the borrower with a notice that informs the borrower, in a form prescribed by the Secretary by regulation—

"(1) that all borrowers are eligible for income-sensitive repayment through loan consolidation under section 428C;

"(2) the procedures by which the borrower may elect income-sensitive repayment; and

"(3) where and how the borrower may obtain additional information concerning income-sensitive repayment.".

(2) CONFORMING AMENDMENTS.—

(A) Section 428(b)(1)(E)(i) is amended by inserting before the semicolon the following: "or of repaying the loan in accordance with an income-sensitive repayment schedule offered pursuant to section 428C".

(B) Section 485(b)(1)(A) is amended—

(i) by striking "and" at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting "; and"; and

(iii) by adding at the end the following new clause:

"(iii) the information required to be disclosed by lenders pursuant to section 428(o).".

Mr. ANDREWS. Mr. Chairman, the purpose of this amendment is to help deal with the very real problem of people who graduate from school with a significant student loan debt. I think we widely agree that the best solution is to try to find a way to moderate the cost of higher education. I think there are many things we have in this bill that begin to do that. The second best solution is more scholarship aid so more people are able to earn and win scholarships, whether based on merit or need.

We are still faced with the reality, though, that many students are required to borrow in order to finance their education. I believe that it is therefore imperative that we try to find ways that make that borrowing easier for students and their families to deal with.

One such way is to encourage the use of income-contingent or income-sensitive loans. In short, this concept means that one's obligation to pay one's loan back is based in large part upon their income, upon their ability to pay. So the less one makes, the less of an obligation one has to pay, but as their income rises, so does their obligation to pay.

This is the first of 2 amendments I am going to offer on this subject. This one makes it clear that whether students are under the direct loan program or the bank-based guarantee loan program, they are fully aware of their right to have all of their loans consolidated into the Department of Education and then converted through the income-sensitive option.

What this means is that a young man or a young woman who graduates with a significant debt, with a $20,000 or $30,000 or $40,000 debt, who chooses to go into a job or profession, or must go into a job or profession that earns a lower salary will have the opportunity to make that choice, will not be compelled to choose between pursuing the highest and best education they can get or accepting a job that they do not wish to pursue.

I think this is a sensible amendment. I believe it will encourage people to borrow prudently, but give them an opportunity to repay their loan on a fair and reasonable basis. It is a way to deal with the burgeoning problem of too much debt upon graduation.

Mr. Chairman, I yield to my friend, the gentleman from New Jersey (Mr. PASCRELL), who has proposed legislation that is very similar in concept to this. He accomplishes this goal by extending the period of time that people can pay back their loans, and I believe it is very much in sync with this idea.

Mr. PASCRELL. Mr. Chairman, I believe that the amendment of the gentleman is right on target. One of the largest and most severe problems facing college students is an ever-mounting debt. When I look at the students in my own State and how that debt has increased over the past several years, moving up to close to $13,000 on the average, and by another 2 years, that debt will increase to perhaps a little bit more than $20,000. I think that the indirect loan program to those students who are not taking advantage of the direct loans, 10 years is certainly questionable at this time.

I am not offering an amendment, Mr. Chairman. What I would like to do is in conference, if it is possible with the leadership, to consider the possibility of extending from 10 to 25 years those indirect loans. If we do not, then I think that we are in jeopardy for those students who graduate who want to take on some noble service like teaching or social work or joining the Peace Corps, that becomes impossible if one has to pay that loan off, that debt in 10 years. I hope we could extend it to 25 years. We have looked at the numbers on it and I think it is very doable. This will allow students more flexibility in their repayment schedules and make it easier for them to both adjust to the working world and take low-paying, public service-oriented jobs.

I have asked the students in my district about this, Mr. Chairman. They support this idea and I believe it is best for them, best for education, and best for America.

Mr. ANDREWS. Mr. Chairman, reclaiming my time, I yield to the gentleman from California (Mr. MCKEON), the chairman of the subcommittee on this issue.

Mr. McKEON. Mr. Chairman, I want to thank the gentleman from New Jersey, Mr. ANDREWS, for this amendment. I think it does strengthen the bill, as others do, and I would be happy to support it.

Mr. ANDREWS. Mr. Chairman, I thank the gentleman.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the last word, and I rise in support of the Andrews amendment.

I believe this is certainly a key issue for this Congress. When I speak to people from my district, they always talk about how can we help assist students in need who want to have college loans and grants. Students frankly across America want to make sure they achieve the American dream by community service, by helping their country. If they cannot get the college loan or grant, then they may be foreclosed from higher education just because we in Congress did not take advantage of the Andrews amendment.

By seizing the moment here tonight in a bipartisan fashion, we are able to work with the gentleman from New Jersey (Mr. ANDREWS) and others to make sure that the vision that we have for America, to make sure our young people have the chance, through this flexible system, to be able to have more college loans and grants available, and that is certainly the idea of why people sent us to Congress.

So I ask my colleagues to unanimously support it.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. FOX of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. ANDREWS. Mr. Chairman, I would like to thank my friend from Pennsylvania for his support. I also wanted to make special note of the cosponsorship of the gentleman from Wisconsin (Mr. PETRI) of this amendment and thank him for his help on it.

Mr. FOX of Pennsylvania. Mr. Chairman, reclaiming my time, the fact is that this kind of amendment is what the American vision has been working on where it is bipartisan, where it shows that across the aisle when it comes to our children, we can work together for education and for opportunity.

I ask again that my colleagues support this wholeheartedly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment No. 15.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. ANDREWS:

Page 163, strike out lines 16 and 17 and insert in lieu thereof the following:

(p) LENDERS-OF-LAST-RESORT.—Section 428(j)(3) is amended—

(1) in subparagraph (A)—

(A) in the heading thereof, by striking "DURING TRANSITION TO DIRECT LENDING";

(B) by striking out "during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of the title," and inserting a comma;

(C) by inserting "designated for a State" immediately after "a guaranty agency"; and

(D) by inserting "subparagraph (C) and immediately before "section 422(c)(7),"; and

(2) by adding at the end thereof the following new subparagraph:

"(C) The Secretary shall exercise the authority described in subparagraph (A) only if the Secretary determines that eligible borrowers are seeking and are unable to obtain loans under this part, and that the guaranty agency designated for that State has the capability to provide lender-of-last-resort loans in a timely manner, in accordance with its obligations under paragraph (1), but cannot do so without advances provided by the Secretary under this paragraph. If the Secretary makes the determinations described in the preceding sentence and determines that it would be cost-effective to do so, the Secretary may provide advances under this paragraph to that guaranty agency. If the Secretary determines that guaranty agency does not have such capability, or will not

provide such loans in a timely fashion, the Secretary may provide such advances to enable another guaranty agency, that the Secretary determines to have such capability, to make lender-of-last-resort loans to eligible borrowers in that State who are experiencing loan access problems.".

Mr. ANDREWS. Mr. Chairman, this amendment is an important priority of the Department of Education and the administration, and I believe all of us on both sides of the aisle want to clarify the status of the Lender of Last Resort program.

I would like to first of all thank the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the committee, and the gentleman from California (Mr. MCKEON) and their staffs for their cooperation, and of course the gentleman from Missouri (Mr. CLAY), and the gentleman from Michigan (Mr. KILDEE) and their staffs for their cooperation.

The purpose of this amendment is to make it clear that under the law, when a student is unable to secure a bank-based loan or does not attend a direct lending institution, that that student has the right under law and under this bill to go to a guarantee agency or other credit facilitators named in the bill as a lender of last resort.

Put simply, this is the safety net when all of the other mechanisms fail to students not at a direct lending school. If there is a problem obtaining a bank loan, this is the safety net that assures that man or woman that a student loan is available under the terms and conditions of this law.

It is my understanding that both sides of the aisle are in accord with this objective, and I would be happy to yield to the gentleman from California (Mr. MCKEON), the subcommittee chairman at this time.

Mr. MCKEON. Mr. Chairman, I want to thank the gentleman again for his amendment. We have been working hard to avoid a disaster, and I am hopeful that our bill will be passed and signed into law before we hit the wall. But I think this makes good sense to make sure that in the event that there is a disaster, we do have this money there available for these lenders of last resort. So I am happy to support the amendment.

Mr. ANDREWS. Mr. Chairman, I thank the gentleman for his cooperation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

The amendment was agreed to.

AMENDMENT NO. 44 OFFERED BY MR. MCGOVERN

Mr. MCGOVERN. Mr. Chairman, I offer amendment No. 44.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 44 offered by Mr. MCGOVERN:

Page 96, after line 7, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(f) PELL GRANT INCENTIVES.—Subpart 1 of part A of title IV of the Higher Education Act of 1965 is amended by inserting after section 401 (20 U.S.C. 1070a) the following new section:

"SEC. 401A. PELL GRANT INCENTIVES.

"(a) PROGRAM AUTHORITY.—From the amounts appropriated pursuant to subsection (d), the Secretary shall establish a program to increase the Pell grant awards under section 401 during their first two academic years of undergraduate education to students who graduate after May 1, 1998, in the top 10 percent of their high school graduating class.

"(b) AMOUNT OF INCREASE.—The additional amount of Pell grant that shall be awarded under this section to any student who qualifies under this section shall be an amount equal to the amount for which the student is eligible under section 401 (determined without regard to the provisions of this section), except that if the amount appropriated pursuant to subsection (d) is less than the amount required to award such additional amounts to all such students, the additional amount awarded to each such student under this section shall be ratably reduced.

"(c) DETERMINATIONS OF ELIGIBILITY.—

"(1) PROCEDURES ESTABLISHED BY REGULATION.—The Secretary shall establish by regulation procedures for the determination of eligibility of students for increased Pell grant awards under this section. Such procedures shall include measures to prevent any secondary school from certifying more than 10 percent of it's students for eligibility under this section.

"(2) COORDINATION WITH NEED ANALYSIS.—In prescribing procedures under paragraph (1), the Secretary shall ensure that the determination of eligibility and the amount of the increase in the Pell grant award is determined in a timely manner consistent with the requirements of section 482 and the submission of the financial aid form required by section 483. For such purposes, the Secretary may provide that, for the first of a student's two academic years of eligibility under this section, class rank may be determined prior to graduation, at such time and in such manner as the Secretary may specify in the regulations prescribed under this subsection.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to award increased Pell grants under this section $240,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

Mr. MCGOVERN. Mr. Chairman, the amendment I offer today provides both an incentive and a reward for Pell-eligible students who pursue and achieve academic excellence by graduating in the top 10 percent of their high school class. Too often we exhort parents and students, teachers and communities to do more, to do better, to do it all, but we offer few incentives and even fewer rewards.

This amendment that I am offering today will provide those Pell-eligible students who, against all odds, graduate in the top 10 percent of their high school class, an achievement benefit for their first two years of postsecondary education. The amount of that achievement benefit will match the amount of the Pell Grant awarded to that individual.

For example, Bill Smith graduates in the top 10 percent of his high school class and receives a $900 Pell Grant. The achievement benefit that matches that award is an additional $900 grant. So Bill Smith receives Federal assistance of $1,800 for years 1 and 2 of his college education, and his Pell Grant continues at $900 for years 3 and 4.

According to the Congressional Research Service, over 84,000 young men and women nationwide would benefit from this achievement award. This amendment will increase the affordability of a higher education without increasing the debt of students and their families. But everyone in this Chamber recognizes that we need to increase grant assistance for higher education, not just at the Federal level, but at the State and local level; not just in the public sector, but from the private sector as well. My amendment is just one modest proposal to do just that, while encouraging students to achieve the very highest academic level.

This amendment increases the accessibility of a higher education and expands the options of college choice available to students and their families. This amendment will not alter the Pell Grant formula or program. Let me emphasize that again. This amendment will not affect the Pell Grant program or its funding. It will not penalize those Pell-eligible students who do not graduate in the top 10 percent of their class. Instead, it provides a matching grant, if you will, that would double the amount of a student's Pell Grant award should the achievement benefit become fully funded.

This amendment is endorsed by the American Council on Education, the Association of Jesuit Colleges and Universities, and many others.

Regarding this amendment the Association of Jesuit Colleges and Universities has stated that this program would send the encouraging message to students struggling to achieve under difficult circumstances that their hard work and perseverance will be well rewarded.

The American Council on Education has said that early information about the availability of increased grant assistance could have a profoundly positive impact on students' academic performance and aspirations.

No one knows better than low-income, college-bound students that the cost of an education is often perceived as a major barrier to the fulfillment of their dreams. We need to do all that we can to encourage these students, especially those with exceptional ability and determination, to strive for their ultimate potential in higher education and beyond.

This amendment will require a separate appropriation, and in order to be sensitive to the budget constraints in which we are all working, the amendment includes a provision to rateably

reduce the achievement benefit based on the appropriations. What this means is that if the full amount to carry out this provision is appropriated, then the achievement benefit we will match will be 100 percent, dollar for dollar.

□ 2300

However if the appropriations were only half the amount needed, then the achievement benefit would be equal to half the amount of the student's Pell Grant, and so on.

Mr. Chairman I recognize and support current funding priorities in higher education, to resolve the question of student loan interest rates, to increase overall funding for Pell Grants, to establish the High Hopes program and so on. But there will not be another opportunity for 6 years to authorize the establishment of this grant benefit.

It is my hope over the next few years, we might explore this type of achievement incentive. And if in fiscal year 2000 or 2001, we as a Congress decide to fund such an achievement award, then we need to create its authorization in this bill.

Mr. Chairman, this amendment is wholly subject to an appropriation. It breaks no budget authority or spending caps. No one has been more supportive of Pell Grants or grant assistance than the gentleman from Pennsylvania (Chairman GOODLING), the gentleman from Missouri (Mr. CLAY), or the gentleman from California (Mr. MCKEON), or the gentleman from Michigan (Mr. KILDEE), and I want to thank them for their leadership and persistence on this issue.

Mr. Chairman, this amendment will reduce student debt, increase the affordability and accessibility of a college education, motivate young people to strive for academic excellence, and reassure families that a college education is not out of financial reach for their determined, hard-working daughter or son.

I hope that my House colleagues will support this amendment overwhelmingly and establish this achievement benefit.

Mr. Chairman, I submit the following for the RECORD:

AMERICAN COUNCIL ON EDUCATION,
Washington, DC, February 17, 1998.

Hon. JAMES P. MCGOVERN,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MCGOVERN: I write to express my interest in and appreciation for the bill you are sponsoring, the "Incentives for Achievement Through Pell Grants Act," which will establish a program to increase Pell Grant awards to students who graduate in the top 10 percent of their high school class. This bill is clear evidence of your commitment to providing greater access to higher education for students from low- and middle-income families.

Your proposal to provide an incentive to students with early information about the availability of an increased Pell Grant could have a profoundly positive impact on students' academic performances and aspirations. This will help to mitigate students' concern that resources necessary to fund a postsecondary education are beyond their financial reach, and will instead motivate them to achieve greater academic success.

I congratulate you for introducing this innovative legislation. I look forward to working with you as reauthorization of the Higher Education Act progresses.

Sincerely,

TERRY W. HARTLE,
Senior Vice President.

ASSOCIATION OF
JESUIT COLLEGES AND UNIVERSITIES,
Washington, DC, February 17, 1998.

Hon. JAMES P. MCGOVERN,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN MCGOVERN: On behalf of the Association of Jesuit Colleges and Universities, I want to commend and support your initiative in introducing the "Incentives for Achievement Through Pell Grants Act," for needy students who have demonstrated special achievement.

The doubling of the Pell Grant for recipients who graduate in the top 10% of their high school class can provide both an incentive and a reward for those students. This program would send the encouraging message to students struggling to achieve under difficult circumstances that their hard work and perseverance will be rewarded.

The new Hope Tax Scholarship Credit and Life-Long Learning Tax Credit assist middle income families in providing an education for their children. Your program addresses the needs of lower income families.

Pell Grants have long been a critical component of federal student financial aid programs on our campuses. Our association has consistently worked diligently to preserve these and all campus-based programs at the same time we have significantly increased our own institutional commitment to financial aid for our students. Your new program very importantly supplements these efforts, rather than replacing them.

Our special thanks to you for this latest example of your leadership, this time in support of deserving and needy students who will help create our nation's future.

Sincerely and gratefully,

CHARLES L. CURRIE, S.J.,
President.

ASSUMPTION COLLEGE NEWS . . . DR. CHARLES L. FLYNN, JR. ENDORSES PELL GRANT LEGISLATION

WORCESTER.—Dr. Charles L. Flynn Jr., acting president and provost of Assumption College, spoke in support of Congressman James J. McGovern's Pell Grant legislation today.

Dr. Flynn remarked, "On behalf of Assumption College, it is my pleasure to commend Congressman MCGOVERN for leading the effort to increase Pell Grants. Pell is the federal government's largest, most important program of need-based financial aid. More than any other federal program, it targets low and middle-income students.

"Congressman McGovern's proposal to create a 'Double' Pell Grant for students of high academic achievement is particularly impressive. This proposal simultaneously addresses two important national needs. First is the need to make educational opportunity available to all citizens without regard to family wealth. Second is the importance of encouraging outstanding student achievement. Congressman McGovern's legislation will help to keep the doors of higher education open to students who need financial assistance; it will also reward high school students who strive hard, learn more, and earn better grades.

"Last year, 16 percent of Assumption students who applied for financial aid were eligible to receive Pell Grants. The average award to these students was $1,500. Those Pell Grants were supplemented by other federal and state loans and grants. And by far, the largest amount of financial aid came to students and their families from the College itself. The system I am describing, therefore, is a partnership of colleges, state government, and the federal government. This partnership is essential if we are to continue to be a nation of true opportunity.

"Congressman MCGOVERN, you are playing a vital role in the Congress of the United States. At Assumption, we share your view that Congress should do more to ensure opportunity for low and middle-income students. I hope that everyone here today will send a message to our congressional leadership that the McGovern Bill is important, not only to Central Massachusetts, but also to higher education nationally.

"Higher education serves several purposes. As chief academic officer of this liberal arts college, I am particularly aware of the humanizing role of a college education. At Assumption, in reason and in faith, we prepare citizens. We prepare students for the good use of their talents, the responsible exercise of their rights, and the fulfillment of their obligations to others. That is true for our graduates at work, at home, and in the public square. In that way, too, I am keenly aware of the importance of higher education to the future of Central Massachusetts. If we are to have a community of hope and economic opportunity, we must have a highly skilled workforce. The McGovern Bill promises to keep the doors of higher education wide open, and thus to further both the noble and practical ends of our colleges and universities."

STATEMENT OF PAUL J. LYNSKEY, DIRECTOR OF EDCENTRAL, COLLEGES OF WORCESTER CONSORTIUM

"Those of us who work with low income college bound students know that the cost of an education is often perceived as a major barrier. We need to do all that we can to encourage these students especially those with exceptional ability, to strive for their ultimate potential in higher education and beyond."

Mr. GOODLING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman is correct when he says it would not take from one low-income student and give to another student because it does call for a separate authorization. However, if it got the second authorization, then the money would have to come from somewhere if they were going to appropriate it.

This is the problem we get into. The Presidential Access Scholarship Program in 1992 was designed to do just this. Now, it has never been funded. It has never been funded simply because every time we raise a Pell Grant by $100, it costs $300 million. So I rise in opposition to this amendment for that reason.

The second reason that I would bring to the House's attention is the fact

that an A student here may be a B student in another school. There is no question about that. And, therefore, we could be rewarding someone who really is not doing all that well if they were in this school. But they are in this school so they are doing quite well.

And so I would rise in opposition for those two reasons and remind everyone again, if we get a separate authorization, which this would do, and then the appropriators would happen to say, "Gee, this does not sound too bad," and they would appropriate, they would then have to find money elsewhere in order to do that. And so I rise in opposition to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. MCGOVERN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 411, further proceedings on the amendment offered by the gentleman from Massachusetts (Mr. MCGOVERN) will be postponed.

Are there further amendments to title IV?

AMENDMENT NO. 25 OFFERED BY MR. GORDON

Mr. GORDON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 25 offered by Mr. GORDON:

Page 154, beginning on line 5, strike subparagraph (F) through page 155, line 19, and insert the following:

"(F) Subject to paragraph (4), the special allowances paid pursuant to this subsection on loans made on or after July 1, 1998 for which the applicable interest rate is determined under section 427A(a) shall be computed—

"(i) by determining the bond equivalent rate of the average of the quotes as reported by the Federal Reserve of the 3-month commercial paper (financial) rate in effect for each of the days in the quarter for which the rate is being determined;

"(ii) by subtracting the applicable interest rate on such loan from such applicable bond equivalent rate;

"(iii)(I) for Stafford loans during any period in which principal need not be paid (whether or not such principal is in fact paid) by reason of provision described in section 428(b)(1)(M) or 427(a)(2)(C), by adding 1.8 percent to the resultant percent, (II) for Stafford loans during any other periods, by adding 2.39 percent to the resultant percent, or (III) or PLUS loans, by adding 3.1 percent to the resultant percent; and

"(iv) by dividing the resultant percent by 4.".

Mr. GORDON. Mr. Chairman, there have been a number of accolades, well-deserved accolades given to the gentleman from Pennsylvania (Chairman GOODLING), the gentleman from Missouri (Mr. CLAY), the gentleman from California (Chairman MCKEON), and the gentleman from Michigan (Mr. KILDEE). As I say, those are well-deserved and I just have to say that it is just a pleasant experience tonight to see a constructive committee working on an important issue and their leadership I think is making the whole committee and the House work together. It is just hopefully a model that we can follow some more in this body. I hope we could do that in the future.

The amendment that the gentleman from Pennsylvania (Mr. KANJORSKI) and I have offered tonight will add greater efficiency to the compromise that was reached by the Committee on Education and the Workforce to address the 1998 interest rate problem. If nothing is done, the change that is set to go into effect on July 1 would destabilize the student loan program that has provided $240 billion to students over the past 30 years resulting in a $25 billion increase in the annual volume of loans for the Department of Education, which I fear such a shift to the Department could create a complete collapse of the student loan system. Then no student would be able to get a loan. And if a student could not get a loan, the interest rate does not matter.

I have concerns about the increasing volatility of the current and proposed mechanism for determining the loan interest rates, the 91-day T bill. As we all know, the budget is becoming balanced and we are looking ahead to a surplus. This has caused a reduction in the issuance of the 91-day T bill by the Treasury. In fact, the amount of 91-day T bills auctioned weekly has declined 56 percent over the past year. This volatility creates tremendous financial risk.

Mr. Chairman, this amendment would change the basis for the student loan interest rates from the 91-day T bill to an index which is a large and growing source of short-term financing, 3-month commercial paper. And though we would make this change, the rate paid by the students and returned to the lenders would be equal to the committee solution in this bill. Let me repeat, the interest rate and the rate of return would stay the same as they are in this bill.

This proposal does not hurt anyone, not students nor the government. All it will do is provide a more efficient way for lenders to finance the loans they are making. Commercial paper is a widely used index which many U.S. corporations use for short-term financing. There has been concern about this proposal incurring an additional Federal cost. I have addressed these concerns and will tell the House that the proposal actually saves money.

Mr. Chairman, for the last 8 years I have been working hard to eliminate wasteful spending in the student loan programs making them more efficient and effective. The change to commercial paper will allow lenders to use a more efficient means for financing these loans. This is a common sense proposal to ensure the longevity of our student loan program.

I have had a number of conversations with the gentleman from California (Mr. MCKEON), our committee chairman, as well as our ranking member, and I would like to take just a moment to address the gentleman and ask for his view on the commercial paper amendment.

Mr. MCKEON. Mr. Chairman, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from California.

Mr. MCKEON. Mr. Chairman, I appreciate the opportunity to engage in this colloquy, and I was thinking back many months ago when the gentleman from Tennessee (Mr. GORDON) and the gentleman from Michigan (Mr. KILDEE) and I drew many of these people together to begin the process on this. Does the gentleman remember that meeting?

Mr. GORDON. Yes, sir.

Mr. MCKEON. Mr. Chairman, it has been an interesting process and it is good to be together on this part of it as we are moving this far along on the issue. And it has been a real pleasure working with the gentleman from Tennessee.

I want to thank the gentleman for his efforts to find the most efficient index for student loan interest rates. I think it is clear to everyone that indexing interest rates for these loans to the 10- or 20-year bond rate just does not work. I believe we need to ensure access to loans while reducing interest rates to students basing those loans on the most efficient index.

As we move towards conference, I am committed to working towards the inclusion of the most efficient index and examining commercial paper within that context as part of the conference report.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I too am interested in looking at commercial paper as a possible index for student loan interest rates. Unfortunately, the committee has not had enough time to thoroughly assess the gentleman's proposal. The interest rate compromise is a delicate one and any changes will have to be carefully studied.

I, along with the gentleman from California (Chairman MCKEON), will use the time between now and conference with the other body to assess the option of using commercial paper as the index.

Mr. GORDON. Mr. Chairman, reclaiming my time, I thank the gentleman from Michigan and the gentleman from California. With those encouraging words, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. Are there further amendments to title IV.

AMENDMENT NO. 41 OFFERED BY MR. MCKEON

Mr. MCKEON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MCKEON:

Page 161, after line 9, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(j) DELAY IN COMMENCEMENT OF REPAYMENT PERIOD.—Section 428(b(7) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) There shall be excluded from the 6 months determined under subparagraph (A)(i) any period during which the student was called or ordered to active duty in a reserve component of the Armed Forces of the United States.".

Mr. MCKEON. Mr. Chairman, currently a student must begin repayment of his or her student loan six months after he or she ceases to take classes on at least a half-time basis. But a college student serving as a reservist may be called to active duty for more than six months, forcing him or her to begin repayment.

Mr. Chairman, it does not seem fair that a student called to serve his or her country should be forced to begin repayment, especially when they did not leave school by choice. This goes against the whole purpose of the repayment and of the six-month grace period.

The amendment which I offer, along with the gentleman from Wisconsin (Mr. KLUG) would allow those student reservists to forgo prepayment while serving on active duty. I urge all Members to support this amendment.

Mr. KILDEE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the father of two sons in the military, I find this a very attractive amendment and I support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MCKEON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT NO. 14 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. ANDREWS:

Page 156, after line 3, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 417. INCOME CONTINGENT REPAYMENT UNDER THE FFEL PROGRAM.

Part B of title IV is amended by inserting after section 427A (20 U.S.C. 1077a) the following new section:

"SEC. 427B. INCOME CONTINGENT REPAYMENT OPTION

"(a) AVAILABILITY OF OPTION.—

"(1) INDIVIDUAL LOANS.—An individual who has only one loan outstanding under this part shall, not more than 6 months prior to the date on which the borrower's first payment is due, be offered by the lender the option of repaying the loan in accordance with this section.

"(2) MULTIPLE LOANS.—An individual who has two or more loans outstanding under this part may obtain a consolidation loan under section 428C for the purposes of obtaining the option of repaying the loan in accordance with this section.

"(3) DIRECT LOANS.—An individual who has one or more loans under part D of this title may obtain income contingent repayment pursuant to section 455(e).

"(4) RESTRICTION OF OPTION TO NEW BORROWERS.—Notwithstanding paragraphs (1) through (3), the option of repaying a loan in accordance with this section shall be available only to borrowers who, on the date of enactment of this section, do not have any outstanding balance of principal or interest on any loan made under this part or part D.

"(b) TERMS OF REPAYMENT UNDER OPTION.—

"(1) LOAN OBLIGATIONS UNDER OPTION.—A loan that is subject to repayment under this section shall be repaid in installments that—

"(A) are determined in accordance with paragraph (2) for each one year period beginning on July 1; and

"(B) notwithstanding the note or other written evidence of the loan and subparagraphs (D) and (E) of section 428(b)(1), shall continue to be paid until—

"(i) the borrower has repaid the principal and any accrued or capitalized interest on the loan; or

"(ii) the remaining obligations of the borrower are discharged under subsection (c).

"(2) CALCULATION OF INSTALLMENTS.—

"(A) INSTALLMENT AMOUNTS.—The total amount that a borrower shall be required to pay as installments on a loan of such borrower that is subject to repayment under this section is equal to—

"(i) one-fourth of the annual amount determined under subparagraph (B), in the case of a loan that is repaid in quarterly installments; or

"(ii) one-twelfth of such annual amount, in the case of a loan that is repaid in monthly installments.

"(B) ANNUAL AMOUNT.—The annual amount for a loan that is subject to repayment under this section is determined for each one year period beginning on July 1 of each calendar year. The annual amount is determined by reference to the taxable income of the borrower for the taxable year ending in the calendar year preceding the calendar year in which the determination is made. The annual amount is determined in accordance with the following table:

Annual limit

If the taxable income of the borrower is—	Then the annual amount is—
Less than $20,000	3% of taxable income
$20,001–$40,000	5% of taxable income
$40,001–$60,000	7% of taxable income
$60,001–$90,000	10% of taxable income
$90,001–$120,000	15% of taxable income
$120,001 or more	20% of taxable income

"(C) SPECIAL RULE FOR JOINT RETURNS.—If an individual who is a borrower of a loan that is subject to repayment under this section files a joint return for the taxable year on which the annual amount is based, then the annual amount for such individual is determined under subparagraph (B) by treating the taxable income of such individual as equal to one-half the taxable income indicated on such joint return.

"(3) CAPITALIZATION OF UNPAID INTEREST.—If the amount that any borrower pays as an installment under paragraph (2) on a loan that is subject to repayment under this section is less than the interest that has accrued since the preceding installment, then the remaining unpaid interest shall be added, not more frequently than quarterly, to the principal amount of the loan. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on the account of the borrower.

"(c) DISCHARGE OF OBLIGATION.—

"(1) UNPAID BALANCE REMAINING AFTER 25 YEARS.—If the unpaid balance on a loan that is subject to repayment under this section has not been repaid in full at the end of 25 years of repayment, then—

"(A) the Secretary shall repay the holder of such loan such unpaid balance and the holder of the loans shall be deemed to have a contractual right, as against the United States, to receive from the Secretary such unpaid balance without administrative delay after the receipt by the Secretary of an accurate and complete request for payment; and

"(B) such payment by the Secretary shall be applied to discharge the borrower from any remaining obligation with respect to the loan.

"(2) UNPAID BALANCE.—For the purposes of paragraph (1), the unpaid balance of a loan is the sum of unpaid principal and unpaid accrued and capitalized interest, and any fees, such as late charges, assessed on such loan in accordance with the requirements of this part and the regulations thereunder.

"(e) INFORMATION NEEDED FOR COLLECTION.—

"(1) ACCESS TO TAXPAYER INFORMATION.—The Secretary may obtain such information as is reasonably necessary regarding the taxable income of a borrower (and the borrower's spouse, if applicable) of a loan that is subject to repayment under this section for the purpose of determining the installment caps under subsection (b)(2). Returns and return information (as defined in section 6103 of the Internal Revenue Code of 1986) may be obtained under the preceding sentence only to the extent authorized by section 6103(l)(13) of such Code.

"(2) ADDITIONAL DOCUMENTS.—A borrower of a loan that is subject to repayment under this section and for whom taxable income is unavailable or does not reasonably reflect the borrower's current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary.

"(3) TRANSMISSION OF DATA TO LENDERS.—The Secretary shall, by regulation, establish procedures for the transmission of data gathered under (1) and (2) to the lender or holder of a loan that is subject to repayment under this section.

"(4) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan that is subject to repayment under this section is notified of the terms and conditions of such loan, including notification of such borrower—

"(A) that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(l)(13) of the Internal Revenue Code of 1986; and

"(B) that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower's

spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in subparagraph (A), or the alternative documentation described in paragraph (2), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

"(f) DEFINITIONS.—For purposes of this section:

"(1) TAXABLE INCOME.—The taxable income of a borrower is determined in the manner provided in section 63 of the Internal Revenue Code of 1986.

"(2) TAXABLE YEAR.—The term 'taxable year' means the taxable year of a taxpayer for purposes of subtitle A of such Code.".

Page 204, after line 5, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 438. INCOME CONTINGENT REPAYMENT UNDER THE FEDERAL DIRECT LOAN PROGRAM.

Section 455(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended to read as follows:

"(e) PARALLEL INCOME CONTINGENT REPAYMENT.—

"(1) IN GENERAL.—The Secretary shall offer borrowers under this part the option of repaying their loans in the same manner as loans that are subject to repayment in accordance with section 427B.

"(2) EXCEPTIONS.—The Secretary shall prescribe any regulations necessary to implement the requirements of paragraph (1).".

Mr. ANDREWS. Mr. Chairman, this is the second amendment I am offering on the issue of income-contingent or income-sensitive loans. Let me say at the outset, and pursuant to my discussion with the subcommittee staff of the gentleman from California (Mr. MCKEON), I intend to simply explain the concept and ask for unanimous consent to withdraw it, based upon the assumption we can continue talking about this basic idea.

First, I wish to reiterate my appreciation for the acceptance of the first amendment on this subject. I think it gives us an excellent base on which to build. The purpose of this second amendment is to build on that base by specifying two things. One is that I believe that loans under the FFEL program should also have the income-contingent loan feature without consolidation, as this bill would now call for. And second, I believe in a different structure of income-sensitive repayment. I think there should be a specific gradation where the student's income is then tied to a percentage repayment.

My proposal calls for students making a taxable income of $20,000 or less to pay 3 percent of their income as their repayment. Students making $40,000 or less and down to $20,000, to pay 5 percent, and have similar gradations beyond that.

I believe that when this issue is fully scored by the Congressional Budget Office, it will show a very, very nominal cost, and yet have a great benefit for students as it will permit them to repay their loans in rising payments as their incomes rise. I believe another benefit of this proposal will be a substantial reduction in loan defaults. This is because the obligation of the student to pay will be more closely tied to the ability of the student to pay.

Mr. Chairman, I am aware of the fact that there are jurisdictional and budgetary issues that need to be discussed. I also know there are some substantive disagreements, but I did want to get on the record my adherence to this principle. Again, I express my appreciation for the adoption of the basic idea and amendment in No. 16.

Mr. MCKEON. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from California.

Mr. MCKEON. Mr. Chairman, I want to thank the gentleman for presenting his amendment, and withdrawing it, and we will continue to work on that issue.

Mr. ANDREWS. Mr. Chairman, reclaiming my time, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT NO. 39 OFFERED BY MR. KLINK

Mr. KLINK. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 39 offered by Mr. KLINK:

Page 164, after line 25, insert the following new subsections:

(t) NOTICE TO INSTITUTIONS OF DEFAULTS.—

(1) ADMINISTRATIVE AND FISCAL PROCEDURES.—Section 428(c)(2)(A) is amended by striking "proof that reasonable attempts were made" and inserting "proof that the institution and the State licensing board were contacted and other reasonable attempts were made"

(2) REIMBURSEMENT.—Section 428(c)(2)(G) (20 U.S.C. 1078(c)(2)(G)) is amended by striking "certifies to the Secretary that diligent attempts have been made" and inserting "demonstrates to the Secretary that diligent attempts, including direct contact with the institution and the State licensing board, have been made.".

(3) NOTICE TO SECRETARY AND PAYMENT OF LOSS.—The third sentence of section 430(a) (20 U.S.C. 1080(a)) is amended by inserting "the institution and the State licensing board were contacted and other" after "submit proof that".

MODIFICATION TO AMENDMENT NO. 39 OFFERED BY MR. KLINK

Mr. KLINK. Mr. Chairman, I ask unanimous consent that the modifications that we have at the desk be included in my amendment.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 39 offered by Mr. KLINK:

Page 164, after line 25, insert the following new subsection:

(t) NOTICE TO INSTITUTIONS OF DEFAULTS.—

(1) ADMINISTRATIVE AND FISCAL PROCEDURES.—Section 428(c)(2)(A) is amended by striking "proof that reasonable attempts were made" and inserting "proof that the institution was contacted and other reasonable attempts were made".

(2) REIMBURSEMENT.—Section 428(c)(2)(G) (20 U.S.C. 1078(c)(2)(G)) is amended by striking "certifies to the Secretary that diligent attempts have been made" and inserting "demonstrates to the Secretary that diligent attempts, including direct contact with the institution have been made.".

(3) NOTICE TO SECRETARY AND PAYMENT OF LOSS.—The third sentence of section 430(a) (20 U.S.C. 1080(a)) is amended by inserting "the institution was contacted and other" after "submit proof that".

Mr. KLINK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Is there objection to the modification to the amendment offered by the gentleman from Pennsylvania?

There was no objection.

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Mr. KLINK. Mr. Chairman, for my friend, we have taken out the line about the State licensing boards. That was the agreement that we had on the amendment. This is simply to say that before the loan goes into default that we should have some communications, that the school should be notified by the guaranty agency.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. KLINK. I yield to my friend, the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we accept the amendment.

Mr. KLINK. Mr. Chairman, I thank the gentleman. I always learned that when the jury starts nodding their heads, you stop talking.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KLINK).

The amendment was agreed to.

AMENDMENT NO. 40 OFFERED BY MR. KLINK

Mr. KLINK. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 40 offered by Mr. KLINK:

Page 177, after line 1, insert the following new subparagraph (and redesignate the succeeding subparagraph accordingly):

(A) by striking "for the fiscal year for which the determination is made and for the two succeeding fiscal years" and inserting "for the period determined under subparagraph (D);

Page 177, after line 14, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(3) by adding at the end of paragraph (2) the following new subparagraph:

"(D) An institution that is ineligible to participate pursuant to a determination

under paragraph (A) shall be ineligible for a period beginning with the fiscal year for which the determination is made and ending on the earlier of—

"(1) the expiration of the two succeeding fiscal years; or

"(1) the date on which the final cohort default rates published with respect to such institution are less than the threshold percentage specified in subparagraph (B) for any two of the three most recent fiscal years for which data are available.";

Mr. KLINK. Again, I really want to commend both chairmen for the wonderful work that they have done, and the ranking members, too.

This is another common sense, I think a good government reform amendment to the student loan program. I think it will save money. I think it will reduce student loan defaults and help maintain student access to educational resources.

This amendment is a little more complex. Currently, an institution of higher education would become ineligible for participation in the student loan program if it has three consecutive annual default rates over 25 percent. That is very good. There really has to be some accountability for the schools that cannot manage their default rates. They should be held accountable.

An institution currently can regain its eligibility after 2 years if it has one default rate under 25 percent during that period. I do not think that is really enough incentive for schools to really make a commitment to default management.

This amendment would offer another path for those schools to regain their eligibility. If an ineligible institution can post two default rates under 25 percent, it would then regain its eligibility regardless of the time it has been ineligible. I want emphasis put on the rates, not on the time served. We really want to bring the rates down.

The CBO has scored this amendment as having a very minimal cost. Let me say this for the budget conscious: We think that providing an incentive for schools to lower their default rate would mean better management and fewer defaults, which would mean savings, I believe. This amendment will, in fact, save money in the long run, and I would urge my colleagues to support it.

I understand that the majority, if we would withdraw this amendment, would work with us on this in conference. If that is the case, I would yield to the gentleman from Pennsylvania (Mr. GOODLING), the chairman, to see if that is the agreement we have. If we could work with the gentleman in conference on this, I would then withdraw the amendment.

Mr. GOODLING. Mr. Chairman, if the gentleman will yield, we would be very happy to work with the gentleman on this.

Mr. KLINK. Mr. Chairman, I thank the gentleman. He is a gentleman, a scholar, and a great friend from Pennsylvania, and I am happy to work with him.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT NO. 13 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. ANDREWS:

Page 154, line 18 strike "2.8 percent" and insert "2.3 percent".

Page 155, strike lines 2 and 3 and insert the following:

paragraph shall be applied by substituting '1.7 percent' for '2.3 percent.'

In clause (iv) as amended by the Manager's amendment to page 155, lines 12 though 23, relating to consolidation loans, strike "for 2.8 percent', subject" and insert "for 2.3 percent', subject".

Mr. ANDREWS. Mr. Chairman, this Congress, working with President Clinton and Vice-President GORE and Secretary Riley and the Department of Education, I think has built a laudable record of achievement in higher education. The Hope Scholarship tax credits that were enacted last year are a matter that is benefiting millions of families across the country. Virtually every family in my district has the opportunity to benefit from it in one way or the other.

Working with this committee and this Congress, Pell grants are at their highest level ever. More students are benefiting from Pell grants, and those students who benefit are benefiting at a higher level.

We have been able to enact and improve work-study programs and national service and many, many other areas. The administration and the Congress, I believe, have an exemplary record also in the area of student loans. Loan default costs have fallen precipitously.

I think Members of both parties and this committee deserve a lot of credit for that, working with the Department of Education. It is with that context in mind that I think the administration's proposal on the interest rate issue merits some consideration.

I realize that the gentleman from California (Mr. MCKEON) and the gentleman from Michigan (Mr. KILDEE) and the gentleman from Pennsylvania (Mr. GOODLING) and other leaders of this committee have worked to construct a very delicate balance on this compromise. For that reason, it is not my intention to press this matter for a vote at this time. It is, in fact, my intention to ask for unanimous consent to withdraw the amendment at the conclusion of these remarks.

But I do believe, and I think that belief is shared by many others in this body, that the administration's proposal of the subsidy number, which is the 91-day T-bill rate plus 1.7 percent for in-school interest and 2.3 percent for out-of-school interest, is a better number. That truly represents the level at which this program could operate efficiently for the lenders, profitably for the lenders, at a lower cost for the students, and perhaps most importantly, at a lower cost for the taxpayer.

I would repeat an admonition that the gentleman from South Carolina (Mr. SPRATT) made earlier this evening, that some of us have also embraced, that there is a lingering question as to how this compromise would be paid for.

I fully respect and appreciate the long-standing effort that the leadership of this committee has made to construct this compromise. It is not my desire to upset it or to be unduly critical of it.

I do wish to go on record, though, that I believe the administration position is the right one. As we proceed in negotiations with the other body and the administration, I would hope that we continue to have an open mind about this. With the intention of withdrawing the amendment, I would yield to either the full or subcommittee chairman at this point.

Mr. MCKEON. Mr. Chairman, if the gentleman will yield, I would be happy to discuss this just shortly with the gentleman from New Jersey. I wish we had the wisdom of Solomon.

Mr. ANDREWS. Does the gentleman mean the chairman of the Committee on Rules?

Mr. MCKEON. Yes, that is exactly who I was speaking about.

Mr. Chairman, I wish I could say this is a perfect number, but we talk about banks and we talk about lending institutions, and each of them has a different profit margin. Some of them this will drive out. Some of them will be able to stay in. Some we could go to a lower number and still keep some in and drive some out.

I think what we really need to look at is where is the risk. I guess the driving pitfall for me has been we need to protect the students. My concern is, as we drive banks out of the system, the ones that will get hurt first will be the students that need the help the most.

I looked at weighing the risk. If you put the risk here, if we put the number a little bit too high, the risk is that some banks will make a little bit extra profit and pay a little bit more taxes; whereas if we put the number too low and drive banks out, some of those students that rely heavily on this, that are maybe not the 18- or 19-year-old students, but there are some that come

back that have been out in the workplace and now come back, they are going to community colleges or going to proprietary schools or going to night school, they really need that loan or they really need that help. They are the ones I am most concerned about in this process.

Mr. ANDREWS. Mr. Chairman, reclaiming my time, I freely acknowledge and commend both the gentleman from Pennsylvania (Mr. GOODLING), the committee chairman, and the gentleman from California (Mr. MCKEON), the subcommittee chairman, for making significant reductions in payments to both lenders and guaranty agencies in this and prior bills.

They certainly recognize the ability to have efficiencies. We may disagree about where that efficiency lies, but I certainly respect the effort and appreciate the time.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT NO. 12 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer one more amendment listed as No. 12.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. ANDREWS:

Page 153, before line 13, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(b) CONSOLIDATION LOANS.—Notwithstanding any provision of subsection (a), with respect to any consolidation loan made under section 428C for which the first disbursement is made on or after July 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(1) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(2) 2.3 percent, except that such rate shall not exceed 8.25 percent.

Mr. ANDREWS. Mr. Chairman, there is an issue here as to the interest rate that students pay when they consolidate their loans, when they consolidate their direct loans in this case. The question is whether or not the students should pay a blended rate, which is to say the rate of all of the loans that he or she is consolidating, averaged and blended in as a weighted average, or whether the students should pay the interest rate paid on newly issued direct loans.

I believe that the students should pay the interest rate on newly issued direct loans. I do not believe there is a significant cost consideration here. I think that this is effectively a benefit to students in this way.

If interest rates in the long term continue to moderate or even drop, as we have been fortunate to see in the last 3 or 4 years, I think students should get the benefit of that. I think if rates dropped, then students who consolidate their loan should get the same kind of benefit that homeowners get when they refinance their home mortgage.

I understand that there are some issues of parity between the FFEL Program and the direct loan program. I frankly would like to see those issues resolved by giving persons who consolidate an FFEL loan the same low rate that students who consolidate direct loans get. I think this parity matter should be resolved in favor of the students rather than the lenders or the government.

Having said that, I understand there are issues respecting the pay-as-you-go rules here. I also understand the desire to promote the continuing parity between the direct loan and guaranty loan programs.

With the understanding that this also is an issue that is open to continued discussion among those of us in this House, the Senate, the Department of Education and the administration, it would be my intention to withdraw this amendment.

Mr. Chairman, I am happy to yield to the subcommittee chairman or full committee chairman at this time.

Mr. MCKEON. Mr. Chairman, I gave my speech last time, and I would just like to thank the gentleman for his presentation and for withdrawing his amendment.

Mr. ANDREWS. Would the gentleman like to accept the amendment?

Mr. MCKEON. My colleague heard me. I thank the gentleman for withdrawing the amendment.

Mr. ANDREWS. I appreciate the gentleman's indulgence.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Are there further amendments to title IV?

The Clerk will designate title V.

The text of title V is as follows:

TITLE V—DEVELOPING INSTITUTIONS

SEC. 501. ESTABLISHMENT OF NEW TITLE V.

Title V is amended to read as follows:

"TITLE V—DEVELOPING INSTITUTIONS

"PART A—HISPANIC-SERVING INSTITUTIONS

"SEC. 501. PROGRAM AUTHORIZED.

"The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic and other low-income students.

"SEC. 502. ELIGIBILITY; DEFINITIONS.

"(a) DEFINITIONS.—For the purpose of this part:

"(1) HISPANIC-SERVING INSTITUTION.—The term 'Hispanic-serving institution' means an institution of higher education which—

"(A) is an eligible institution;

"(B) at the time of application, has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students; and

"(C) provides assurances that not less than 50 percent of its Hispanic students are low-income individuals.

"(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

"(A) an institution of higher education—

"(i) which has an enrollment of needy students as required by subsection (b) of this section;

"(ii) except as provided in section 522(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

"(iii) which is—

"(I) legally authorized to provide, and provides within the State, an educational program for which such institution awards a bachelor's degree; or

"(II) a junior or community college;

"(iv) which is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or which is, according to such an agency or association, making reasonable progress toward accreditation;

"(v) which meets such other requirements as the Secretary may prescribe; and

"(vi) which is located in a State; and

"(B) any branch of any institution of higher education described under subparagraph (A) which by itself satisfies the requirements contained in clauses (i) and (ii) of such subparagraph.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under subparagraph (A)(i) shall be given twice the weight of the factor described under subparagraph (A)(ii).

"(3) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

"(4) FULL-TIME EQUIVALENT STUDENTS.—The term 'full-time equivalent students' means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institution.

"(5) JUNIOR OR COMMUNITY COLLEGE.—The term 'junior or community college' means an institution of higher education—

"(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(B) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(C) that—

"(i) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree, or

"(ii) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level

in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"(6) EDUCATIONAL AND GENERAL EXPENDITURES.—For the purpose of this part, the term 'educational and general expenditures' means the total amount expended by an institution of higher education for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation and maintenance expenditures for the physical plant, and any mandatory transfers which the institution is required to pay by law.

"(7) ENDOWMENT FUND.—For the purpose of this part, the term 'endowment fund' means a fund that—

"(A) is established by State law, by an institution of higher education, or by a foundation that is exempt from Federal income taxation;

"(B) is maintained for the purpose of generating income for the support of the institution; and

"(C) does not include real estate.

"(b) ENROLLMENT OF NEEDY STUDENTS.—For the purpose of this part, the term 'enrollment of needy students' means an enrollment at an institution of higher education or a junior or community college which includes—

"(1) at least 50 percent of the degree students so enrolled who are receiving need-based assistance under title IV of this Act in the second fiscal year preceding the fiscal year for which the determination is being made (other than loans for which an interest subsidy is paid pursuant to section 428), or

"(2) a substantial percentage of students receiving Pell Grants in the second fiscal year preceding the fiscal year for which determination is being made, in comparison with the percentage of students receiving Pell Grants at all such institutions in the second fiscal year preceding the fiscal year for which the determination is made, unless the requirement of this subdivision is waived under section 522(a).

"SEC. 503. AUTHORIZED ACTIVITIES.

"(a) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this part shall be used by Hispanic-serving institutions of higher education to assist such institutions to plan, develop, undertake, and carry out programs.

"(b) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for one or more of the following activities:

"(1) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(2) construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities;

"(3) support of faculty exchanges, faculty development, curriculum development, academic instruction, and faculty fellowships to assist in attaining advanced degrees in their field of instruction;

"(4) purchase of library books, periodicals, and other educational materials, including telecommunications program material;

"(5) tutoring, counseling, and student service programs designed to improve academic success;

"(6) funds management, administrative management, and acquisition of equipment for use in strengthening funds management;

"(7) joint use of facilities, such as laboratories and libraries;

"(8) establishing or improving a development office to strengthen or improve contributions from alumni and the private sector;

"(9) establishing or improving an endowment fund;

"(10) creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services;

"(11) establishing or enhancing a program of teacher education designed to qualify students to teach in public elementary and secondary schools;

"(12) establishing community outreach programs which will encourage elementary and secondary school students to develop academic skills and the interest to pursue postsecondary education;

"(13) improving and expanding graduate and professional opportunities for Hispanic students; and

"(14) other activities proposed in the application submitted pursuant to section 504 that—

"(A) contribute to carrying out the purposes of this section; and

"(B) are approved by the Secretary as part of the review and acceptance of such application.

"(c) ENDOWMENT FUND LIMITATIONS.—

"(1) PORTION OF GRANT.—An institution may not use more than 20 percent of its grant under this part for any fiscal year for establishing or improving an endowment fund.

"(2) MATCHING REQUIRED.—An institution that uses any portion of its grant under this part for any fiscal year for establishing or improving an endowment fund shall provide an equal or greater amount for such purposes from non-Federal funds.

"(3) REGULATIONS.—The Secretary shall publish rules and regulations specifically governing the use of funds for establishing or improving an endowment fund.

"SEC. 504. APPLICATION PROCESS.

"(a) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this part shall submit to the Secretary such enrollment data as may be necessary to demonstrate that it is a Hispanic-serving institution, along with such other information and data as the Secretary may by regulation require.

"(b) APPLICATIONS.—Any institution which is determined by the Secretary to be a Hispanic-serving institution (on the basis of the information and data submitted under subsection (a)) may submit an application for assistance under this section to the Secretary. Such application shall include—

"(1) a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic and other low-income students; and

"(2) such other information and assurance as the Secretary may require.

"(c) PRIORITY.—The Secretary shall give priority to applications that contain satisfactory evidence that such institution has entered into or will enter into a collaborative arrangement with at least one local educational agency or community-based organization having demonstrated effectiveness to provide such agency with assistance (from funds other than funds provided under this part) in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education.

"(d) SPECIAL RULE.—For the purposes of this part, no Hispanic-serving college or university which is eligible for and receives funds under this part may concurrently receive other funds under title III.

"SEC. 505. DURATION OF GRANT.

"(a) AWARD PERIOD.—The Secretary may award a grant to an eligible institution under this part for 5 years, except that no institution shall be eligible to secure a subsequent 5-year grant award under this part until two years have elapsed since the expiration of its most recent 5-year grant award.

"(b) LIMITATIONS.—In awarding grants under this part the Secretary shall give priority to applicants who are not already receiving a grant under this part, except that for the purpose of this subsection a grant under section 524(a)(1) shall not be considered a grant under this part.

"(c) PLANNING GRANTS.—Notwithstanding subsection (a), the Secretary may award a grant to an eligible institution under this part for a period of one year for the purpose of preparation of plans and applications for a grant under this part.

"PART B—GENERAL PROVISIONS

"SEC. 521. APPLICATIONS FOR ASSISTANCE.

"(a) APPLICATIONS.—

"(1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate its need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title only if the Secretary determines that—

"(A) the application meets the requirements of subsection (b);

"(B) the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought; and

"(C) the applicant's performance goals are sufficiently rigorous as to meet the purposes of this title and the performance objectives and indicators for this title established by the Secretary pursuant to the Government Performance and Results Act.

"(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary shall develop a preliminary application for use by eligible institutions applying under part A prior to the submission of the principal application.

"(b) CONTENTS.—An institution, in its application for a grant, shall—

"(1) set forth, or describe how the institution will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

"(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 503, and in no case supplant those funds;

"(3) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the applicant under this title;

"(5) provide (A) for making such reports, in such form and containing such information, as the Secretary may require to carry out the functions under this title and the Government Performance and Results Act, including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded, and (B) for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports;

"(6) provide that the institution will comply with the limitations set forth in section 526;

"(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include—

"(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

"(B) in the case of any development project which consists of several components (as described by the applicant pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the applicant);

"(C) an evaluation by the applicant of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the applicant under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the applicant pursuant to subparagraph (A));

"(D) a detailed budget showing the manner in which funds for any proposed project would be spent by the applicant; and

"(E) a detailed description of any activity which involves the expenditure of more than $25,000, as identified in the budget referred to in subparagraph (D); and

"(8) include such other information as the Secretary may prescribe.

"(c) PRIORITY CRITERIA PUBLICATION REQUIRED.—The Secretary shall publish in the Federal Register, pursuant to chapter 5 of title 5, United States Code, all policies and procedures required to exercise the authority set forth in subsection (a). No other criteria, policies, or procedures shall apply.

"(d) ELIGIBILITY DATA.—The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV of this Act in making eligibility determinations and shall advance the base-year forward following each annual grant cycle.

"SEC. 522. WAIVER AUTHORITY AND REPORTING REQUIREMENT.

"(a) WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(i) in the case of an institution—

"(1) which is extensively subsidized by the State in which it is located and charges low or no tuition;

"(2) which serves a substantial number of low-income students as a percentage of its total student population;

"(3) which is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals;

"(4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions; or

"(5) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Hispanic Americans.

"(b) WAIVER DETERMINATIONS; EXPENDITURES.—(1) The Secretary may waive the requirements set forth in section 502(a)(2)(A)(ii) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet that criterion is due to factors which, when used in the determination of compliance with such criterion, distort such determination, and that the institution's designation as an eligible institution under part A is otherwise consistent with the purposes of such part.

"(2) The Secretary shall submit to the Congress every other year a report concerning the institutions which, although not satisfying the criterion contained in section 502(a)(2)(A)(ii), have been determined to be eligible institutions under part A institutions which enroll significant numbers of Black American, Hispanic, Native American, Asian American, or Native Hawaiian students under part A, as the case may be. Such report shall—

"(A) identify the factors referred to in paragraph (1) which were considered by the Secretary as factors that distorted the determination of compliance with section 502(a)(2)(A)(ii); and

"(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.

"SEC. 523. APPLICATION REVIEW PROCESS.

"(a) REVIEW PANEL.—All applications submitted under this title by institutions of higher education shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall assure that no individual assigned under this section to review any application has any conflict of interest with regard to the application which might impair the impartiality with which the individual conducts the review under this section.

"(2) All readers selected by the Secretary shall receive thorough instruction from the Secretary regarding the evaluation process for applications submitted under this title and consistent with the provisions of this title, including—

"(A) an enumeration of the factors to be used to determine the quality of applications submitted under this title; and

"(B) an enumeration of the factors to be used to determine whether a grant should be awarded for a project under this title, the amount of any such grant, and the duration of any such grant.

"(b) RECOMMENDATIONS OF PANEL.—In awarding grants under this title, the Secretary shall take into consideration the recommendations of the panel made under subsection (a).

"(c) NOTIFICATION.—Not later than June 30 of each year, the Secretary shall notify each institution of higher education making an application under this title of—

"(1) the scores given the applicant by the panel pursuant to this section;

"(2) the recommendations of the panel with respect to such application; and

"(3) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this title, and any modifications, if any, in the recommendations of the panel made by the Secretary.

"SEC. 524. COOPERATIVE ARRANGEMENTS.

"(a) GENERAL AUTHORITY.—The Secretary may make grants to encourage cooperative arrangements with funds available to carry out part A, between institutions eligible for assistance under part A and between such institutions and institutions not receiving assistance under this title for the activities described in section 503 so that the resources of the cooperating institutions might be combined and shared to achieve the purposes of such part and avoid costly duplicative efforts and to enhance the development of part A eligible institutions.

"(b) PRIORITY.—The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound or will benefit the applicant institution.

"(c) DURATION.—Grants to institutions having a cooperative arrangement may be made under this section for a period as determined under section 505.

"SEC. 525. ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS.

"(a) ASSISTANCE ELIGIBILITY.—Each institution which the Secretary determines to be an institution eligible under part A may be eligible for waivers in accordance with subsection (b).

"(b) WAIVER APPLICABILITY.—(1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by an institution referred to in subsection (a) for assistance under any programs specified in paragraph (2), the Secretary is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from other institutions.

"(2) The provisions of this section shall apply to any program authorized by title IV or VII of this Act.

"(c) LIMITATION.—The Secretary shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 percent of the appropriations for the program for any fiscal year.

"SEC. 526. LIMITATIONS.

The funds appropriated under section 528 may not be used—

"(1) for a school or department of divinity or any religious worship or sectarian activity;

"(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to such institution;

"(3) for an activity that is inconsistent with a State plan of higher education applicable to such institution; or

"(4) for purposes other than the purposes set forth in the approved application under which the funds were made available to the institution.

"SEC. 527. PENALTIES.

Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of Federal financial assistance or grant pursuant to this title embezzles, willfully misapplies, steals, or obtains by fraud any of the funds which are the subject of such grant or assistance, shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"SEC. 528. AUTHORIZATIONS OF APPROPRIATIONS.

"(a) AUTHORIZATIONS.—There are authorized to be appropriated to carry out part A, $80,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) USE OF MULTIPLE YEAR AWARDS.—In the event of a multiple year award to any institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the recipient.".

The CHAIRMAN. Are there amendments to title V?

AMENDMENT NO. 57 OFFERED BY MR. CLAY

Mr. CLAY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 57 offered by Mr. CLAY:

Page 271, strike line 14 and insert the following:

"(A)(i) is an eligible institution; or

"(ii) is an institution of higher education (as such term is defined in section 101(a)(2)) that provides a 4-year baccalaureate program, is regionally accredited, and serves at least 1,500 Hispanic students;

Mr. CLAY. Mr. Chairman, this is an amendment offered by the gentleman

from New York (Mr. SERRANO) which would expand the definition of Hispanic serving institutions. I understand that the majority is willing to accept the amendment, so I will leave it at that.

Mr. GOODLING. Mr. Chairman, will the gentleman yield to me?

Mr. CLAY. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. CLAY).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title V?

The Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—INTERNATIONAL AND GRADUATE EDUCATION PROGRAMS

SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUDIES.

(a) STATUTORY STRUCTURE.—Title VI is amended—

(1) by striking

"PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES"

and inserting the following:

"PART A—INTERNATIONAL EDUCATION

"Subpart 1—International and Foreign Language Studies";

(2) by striking

"PART B—BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS"

and inserting the following:

"Subpart 2—Business and International Education Programs";

(3) by striking

"PART C—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY"

and inserting the following:

"Subpart 3—Institute for International Public Policy"; and

(4) by striking

"PART D—GENERAL PROVISIONS"

and inserting the following:

"Subpart 4—General Provisions".

(b) FINDINGS AND PURPOSES.—Section 601 (20 U.S.C. 1121) is amended to read as follows:

"SEC. 601. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds as follows:

"(1) The security, stability, and economic vitality of the United States in a complex global era depend upon American experts in and citizens knowledgeable about world regions, foreign languages and international affairs, as well as on a strong research base in these areas.

"(2) Advances in communications technology and the growth of regional and global problems make knowledge of other countries and the ability to communicate in other languages more essential to the promotion of mutual understanding and cooperation among nations and their peoples.

"(3) Dramatic post-Cold War changes in the world's geopolitical and economic landscapes are creating needs for American expertise and knowledge about a greater diversity of less commonly taught foreign languages and nations of the world.

"(4) Systematic efforts are necessary to enhance the capacity of institutions of higher education in the United States and to encourage a broader cross-section of institutions of higher education to develop and expand programs for producing graduates with international and foreign language expertise and knowledge, and research on such areas, in a variety of disciplines and at all levels of graduate and undergraduate education.

"(5) Cooperative efforts among the Federal Government, institutions of higher education, and the private sector are necessary to promote the generation and dissemination of information about world regions, foreign languages, and international affairs throughout education, government, business, civic, and nonprofit sectors in the United States.

"(b) PURPOSES.—The purposes of this part are—

"(1)(A) to support centers, programs and fellowships in institutions of higher education in the United States for producing increased numbers of trained personnel and research in foreign languages, area and other international studies;

"(B) to develop a pool of international experts to meet national needs;

"(C) to develop and validate specialized materials and techniques for foreign language acquisition and fluency, emphasizing (but not limited to) the less commonly taught languages;

"(D) to promote access to research and training overseas; and

"(E) to advance the internationalization of a variety of disciplines throughout undergraduate and graduate education;

"(2) to support cooperative efforts promoting access to and the dissemination of international and foreign language knowledge, teaching materials and research throughout education, government, business, civic and nonprofit sectors in the United States through the use of advanced technologies; and

"(3) to coordinate the programs of the Federal Government in the areas of foreign language, area and other international studies, including professional international affairs education and research.".

(c) GRADUATE AND UNDERGRADUATE NATIONAL RESOURCE CENTERS.—

(1) NATIONAL RESOURCE CENTERS.—Section 602(a) (20 U.S.C. 1122(a)) is amended—

(A) in the heading, by striking "NATIONAL LANGUAGE AND AREA CENTERS AUTHORIZED" and inserting "NATIONAL RESOURCE CENTERS FOR FOREIGN LANGUAGE AND AREA OR INTERNATIONAL STUDIES AUTHORIZED";

(B) in paragraph (1)(A), by striking "comprehensive language and area centers" and inserting "comprehensive foreign language and area or international studies centers";

(C) in paragraph (1)(B), by striking "language and area centers" and inserting "foreign language and area or international studies centers"; and

(D) by striking paragraph (2) and inserting the following:

"(2) AUTHORIZED ACTIVITIES.—

"(A) IN GENERAL.—Any grant made under paragraph (1) may be used to pay all or part of the cost of establishing or operating a center or program, in accordance with this subsection.

"(B) MANDATORY ACTIVITIES.—Activities to be conducted by centers assisted under this subsection shall include—

"(i) support for the instruction of foreign languages and the offering of courses in a variety of nonlanguage disciplines that cover the center's subject area or topic, and the incorporation of such instruction in baccalaureate and graduate programs of study in a variety of disciplinary, interdisciplinary, or professional fields;

"(ii) support for teaching and research materials, including library acquisitions, in the center's subject area or topic;

"(iii) programs of outreach or linkage with State and local educational agencies, postsecondary education institutions at all levels, professional schools, government, business, media, or the general public; and

"(iv) program coordination and development, curriculum planning and development, and student advisement.

"(C) PERMISSIBLE ACTIVITIES.—Activities to be conducted by centers assisted under this subsection may include—

"(i) support for the creation of faculty positions in disciplines that are underrepresented in the center's instructional program;

"(ii) establishment and maintenance of linkages with overseas institutions of higher education for the purpose of contributing to the teaching and research of the center;

"(iii) support for bringing visiting scholars and faculty to the center to teach or conduct research;

"(iv) professional development of the center's faculty and staff;

"(v) projects conducted in cooperation with other National Resource Centers addressing themes of world regional, cross-regional, international, or global importance;

"(vi) summer institutes in the United States or abroad designed to provide language and area training in the center's field or topic; and

"(vii) support for faculty, staff, and student travel in foreign areas, regions, or countries, and for the development and support of educational programs abroad for students.".

(2) GRADUATE FELLOWSHIPS; EXPENSE LIMITATIONS.—Section 602 is further amended by striking subsections (b) and (c) and inserting the following:

"(b) GRADUATE FELLOWSHIPS FOR FOREIGN LANGUAGE AND AREA OR INTERNATIONAL STUDIES.—

"(1) AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying fellowships to individuals undergoing advanced training in any center or program approved by the Secretary under this part.

"(2) ELIGIBLE STUDENTS.—Students receiving fellowships described in paragraph (1) shall be individuals who are engaged in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program, including predissertation level studies, preparation for dissertation research, dissertation research abroad, and dissertation writing.

"(c) RULES WITH RESPECT TO EXPENSES.—

"(1) UNDERGRADUATE TRAVEL.—No funds may be expended under this part for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

"(2) GRADUATE DEPENDENT AND TRAVEL EXPENSES.—Fellowships awarded to graduate level recipients may include allowances for dependents and for travel for research and study in the United States and abroad.".

(d) LANGUAGE RESOURCE CENTERS.—Section 603(a) (20 U.S.C. 1123(a)) is amended—

(1) by striking paragraph (5) and inserting the following:

"(5) a significant focus on the teaching and learning needs of the less commonly taught languages, including an assessment of the strategic needs, the determination of ways to meet those needs nationally, and the publication and dissemination of instructional materials in the less commonly taught languages;";

(2) by striking the period at the end of paragraph (6) and inserting "; and"; and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) the operation of intensive summer language institutes to train advanced foreign language students, provide professional development, and improve language instruction through preservice and inservice language training for teachers.".

(e) UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—Section 604 (20 U.S.C. 1124) is amended—

(1) in the heading of subsection (a), by striking "INCENTIVES" and all that follows through "PROGRAMS" and inserting "PROGRAM INCENTIVES";

(2) in subsection (a)(1)—

(A) by striking "or combinations of such institutions" in the first sentence and inserting ", combinations of such institutions, or partnerships between nonprofit educational organizations and such institutions,";

(B) by striking "a program" and inserting "programs"; and

(C) by striking the second sentence and inserting the following: "Such grants shall be awarded for the purpose of seeking to create new programs or to strengthen existing programs in undergraduate area studies, foreign languages, and other international fields.";

(3) by striking paragraphs (2) and (3) and inserting the following:

"(2) USE OF FUNDS.—Grants made under this section may be used for Federal share of the cost of projects and activities which are an integral part of such a program, such as—

"(A) planning for the development and expansion of programs in undergraduate international studies, and foreign languages and the internationalization of undergraduate education;

"(B) teaching, research, curriculum development, and other related activities;

"(C) training of faculty members in foreign countries;

"(D) expansion of existing and development of new opportunities for learning foreign languages, including the less commonly taught languages;

"(E) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

"(F) international education programs designed to develop or enhance linkages between two- and four-year institutions of higher education, or baccalaureate and postbaccalaureate programs or institutions;

"(G) the development of an international dimension in preservice and inservice teacher training;

"(H) the development of undergraduate educational programs in locations abroad where such opportunities are not otherwise available or which serve students for whom such opportunities are not otherwise available and which provide courses that are closely related to oncampus foreign language and international curricula;

"(I) the integration of new and continuing education abroad opportunities for undergraduate students into curricula of specific degree programs;

"(J) the development of model programs to enrich or enhance the effectiveness of educational programs abroad, including predeparture and postreturn programs, and the integration of educational programs abroad into the curriculum of the home institution;

"(K) the expansion of library and teaching resources;

"(L) the development of programs designed to integrate professional and technical education with area studies, foreign languages, and other international fields;

"(M) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this subsection;

"(N) the conduct of summer institutes in foreign area and other international fields to provide faculty and curriculum development, including the integration of professional and technical education with foreign area and other international studies, and to provide foreign area and other international knowledge or skills to government personnel or private sector professionals in international activities;

"(O) the development of partnerships between institutions of higher education and the private sector, government, and elementary and secondary education institutions to enhance international knowledge and skills; and

"(P) the use of innovative technology to increase access to international education programs.

"(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of the programs assisted under this subsection may be provided in cash from the private sector corporations or foundations in an amount equal to one-third of the total requested grant amount, or may be provided as in-cash or in-kind contribution from institutional and noninstitutional funds, including State and private sector corporation or foundation contributions, equal to one-half of the total requested grant amount.";

(4) by adding at the end of subsection (a) the following new paragraphs:

"(5) SPECIAL RULE.—The Secretary may waive or reduce the required non-Federal share for title III-eligible institutions which have submitted a grant application under this section.

"(6) EVALUATION CRITERIA AND REPORT.—As a condition for the award of any grant under this subsection, the Secretary may establish criteria for evaluating programs and require an annual report which evaluates the progress and performance of students in such programs.";

(5) by striking subsection (b);

(6) by redesignating subsection (c) as subsection (b); and

(7) by adding at the end the following new subsection:

"(c) FUNDING SUPPORT.—The Secretary may use no more than 10 percent of the total amount appropriated for this title, other than amounts appropriated for part D, for carrying out the purposes of this section.";

(f) INTENSIVE SUMMER LANGUAGE INSTITUTES.—Section 605 (20 U.S.C. 1124a) is repealed.

(g) RESEARCH; STUDIES; ANNUAL REPORT.—Section 606(a) (20 U.S.C. 1125(a)) is amended—

(1) in paragraph (4), by inserting before the semicolon at the end the following: ", area studies, or other international fields";

(2) by striking "and" at the end of paragraph (5);

(3) by striking the period at the end of paragraph (6) and inserting "; and"; and

(4) by inserting after paragraph (6) the following new paragraph:

"(7) studies and surveys of the uses of technology in foreign language, area and international studies programs.".

(h) PERIODICALS.—Section 607 (20 U.S.C. 1125a) is amended to read as follows:

"SEC. 607. TECHNOLOGICAL INNOVATION AND COOPERATION FOR FOREIGN INFORMATION ACCESS.

"(a) AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education, public or nonprofit private library institutions, or consortia of such institutions, to develop innovative techniques or programs using new electronic technologies to collect, organize, preserve and widely disseminate information on world regions and countries other than the United States that address the nation's teaching and research needs in international education and foreign languages.

"(b) AUTHORIZED ACTIVITIES.—Grants under this section may be used—

"(1) to facilitate access to or preserve foreign information resources in print or electronic forms;

"(2) to develop new means of immediate, full-text document delivery for information and scholarship from abroad;

"(3) to develop new means of shared electronic access to international data;

"(4) to support collaborative projects of indexing, cataloging, and other means of bibliographic access for scholars to important research materials published or distributed outside the United States;

"(5) to develop methods for the wide dissemination of resources written in non-Roman language alphabets;

"(6) to assist teachers of less commonly taught languages in acquiring, via electronic and other means, materials suitable for classroom use; and

"(7) to promote collaborative technology based projects in foreign languages, area and international studies among grant recipients under this title.

"(c) APPLICATION.—Each institution or consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may reasonably require.

"(d) MATCH REQUIRED.—The Federal share of the total cost of carrying out a program supported by a grant under this section shall not be more than 66⅔ percent. The non-Federal share of such cost may be provided either in-kind or in cash, and may include contributions from private sector corporations or foundations.".

(i) DEVELOPMENT GRANTS.—Section 610 (20 U.S.C. 1127) is amended by adding at the end the following new subsection:

"(d) DEVELOPMENT GRANTS AUTHORIZED.—The Secretary is encouraged to consider the establishment of new centers, and may use at least 10 percent of the funds available for this section to make grants for the establishment of such new centers.".

(j) AUTHORIZATION OF APPROPRIATIONS.—Section 610A (20 U.S.C. 1128) is amended by striking "1993" and inserting "1999".

(k) CONFORMING AMENDMENT.—Title VI is further amended by redesignating sections 606, 607, 608, 609, 610, and 610A as sections 605 through 610, respectively.

SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS.

(a) CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.—Section 612 (20 U.S.C. 1130–1) is amended—

(1) in subsection (c)(1)(B), by striking "advanced";

(2) in subsection (c)(1)(C), by striking "evening or summer programs," and inserting "programs"; and

(3) in subsection (d)(2)(G), by inserting before the period at the end the following: ", such as a representative of a community college in the region served by the center".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 614 (20 U.S.C. 1130b) is amended by striking "1993" each place it appears and inserting "1999".

(c) TECHNICAL AMENDMENT.—The heading of section 611 (20 U.S.C. 1130) is amended to read as follows:

"SEC. 611. FINDINGS AND PURPOSES.".

SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.

(a) MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.—Section 621(e) (20 U.S.C. 1131(e)) is amended by striking "one-fourth" and inserting "one-half".

(b) JUNIOR YEAR AND SUMMER ABROAD PROGRAM.—Section 622 (20 U.S.C. 1131a) is amended—

(1) in the heading of such section, by inserting "**AND SUMMER**" after "**YEAR**";

(2) in subsection (a)—

(A) by striking "shall conduct" and inserting "is authorized to conduct";

(B) by inserting "and summer" after "junior year" each place it appears in the first and second sentences;

(C) by inserting "in a junior year abroad program" after "Each student" in the last sentence;

(3) in subsection (b)(2), by inserting "or summer" after "junior year"; and

(4) in subsection (c)—

(A) by inserting "or summer abroad program" after "junior year abroad program" each place it appears; and

(B) by striking "abroad or internship" and inserting "abroad, summer abroad, or internship".

(c) INTERNSHIPS.—Section 624 (20 U.S.C. 1132c) is amended—

(1) by striking "The Institute" and inserting "(a) IN GENERAL.—The Institute"; and

(2) by adding at the end the following new subsection:

"(b) POSTBACCALAUREATE INTERNSHIPS.—The Institute shall enter into agreements with institutions of higher education described in the first sentence of subsection (a) to conduct internships in Washington, DC, for students who have completed study for the baccalaureate degree. The Internship program authorized by this subsection shall—

"(1) be designated to assist the students to prepare for a master's degree program;

"(2) be carried out with the assistance of the Woodrow Wilson Fellowship program;

"(3) contain work experience for the students designated to contribute to the objectives set forth in paragraph (1); and

"(4) contain such other elements as the Institute determines will carry out the objectives of this subsection.".

(d) NEW PROGRAMS.—Title VI is further amended—

(1) by redesignating sections 625 through 627 (20 U.S.C. 1131d–1131f) as sections 627 through 629; and

(2) by inserting after section 624 the following new sections:

"SEC. 625. INSTITUTIONAL DEVELOPMENT.

"(a) IN GENERAL.—The Institute shall make grants, from amounts available to it in each fiscal year, to Historically Black Colleges and Universities, Hispanic-serving Institutions, Tribally Controlled Indian Community Colleges, and minority institutions, to enable such colleges, universities, and institutions to strengthen international affairs programs.

"(b) APPLICATION.—No grant may be made by the Institute under this section unless an application is made by the college, university, or institution at such time, in such manner, and accompanied by such information as the Institute may require.

"(c) DEFINITIONS.—As used in this section—

"(1) the term 'Historically Black College and University' has the same meaning given the term by section 322(2) of this Act;

"(2) the term 'Hispanic-serving Institution' has the same meaning given the term by section 316(b)(1) of this Act;

"(3) the term 'Tribally controlled Indian community college' has the same meaning given that term by the Tribally Controlled Community College Assistance Act of 1978; and

"(4) the term 'minority institution' has the same meaning given that term in section 347 of this Act.

"SEC. 626. INTERAGENCY COMMITTEE ON MINORITY CAREERS IN INTERNATIONAL AFFAIRS.

"(a) ESTABLISHMENT.—There is established in the executive branch of the Federal Government an Interagency Committee on Minority Careers in International Affairs composed of 7 members. The members of the Committee shall be—

"(1) the Undersecretary for International Affairs and Commodity Programs of the Department of Agriculture, appointed by the Secretary of Agriculture;

"(2) the Assistant Secretary and Director General, the Commercial Service of the Department of Commerce, appointed by the Secretary of Commerce;

"(3) the Undersecretary of Defense for Personnel and Readiness of the Department of Defense, appointed by the Secretary of Defense;

"(4) the Assistant Secretary for Postsecondary Education in the Department of Education, appointed by the Secretary of Education;

"(5) the Director General of the Foreign Service of the Department of State, appointed by the Secretary of State;

"(6) the General Counsel of the Agency for International Development, appointed by the Administrator; and

"(7) the Associate Director for Educational and Cultural Affairs of the United States Information Agency, appointed by the Director.

"(b) FUNCTIONS.—The Interagency Committee established by this section shall—

"(1) advise the Secretary and the Institute with respect to programs authorized by this part; and

"(2) promote policies in each department and agency participating on the Committee that are designed to carry out the objectives of this part.".

(e) AUTHORIZATION.—Section 629 (20 U.S.C. 1131f) (as redesignated by subsection (d)) is amended by striking "1993" and inserting "1999".

SEC. 604. GENERAL PROVISIONS.

(a) DEFINITIONS.—Section 631(a) (20 U.S.C. 1132(a)) is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting "; and"; and

(3) by inserting after paragraph (8) the following new paragraphs:

"(9) the term 'internationalization of undergraduate education' means the incorporation of foreign languages and area and international studies perspectives in any undergraduate course or curriculum in order to provide international content for that course of study; and

"(10) the term 'educational programs abroad' means programs of study, internships, or service learning outside the United States which are part of a foreign language or other international curriculum at the undergraduate or graduate education levels.".

(b) REPEAL.—Section 632 (20 U.S.C. 1132–1) is repealed.

SEC. 605. TRANSFER AND REAUTHORIZATION OF GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED PROGRAM.

(a) AMENDMENT.—Title VI is amended by adding at the end the following new part:

"PART B—GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED

"SEC. 651. PURPOSE.

"In order to sustain and enhance the capacity for graduate education in areas of national need, it is the purpose of this part to provide, through academic departments and programs of institutions of higher education, a fellowship program to assist graduate students of superior ability who demonstrate financial need.

"SEC. 652. GRANTS TO ACADEMIC DEPARTMENTS AND PROGRAMS OF INSTITUTIONS.

"(a) GRANT AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make grants to academic departments and programs and other academic units of institutions of higher education that provide courses of study leading to a graduate degree in order to enable such institutions to provide assistance to graduate students in accordance with this part. The Secretary shall coordinate the administration and regulation of programs under this part with other Federal programs providing graduate assistance to minimize duplication and improve efficiency.

"(2) ADDITIONAL GRANTS.—The Secretary may also make grants to such departments and programs and to other units of institutions of higher education granting graduate degrees which submit joint proposals involving nondegree granting institutions which have formal arrangements for the support of doctoral dissertation research with degree-granting institutions. Nondegree granting institutions eligible for awards as part of such joint proposals include any organization which—

"(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and is exempt from tax under section 501(a) of such Code;

"(B) is organized and operated substantially to conduct scientific and cultural research and graduate training programs;

"(C) is not a private foundation;

"(D) has academic personnel for instruction and counseling who meet the standards of the institution of higher education in which the students are enrolled; and

"(E) has necessary research resources not otherwise readily available in such institutions to such students.

"(b) AWARD AND DURATION OF GRANTS.—

"(1) AWARDS.—The principal criterion for the allocation of awards shall be the relative quality of the graduate programs presented in competing applications. Consistent with an allocation of awards based on quality of competing applications, the Secretary shall, in making such grants, promote an equitable geographic distribution among eligible public and private institutions of higher education.

"(2) DURATION.—The Secretary shall approve a grant recipient under this part for a 3-year period. From the sums appropriated under this part for any fiscal year, the Secretary shall not make a grant to any academic department or program of an institution of higher education of less than $125,000 or greater than $750,000 per fiscal year.

"(3) REALLOTMENT.—Whenever the Secretary determines that an academic department or program of an institution of higher education is unable to use all of the amounts available to it under this part, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallot the amounts not needed to academic departments and programs of institutions which can use the grants authorized by this part.

"SEC. 653. INSTITUTIONAL ELIGIBILITY.

"(a) ELIGIBILITY CRITERIA.—Any academic department or program of an institution of higher education that offers a program of postbaccalaureate study leading to a graduate degree in an area of national need (as designated under subsection (b)) may apply for a grant under this part. No department or program shall be eligible for a grant unless the program of postbaccalaureate study has been in existence for at least 4 years at the time of application for assistance under this part.

"(b) DESIGNATION OF AREAS OF NATIONAL NEED.—After consultation with appropriate Federal and nonprofit agencies and organizations, the Secretary shall designate areas of national need. In making such designations, the Secretary shall take into account the extent to which the interest is compelling, the extent to which other Federal programs support postbaccalaureate study in the area concerned, and an assessment of how the program could achieve the most significant impact with available resources.

"SEC. 654. CRITERIA FOR APPLICATIONS.

"(a) SELECTION OF APPLICATIONS.—The Secretary shall make grants to academic departments and programs of institutions of higher education on the basis of applications submitted in accordance with subsection (b). Applications shall be ranked on program quality by review panels of nationally recognized scholars and evaluated on the quality and effectiveness of the academic program and the achievement and promise of the students to be served. To the extent possible (consistent with other provisions of this section), the Secretary shall make awards that are consistent with recommendations of the review panels.

"(b) CONTENTS OF APPLICATIONS.—An academic department or program of an institution of higher education, in its application for a grant, shall—

"(1) describe the current academic program of the applicant for which the grant is sought;

"(2) provide assurances that the applicant will provide, from other non-Federal funds, for the purposes of the fellowship program under this part an amount equal to at least 25 percent of the amount of the grant received under this part, which contribution may be in cash or in kind fairly valued;

"(3) describe the number, types, and amounts of the fellowships that the applicant intends to offer under the grant;

"(4) set forth policies and procedures to assure that, in making fellowship awards under this part, the institution will make awards to individuals who—

"(A) have financial need, as determined under part F of title IV;

"(B) have excellent academic records in their previous programs of study; and

"(C) plan to pursue the highest possible degree available in their course of study;

"(5) set forth policies and procedures to ensure that Federal funds made available under this part for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purpose of this part and in no case to supplant those funds;

"(6) provide assurances that, in the event that funds made available to the academic department or program under this part are insufficient to provide the assistance due a student under the commitment entered into between the academic department or program and the student, the academic department or program will, from any funds available to it, fulfill the commitment to the student;

"(7) provide that the applicant will comply with the limitations set forth in section 655;

"(8) provide assurances that the academic department will provide at least 1 year of supervised training in instruction for students; and

"(9) include such other information as the Secretary may prescribe.

"SEC. 655. AWARDS TO GRADUATE STUDENTS.

"(a) COMMITMENTS TO GRADUATE STUDENTS.—

"(1) IN GENERAL.—An academic department or program of an institution of higher education shall make commitments to eligible graduate students as defined in section 484 (including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education) at any point in their graduate study to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 3 years.

"(2) SPECIAL RULE.—No such commitments shall be made to students under this part unless the academic department or program has determined adequate funds are available to fulfill the commitment either from funds received or anticipated under this part, or from institutional funds.

"(b) AMOUNT OF STIPENDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this part. The stipends the Secretary establishes shall reflect the purpose of this program to encourage highly talented students to undertake graduate study as described in this part. In the case of an individual who receives such individual's first stipend under this part in academic year 1999–2000 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need as determined under part F of title IV.

"(c) TREATMENT OF INSTITUTIONAL PAYMENTS.—An institution of higher education that makes institutional payments for tuition and fees on behalf of individuals supported by fellowships under this part in amounts that exceed the institutional payments made by the Secretary pursuant to section 656(a) may count the excess of such payments toward the amounts the institution is required to provide pursuant to section 654(b)(2).

"(d) ACADEMIC PROGRESS REQUIRED.—Notwithstanding the provisions of subsection (a), no student shall receive an award—

"(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, or

"(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress towards a degree.

"SEC. 656. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

"(a) INSTITUTIONAL PAYMENTS.—(1) The Secretary shall (in addition to stipends paid to individuals under this part) pay to the institution of higher education, for each individual awarded a fellowship under this part at such institution, an institutional allowance. Except as provided in paragraph (2), such allowance shall be—

"(A) $10,000 annually with respect to individuals who first received fellowships under this part prior to academic year 1999–2000; and

"(B) with respect to individuals who first receive fellowships during or after academic year 1999–2000—

"(i) $10,000 for the academic year 1999–2000; and

"(ii) for succeeding academic years, $10,000 adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

"(2) The institutional allowance paid under paragraph (1) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

"(b) USE FOR OVERHEAD PROHIBITED.—Funds made available pursuant to this part may not be used for the general operational overhead of the academic department or program.

"SEC. 657. CONTINUATION AWARDS.

"Before making new awards under this part for any fiscal year, the Secretary shall, as appropriate, making continuation awards to recipients of awards under parts B, C, and D of title IX as in effect prior to the enactment of the Higher Education Amendments of 1998.

"SEC. 658. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $40,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.".

(b) REPEAL.—Title IX (20 U.S.C. 1134 et seq.) is repealed.

The CHAIRMAN. Are there any amendments to title VI?

AMENDMENT NO. 21 OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment on behalf of the gentleman from California (Mr. FARR).

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. KILDEE:

Page 310, strike line 3 and insert the following (and redesignate the succeeding paragraph accordingly):

(3) in subsection (c)(2)—

(A) by striking "and" at the end of subparagraph (E);

(B) by redesignating subparagraph (F) as subparagraph (G); and

(C) by inserting after subparagraph (E) the following new subparagraph;

"(F) professional graduate degrees in translation and interpretation; and"; and

Mr. KILDEE. Mr. Chairman, I will be very brief. This provides funds under section F for professional graduate degrees in translation and interpretation. It adds those being eligible for funds.

Mr. GOODLING. Mr. Chairman, will the gentleman yield to me?

Mr. KILDEE. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we accept the amendment.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VI?

The Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

SEC. 701. EXTENSION OF PRIOR RIGHTS AND OBLIGATIONS.

Section 702(a) (20 U.S.C. 1132a–1(a)) is amended by striking "fiscal year 1993" and inserting "fiscal year 1999".

SEC. 702. REPEAL OF PART A.

(a) REPEAL.—Part A of title VII (20 U.S.C. 1132b et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 701(b) (20 U.S.C. 1132a(b)) is amended by striking "part A or B" and inserting "part B".

(2) Part B of title VII is amended by striking section 726 (20 U.S.C. 1132c–5).

(3) Section 781 (20 U.S.C. 1132i) is amended by striking "part A of this title, or" each place it appears.

SEC. 703. EXTENSION OF AUTHORIZATION OF PART B.

Section 727(c) (20 U.S.C. 1132c–6(c)) is amended by striking "fiscal year 1993" and inserting "fiscal year 1999".

SEC. 704. EXTENSION OF AUTHORIZATION OF PART C.

Section 735 (20 U.S.C. 1132d–4) is amended by striking "fiscal year 1993" and inserting "fiscal year 1999".

Mr. GOODLING. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. RIGGS) having assumed the chair, Mr. GUTKNECHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes, had come to no resolution thereon.

UNFAIRNESS IN TAX CODE: MARRIAGE TAX PENALTY

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. WELLER. Mr. Speaker, some ask why is it so important we pass the Marriage Tax Elimination Act. Clearly I think three questions best answer that big question.

Do Americans feel that it is fair that a working married couple pays higher taxes just because they are married?

Do Americans feel that it is fair that 21 million married working couples pay on average $1,400 more in taxes than an identical couple living together outside of marriage?

Do Americans feel that it is right that our Tax Code actually provides an incentive to get divorced?

Of course not. Americans recognize that the marriage tax is wrong and it is time to do something about it. If you think about it, 21 million Americans paying $1,400 more just because they are married, that is real money for real people. The south side of Chicago, the south suburbs that I have the privilege of representing, $1,400 is one year's tuition at a local community college, three months of day care at a local child care center, several months worth of car payments.

The Marriage Tax Elimination Act is gaining momentum. Let us eliminate the marriage tax. Let us eliminate it now.

Mr. Speaker, I rise today to highlight what is arguably the most unfair provision in the U.S. Tax code: the marriage tax penalty. I want to thank you for your long term interest in bringing parity to the tax burden imposed on working married couples compared to a couple living together outside of marriage.

In January, President Clinton gave his State of the Union Address outlining many of the things he wants to do with the budget surplus.

A surplus provided by the bipartisan budget agreement which: cut waste, put America's fiscal house in order, and held Washington's feet to the fire to balance the budget.

While President Clinton paraded a long list of new spending totaling at least $46–$48 billion in new programs—we believe that a top priority should be returning the budget surplus to America's families as additional middle-class tax relief.

This Congress has given more tax relief to the middle class and working poor than any Congress of the last half century.

I think the issue of the marriage penalty can best be framed by asking these questions: Do Americans feel its fair that our tax code imposes a higher tax penalty on marriage? Do Americans feel its fair that the average married working couple pays almost $1,400 more in taxes than a couple with almost identical income living together outside of marriage? Is it right that our tax code provides an incentive to get divorced?

In fact, today the only form one can file to avoid the marriage tax penalty is paperwork for divorce. And that is just wrong!

Since 1969, our tax laws have punished married couples when both spouses work. For no other reason than the decision to be joined in holy matrimony, more than 21 million couples a year are penalized. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it's wrong that our tax code punishes society's most basic institution. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with children. In many cases it is a working women's issue.

Let me give you an example of how the marriage tax penalty unfairly affects middle class married working couples.

For example, a machinist, at a Caterpillar manufacturing plant in my home district of Joliet, makes $30,500 a year in salary. His wife is a tenured elementary school teacher, also bringing home $30,500 a year in salary. If they would both file their taxes as singles, as individuals, they would pay 15%.

MARRIAGE PENALTY EXAMPLE IN THE SOUTH SUBURBS

Adjusted gross income	Machinist $30,500	School Teacher $30,500	Couple $61,000
Less personal exemption and standard deduction	$6,550	$6,550	$11,800
Taxable income	$23,950	$23,950	$49,200
Tax liability	$3592.5	$3592.5	$8563
Marriage penalty			$1378

But if they chose to live their lives in holy matrimony, and now file jointly, their combined income of $61,000 pushes them into a higher tax bracket of 28 percent, producing a tax penalty of $1400 in higher taxes.

On average, America's married working couples pay $1,400 more a year in taxes than individuals with the same incomes. That's serious money. Everyday we get closer to April 15th more married couples will be realizing that they are suffering the marriage tax penalty.

Particularly if you think of it in terms of: a down payment on a house or a car, one years tuition at a local community college, or several months worth of quality child care at a local day care center.

To that end, Congressman DAVID MCINTOSH and I have authored the Marriage Tax Elimination Act.

It would allow married couples a choice in filing their income taxes, either jointly or as individuals—which ever way lets them keep more of their own money.

Our bill already has the bipartisan cosponsorship of 232 Members of the House and a similar bill in the Senate also enjoys widespread support.

It isn't enough for President Clinton to suggest tax breaks for child care. The President's child care proposal would help a working couple afford, on average, three weeks of day care. Elimination of the marriage tax penalty would give the same couple the choice of paying for three months of child care—or addressing other family priorities. After all, parents know better than Washington what their family needs.

We fondly remember the 1996 State of the Union address when the President declared emphatically that, quote "the era of big government is over."

We must stick to our guns, and stay the course.

There never was an American appetite for big government.

But there certainly is for reforming the existing way government does business.

And what better way to show the American people that our government will continue along the path to reform and prosperity than by eliminating the marriage tax penalty.

Ladies and Gentlemen, we are on the verge of running a surplus. It's basic math.

It means Americans are already paying more than is needed for government to do the job we expect of it.

What better way to give back than to begin with mom and dad and the American family—the backbone of our society.

We ask that President Clinton join with Congress and make elimination of the marriage tax penalty * * * a bipartisan priority.

Of all the challenges married couples face in providing home and hearth to America's children, the U.S. tax code should not be one of them.

Let's eliminate The Marriage Tax Penalty and do it now!

WHICH IS BETTER, 3 WEEKS OR 3 MONTHS?

NOTE: The President's Proposal to expand the child care tax credit will pay for only 2 to 3 weeks of child care. The *Weller-McIntosh Marriage Tax Elimination Act H.R. 2456*, will allow married couples to pay for 3 months of child care.

CHILD CARE OPTIONS UNDER THE MARRIAGE TAX ELIMINATION ACT

	Average tax relief	Average weekly day care cost	Weeks day care
Marraige tax elimination act	$1,400	$127	11
President's child care tax credit	$358	$127	2.8

LET US NOT PLAY POLITICS ON SUBJECT OF LEGAL AND ILLEGAL DRUG USE

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I hope this morning we can start afresh and not play politics with illegal drug use. My Republican friends know full well that both Democrats and Republicans have been strong against the illegal use of drugs. We understand that along with talking about being against illegal use of drugs comes prevention and intervention.

The needle exchange program has nothing to do with supporting the illegal use of drugs. It is plain common sense, folks. People who use drugs are addicted, they are sick, they need intervention, they need prevention, they need treatment.

The use of clean needles saves lives, it prevents the spread of HIV, it keeps from killing our children, wives, husbands, family members, Americans, and we need to get off this politics on the illegal use of drugs and comparing that to clean needle exchange.

Mr. Speaker, I hope my colleagues will stop playing politics with tobacco and help prevent the use of tobacco with our young people, and I hope they will stop fooling around with a life-and-death matter of clean needles to save lives for Americans. Let us get down to the business of doing what the American people want us to do.

Mr. Speaker, I rise today to urge my colleagues to move swiftly on tobacco legislation.

A new report by the surgeon general shows that teen smoking rose dramatically among African-Americans and Hispanics. For example, smoking among African-American high school students was up by a startling 80 percent. The report shows that smoking is also a major cause of death and disease among all minority and ethnic groups. And African-American men bear the greatest health burdens from lung cancer. Mr. Speaker these numbers are disturbing and it underscores the need for comprehensive tobacco legislation. Smoking is devastating to our children, especially because of its addictive nature. We need to focus on early intervention so our kids can kick the habit before they get hooked.

I urge my colleagues to make tobacco legislation a top priority, so our kids will lead healthy lives.

WHY DO DEMOCRATS WANT TO BLOCK INVESTIGATION?

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, last week 19 House Democrats on the Committee on Government Reform and Oversight voted in lock step to block immunity to four essential witnesses. Over 90 people in this investigation have taken the fifth amendment or fled the country, and the only way the Americans can get to the truth of it is to give immunity to some of the witnesses who have not fled the country. So why have the Democrats voted against it? Why do they want to block the investigation?

Here is the letter from the Justice Department saying they had no problems given Irene Wu, Nancy Lee and Larry Wong immunity if they testify, but 19 House Democrats have blocked it. Why are they trying to obstruct justice? Maybe because of this.

The President's own attorney general has appointed six independent counsels on this particular administration, and these independent counsels have brought results: the Whitewater investigation, eleven guilty pleas, three convictions, two indictments pending; the Espy investigation, six guilty pleas, six convictions, three indictments pending; the Cisneros investigation, one guilty plea, six indictments pending.

Maybe that is why the 19 House Democrats voted lock step to keep the truth from the American people and obstruct justice in their own partisan way.

DEPARTMENT OF JUSTICE,
Washington, DC., April 16, 1998.

Mr. RICHARD D. BENNETT,
Chief Counsel, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.

DEAR MR. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Larry Wong. The Department of Justice has no opposition to the Committee granting immunity to Mr. Wong. We appreciate greatly your coordinating with us on this matter.

Sincerely,

MARK M. RICHARD,
Acting Assistant Attorney General.

DEPARTMENT OF JUSTICE,
Washington, DC., April 16, 1998.

Mr. RICHARD D. BENNETT,
Chief Counsel, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.

DEAR MR. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Nancy Lee. The Department of Justice has no opposition to the Committee granting immunity to Ms. Lee. We appreciate greatly your coordinating with us on this matter.

Sincerely,

MARK M. RICHARD,
Acting Assistant Attorney General.

DEPARTMENT OF JUSTICE,
Washington, DC., April 16, 1998.

Mr. RICHARD D. BENNETT,
Chief Counsel, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.

DEAR MR. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Irene Wu. The Department of Justice has no opposition to the Committee granting immunity to Ms. Wu. We appreciate greatly your coordinating with us on this matter.

Sincerely,

MARK M. RICHARD,
Acting Assistant Attorney General.

□ 2330

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. RIGGS). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING STATUS OF THE FISCAL YEAR 1998 CONGRESSIONAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, to facilitate application of sections 302 and 311 of the Congressional Budget Act, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 1998 and for the 5-year period fiscal year 1998 through fiscal year 2002.

The term "current level" refers to the amount of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature as of April 21, 1998.

The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 84, the concurrent resolution on the budget for fiscal year 1998 as adjusted pursuant to 314(b) of the Budget Act. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 1998 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority, outlays, and new entitlement authority of each direct spending committee with the "section 302(a)" allocations for discretionary action made under H. Con. Res. 84 for fiscal year 1998 and for fiscal years 1998 through 2002. "Discretionary action" refers to legislation enacted after adoption of the budget resolution. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 1998 with the revised "section 302(b)" sub-allocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, because the point of order under that section also applies to measures that would breach the applicable section 302(b) sub-allocation. The revised section 302(b) sub-allocations were filed by the Appropriations Committee on March 31, 1998.

The fourth table compares discretionary appropriations to the levels provided by section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. Section 251 requires that if at the end of a session the discretionary spending, in any category, exceeds the limits set forth in section 251(c) as adjusted pursuant to provisions of section 251(b), there shall be a sequestration of funds

within that category to bring spending within the established limits. This table is provided for information purposes only. Determination of the need for a sequestration is based on the report of the President required by section 254.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET: STATUS OF THE FISCAL YEAR 1998 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 84 (Reflecting Action Completed as of March 31, 1998)

[On-budget amounts, in millions of dollars]

	Fiscl year—	
	1998	1998–2002
Appropriate Level (as amended by P. L. 105–116):		
Budget Authority	1,405,449	7,386,233
Outlays	1,372,522	7,282,253
Revenues	1,199,000	6,477,552
Current Level:		
Budget Authority	1,389,663	NA
Outlays	1,374,198	NA
Revenues	1,197,381	6,459,901
Current Level over (+)/under (-) Appropriate Level:		
Budget Authority	−15,786	NA
Outlays	1,676	NA
Revenues	−1,619	−17,651

NA=Not applicable because annual appropriations Acts for Fiscal Years 1998 through 2002 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of any measure providing new budget authority for FY 1998 in excess of $15,786 million (if not already included in the current level estimate) would cause FY 1998 budget authority to exceed the appropriate level set by H. Con. Res. 84.

OUTLAYS

Enactment of any measure providing new outlays for FY 1998 (if not already included in the current level estimate) would cause FY 1998 outlays to exceed the appropriate level set by H. Con. Res. 84.

REVENUES

Enactment of any measure that would result in any revenue loss for FY 1998 (if not already included in the current level estimate) or for FY 1998 through 2002 (if not already included in the current level) would cause revenues to fall further below the appropriate level set by H. Con. Res. 84.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 21, 1998.

Hon. JOHN KASICH,
Chairman, Committee on the Budget,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1998. These estimates are compared to the appropriate levels for those items contained in the 1998 Concurrent Resolution on the Budget (H. Con. Res. 84) and are current through April 1, 1998. A summary of this tabulation, my first for the second session of the 105th Congress, follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 84)	Current level +/- resolution
Budget Authority	1,389,663	1,405,449	−15,786
Outlays	1,374,198	1,372,522	+1,676
Revenues:			
1998	1,197,381	1,199,000	−1,619
1998–2002	6,459,901	6,477,552	−17,651

Since my last report, dated November 6, 1997, nine authorization bills (Public Laws 105–85, 105–89, 105–92, 105–114, 104–124, 105–130, 105–135, 105–144, and 105–150) and six appropriation bills (Public Laws 105–78, 105–83, 105–86, 105–100, 105–118, and 105–119) have been enacted. These actions changed the current level of budget authority, outlays, and revenues. Detail is shown on the enclosed table.

In addition, the budget authority and outlay totals established in H. Con. Res. 84 have been revised to reflect additional appropriations that were enacted for payment of international arrearages, for the cost of continuing disability reviews, and for the dollar equivalent of Special Drawing Rights for the International Monetary Fund. These revisions increased the total budget authority allocation by $18,266 million and the total outlay allocation by $61 million.

Sincerely,

JUNE E. O'NEILL,
Director.

Enclosure.

PARLIAMENTARIAN STATUS REPORT: 105TH CONGRESS, 2ND SESSION, HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1998 AS OF CLOSE OF BUSINESS APRIL 1, 1998

[In millions of dollars]

	Budget authority	Outlays	Revenues
Previously Enacted			
Revenues			1,197,381
Permanents and other spending legislation	908,725	864,750	
Appropriation legislation	752,279	781,902	
Offsetting receipts	−283,340	−283,340	
Total previously enacted	1,377,664	1,363,312	1,197,381
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	11,999	10,886	
Total Current Level	1,389,663	1,374,198	1,197,381
Total Budget Resolution	1,405,449	1,372,522	1,199,000
Amount remaining:			
Under Budget Resolution	15,786		1,619
Over Budget Resolution		1,676	
Addendum			
Emergencies	271	2,286	
Contingent Emergencies	300	75	
Total	571	2,361	
Total Current Level Including Emergencies	1,390,234	1,376,559	1,197,381

Source: Congressional Budget Office.

Notes: Amounts shown under "emergencies" represent funding for programs that have been deemed emergency requirements by the President and the Congress. Amounts shown under "contingent emergencies" represent funding designated as an emergency only by the Congress that is not available for obligation until it is required by the President and the full amount requested is designated as an emergency requirement.

Current level estimates include $390 million in budget authority and $298 million in outlays for projects that were canceled by the President pursuant to the Line Item Veto Act, Public Law 104–130.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a) REFLECTING ACTION COMPLETED AS OF SEPT. 9, 1997

[By fiscal years, in millions of dollars]

	BA	1998 Outlays	NEA	BA	1998–2002 Outlays	NEA
HOUSE COMMITTEE						
Agriculture:						
Allocation						
Current Level				(2)	(2)	
Difference				(2)	(2)	
National Security:						
Allocation						
Current Level	(159)	(159)	9	(127)	(127)	101
Difference	(159)	(159)	9	(127)	(127)	101
Banking, Finance and Urban Affairs:						
Allocation	(136)	(136)		(666)	(1,590)	
Current Level	(135)	(135)		(861)	(1,785)	
Difference	1	1		(195)	(195)	
Education and the Workforce:						
Allocation	(248)	(242)	1,726	(1,798)	(1,792)	12,867
Current Level	(462)	(239)	(456)	(1,834)	(1,791)	(1,801)
Difference	(214)	3	(2,182)	(36)	1	(14,668)
Commerce:						
Allocation			2,463	(26,313)	(26,313)	2,375
Current Level	4,275	4,275	4,405	(1,163)	(1,163)	9,891
Difference	4,275	4,275	1,942	25,150	25,150	7,516
International Relations:						
Allocation						
Current Level						
Difference						
Government Reform & Oversight:						
Allocation	(604)	(632)		(3,096)	(3,096)	
Current Level	(604)	(604)		(2,874)	(2,874)	
Difference		28		222	222	
House Oversight:						
Allocation						
Current Level	5	3		5	5	
Difference	5	3		5	5	
Resources:						
Allocation						
Current Level	14	3		19	19	
Difference	14	3		19	19	

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a) REFLECTING ACTION COMPLETED AS OF SEPT. 9, 1997—Continued

[By fiscal years, in millions of dollars]

	BA	1998 Outlays	NEA	BA	1998–2002 Outlays	NEA
Judiciary:						
Allocation	146	177	.....	908	1,063	.....
Current Level	.....	.....	.....	5	5	5
Difference	(146)	(177)	.....	(903)	(1,058)	5
Transportation and Infrastructure:						
Allocation	29,695	65	.....	156,356	1,209	.....
Current Level	29,586	70	.....	28,850	(167)	.....
Difference	(109)	5	.....	(127,506)	(1,376)	.....
Science:						
Allocation	.....	.....	.....	.....	.....	.....
Current Level	.....	.....	.....	.....	.....	.....
Difference	.....	.....	.....	.....	.....	.....
Small Business:						
Allocation	.....	.....	.....	.....	.....	.....
Current Level	.....	2	.....	22	16	.....
Difference	.....	2	.....	22	16	.....
Veterans; Affairs:						
Allocation	(224)	(224)	327	(1,665)	(1,665)	5,773
Current Level	(115)	(207)	(41)	(638)	(728)	(2,050)
Difference	109	17	(368)	1,027	937	(7,823)
Ways and Means:						
Allocation	(5,918)	(5,918)	400	(113,146)	(113,149)	1,603
Current Level	(1,755)	(2,881)	500	(109,756)	(110,118)	2,030
Difference	4,163	3,037	100	3,390	3,031	427
Select Committee on Intelligence:						
Allocation	.....	.....	.....	.....	.....	.....
Current Level	.....	.....	.....	.....	.....	.....
Difference	.....	.....	.....	.....	.....	.....
Total Authorized:						
Allocation	22,711	(6,910)	4,916	10,580	(145,333)	22,618
Current Level	30.650	128	4,417	(88,354)	(118,710)	8,176
Difference	7,939	7,038	(499)	(98,934)	26,623	(14,442)

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 1998—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 302(b)

[In millions of dollars]

	Revised 302(b) suballocations (March 3, 1998)				Current level reflecting action completed as of April 21, 1998				Difference			
	Discretionary		Mandatory		Discretionary		Mandatory		Discretionary		Mandatory	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
Agriculture, Rural Development	13,757	14,000	35,048	35,205	13,751	13,997	35,048	35,205	−6	−3	0	0
Commerce, Justice, State	31,280	25,555	522	532	31,280	28,955	522	532	0	3,400	0	0
District of Columbia	855	554	0	0	855	554	0	0	0	0	0	0
Energy and Water Development	20,732	20,879	0	0	20,732	20,880	0	0	0	1	0	0
Foreign Operations	31,008	13,079	44	44	13,147	13,079	44	44	−17,861	0	0	0
Interior	13,797	13,707	55	50	13,799	13,707	55	50	2	0	0	0
Labor, HHS & Education	80,328	76,123	206,611	209,167	80,547	76,202	206,611	209,167	219	79	0	0
Legislative Branch	2,279	2,251	92	92	2,251	2,251	92	92	−28	0	0	0
Military Construction	9,183	9,862	0	0	9,183	9,862	0	0	0	0	0	0
National Defense	247,512	244,199	197	197	247,512	244,198	197	197	0	−1	0	0
Transportation	11,772	37,179	698	665	12,711	37,204	698	665	939	25	0	0
Treasury-Postal Service	12,735	12,502	12,713	12,712	12,866	12,613	12,713	12,712	131	111	0	0
VA-HUD-Independent Agencies	66,395	79,977	21,332	20,061	68,703	80,089	21,332	20,061	2,308	112	0	0
Reserve/Offsets	2,953	470	0	0	0	0	0	0	−2,953	−470	0	0
Grand total	544,586	550,337	277,312	278,725	527,337	553,591	277,312	278,725	−17,249	3,254	0	0

BEA—COMPARISON OF CURRENT LEVEL TO DISCRETIONARY SPENDING LEVELS SET FORTH IN SEC. 251(c) OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

[In millions of dollars]

	Defense		Nondefense		Violent crime trust fund	
	BA	A	BA	A	BA	A
Statuory Casps[1]	269,000	267,124	253,506	285,686	5,500	4,833
Current Level	268,934	266,694	252,903	283,614	5,500	3,583
Difference	−66	−430	−603	−2,072	0	−1,250

[1] As adjusted pursuant to sec 251(b) of the BBEDCA.

H–1B VISAS: THE STEALTH WAY OF TAKING U.S. JOBS FROM WORKERS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KLINK) is recognized for 5 minutes.

Mr. KLINK. Mr. Speaker, I rise tonight, I understand the hour is late, but I think this is a very important issue.

We have a program which many Members of Congress are not familiar with. It is called the H–1B visa program. This program allows industries from this Nation to bring over mostly high-tech workers from other countries, 65,000 workers a year right now, for temporary jobs. They can stay here for 6 years.

This was a program that was established back in 1990 because we were being told that we had an anticipated shortage of scientists and of engineers. By the time this program was in place, the Berlin Wall had fallen and we did not have as much of a need in the defense industry for this kind of technical expertise.

But what ended up happening was many countries found out that they could go overseas, they could bring over computer programmers or reprogrammers rather than train American workers, and we have seen throughout this country a propensity of what I would refer to as job shops, that is companies that are providing computer programmers to our industries. And our industries are laying off unbelievable numbers of American

workers, and they are being replaced by these temporary foreign workers.

I think we are really headed down a tragic highway in this country. I would just want to point out to the Members of the House that, as the technical and high-tech industry is beating the drum saying we have need to import workers, that we have really thousands upon thousands of students that are graduating from college every year, and we are just debating here on the floor of the House how we deal with the student loan program.

These students are graduating from college. They have large amounts of student loans to pay back and, in many instances, they find themselves waiting on tables because they cannot get jobs. They could be trained to take these jobs. They could be trained to do computer programming.

And, at the same time, we are hearing from the computer industry and many others that they have this high-tech labor shortage. The headlines across the Nation in our papers are telling a different story.

Let me just read something from the Wall Street Journal that just said, a steady drumbeat of layoff announcements in industry sectors that until recently have complained about personnel shortages. In the Silicon Valley, layoffs have occurred at Seagate Technology Inc., Silicon Graphics, Netscape Communications Corp., Apple Computer Inc., Sybase Inc. and others. Some firms have cut hiring plans; help wanted advertising has slumped since the start of the year. Elsewhere, high-tech giants are shedding staff.

Last week, again, according to the Wall Street Journal, Xerox Corp. announced the layoff of 9,000 people. Yet we want to import up to 95,000 workers a year from other countries and give them these jobs.

Something is wrong in America today. We have not had a debate as to the need for this.

The other difficulty is that here is a high-tech industry which prides itself on identifying and quantifying problems, yet they have not proven, according to the GAO, that, in fact, there is a shortage. The gentleman from Michigan (Mr. DINGELL) and myself asked the GAO to look into these claims, and we found out that the material that they are using to justify this claim is faulty.

Also, last week in the San Francisco Examiner, they ran an unprecedented series of letters from readers that are concerned about the alleged shortage of information technology workers. Their conclusion is that we are seeing age discrimination that is pushing into this high-tech sector, pushing many qualified American workers out of the marketplace. The employers want cheaper, more exploitable foreign workers.

And I would like to quote at length from some of these letters, because I think we here in Congress are too busy as we rush through our legislative schedule and we have not heard from these workers.

An older computer consultant has said, "At job fairs, many older people, including myself, are rudely treated by young recruiters from human resources. In one blatant case, I saw a recruiter from a major local computer manufacturer and software firm refuse to talk to anyone who looked like they were over 35. Résumés from older people were tossed in one pile, résumés from younger people were put on another pile with attached notes from a mini interview."

I would also like to talk about one worker who said he was being brought back to his former employer to do what he called really retroactive—he actually called it mentoring a foreign engineer who now does his job. So they laid him off, brought over foreign workers, and he had to train them to do his job.

There is a problem in America, Mr. Speaker, and we in Congress have to address it.

Mr. Speaker, I am also providing for the RECORD more detailed information regarding the H–1B program, which follows herewith:

H–1B PROGRAM

Origin of H–1B Program: It was established in 1990 to alleviate an anticipated shortage of scientists and engineers, particularly at the Ph.D. level. By the time it was in place, however, the Berlin Wall had fallen, there was an economic downturn, and downsizing was rampant in defense and other industries using these people. The main proponents of the program were the universities, the National Science Foundation and some industry groups.

Supposed to be a Temporary Program: The program is a high-tech guestworker program. It allows 65,000 persons in "specialty" occupations to enter the U.S. for three years with one renewal for a total of six years to respond to "temporary" shortages. Then they are supposed to return home. Many, many H–1Bs are used by foreign students trying to stay in the country. Their employers use H–1Bs as a way to see if they want to sponsor the person permanently. So a large, large number of these people never go back home.

Approval is Quick and Easy: The employer certifies to the Labor Department that it needs a worker in a certain occupation (names are not required) and will pay the prevailing wage. There is no requirement to show that there is an actual shortage in that occupation. After the certification is received, a person's name is attached and INS and the State Department process the visa. Three years ago, this entire process could be done in about a month so employers loved it.

Misuse of H–1B: While in the H–1B status, however, they are indentured servants to their employers. The job they hold is for an occupation, not a certain person. They can be underpaid, forced to work seven days a week, etc., until they can obtain their green card or have to go back home.

Layoffs: In the meantime, another sub-industry of temporary workers developed in the information technology industry. Numerous temporary employment companies appeared which hired almost exclusively H–1Bs from India, Taiwan and the Philippines, paid them less than American workers and used them to replace American workers, particularly computer programmers. Three years ago, the Senate Judiciary Committee held hearings at which laid-off U.S. programmers appeared. Most had lost their jobs to foreign H–1Bs.

65,000 Limit: Until last year, the 65,000 limit was never reached. Then, suddenly, last year, it was reached at the end of August, and the cries of pain from the high-tech industry for raising the cap. There has been no analysis of why this happened.

"SHORTAGE" OF INFORMATION TECHNOLOGY WORKERS

There is no universally accepted definition of information technology (IT) workers or what training is required for the jobs. So industry defined IT worker broadly when trying to demonstrate a demand for IT workers and defined the training required very narrowly.

Demand for IT Workers: The Information Technology Association of America (ITAA) and Commerce reports found that between 1996–2006 the US will require 1.3 million job openings because of growth and net replacements (1.1 million of which is for growth alone). That is a 14.5% increase.

"Shortage:" ITAA and Commerce defined the pool of qualified IT workers as those who have obtained a Bachelor's degree in computer and information science. They did not consider degrees and certifications in computer and information science other than a B.A., degrees in other areas, or workers who could be retrained. In 1993, only 25% of those employed in IT actually had a B.A. in computer and information science. Other workers had degrees in business, social sciences, math, engineering, psychology, economics, and education.

Basis for ITAA's and Commerce's Conclusions and Response: (1) Wages for IT workers are going up, but no more than in any other professional field (the labor supply always tightens in a good economy), (2) there are unfilled jobs, but a response of only 14% of those surveyed is not sufficient to conclude that this is a nationwide problem (need at least 75% response to be credible), and (3) there is offshore recruiting occurring, but no information as to the extent or magnitude.

Response to survey: ITAA sent out a random sample of 2,000 large-sized, mid-sized, and non-IT companies, but only heard from 271 (14%). A 75% response is required to make credible extrapolations, or nationwide generalizations. Also, there is no information on these reported vacancies such as how long the jobs were open, wage being offered, and how the company is attempting to fill them.

Decrease in computer Science B.A. Candidates: There has been a decline since 1986 but that was the peak year. There had been a steady increase from 1970s and it has remained stable in the 1990s.

H–1–B VISAS: THE STEALTH WAY OF TAKING U.S. JOBS FROM U.S. WORKERS

Do you remember when we were promised that by passing NAFTA and GATT, Americans might lose low-wage jobs, but would definitely gain high-wage jobs? Well, they are changing their story . . . again.

The high technology industry is telling us that there is a shortage of information technology workers in the U.S. and an inability to ever meet the demand. The High Tech Industry wants to open the doors to temporary foreign professional workers by issuing something called H–1–B visas. Currently we issue up to 65,000 H–1–B visas per year. Increasing the number of these visas issued

could quickly result in surplus labor and rapidly dropping wages.

A little over two years ago this same industry was laying off U.S. computer programmers by the hundreds and replacing them with cheaper foreign workers. Their story was Americans got paid too much and temporary foreign workers should be used to keep down wages or else the work would go abroad. Some jobs did go abroad, but the high technology industry is still unsatisfied. Our country's most highly skilled, sought-after, domestic technology workers have realized how valuable their knowledge is and have started shopping around for the best available wage packages. The industry, unwilling to pay the going wage for U.S. workers, has declared a labor shortage and is demanding more H-1-B visas to keep wages down.

High-Tech Corporate America would be the winner: it could make more money and continue to treat its workers with disdain, dumping them in every temporary downturn in the economy and refusing to invest in job training. The losers will be our young people who are looking for jobs in technology, older workers who may need retraining, and taxpayers who will pay to train U.S. workers only to have them become surplus labor.

There may be a lot of posturing and panic, but there is no evidence of a shortage. Though industry and the Commerce Department have produced studies claiming there is a shortage, the General Accounting Office found that "serious analytical and methodological weaknesses" undermine the Commerce report's credibility. Every year, this country produces approximately 650,000 bachelor's degrees in science and engineering; 120,000 master's degrees; and 40,000 doctorates for a total of 810,000. Any one of these degrees could be used to develop a career in information technology. However, a degree is not absolutely necessary to succeed in this field. After all, Bill Gates dropped out of college and then created Microsoft.

Furthermore, an employer does not have to look for a U.S. worker before applying for an H-1-B worker. So even if there are hundreds of talented U.S. workers available, an employer can apply to hire a temporary foreign worker without any negative consequences.

It is too risky to raise temporary foreign worker quotas before anyone has clearly defined and quantified a problem. Once H-1-B visas are increased, it will be very hard to bring the number back down again. These temporary programs quickly become permanent ones that send negative signals to our own workers. They say—you can train, but we will still import our workers.

The technology industry appears to be booming and has been posting record earnings for several years. Let's allow America's most skilled workers to "boom" with it.

INFO TECH WORKER SHORTAGE? WHERE'S THE EVIDENCE?

DEAR COLLEAGUE: For months we have been bombarded with stories from the information technology industry about a terrible shortage of skilled professionals. They argue that Congress must expand the temporary foreign worker program to meet their needs. Three studies have been cited to prove the case—one by the Commerce Department and two by the Information Technology Association of America. Based on these reports, legislation to increase the number of foreign technical workers has already been introduced in the Senate and is expected soon in the House.

The problem is the reports are wrong.

Claim #1: The Commerce Department found a shortage of information technology workers based on the (flawed) ITAA studies and its own back-of-the-envelope calculation that there will be 95,000 new jobs created annually in industry with only 25,000 new computer science college graduates each year.

Response: The General Accounting Office noted that "serious analytical and methodological weaknesses" undermine the Commerce report's credibility. Only 29% of IT workers have come from computer science with graduates in math, science, social science, education and business filling the remaining positions.

Claim #2: In 1997, ITAA claimed 190,000 unfilled IT jobs. In January, ITAA claimed 346,000 unfilled jobs based on another survey—a claim that also got widespread press attention.

Response: GAO states that "to make sound generalizations, the effective response rate should usually be at least 75 percent." Because the first ITAA survey had only a 14 percent response rate, GAO found it "is inadequate to form a basis for a nationwide estimate of unfilled IT jobs." This second survey was done by a self-described marketing researcher with no experience in labor studies. Further, ITAA has never released the study so we can't evaluate the methodology. However, we know that the newest ITAA study had a response rate of 36%—far too low for accurate projections.

Claim #3: The demand for IT workers will double in the next 10 years and there will not be enough of a supply of U.S. workers to meet it.

Response: Who says we can't meet it? The demand for IT workers doubled over the last 10 years and it was satisfied right here in the U.S. by people from a wide variety of educational backgrounds. At least half of the jobs require a two-year college degree or less. Let the demand double again. With well-planned policies of training and education and the natural market response of Americans looking for good jobs that pay well, we will meet that demand again.

What is the ITAA's excuse for these bad numbers? Their only response is to stop "arguing over methodology" so we can fix a problem that they can't even document. Could it be that foreign workers are cheaper, and they are trying to pull one over on Congress so they can cut their costs?

Before we invite thousands of foreign workers in to take American jobs, the industry owes us some straight answers.

RON KLINK.

THE PAYCHECK PROTECTION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Colorado (Mr. BOB SCHAFFER) is recognized for half the time between now and midnight, approximately 12½ minutes, as the designee of the majority leader.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise tonight on the occasion of this special order to speak about one of the most basic components of campaign finance reform that we have to deal with here in the present Congress and certainly throughout the country as well.

There has been a lot of talk, Mr. Speaker, about various ways and strategies to reinstitute a sense of fairness and confidence in our election laws among the American people. But while the discussions about limited campaign funds, about reporting requirements, about various strategies to disclose the campaign contributions and expenditures of candidates seems to be occupying the center of political debate on campaign finance reform, I believe there is a much more fundamental issue that we need to deal with, and that is known as the Paycheck Protection Act.

What happens today in a strategy to raise funds for various campaigns is that we have a number of organizations that have found creative ways to withdraw the wages of hard-working Americans and siphon those dollars off for political causes of various sorts. Now, this often occurs without the consent or even the knowledge of the wage earner, who is working hard to earn the cash to make all this possible.

It occurs in many different settings, but most generally the biggest culprit seems to be labor unions. Labor unions persuade prospective employees to join their organizations for a variety of very attractive causes. One would be agency representation and collective bargaining, for example. And while those are legitimate functions of labor unions, functions that I think most people would support and agree with, few people would agree that it is also a good idea to siphon a portion of a worker's wages associated with union dues or agency fees and divert those dollars toward political campaigns of various sorts, often campaigns that the union worker themselves, the wage earner themselves, do not support.

I want to offer a couple of examples that I think Members ought to consider. If we read today's headlines, for example, "Ex-Teamsters Official Indicted". This deals with just one labor union. There are several. And there are several that are very honorable and worthwhile organizations.

I am focusing on the one in yesterday's headline, being the Teamsters Union. This is in the Washington Times. "A Federal Grand Jury indicted the Teamsters former political director yesterday on charges of giving $1.1 million in union funds to the Democratic Party, the AFL-CIO and liberal advocacy groups so they would launder portions into the reelection campaign of Teamsters President Ron Carey.

Now, the Committee on Education and the Workforce is investigating this particular scandal, particularly the Oversight and Investigations Subcommittee therein under the leadership of the gentleman from Michigan (Mr. HOEKSTRA). And what we are uncovering in that committee is just disclosure after disclosure after disclosure and additional revelations about money laundering schemes through the Teamsters Union.

Now, here we have an example of union dues that are being used and

misused and laundered to benefit certain political campaigns.

There are some people, no doubt within these organizations, that support these particular political activities and political causes. And for them this money laundering scheme is certainly to their advantage and to their benefit. But the vast majority of union members and certainly Teamsters Union members do not approve of money laundering. They do not approve of having pension funds and other funds diverted toward political causes of various sorts without their knowledge and without their consent.

Now, these are matters of a very different nature than the general campaigns that myself or other Members of this Congress engage in, or at the State legislative level or county commissioners level, at a local level back home, or on an issue advocacy basis.

But those second kinds of campaigns that I mentioned are also the kinds of campaigns that receive political funds from union dues and from the wages of hard-working Americans without the consent or knowledge of the wage earner.

It does not seem to be too difficult a question to ask nor to answer in America as follows: Should anyone be forced or compelled to contribute their hard-earned wages to a political campaign they do not support? I think the answer is clearly no. It is hard to believe that there is anyone in America who would answer in the affirmative when given such a question.

The most recent national polls on the subject, and I am referring to this chart here on my right which shows where public opinion registers on this particular topic. A recent poll by John McLaughlin and Associates asked Americans across the country whether they approved or disapprove of a new Federal law that would protect workers paychecks. In other words, a law that would prevent any organization, corporations or labor organizations from siphoning off a portion of a wage earner's paycheck and directing it toward politics without the consent of the wage earner. Would Americans support a Federal law that would protect paychecks and protect them from such a travesty?

Among all voters, 80 percent of the American people have told us that they support a law to that effect. Looking way over here on the chart, only 16 percent of the American voters believe that labor unions and other political groups ought to be able to siphon cash out of wage earners' paychecks without their consent.

Interestingly enough, those numbers are identical to what we find in union households. In fact, this poll oversampled union households throughout America, and we found that the very members of the labor organizations who have abused their trust, 80 percent of union households also agree that there ought to be a law protecting the paychecks of wage earners.

Once again, only 16 percent of union households, looking at the bar here, 16 percent of union households believe that the law ought to continue as it is today and allow unions and other political organizations to, in fact, steal cash out of the wages and paychecks of honest, hard-working Americans.

When we survey the teachers' union, just to be more specific about unions, 84 percent of teachers' unions' members support the notion of paycheck protection, and 80 percent of all other nonunion families throughout the country support paycheck protection as well.

This is a significant number and a significant illustration of where the American people are on such a basic issue of fairness. Again, it is hard to believe that there are those anywhere in the country who support the notion of confiscating the wealth of the people who earn it and directing it toward the political causes of some political insider's choice, but, as we can see on the chart, there are a handful of folks in America that agree.

□ 2345

The question is who is in charge. Well, when this question was posed to this Congress just 1 month ago in these very terms, we relied on the judgment of these individuals, those who are supporting laws to protect paychecks. The judgments of the individuals who constitute the majority of Americans believe paychecks ought to be protected, and we proposed a bill on that basis.

Well, this Congress, believe it or not, Mr. Speaker, sided not with the 80 percent of the American taxpayers who believe that paychecks ought to be protected, this Congress sided with the 16 percent of the individuals who believe that it is acceptable and just to have labor unions and political insiders take cash out of workers' paychecks without their consent.

Now, there is a number of reasons for that. Obviously, there is something that is causing the Congress to listen to these people down here in the minority of instances and to ignore the voices of those who are in the majority category, speaking of 80 percent and 84 percent strengths. The only thing I can attribute that to is politics in general. Those dollars that make their way toward various political campaigns, it is quite possible that those dollars may have made their way to Congress on occasion.

The President of the United States, Bill Clinton, promised to veto the legislation should it ever make his desk. That, again, is a promise that was made, I believe, with full consultation of the labor unions who raise political dollars by confiscating it from the paychecks of hard-working Americans. And that may also, I suspect, be the case with a number of Members of Congress, as well.

The political pressure that month was pretty intense, I have to admit. We could see a number of folks who constitute the 16 percent minority that I mentioned lobbying around the Capitol here. They were wearing their buttons, asking Members to vote against paycheck protection. And while those organizations may have scored a temporary victory here in the Congress and in the House of Representatives, I believe that they will not prevail when it comes to winning this battle on the street. And that battle is one that is going to take place, I assure my colleagues, Mr. Speaker, not here in Washington, D.C., perhaps, but in the great State of California, in the great State of Colorado, in the great State of Nevada.

This is a battle that has already been won, in the great State of Washington. It is a battle that has already been won at the legislative level in the great State of Michigan. It is a battle that is being pondered and considered in places like Ohio, and Maryland, and Florida, and South Dakota and several other States where workers are telling us with great consistency that they are fed up with a law that allows labor unions and other political organizations to actually reach into the pockets of hard-working Americans and siphon off a portion of their wages and divert it toward political campaigns without the consent of the wage-earner.

Well, I mentioned those States and the battles that are about to ensue in those States because those States have seen fit to either propose or begin to propose ballot initiatives to put these questions on the ballot for their constituents to consider come election time, come November, or, in the case of California, even earlier.

When given that choice, it seems to be pretty clear and the direction of these initiatives right now seems to suggest that the voice of the people, the voice of the families that I mentioned earlier, that 80 percent in the majority who want paycheck protection, will in the end speak louder than the minority of individuals who find comfort and value in using those resources for their own political gain and political advantage.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RIGGS). If the gentleman from California (Mr. BOB SCHAFFER) would yield for a moment, the Chair would inform the gentleman that he may claim the remainder of the time between now and midnight and may proceed.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, the use of compulsory union dues for political purposes violates the basic principle of voluntary political participation embodied in our Nation's Constitution.

In 1994, by way of example, 40 percent of union members voted for Republicans, for my party. Yet in 1996, less than 10 percent of labor PAC dollars went to Republican candidates. Now, think about that. Forty percent of union members are voting for one particular party, yet 10 percent of those unions' political PAC contributions are going to the same party.

That means about 30 percent of the members who are working hard, paying the bills, and making all this political gamesmanship possible are not represented. Their hard-earned cash is siphoned off away from their paychecks and spent on political campaigns that they do not, in fact, support.

In Washington State, where 72 percent of the voters approved a paycheck protection initiative in 1992, over 40,000 union workers had the shackles of involuntary political participation broken. In other words, the people of Washington State enacted a paycheck protection mechanism that protected the paychecks of wage-earners that essentially said that union dues are off limits, that wages are off limits for political purposes unless you have the consent of the wage-earner.

Well, here is what happened in the State of Washington. Originally there were 48,000 members of the Washington Education Association, and they were forced to fund political activities against their will until this initiative passed, and again with the backing of 72 percent of the voters in the State of Washington. Well, the interesting answer to a very obvious question is, what happened? The answer is that after passage, only 8,000 people voluntarily succumbed to the union's political activities.

Let me go back and restate those numbers. Before the paycheck protection act in the State of Washington was enacted, 48,000 union members were forced, not just one union, this is the Washington Education Association, were forced to contribute to political activities against their will. After passage, only 8,000 voluntarily paid for unions' political activities.

Well, Congress can send that same message to these labor bosses that are reminiscent to the messages sent by the colonists to King George, "No taxes without representation."

Now, I characterize this activity as taxes for the following reason, because labor unions have been given a tremendous amount of authority under Federal and State laws to organize on union sites and on work sites and to go forward on collective bargaining and agency representation. And that is fine. That is a good thing. Those of us who support paycheck protection are not opposed to unions organizing. We are not opposed to unions being engaged in collective bargaining. We are not opposed to unions providing agency representation to people who work on a particular work site. In fact, we are not even opposed to labor unions being involved in political activities.

I think a union's political action committee, political expenditures are fine. Under the first amendment and the whole concept of free speech and industrial democracy, union activity in politics is a good and healthy thing.

□ 2355

I wish to encourage that, not discourage that. But the real fundamental question comes down to how those dollars are raised. When you have these organizations that raise funds without the consent of those who are paying, I believe that it constitutes the full definition of a criminal activity, an activity that ought to be ended.

The debate really is not over here in Congress. As many of us know and have followed, the efforts to move campaign finance reform to the floor again for the second time are being met and warmly received by our Speaker and others in our leadership. There will be another attempt at trying to pass meaningful campaign finance reform in a few months. When that bill comes to the floor, we ought to insist and demand that paycheck protection be a part of those debates and those discussions. Fortunately for the 80 percent of the individuals who support paycheck protection, we are receiving very favorable indications from our leadership that that will be the case, that we will have an open floor scenario where amendments by Members will be able to be offered, including the Paycheck Protection Act, that the Paycheck Protection Act may in fact be folded into the base bill that comes to the floor for campaign finance reform. But more importantly, I think it is important for this Congress to utilize its opportunity for national leadership to speak out to the American people and to talk about the real travesty that exists and takes place every single day.

Mr. Speaker, most people really do not believe or do not understand that it is possible in America to have a portion of an individual's wages being siphoned off and spent on political causes without their knowledge and without their consent. If we can say that over and over and over again and allow people to understand really how sick politics has become at this particular level, I think that will give us the added impetus and the added incentive here in Washington to put the voice of the people ahead of the voices of those small special interests who use these political funds to their political advantage.

Oh, and it pays off. There is no question about that. Once again, I refer my colleagues to this chart. When you have 80 percent of the American people in every column, again, average voters in this column, union households in this column, 84 percent of teacher union households, 80 percent of nonunion households, when you have those kinds of numbers of individuals who tell us that they want paycheck protection and yet the 16 percent of voters, the 16 percent of union members, the 13 percent of teacher union members and the 16 percent of nonunion members who tell us that they do not want paycheck protection, and you realize that it is the small minority who wins the day here in Congress.

We can see very clearly that the political dollars that are spent to advance the causes of labor unions is paying off for labor unions. It is paying off for the 16 percent. But I am confident that throughout the country as more and more States begin to evaluate the question of labor union dues and paycheck protection, that we will see State after State after State siding on behalf of rank and file families, rank and file workers and union members in the end who would rather have their union dollars going toward union activities that are legitimate and on the work site, perhaps toward supporting their pensions.

If you are a member of the Teamsters Union, you realize that you are going to have to raise more money for your pension funds because of the theft that took place and the money laundering that took place to, in fact, drain the pension plan of the Teamsters Union at the national level, again which has resulted in the indictment of many high-ranking Teamsters officials and in the end resulted in past Teamsters President Ron Carey being invalidated and prohibited from seeking reelection to the post, essentially clearing the way for James Hoffa, Jr. to become President of the Teamsters Union.

When you see these kinds of scandals, if you are a member of the Teamsters Union, you realize that maybe you would rather have a greater portion of your union dues going toward repaying many of the expenses and costs associated with these internal crimes rather than seeing them going toward subsidizing campaigns and political organizations that they may not support.

Let me tell you about one of the individuals who testified before the Subcommittee on Employer and Employee Relations just last year, a man named Kerry Gipe, a union member who testified. He said, quote, I was told that joining the union was a mandatory part of working for the company and absolutely no money was allowed to be used from our union dues for political purposes.

Unfortunately for Mr. Gipe and millions of other American workers, labor bosses continue to use compulsory dues for political purposes. According to some estimates, unions spent as much as $200 million in the 1996 election. All that the Paycheck Protection Act that was proposed here in Congress did was empower the individual worker. It was,

in all candor, at the expense of the small number of union bosses who benefit from the funds of their members. Employees would decide under such a piece of legislation whether and to whom they contribute their hard-earned wages and that they could revoke that authorization at any time.

Mr. Speaker, this is a topic that we will discuss again and bring to the floor at other occasions over the course of the next several months. It is a topic that will be discussed across the country in various States that are considering paycheck protection. Once again I am convinced that once we just lay out the very basic facts of this particular political scandal and evidence of corruption that exists in the country, that eventually we are going to answer properly and correctly and those 80 percent of individuals will finally have their voices heard.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. KLINK) to revise and extend their remarks and include extraneous material:

Mr. COYNE, today, for 5 minutes.

Ms. MILLENDER-MCDONALD, today, for 5 minutes.

Mr. KLINK, today, for 5 minutes.

Ms. JACKSON-LEE of Texas, today, for 5 minutes.

The following Members (at the request of Mr. MCKEON) to revise and extend their remarks and include extraneous material:

Mr. SESSIONS, today and April 30, for 5 minutes each.

Mr. HORN, today, for 5 minutes.

Mr. SAXTON, today, for 5 minutes.

Mr. RIGGS, today, for 5 minutes.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Mr. KLINK) and to include extraneous matter:

Mr. KIND.
Mr. COYNE.
Mr. DICKS.
Mr. HOYER.
Mr. LANTOS.
Ms. KAPTUR.
Mr. DOYLE.
Mr. HAMILTON.
Ms. DELAURO.
Mr. TORRES.
Mr. BONIOR.
Mr. FRANK of Massachusetts.
Mr. TOWNS.
Ms. FURSE.
Ms. NORTON.
Mrs. MALONEY of New York.
Mr. SKELTON.
Mr. VENTO.
Mr. DAVIS of Illinois.
Mrs. KENNELLY of Connecticut.
Mr. BENTSEN.
Mr. CARDIN.
Mr. STARK.
Mr. BROWN of California.
Mr. KLECZKA.
Ms. JACKSON-LEE of Texas.
Mr. KENNEDY of Massachusetts.
Mr. LEVIN.
Mr. MALONEY of Connecticut.

The following Members (at the request of Mr. MCKEON) and to include extraneous matter:

Mr. FAWELL.
Mr. DAVIS of Virginia.
Mrs. EMERSON.
Mr. RADANOVICH.
Mr. BILIRAKIS.
Mr. DELAY.
Mr. HORN.
Mr. SMITH of Michigan.
Mr. FORBES.
Mr. GILMAN.
Mr. MANZULLO.
Mr. NUSSLE.
Mr. HYDE.
Mr. BOB SCHAFFER of Colorado.
Mr. NETHERCUTT.
Mr. PORTER.
Mr. PITTS.

ADJOURNMENT

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), the House adjourned until today, Thursday, April 30, 1998, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

8778. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clopyralid; Extension of Tolerance for Emergency Exemptions [OPP-300645; FRL 5786-9] (RIN: 2070-AB78) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8779. A letter from the Director, Office of Regulatory Management Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebufenozide; Tolerance Extension for Emergency Exemptions [OPP-300641; FRL5784-7] (RIN: 2070-AB78) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8780. A letter from the Director, Test, Systems Engineering and Evaluation, Department of Defense, transmitting a report to notify Congress of the intent to obligate funds for FY 1998 Foreign Comparative Testing projects, pursuant to 10 U.S.C. 2350a(g); to the Committee on National Security.

8781. A letter from the Director, Congressional Budget Office, transmitting a report on participation agreements between the Uniformed Services Treatment Facilities (USTFs) and the Department of Defense, pursuant to Public Law 103—160; to the Committee on National Security.

8782. A letter from the Director, Office of Small and Disadvantaged Business Utilization, Department of Defense, transmitting a report on the progress of the Department of Defense toward the achievement of the goal to award five percent of DOD contracts and subcontracts to small disadvantaged business, historically Black colleges and universities and minority institutions, pursuant to 10 U.S.C. 2323 (i); to the Committee on National Security.

8783. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a description of property to be transferred to the Republic of Panama through the end of calendar year 1999, pursuant to Public Law 96—70; to the Committee on National Security.

8784. A letter from the Secretary of Defense, transmitting a report entitled "Actions To Accelerate the Movement To The New Workforce Vision," pursuant to Public Law 105—85, section 912 (e); to the Committee on National Security.

8785. A letter from the Secretary of Defense, transmitting a report on defense reform by the Defense Science Board Sub-Task Force on the Acquisition Workforce, pursuant to Public Law 105—85; to the Committee on National Security.

8786. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Home Equity Conversion Mortgage Insurance; Right of First Refusal Permitted for Condominium Associations [Docket No. FR-4267-1-01] (RIN: 2502-AG93) received April 9, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8787. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the 1997 Annual Report to Congress by the Division of Compliance and Consumer Affairs of the Federal Deposit Insurance Corporation, pursuant to 15 U.S.C. 57a(f)(6); to the Committee on Banking and Financial Services.

8788. A letter from the Director, Office of Management and Budget, transmitting a report on the OMB Cost Estimate for Pay-As-You-Go Calculations, pursuant to Public Law 105—167; to the Committee on the Budget.

8789. A letter from the Senior Deputy Chairman, National Council on the Arts and the Humanities, transmitting the Federal Council on the Arts and the Humanities' twenty-second annual report on the Arts and Artifacts Indemnity Program for Fiscal Year 1996, pursuant to 20 U.S.C. 959(c); to the Committee on Education and the Workforce.

8790. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Facility Safety [DOE O 420.1] received April 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8791. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Occurrence Reporting And Processing Of Operations Information [DOE O 232.1A] received April 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8792. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to

State Primacy Requirements to Implement Safe Drinking Water Act Amendments [FRL-6003-5] (RIN: 2040-AD00) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8793. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Authorization and Incorporation By Reference of State Hazardous Waste Management Program [FRL-5988-2] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8794. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Organobromine Production Wastes; Identification and Listing of Hazardous Waste; Land Disposal Restrictions; Listing of CERCLA Hazardous Substances, Reportable Quantities [FRL-5999-9] (RIN: 2050-AD79) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8795. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Pentwater and Walhalla, Michigan) [MM Docket No. 97-118, RM-9061] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8796. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Ironton, Malden and Salem, Missouri) [MM Docket No. 97-136, RM-9083, RM-9136] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8797. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Banks, Redmond, Sunriver and Corvallis, Oregon) [MM Docket No. 96-7, RM-8732 RM-8845]; FM Broadcast Stations (The Dalles and Corvallis, Oregon) [MM Docket No. 96-12, RM-8741] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8798. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Switzerland (Transmittal No. DTC-49-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8799. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC-24-98), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

8800. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to the United Kingdom (Transmittal No. DTC-47-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8801. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Spain (Transmittal No. DTC-27-98), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

8802. A communication from the President of the United States, transmitting a report on the activities of United States Government departments and agencies relating to the prevention of nuclear proliferation during January 1, 1997 through December 31, 1997, pursuant to 22 U.S.C. 3281; to the Committee on International Relations.

8803. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Finland (Transmittal No. DTC-63-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8804. A letter from the Director, Bureau of Economic Analysis, Economics and Statistics Administration, transmitting the Administration's final rule—Direct Investment Surveys: Raising Exemption Level for Two Surveys of Foreign Direct Investment in the United States (RIN: 0691-AA31) received April 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

8805. A letter from the Director, U.S. Trade and Development Agency, transmitting a copy of the Agency's annual audit, pursuant to 22 U.S.C. 2421 (e) (2); to the Committee on International Relations.

8806. A letter from the Director, Procurement and Property Management, Department of Agriculture, transmitting the Department's final rule—Miscellaneous Amendments [AGAR Case 96-03] (RIN: 0599-AA00) received April 20, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

8807. A letter from the Under Secretary for Oceans and Atmosphere, Department of Commerce, transmitting the Annual Report of the Coastal Zone Management Fund for fiscal year 1997, pursuant to 16 U.S.C. 1456; to the Committee on Resources.

8808. A letter from the General Counsel, Department of Commerce, transmitting a draft of proposed legislation providing the Commissioner of Patents and Trademarks with the authority to assess fees under section 41 of title 35, United States Code, in amounts sufficient to match the level of fees assessed in fiscal year 1998 under that fee authority and the surcharge assessed pursuant to section 10101 of the Omnibus Budget Reconciliation Act of 1990, as amended, (35 U.S.C. 41 note); to the Committee on the Judiciary.

8809. A letter from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting a report of the Bureau of Justice Assistance entitled, "Fiscal Year 1996 Annual Report to Congress," pursuant to 42 U.S.C. 3711; to the Committee on the Judiciary.

8810. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 and PC-12/45 Airplanes [Docket No. 97-CE-46-AD; Amendment 39-10475; AD 98-08-26] (RIN: 2120-AA64) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8811. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Helicopter Systems Model 369(YOH-6A), 369A (OH-6A), 369D, 369E, 369F, 369FF, 369H, 369HE, 369HM, 369HS, and 500N Helicopters [Docket No. 97-SW-52-AD; Amendment 39-10481; AD 98-09-02] (RIN: 2120-AA64) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8812. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Alexander Schleicher Segelflugzeugbau Model ASK 21 Sailplanes [Docket No. 97-CE-108-AD; Amendment 39-10478; AD 98-08-29] (RIN: 2120-AA64) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8813. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Aircraft Ltd. Model PC-12 Airplanes [Docket No. 97-CE-98-AD; Amendment 39-10367; AD 98-05-06] (RIN: 2120-AA64) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8814. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Porterville, CA [Airspace Docket No. 98-AWP-2] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8815. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Delano, CA [Airspace Docket No. 98-AWP-5] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8816. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Santa Barbara Channel, CA [COTP Los Angeles-Long Beach, CA; 98-002] (RIN: 2115-AA97) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8817. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fleet Week 1998 Parade of Ships, Port of New York and New Jersey [CGD01-98-026] (RIN: 2115-AA97) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8818. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Los Angeles Harbor; San Pedro Bay, CA [COTP Los Angeles-Long Beach, 97-007] (RIN: 2115-AA97) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8819. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Atlantic Ocean, Vicinity of Cape Henlopen State Park, DE [CGD 05-98-008] (RIN: 2115-AA97) received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8820. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Pilot, Flight Instructor, Ground Instructor, and Pilot School Certification Rules; Clarifying amendments and other editorial changes [Docket No. 25910; Amendment Nos. 61-104 and 141-10] (RIN: 2120-AE71) received April

23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8821. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Disaster Assistance; Public Assistance Program Appeals; Hazard Mitigation Grant Program Appeals (RIN: 3067–AC67) received April 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8822. A letter from the Secretary of Transportation, transmitting the Department's fourth annual report on the activities of the Department regarding the guarantee of obligations issued to finance the construction, reconstruction, or reconditioning of eligible export vessels, pursuant to section 1111 (b)(4) of the Merchant Marine Act of 1936, as amended; to the Committee on Transportation and Infrastructure.

8823. A letter from the Secretary of Energy, transmitting a detailed progress review of the research and development authorized under the Act, pursuant to Public Law 101—425, section 10 (104 Stat. 919); to the Committee on Science.

8824. A letter from the Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Establishment of the Yorkville Highlands Viticultural Area and Realignment of the Southern Boundary of the Mendocino Viticultural Area [T.D. ATF–397; RE: Notice No. 854] (RIN: 1512–AA07) received April 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8825. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Application of tax on sales of special motor fuel for use in motor vehicles and motorboats [Revenue Ruling 98–24] received April 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8826. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a determination that Israel is not being denied its right to participate in the activities of the International Atomic Energy Agency; jointly to the Committees on International Relations and Appropriations.

8827. A letter from the Secretary of Housing and Urban Development, transmitting a report on the status of Departmental efforts to disseminate building technology research to the HUD program grantees; jointly to the Committees on Transportation and Infrastructure and Appropriations.

8828. A letter from the Under Secretary for Export Administration, National Institute of Standards and Technology, transmitting the Institute's final rule—Procedures For Implementation Of The Fastener Quality Act [Docket Number: 970724177–8057–02] (RIN: 0693–AB43) received April 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Science and Commerce.

8829. A letter from the Secretary of Health and Human Services, transmitting the Service's final rule—Medicare Program; Definition of Provider-Sponsored Organization and Related Requirements [HCFA–1027–IFC] (RIN: 0938–AI60) received April 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

8830. A letter from the Secretary of Health and Human Services, transmitting the Service's "Major" final rule—Medicare Program; Schedule of Per-Beneficiary Limitations on Home Health Agency Costs for Cost Reporting Periods [Docket No. HCFA–1905–FC] (RIN: 0938–AI84) received April 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1739. A bill to amend the Act designating the Boundary Waters Canoe Area Wilderness to clarify certain provisions of law regarding activities authorized within the wilderness area, and for other purposes; with an amendment (Rept. 105–500). Referred to the Committee of the Whole House on the State of the Union.

Mrs. MYRICK: Committee on Rules. House Resolution 413. Resolution providing for consideration of the bill (S. 1502) entitled the "District of Columbia Student Opportunity Scholarship Act of 1997" (Rept. 105–501). Referred to the House Calendar.

Mr. McINNIS: Committee on Rules. House Resolution 414. Resolution waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 105–502). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. SENSENBRENNER: Committee on Science. H.R. 860. A bill to authorize appropriations to the Department of Transportation for surface transportation research and development, and for other purposes; with an amendment; referred to the Committees on Commerce, and Transportation and Infrastructure for a period ending not later than June 2, 1998 for consideration of such provisions of the bill and amendment reported from the Committee on Science as fall within their jurisdiction pursuant to clause 1(e) and (q) of rule X, respectively (Rept. 105–503, Pt. 1).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MENENDEZ (for himself, Mr. DEUTSCH, Mr. ACKERMAN, Mr. WEXLER, Mr. SHERMAN, Mr. ANDREWS, Mr. KING of New York, Mr. MALONEY of Connecticut, Mr. SCHUMER, Mr. FROST, Mr. ROHRABACHER, Mr. WYNN, Mr. CLYBURN, Mr. TOWNS, Mr. METCALF, Ms. ROS-LEHTINEN, Mr. PASCRELL, Mr. KENNEDY of Rhode Island, Mr. MCGOVERN, Mr. WATTS of Oklahoma, Mr. ENSIGN, Mr. ROTHMAN, Mr. WAXMAN, and Mr. GOODE):

H.R. 3743. A bill to withhold voluntary proportional assistance for programs and projects of the International Atomic Energy Agency relating to the development and completion of the Bushehr nuclear power plant in Iran, and for other purposes; to the Committee on International Relations.

By Mr. NETHERCUTT:

H.R. 3744. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 (commonly called P.L. 480) to provide protections to suppliers of commodities provided under that Act; to the Committee on Agriculture, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCCOLLUM (for himself, Mr. SCHUMER, Mr. HASTERT, Mr. PORTMAN, Mr. GOSS, and Mr. SOLOMON):

H.R. 3745. A bill to prevent money laundering; to the Committee on the Judiciary.

By Mr. WELDON of Pennsylvania (for himself, Mr. PITTS, Mr. FOX of Pennsylvania, and Mr. MCHALE):

H.R. 3746. A bill to authorize the addition of the Paoli Battlefield site in Malvern, Pennsylvania, to the Valley Forge National Historical Park, and for other purposes; to the Committee on Resources.

By Mrs. KELLY (for herself, Mr. ROYCE, Mrs. JOHNSON of Connecticut, Mr. CUNNINGHAM, Mr. LARGENT, Mrs. MYRICK, Mr. GREENWOOD, Mr. HANSEN, Mr. ROGERS, Mr. HEFLEY, Mr. HASTERT, Mr. FORBES, Mr. DREIER, Mr. GANSKE, Ms. PRYCE of Ohio, Mrs. CUBIN, Mr. FRANKS of New Jersey, Mr. HOBSON, Mr. SESSIONS, Mr. SHAYS, Mr. FRELINGHUYSEN, Mr. GILMAN, Mr. FOX of Pennsylvania, Mrs. ROUKEMA, Mr. BURTON of Indiana, Mr. EWING, Mr. WELLER, Mr. BOEHLERT, Mr. HOUGHTON, Mr. REGULA, Mrs. FOWLER, Mr. HORN, Mr. BILBRAY, Mr. GILLMOR, Mrs. MORELLA, Mr. EHLERS, Mr. BOEHNER, and Mr. LAZIO of New York):

H.R. 3747. A bill to amend title 18, United States Code, to expand the prohibition on stalking, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 3748. A bill to amend the Federal Election Campaign Act of 1971 to authorize appropriations for the Federal Election Commission for fiscal year 1999, and for other purposes; to the Committee on House Oversight.

By Mr. BASS (for himself and Mr. GOODLATTE):

H.R. 3749. A bill to amend the Communications Act of 1934 to improve the protection of consumers against "slamming" by telecommunications carriers, and for other purposes; to the Committee on Commerce.

By Mr. DAVIS of Illinois:

H.R. 3750. A bill to amend section 203 of the National Housing Act to require properties that are subject to mortgages insured under the FHA single family housing mortgage insurance program to be inspected and determined to comply with the minimum property standards established by the Secretary of Housing and Urban Development; to the Committee on Banking and Financial Services.

By Mr. FAWELL (for himself, Mr. GOODE, Mr. STENHOLM, Mr. PICKETT, Mr. HALL of Texas, and Mr. PETERSON of Pennsylvania):

H.R. 3751. A bill to amend the Family and Medical Leave Act of 1993; to the Committee on Education and the Workforce, and in addition to the Committees on Government Reform and Oversight, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration

of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GUTIERREZ (for himself, Mr. EVANS, Mr. FILNER, Ms. CARSON, Mr. KENNEDY of Massachusetts, Mr. REYES, Ms. BROWN of Florida, and Mr. RODRIGUEZ):

H.R. 3752. A bill to amend title 38, United States Code, to repeal the provision of law requiring termination of the Advisory Committee on Minority Veterans as of December 31, 1999; to the Committee on Veterans' Affairs.

By Mr. MCCOLLUM (for himself, Mr. HYDE, Mr. CONYERS, and Mr. SCHUMER):

H.R. 3753. A bill to amend chapter 119 of title 18, United States Code, with respect to authority for the interception of communications; to the Committee on the Judiciary.

By Mr. MCNULTY:

H.R. 3754. A bill to amend title 49, United States Code, to grant the State of New York authority to allow tandem trailers to use Interstate Route 787 between the New York State Thruway and Church Street in Albany, New York; to the Committee on Transportation and Infrastructure.

By Mr. MILLER of California (for himself, Mr. GEPHARDT, Mr. SMITH of New Jersey, Mr. BONIOR, Mr. CLAY, Mr. FRANK of Massachusetts, Mr. SANDERS, Mr. SCHUMER, and Mr. KENNEDY of Massachusetts):

H.R. 3755. A bill to express the Sense of Congress that American universities and colleges should adopt rigorous educational merchandise licensing codes of conduct against sweatshop and child labor for merchandise licensed under their names or insignias; to the Committee on Education and the Workforce.

By Mr. NADLER (for himself, Mr. HINCHEY, Ms. WOOLSEY, Mr. STARK, Mr. KLECZKA, Mr. VENTO, Mr. SHERMAN, and Mr. GUTIERREZ):

H.R. 3756. A bill to restrict the disclosure of prescription information by pharmacy owners, pharmacists, and other pharmacy employees; to the Committee on Commerce.

By Mr. ROMERO-BARCELO:

H.R. 3757. A bill to amend the National Housing Act to provide for adequate insurance of mortgages on property in Puerto Rico; to the Committee on Banking and Financial Services.

By Mr. SANDERS (for himself, Mr. CAMPBELL, Mr. KENNEDY of Rhode Island, Mr. ROHRABACHER, Mr. WAXMAN, Mr. STARK, Mr. BERRY, Ms. WOOLSEY, Mr. DEFAZIO, Mr. KUCINICH, Mr. FALEOMAVAEGA, and Mr. BOUCHER):

H.R. 3758. A bill to require persons who undertake federally funded research and development of drugs to enter into reasonable pricing agreements with the Secretary of Health and Human Services, and for other purposes; to the Committee on Commerce.

By Mr. SCHUMER:

H.R. 3759. A bill to amend the Higher Education Act of 1965 to require institutions of higher education to widely distribute information describing their procedures for receiving and responding to complaints concerning harassment; to the Committee on Education and the Workforce.

By Ms. WATERS (for herself, Mr. HINCHEY, Mr. SANDERS, Mr. THOMPSON, Mr. RUSH, and Mr. DAVIS of Illinois):

H.R. 3760. A bill to amend the Bank Holding Company Act of 1956 to require the Board of Governors of the Federal Reserve System to include money laundering activities in the consideration of applications under section 3 of the Bank Holding Company Act of 1956; to the Committee on Banking and Financial Services.

By Mr. SHUSTER (for himself and Mr. OBERSTAR):

H. Con. Res. 265. Concurrent resolution authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. KENNEDY Center for the Performing Arts; to the Committee on Transportation and Infrastructure.

By Mr. STRICKLAND (for himself and Mr. LOBIONDO):

H. Con. Res. 266. Concurrent resolution expressing the sense of Congress that the Department of Defense should continue to buy goods and services made domestically and not deviate from the domestic source and manufacturing restrictions on procurements as established by law; to the Committee on National Security.

By Mr. WELDON of Florida (for himself, Mr. MCKEON, Mr. BOYD, Mr. GORDON, Mr. KUCINICH, Mr. LAMPSON, Mr. DAVIS of Virginia, and Mr. ADERHOLT):

H. Con. Res. 267. Concurrent resolution declaring a national commitment to the exploration, development, and use of space; to the Committee on Science, and in addition to the Committee on National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FAZIO of California:

H. Res. 412. A resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. ROYCE (for himself, Mr. MENENDEZ, and Mr. SMITH of New Jersey):

H. Res. 415. A resolution to promote independent radio broadcasting in Africa; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

300. The SPEAKER presented a memorial of the Legislature of the State of Minnesota, relative to Resolution 8 memorializing the United States government to resolve certain differences between the Province of Ontario and the State of Minnesota; jointly to the Committees on International Relations and Resources.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. BOEHLERT.

H.R. 107: Mr. COYNE and Mr. JENKINS.

H.R. 219: Mr. CUNNINGHAM, Mr. ANDREWS, and Mr. SHERMAN.

H.R. 457: Mr. BEREUTER.

H.R. 538: Mr. MCNULTY.

H.R. 563: Ms. CARSON.

H.R. 590: Mr. PASCRELL.

H.R. 678: Mr. BUNNING of Kentucky, Mr. NETHERCUTT, Mr. METCALF, Mr. THOMAS, Mr. SKEEN, Mr. KINGSTON, Mr. BLUNT, and Ms. DUNN of Washington.

H.R. 715: Mr. PAPPAS and Mr. CALVERT.

H.R. 814: Ms. KILPATRICK and Mr. WEXLER.

H.R. 815: Mr. NUSSLE and Mr. KENNEDY of Massachusetts.

H.R. 1005: Mr. NETHERCUTT.

H.R. 1018: Mr. THOMPSON.

H.R. 1023: Mr. REGULA.

H.R. 1142: Mr. WYNN.

H.R. 1231: Mr. SAWYER.

H.R. 1283: Mr. ACKERMAN and Mr. KNOLLENBERG.

H.R. 1329: Mr. THOMPSON.

H.R. 1362: Mr. BOEHLERT.

H.R. 1656: Mr. ENGLISH of Pennsylvania.

H.R. 1715: Mr. PICKERING.

H.R. 1891: Mr. SNYDER and Mr. NUSSLE.

H.R. 1951: Mr. JOHN, Mr. MEEKS of New York, Mrs. CAPPS, and Ms. STABENOW.

H.R. 1972: Mr. BARR of Georgia.

H.R. 2112: Mrs. CAPPS.

H.R. 2174: Mrs. CAPPS, Mr. DIXON, Mr. HOUGHTON, Mr. MILLER of California, and Mr. SANDERS.

H.R. 2183: Mr. GOSS.

H.R. 2396: Mr. LANTOS and Mr. FROST.

H.R. 2454: Ms. HOOLEY of Oregon and Ms. BROWN of Florida.

H.R. 2457: Ms. HOOLEY of Oregon, Mr. LUTHER, and Ms. BROWN of Florida.

H.R. 2509: Mr. CAMPBELL, Mr. KANJORSKI, Mr. LATOURETTE, Mr. BOYD, Mr. POMBO, Ms. ROS-LEHTINEN, and Mr. WELDON of Florida.

H.R. 2523: Mr. TRAFICANT.

H.R. 2549: Mr. MANTON.

H.R. 2914: Ms. KILPATRICK.

H.R. 2938: Mr. OXLEY.

H.R. 2949: Mr. CHRISTENSEN.

H.R. 2991: Mr. ADAM SMITH of Washington, Mr. DOOLEY of California, Mr. KIND of Washington, and Ms. STABENOW.

H.R. 3008: Mr. ENSIGN and Mr. MCINTOSH.

H.R. 3014: Mr. MATSUI.

H.R. 3043: Mr. ADAM SMITH of Washington.

H.R. 3050: Mr. HOLDEN.

H.R. 3086: Mr. WATT of North Carolina.

H.R. 3099: Mr. KUCINICH.

H.R. 3104: Mr. SOUDER, Mr. CHRISTENSEN, and Mr. HASTINGS of Washington.

H.R. 3131: Mr. DEFAZIO.

H.R. 3162: Mr. SHAW, Mr. COMBEST, and Mr. CRAPO.

H.R. 3178: Mr. FATTAH.

H.R. 3181: Mr. MCHUGH and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 3185: Mr. LAMPSON, Mr. JENKINS, Mr. BLUNT, Mr. COBURN, Mr. RODRIGUEZ, and Mr. HUTCHINSON.

H.R. 3304: Mr. MINGE, Mr. CAMPBELL, Mr. SAM JOHNSON, and Mr. CARDIN.

H.R. 3320: Mr. DEUTSCH, Mr. PRICE of North Carolina, Mr. RAHALL, Mr. TOWNS, Mr. GORDON, Mr. THOMPSON, Mr. BROWN of California, Mr. HINOJOSA, Mr. HOYER, Mrs. MEEK of Florida, Mr. SCOTT, Mr. DAVIS of Florida, and Ms. ROYBAL-ALLARD.

H.R. 3331: Mr. CRANE.

H.R. 3404: Mr. WELLER.

H.R. 3466: Mr. BONIOR.

H.R. 3474: Mr. HASTINGS of Florida, Mr. TORRES, Mr. EVANS, and Mr. SCHUMER.

H.R. 3494: Mrs. KELLY.

H.R. 3514: Mr. MENENDEZ, Mr. PASCRELL, Mr. OBERSTAR, and Mr. OLVER.

H.R. 3523: Mr. SUNUNU, Mr. DOOLEY of California, Mr. MCHUGH, and Mr. ACKERMAN.

H.R. 3534: Mr. BARRETT of Nebraska, Ms. DANNER, Mr. BOYD, Mr. SNOWBARGER, Mr. HALL of Texas, Mr. WATTS of Oklahoma, Mr. PETERSON of Minnesota, Mr. BAESLER, and Mr. TANNER.

H.R. 3567: Mr. NETHERCUTT, Ms. SLAUGHTER, Mr. FRELINGHUYSEN, and Mr. LEVIN.

H.R. 3572: Mr. PALLONE and Mr. CAMPBELL.

H.R. 3602: Mrs. NORTHUP.

H.R. 3605: Ms. LEE, Mr. CONYERS, Mr. BASS, Mr. DICKS, Mr. FORBES, Mr. GILCHREST, Mr. GRAHAM, Mr. HORN, Mr. LATOURETTE, Mr. LEACH, and Mr. GANSKE.

H.R. 3610: Ms. DELAURO, Mr. PICKETT, and Mr. SAXTON.

H.R. 3634: Mr. FROST, Mr. BALDACCI, Mr. DREIER, Mr. MCCRERY, Mr. JONES, Mr. TURNER, Mr. DICKEY, Mr. EDWARDS, Mr. ADERHOLT, and Mr. BRADY.

H.R. 3635: Mr. RAMSTAD, Mrs. JOHNSON of Connecticut, and Mr. PAYNE.

H.R. 3654: Mr. BARRETT of Nebraska, Mr. MCHUGH, Mr. SMITH of Michigan, Mr. POSHARD, Mr. TOWNS, and Mr. NETHERCUTT.

H.R. 3659: Mr. GEKAS, Mr. BEREUTER, Mr. SANDLIN, Mr. BARCIA of Michigan, Mr. WHITFIELD, and Mr. BURTON of Indiana.

H.R. 3688: Mr. WATTS of Oklahoma and Mr. MCCRERY.

H.R. 3709: Mr. GINGRICH.

H.R. 3720: Mr. COX of California, Mr. BLUNT, and Mr. TRAFICANT.

H.R. 3734: Mr. FOSSELLA, Mr. CANNON, Mr. RADANOVICH, Mr. BACHUS, Mr. SHIMKUS, Mr. MCCOLLUM, Mr. GIBBONS, and Mr. SAXTON.

H.J. Res. 99: Mr. STUMP.

H. Con. Res. 154: Mr. LANTOS.

H. Con. Res. 208: Mr. ENSIGN, Mrs. THURMAN, Mr. CRAMER, Mr. SANDLIN, Mr. FARR of California, Mr. DEUTSCH, Mrs. JOHNSON of Connecticut, Mr. YOUNG of Alaska, Mr. QUINN, Mr. SKEEN, Mr. KLUG, Mr. FORD, Mr. HUNTER, Mr. BISHOP, Mr. GOODE, Mr. BLUMENAUER, Mr. NEUMANN, Mr. BOSWELL, Mr. TORRES, Mr. SHIMKUS, Mr. WAMP, Ms. ROS-LEHTINEN, Mr. HAYWORTH, Mr. BARCIA of Michigan, Mr. MORAN of Virginia, Ms. CHRISTIAN-GREEN, Mr. KILDEE, Ms. LOFGREN, Mr. TRAFICANT, Mr. SNYDER, Mr. PAYNE, Mr. CLEMENT, Mr. LATOURETTE, Mr. FALEOMAVAEGA, Mr. MANTON, Mr. SHERMAN, Mr. ETHERIDGE, Mr. PICKETT, Mr. WHITFIELD, and Mr. CUNNINGHAM.

H. Con. Res. 214: Mr. HILLEARY.

H. Con. Res. 219: Mr. GALLEGLY, Mr. HALL of Texas, Mr. BILBRAY, Mr. COBURN, Mr. MORAN of Virginia, Mr. BURTON of Indiana, Ms. PRYCE of Ohio, Mr. GOODE, Mr. RAHALL, Mr. KING of New York, and Mr. JEFFERSON.

H. Con. Res. 229: Mr. DAVIS of Virginia and Mr. JACKSON.

H. Con. Res. 254: Mr. CALVERT, Mr. METCALF, Mr. CUNNINGHAM, Mr. BURTON of Indiana, and Mr. SAXTON.

H. Con. Res. 258: Mr. HALL of Ohio, Mr. ROHRABACHER, Mr. OLVER, Mr. ABERCROMBIE, Mr. MORAN of Virginia, Mr. FRANK of Massachusetts, Mr. TOWNS, Mr. MCGOVERN, Mr. PASCRELL, Mr. KLUG, Mr. WOLF, Mr. BLAGOJEVICH, Mr. KENNEDY of Rhode Island, Mr. YATES, Mr. MOAKLEY, Mr. WAXMAN, Mr. MILLER of California, Ms. DELAURO, and Ms. WOOLSEY.

H. Res. 37: Mr. LEVIN, Mrs. CAPPS, Mr. BEREUTER, and Mr. MEEKS of New York.

H. Res. 333: Mr. ROTHMAN.

H. Res. 404: Mr. ACKERMAN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3605: Mr. BASS and Mr. GILCHREST.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6

OFFERED BY: MS. BROWN OF FLORIDA

AMENDMENT NO. 60: Page 270, after line 16, insert the following new section:

SEC. 480. RELIEF FROM OBLIGATION.

To the extent authorized in advance in an appropriation Act, the Secretary may, in settlement of claims found or arising under audits and program reviews under title IV of the Higher Education Act of 1965, forgive the obligations to pay such claims of Edward Waters College of Jacksonville, Florida, relating to the administration of programs prior to academic year 1997–1998 under such title, subject to such terms and conditions as Secretary may require with respect to conduct of programs under such title on and after the date of enactment of this Act.

H.R. 6

OFFERED BY: MR. CAMPBELL OF CALIFORNIA

AMENDMENT NO. 61: Page 83, beginning on line 16 strike section 303 through page 89, line 23.

H.R. 6

OFFERED BY: MR. GORDON

AMENDMENT NO. 62: Page 154, beginning on line 5, strike subparagraph (F) through page 155, line 19, and insert the following:

"(F) Subject to paragraph (4), the special allowances paid pursuant to this subsection on loans made on or after July 1, 1998 for which the applicable interest rate is determined under section 427(a) shall be computed—

"(i) by determining the bond equivalent rate of the average of the quotes as reported by the Federal Reserve of the 3-month commercial paper (financial) rate in effect for each of the days in the quarter for which the rate is being determined;

"(ii) by subtracting the applicable interest rate on such loan from such applicable bond equivalent rate;

"(iii)(I) for Stafford loans during any period in which principal need not be paid (whether or not such principal is in fact paid) by reason of provision described in section 428(b)(1)(M) or 427(a)(2)(C), by adding 1.8 percent to the resultant percent, (II) for Stafford loans during any other periods, by adding 2.39 percent to the resultant percent, or (III) for PLUS loans, by adding 2.7 percent to the resultant percent, to be reset quarterly; and

"(iv) by dividing the resultant percent by 4."

H.R. 6

OFFERED BY: MR. HALL OF TEXAS

AMENDMENT NO. 63: At the appropriate place in the bill in Title VIII insert the following new section:

SEC. . TEXAS COLLEGE PROVISION.

The Secretary may not consider audit deficiencies relating to record keeping with respect to qualifying students for financial aid at Texas College, located in Tyler, Texas, for academic years prior to and including academic year 1994–1995 in determining whether Texas College complies with the financial responsibility and administrative capacity standards under Section 498 of the Higher Education Act of 1965, if Texas College has filed an affidavit with the Department of Education stating that it has made a good faith effort to furnish records to the Department with respect to such audits.

H.R. 6

OFFERED BY: MR. LIVINGSTON

AMENDMENT NO. 64: Add at the end the following new title (and conform the table of contents accordingly):

TITLE XI—PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS

SEC. 1101. PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS.

(a) PROTECTION OF RIGHTS.—It is the sense of the House of Representatives that no student attending an institution of higher education on a full- or part-time basis should, on the basis of protected speech and association, be excluded from participation in, be denied the benefits of, or be subjected to discrimination or official sanction under any education program, activity, or division directly or indirectly receiving financial assistance under the Higher Education Act of 1965, whether or not such program, activity, or division is sponsored or officially sanctioned by the institution.

(b) SANCTIONS FOR DISRUPTION PERMITTED.—Nothing in this section shall be construed to discourage the imposition of an official sanction on a student that has willfully participated in the disruption or attempted disruption of a lecture, class, speech, presentation, or performance made or scheduled to be made under the auspices of the institution of higher education.

(c) DEFINITIONS.—For the purposes of this section:

(1) PROTECTED SPEECH.—The term "protected speech" means speech that is protected under the 1st and 14th amendments to the United States Constitution, or would be so protected if the institution of higher education were subjected to those amendments.

(2) PROTECTED ASSOCIATION.—The term "protected association" means the right to join, assemble, and reside with others that is protected under the 1st and 14th amendments to the United States Constitution, or would be protected if the institution of higher education were subject to those amendments.

(3) OFFICIAL SANCTION.—The term "official sanction"—

(A) means expulsion, suspension, probation, censure, condemnation, reprimand, or any other disciplinary, coercive, or adverse action taken by an institution of higher education or administrative unit of the institution; and

(B) includes an oral or written warning made by an official of an institution of higher education acting in the official capacity of the official.

H.R. 6

OFFERED BY: MR. MCINTOSH

AMENDMENT NO. 65: Page 204, strike line 18 and all that follows through line 5 on page 205 and insert the following:

"(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with paragraph (2), not to exceed (from such funds not otherwise appropriated)—

"(i) $598,000,000 in fiscal year 1999 such funds shall be expended in the following manner—

"(I) $180,000,000 for account maintenance fees payable to guaranty agencies;

"(II) $208,000,000 for origination and servicing of Direct Loans; and

"(III) $210,000,000 for Direct Loan administration;

"(ii) $636,000,000 in fiscal year 2000, such funds shall be expended in the following manner—

"(I) $191,000,000 for account maintenance fees payable to guaranty agencies;

"(II) $235,000,000 for origination and servicing of Direct Loans; and

"(III) $210,000,000 for Direct Loan administration;

"(iii) $632,000,000 in fiscal year 2001 such funds shall be expended in the following manner—

"(I) $201,000,000 for account maintenance fees payable to guaranty agencies;

"(II) $261,000,000 for origination and servicing of Direct Loans; and

"(III) $210,000,000 for Direct Loan administration;

"(iv) $646,000,000 in fiscal year 2002 such funds shall be expended in the following manner—

"(I) $214,000,000 for account maintenance fees payable to guaranty agencies;

"(II) $272,000,000 for origination and servicing of Direct Loans; and

"(III) $210,000,000 for Direct Loan administration;

"(v) $685,000,000 in fiscal year 2003 such funds shall be expended in the following manner—

"(I) $225,000,000 for account maintenance fees payable to guaranty agencies;

"(II) $300,000,000 for origination and servicing of Direct Loans; and

"(III) $210,000,000 for Direct Loan administration.

Account maintenance fees under subparagraph (B) of this paragraph shall be paid quarterly and deposited in the Operating Fund established under section 422B. The Secretary may not carry over funds available under this section to a subsequent fiscal year.".

Page 205, after line 18, insert the following new subsection:

(b) Section 428F(a) of the Higher Education Act of 1965 is amended—

(1) by striking "and" at the end of paragraph (1)(B)(I);

(2) by striking the period at the end of paragraph (1)(B)(ii);

(3) by inserting after paragraph (1)(B)(ii) the following clause:

"(iii) for a maximum repayment of 15 years (notwithstanding section 428(b)(1)(E)), with the 12 monthly payments made under subparagraph (A) to count towards the 15 year period."; and

(4) in paragraph (2)(4), by striking "A" after the word "APPLICABILITY OF GENERAL LOAN CONDITIONS.—" and inserting "Except as provided for in this section, a".

H.R. 6

OFFERED BY: MS. MILLENDER-MCDONALD

AMENDEMENT NO. 66: Page 68, after line 11, insert the following new section (and redesignate the succeeding section accordingly):

SEC. 206. TEACHER EXCELLENCE IN AMERICA CHALLENGE.

Title II is further amended by adding at the end the following new part:

"PART F—TEACHER EXCELLENCE IN AMERICA CHALLENGE

"SEC. 281A. SHORT TITLE.

"This part may be cited as the 'Teacher Excellence in America Challenge Act of 1998'.

"SEC. 281B. PURPOSE.

"The purpose of this part is to improve the preparation and professional development of teachers and the academic achievement of students by encouraging partnerships among institutions of higher education, elementary schools or secondary schools, local educational agencies, State educational agencies, teacher organizations, and nonprofit organizations.

"SEC. 281C. GOALS.

"The goals of this part are as follows:

"(1) To support and improve the education of students and the achievement of higher academic standards by students, through the enhanced professional development of teachers.

"(2) To ensure a strong and steady supply of new teachers who are qualified, well-trained, and knowledgeable and experienced in effective means of instruction, and who represent the diversity of the American people, in order to meet the challenges of working with students by strengthening preservice education and induction of individuals into the teaching profession.

"(3) To provide for the continuing development and professional growth of veteran teachers.

"(4) To provide a research-based context for reinventing schools, teacher preparation programs, and professional development programs, for the purpose of building and sustaining best educational practices and raising student academic achievement.

"SEC. 281D. DEFINITIONS.

"In this part:

"(1) ELEMENTARY SCHOOL.—The term 'elementary school' means a public elementary school.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education that—

"(A) has a school, college, or department of education that is accredited by an agency recognized by the Secretary for that purpose; or

"(B) the Secretary determines has a school, college, or department of education of a quality equal to or exceeding the quality of schools, colleges, or departments so accredited.

"(3) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

"(4) PROFESSIONAL DEVELOPMENT PARTNERSHIP.—The term 'professional development partnership' means a partnership among 1 or more institutions of higher education, 1 or more elementary schools or secondary schools, and 1 or more local educational agency based on a mutual commitment to improve teaching and learning. The partnership may include a State educational agency, a teacher organization, or a nonprofit organization whose primary purpose is education research and development.

"(5) PROFESSIONAL DEVELOPMENT SCHOOL.—The term 'professional development school' means an elementary school or secondary school that collaborates with an institution of higher education for the purpose of—

"(A) providing high quality instruction to students and educating students to higher academic standards;

"(B) providing high quality student teaching and internship experiences at the school for prospective and beginning teachers; and

"(C) supporting and enabling the professional development of veteran teachers at the school, and of faculty at the institution of higher education.

"(6) SECONDARY SCHOOL.—The term 'secondary school' means a public secondary school.

"(7) TEACHER.—The term 'teacher' means an elementary school or secondary school teacher."

"SEC. 281E. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—From the amount appropriated under section 281K and not reserved under section 281I for a fiscal year, the Secretary may award grants, on a competitive basis, to professional development partnerships to enable the partnerships to pay the Federal share of the cost of providing teacher preparation, induction, classroom experience, and professional development opportunities to prospective, beginning, and veteran teachers while improving the education of students in the classroom.

"(b) DURATION; PLANNING.—The Secretary shall award grants under this part for a period of 5 years, the first year of which may be used for planning to conduct the activities described in section 281F.

"(c) PAYMENTS; FEDERAL SHARE; NON-FEDERAL SHARE.—

"(1) PAYMENTS.—The Secretary shall make annual payments pursuant to a grant awarded under this part.

"(2) FEDERAL SHARE.—The Federal share of the costs described in subsection (a)(1) shall be 80 percent.

"(3) NON-FEDERAL SHARE.—The non-Federal share of the costs described in subsection (a)(1) may be in cash or in-kind, fairly evaluated.

"(d) CONTINUING ELIGIBILITY.—

"(1) 2D AND 3D YEARS.—The Secretary may make a grant payment under this section for each of the 2 fiscal years after the first fiscal year a professional development partnership receives such a payment, only if the Secretary determines that the partnership, through the activities assisted under this part, has made reasonable progress toward meeting the criteria described in paragraph (3).

"(2) 4TH AND 5TH YEARS.—The Secretary may make a grant payment under this section for each of the 2 fiscal years after the third fiscal year a professional development partnership receives such a payment, only if the Secretary determines that the partnership, through the activities assisted under this part, has met the criteria described in paragraph (3).

"(3) CRITERIA.—The criteria referred to in paragraphs (1) and (2) are as follows:

"(A) Increased student achievement as determined by increased graduation rates, decreased dropout rates, or higher scores on local, State, or national assessments for a year compared to student achievement as determined by the rates or scores, as the case may be, for the year prior to the year for which a grant under this part is received.

"(B) Improved teacher preparation and development programs, and student educational programs.

"(C) Increased opportunities for enhanced and ongoing professional development of teachers.

"(D) An increased number of well-prepared individuals graduating from a school, college, or department of education within an institution of higher education and entering the teaching profession.

"(E) Increased recruitment to, and graduation from, a school, college, or department of education within an institution of higher education with respect to minority individuals.

"(F) Increased placement of qualified and well-prepared teachers in elementary schools or secondary schools, and increased assignment of such teachers to teach the subject matter in which the teachers received a degree or specialized training.

"(G) Increased dissemination of teaching strategies and best practices by teachers associated with the professional development school and faculty at the institution of higher education.

"(e) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to professional development partnerships serving elementary schools, secondary schools, or local educational agencies, that serve high percentages of children from families below the poverty line.

"SEC. 281F. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.—Each professional development partnership receiving a grant under this part shall use the grant funds for—

"(1) creating, restructuring, or supporting professional development schools;

"(2) enhancing and restructuring the teacher preparation program at the school, college, or department of education within the institution of higher education, including—

"(A) coordinating with, and obtaining the participation of, schools, colleges, or departments of arts and science;

"(B) preparing teachers to work with diverse student populations; and

"(C) preparing teachers to implement research-based, demonstrably successful, and replicable, instructional programs and practices that increase student achievement;

"(3) incorporating clinical learning in the coursework for prospective teachers, and in the induction activities for beginning teachers;

"(4) mentoring of prospective and beginning teachers by veteran teachers in instructional skills, classroom management skills, and strategies to effectively assess student progress and achievement;

"(5) providing high quality professional development to veteran teachers, including the rotation, for varying periods of time, of veteran teachers—

"(A) who are associated with the partnership to elementary schools or secondary schools not associated with the partnership in order to enable such veteran teachers to act as a resource for all teachers in the local educational agency or State; and

"(B) who are not associated with the partnership to elementary schools or secondary schools associated with the partnership in order to enable such veteran teachers to observe how teaching and professional development occurs in professional development schools;

"(6) preparation time for teachers in the professional development school and faculty of the institution of higher education to jointly design and implement the teacher preparation curriculum, classroom experiences, and ongoing professional development opportunities;

"(7) preparing teachers to use technology to teach students to high academic standards;

"(8) developing and instituting ongoing performance-based review procedures to assist and support teachers' learning;

"(9) activities designed to involve parents in the partnership;

"(10) research to improve teaching and learning by teachers in the professional development school and faculty at the institution of higher education; and

"(11) activities designed to disseminate information, regarding the teaching strategies and best practices implemented by the professional development school, to—

"(A) teachers in elementary schools or secondary schools, which are served by the local educational agency or located in the State, that are not associated with the professional development partnership; and

"(B) institutions of higher education in the State.

"(b) CONSTRUCTION PROHIBITED.—No grant funds provided under this part may be used for the construction, renovation, or repair of any school or facility.

"SEC. 281G. APPLICATIONS.

"Each professional development partnership desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall—

"(1) describe the composition of the partnership;

"(2) describe how the partnership will include the participation of the schools, colleges, or departments of arts and sciences within the institution of higher education to ensure the integration of pedagogy and content in teacher preparation;

"(3) identify how the goals described in section 281C will be met and the criteria that will be used to evaluate and measure whether the partnership is meeting the goals;

"(4) describe how the partnership will restructure and improve teaching, teacher preparation, and development programs at the institution of higher education and the professional development school, and how such systemic changes will contribute to increased student achievement;

"(5) describe how the partnership will prepare teachers to implement research-based, demonstrably successful, and replicable, instructional programs and practices that increase student achievement;

"(6) describe how the teacher preparation program in the institution of higher education, and the induction activities and ongoing professional development opportunities in the professional development school, incorporate—

"(A) an understanding of core concepts, structure, and tools of inquiry as a foundation for subject matter pedagogy; and

"(B) knowledge of curriculum and assessment design as a basis for analyzing and responding to student learning;

"(7) describe how the partnership will prepare teachers to work with diverse student populations, including minority individuals and individuals with disabilities;

"(8) describe how the partnership will prepare teachers to use technology to teach students to high academic standards;

"(9) describe how the research and knowledge generated by the partnership will be disseminated to and implemented in—

"(A) elementary schools or secondary schools served by the local educational agency or located in the State; and

"(B) institutions of higher education in the State;

"(10)(A) describe how the partnership will coordinate the activities assisted under this part with other professional development activities for teachers, including activities assisted under titles I and II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq., 6601 et seq.), the Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.); and

"(B) describe how the activities assisted under this part are consistent with Federal and State educational reform activities that promote student achievement of higher academic standards;

"(11) describe which member of the partnership will act as the fiscal agent for the partnership and be responsible for the receipt and disbursement of grant funds under this part;

"(12) describe how the grant funds will be divided among the institution of higher education, the elementary school or secondary school, the local educational agency, and any other members of the partnership to support activities described in section 281F;

"(13) provide a description of the commitment of the resources of the partnership to the activities assisted under this part, including financial support, faculty participation, and time commitments; and

"(14) describe the commitment of the partnership to continue the activities assisted under this part without grant funds provided under this part.

"SEC. 281H. ASSURANCES.

"Each application submitted under this part shall contain an assurance that the professional development partnership—

"(1) will enter into an agreement that commits the members of the partnership to the support of students' learning, the preparation of prospective and beginning teachers, the continuing professional development of veteran teachers, the periodic review of teachers, standards-based teaching and learning, practice-based inquiry, and collaboration among members of the partnership;

"(2) will use teachers of excellence, who have mastered teaching techniques and subject areas, including teachers certified by the National Board for Professional Teaching Standards, to assist prospective and beginning teachers;

"(3) will provide for adequate preparation time to be made available to teachers in the professional development school and faculty at the institution of higher education to allow the teachers and faculty time to jointly develop programs and curricula for prospective and beginning teachers, ongoing professional development opportunities, and the other authorized activities described in section 281F; and

"(4) will develop organizational structures that allow principals and key administrators to devote sufficient time to adequately participate in the professional development of their staffs, including frequent observation and critique of classroom instruction.

"SEC. 281I. NATIONAL ACTIVITIES.

"(a) IN GENERAL.—The Secretary shall reserve a total of not more than 10 percent of the amount appropriated under section 281K for each fiscal year for evaluation activities under subsection (b), and the dissemination of information under subsection (c).

"(b) NATIONAL EVALUATION.—The Secretary, by grant or contract, shall provide for an annual, independent, national evaluation of the activities of the professional development partnerships assisted under this part. The evaluation shall be conducted not later than 3 years after the date of enactment of the Teacher Excellence in America Challenge Act of 1997 and each succeeding year thereafter. The Secretary shall report to Congress and the public the results of such evaluation. The evaluation, at a minimum, shall assess the short-term and long-term impacts and outcomes of the activities assisted under this part, including—

"(1) the extent to which professional development partnerships enhance student achievement;

"(2) how, and the extent to which, professional development partnerships lead to improvements in the quality of teachers;

"(3) the extent to which professional development partnerships improve recruitment and retention rates among beginning teachers, including beginning minority teachers; and

"(4) the extent to which professional development partnerships lead to the assignment of beginning teachers to public elementary or secondary schools that have a shortage of teachers who teach the subject matter in which the teacher received a degree or specialized training.

"(c) DISSEMINATION OF INFORMATION.—The Secretary shall disseminate information (including creating and maintaining a national database) regarding outstanding professional development schools, practices, and programs.

"SEC. 281J. SUPPLEMENT NOT SUPPLANT.

"Funds appropriated under section 281K shall be used to supplement and not supplant other Federal, State, and local public funds expended for the professional development of elementary school and secondary school teachers.

"SEC. 281K. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this part $100,000,000 for fiscal year 1999, and such sums as may be necessary for each of the fiscal years 2000 through 2003.".

H.R. 6

OFFERED BY: MS. MILLENDER-MCDONALD

AMENDMENT NO. 67: Page 94, strike lines 12 through 16 and insert the following:

"(i) $5,500 for academic year 1999–2000,

"(ii) $5,875 for academic year 2000–2001,

"(iii) $6,250 for academic year 2001–2002,

"(iv) $6,625 for academic year 2002–2003,

"(v) $7,000 for academic year 2003–2004,

H.R. 6

OFFERED BY: MS. MILLENDER-MCDONALD

AMENDMENT NO. 68: Page 95, after line 7, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(c) MAXIMUM GRANTS.—Section 401(b) is mended by adding at the end the following new paragraph:

"(7) Notwithstanding the preceding provisions of this subsection, any student shall be eligible for the maximum Federal Pell Grant if such student is enrolled in a public institution of higher education that offers admission to no less than the top 5 percent of the graduating class at each high school in the State in which such institution is located.".

H.R. 6

OFFERED BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 69: Page 334, after line 19, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 806. EDUCATIONAL MERCHANDISE LICENSING CODES OF CONDUCT.

(a) FINDINGS.—The Congress finds that American colleges and universities should take into account the following in managing the licensing of merchandise bearing the names or insignia of educational institutions:

(1) American workers have the right to a fair and safe workplace and to reasonable compensation under the law, such as under the Fair Labor Standards Act, the National Labor Relations Act, and the Occupational Safety and Health Act.

(2) Despite United States workplace laws, sweatshops and other forms of labor exploitation persist domestically. The Department of Labor has recovered $23,100,000 in illegally held back wages for over 45,000 garment workers since 1993, including $2,900,000 in back wages in 1997 alone. In 1997, 63 percent of the New York City garment shops investigated by the Department of Labor were found in violation of the minimum wage and overtime provisions of the Fair Labor Standards Act. And, a recent study commissioned by the Associated Press found that 13,000 children work in sweatshops in the United States.

(3) The use of sweatshop and child labor abroad for goods imported to the United States remains a problem, particularly in the apparel and sporting goods sectors, including the use of subminimum wages, bonded and indentured labor, and unhealthy working conditions. The International Labor Organization estimated there are 250,000,000 underage children working worldwide, in all sectors of the economy, such as agriculture, services and manufacturing for domestically consumed and exported items.

(4) Federal law, including the Trade Act of 1930, bans the importation of products made with indentured servitude, forced or slave labor into the United States.

(5) Codes of Conduct are voluntary steps taken by the private sector.

(6) Rigorous codes of conduct are an important component of a larger set of tools to reduce sweatshop and child labor.

(7) The Apparel Industry Partnership, comprised of major retail companies, human rights groups and labor unions, is seeking agreement on a code of conduct to reduce the use of sweatshops and child labor.

(8) American consumers have repeatedly expressed an interest in buying goods not made with exploited labor.

(9) American consumers frequently have no ability to know whether a product has been made with exploited labor.

(10) Informed consumer choices can be a powerful tool in the reduction of sweatshops and exploited labor.

(11) The market for college and university licensed merchandise such as caps, t-shirts, sweat pants, and other items is valued at over $2,000,000,000 a year, with 80 percent of the market coming from apparel products.

(12) Several universities have adopted codes of conduct specifically requiring companies that manufacture products bearing those universities' names to adhere to minimum labor standards both domestically and abroad, but few universities and colleges, and none of those with the largest volume of merchandise sales, have labor codes of conduct regarding sweatshop and child labor covering companies that market their merchandise.

(13) The Association of Collegiate Licensing Administrators is expected to discuss licensing codes of conduct at its annual meeting beginning on May 13.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that all American colleges and universities should adopt rigorous educational merchandise licensing codes of conduct to assure that university and college licensed merchandise is not made by sweatshop and exploited adult or child labor either domestically or abroad and that such codes should include at least the following:

(1) public reporting of the code and the companies adhering to it;

(2) independent monitoring of the companies adhering to the code by entities not limited to major international accounting firms;

(3) an explicit prohibition on the use of child labor;

(4) an explicit requirement that companies pay workers at least the governing minimum wage and applicable overtime;

(5) an explicit requirement that companies allow workers the right to organize without retribution; and

(6) an explicit requirement that companies maintain a safe and healthy workplace.

H.R. 6

OFFERED BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 70: Page 334, after line 19, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 806. EDUCATIONAL MERCHANDISE LICENSING CODES OF CONDUCT.

It is the sense of the Congress that all American colleges and universities should adopt rigorous educational merchandise licensing codes of conduct to assure that university and college licensed merchandise is not made by sweatshop and exploited adult or child labor either domestically or abroad and that such codes should include at least the following:

(1) public reporting of the code and the companies adhering to it;

(2) independent monitoring of the companies adhering to the code by entities not limited to major international accounting firms;

(3) an explicit prohibition on the use of child labor;

(4) an explicit requirement that companies pay workers at least the governing minimum wage and applicable overtime;

(5) an explicit requirement that companies allow workers the right to organize without retribution; and

(6) an explicit requirement that companies maintain a safe and healthy workplace.

H.R. 6

OFFERED BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 71: At the end of the bill add the following new title:

TITLE XI—MERCHANDISE LICENSING CODES

SEC. 1101. EDUCATIONAL MERCHANDISE LICENSING CODES OF CONDUCT.

(a) FINDINGS.—The Congress finds that American colleges and universities should take into account the following in managing the licensing of merchandise bearing the names or insignia of educational institutions:

(1) American workers have the right to a fair and safe workplace and to reasonable compensation under the law, such as under the Fair Labor Standards Act, the National Labor Relations Act, and the Occupational Safety and Health Act.

(2) Despite United States workplace laws, sweatshops and other forms of labor exploitation persist domestically. The Department of Labor has recovered $23,100,000 in illegally held back wages for over 45,000 garment workers since 1993, including $2,900,000 in back wages in 1997 alone. In 1997, 63 percent of the New York City garment shops investigated by the Department of Labor were found in violation of the minimum wage and overtime provisions of the Fair Labor Standards Act. And, a recent study commissioned by the Associated Press found that 13,000 children work in sweatshops in the United States.

(3) The use of sweatshop and child labor abroad for goods imported to the United States remains a problem, particularly in the apparel and sporting goods sectors, including the use of subminimum wages, bonded and indentured labor, and unhealthy working conditions. The International Labor Organization estimated there are 250,000,000 underage children working worldwide, in all sectors of the economy, such as agriculture, services and manufacturing for domestically consumed and exported items.

(4) Federal law, including the Trade Act of 1930, bans the importation of products made with indentured servitude, forced or slave labor into the United States.

(5) Codes of Conduct are voluntary steps taken by the private sector.

(6) Rigorous codes of conduct are an important component of a larger set of tools to reduce sweatshop and child labor.

(7) The Apparel Industry Partnership, comprised of major retail companies, human rights groups and labor unions, is seeking agreement on a code of conduct to reduce the use of sweatshops and child labor.

(8) American consumers have repeatedly expressed an interest in buying goods not made with exploited labor.

(9) American consumers frequently have no ability to know whether a product has been made with exploited labor.

(10) Informed consumer choices can be a powerful tool in the reduction of sweatshops and exploited labor.

(11) The market for college and university licensed merchandise such as caps, t-shirts, sweat pants, and other items is valued at over $2,000,000,000 a year, with 80 percent of the market coming from apparel products.

(12) Several universities have adopted codes of conduct specifically requiring companies that manufacture products bearing those universities' names to adhere to minimum labor standards both domestically and abroad, but few universities and colleges, and none of those with the largest volume of merchandise sales, have labor codes of conduct regarding sweatshop and child labor covering companies that market their merchandise.

(13) The Association of Collegiate Licensing Administrators is expected to discuss licensing codes of conduct at its annual meeting beginning on May 13.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that all American colleges and universities should adopt rigorous educational merchandise licensing codes of conduct to assure that university and college licensed merchandise is not made by sweatshop and exploited adult or child labor either domestically or abroad and that such codes should include at least the following:

(1) public reporting of the code and the companies adhering to it;

(2) independent monitoring of the companies adhering to the code by entities not limited to major international accounting firms;

(3) an explicit prohibition on the use of child labor;

(4) an explicit requirement that companies pay workers at least the governing minimum wage and applicable overtime;

(5) an explicit requirement that companies allow workers the right to organize without retribution; and

(6) an explicit requirement that companies maintain a safe and healthy workplace.

H.R. 6

OFFERED BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 72: At the end of the bill add the following new title:

TITLE XI—MERCHANDISE LICENSING CODES

SEC. 1101. EDUCATIONAL MERCHANDISE LICENSING CODES OF CONDUCT.

It is the sense of the Congress that all American colleges and universities should adopt rigorous educational merchandise licensing codes of conduct to assure that university and college licensed merchandise is not made by sweatshop and exploited adult or child labor either domestically or abroad and that such codes should include at least the following:

(1) public reporting of the code and the companies adhering to it;

(2) independent monitoring of the companies adhering to the code by entities not limited to major international accounting firms;

(3) an explicit prohibition on the use of child labor;

(4) an explicit requirement that companies pay workers at least the governing minimum wage and applicable overtime;

(5) an explicit requirement that companies allow workers the right to organize without retribution; and

(6) an explicit requirement that companies maintain a safe and healthy workplace.

H.R. 6

OFFERED BY: MR. RIGGS

AMENDMENT NO. 73: Add at the end the following new title (and conform the table of contents accordingly):

TITLE XI—DISCRIMINATION AND PREFERENTIAL TREATMENT

SEC. 1101. PROHIBITION AGAINST DISCRIMINATION AND PREFERENTIAL TREATMENT.

(a) PROHIBITION.—No public institution of higher education that participates in any program authorized under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) shall, in connection with admission to such institution, discriminate against, or grant preferential treatment to, any person or group based in whole or in part on the race, sex, color, ethnicity, or national origin of such person or group.

(b) EXCEPTION.—This section does not prohibit preferential treatment in admissions granted on the basis of affiliation with an Indian tribe by any tribally controlled college or university that has a policy of granting preferential treatment on the basis of such affiliation.

(c) AFFIRMATIVE ACTION ENCOURAGED.—It is the policy of the United States—

(1) to expand the applicant pool for college admissions;

(2) to encourage college applications by women and minority students;

(3) to recruit qualified women and minorities into the applicant pool for college admissions; and

(4) to encourage colleges—

(A) to solicit applications from women and minority students, and

(B) to include qualified women and minority students into an applicant pool for admissions,

so long as such expansion, encouragement, recruitment, request, or inclusion does not involve granting a preference, based in whole or in part on race, color, national origin, or sex, in selecting any person for admission.

(d) DEFINITION.—As used in this section, the term "public institution of higher education" means any college, university, or postsecondary technical or vocational school operated in whole or in part by any governmental agency, instrumentality, or entity.

H.R. 6

OFFERED BY: MR. ROEMER

AMENDMENT NO. 74: Page 246, line 23, after the period insert close quotation marks and "; and", and strike line 24 and all that follows through line 5 on page 247.

H.R. 6

OFFERED BY: MR. ROEMER

AMENDMENT NO. 75: At the end of the bill add the following new title:

TITLE XI—SPECIAL PROVISION

SEC. 1101. TERMINATION OF EFFECTIVENESS.

Notwithstanding section 4 of this Act, subparagraph (K) of section 485(g)(1) of the Higher Education Act of 1965, as amended by this Act, shall cease to be effective on October 1, 1998.