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## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, March 8, 1999, at 2 p.m.

## Senate

FRIDAY, MARCH 5, 1999

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by a guest Chaplain, Father Paul Lavin of St. Joseph's on Capitol Hill Church, Washington, DC.

### PRAYER

The guest Chaplain, Father Paul Lavin, St. Joseph's on Capitol Hill Church, Washington, DC, offered the following prayer:

Listen to the word of the prophet Isaiah: "If you remove from your midst oppression, false accusation and malicious speech; if you bestow your bread on the hungry and satisfy the afflicted; then light shall rise for you in the darkness, and the gloom shall become for you like midday; then the Lord will guide you always and give you plenty even on the parched land."—Is. 58:9-11 NAB.

Let us pray:

Lord, we thank You and we praise You for the goodness of our people and for the spirit of justice that fills our Nation. We thank You for the beauty and the fullness of the land and for the challenge of the cities. We thank You for our work, for our rest, for one another, and for our homes.

Look with favor on the men and women who serve in this Senate. Help them to foster love and to uphold justice and right. Strengthen them and strengthen all of us with Your grace and wisdom, for You are God forever and ever.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

### SCHEDULE

Mr. JEFFORDS. Mr. President, this morning, the Senate will resume consideration of S. 280, the Education Flexibility Partnership Act. Amendments are expected to be offered this morning. Therefore, Members should expect at least one rollcall vote by 10:30 a.m.

As a reminder to all Senators, a cloture motion was filed last night to the Jeffords substitute amendment, and the vote has been set to occur at 5 p.m. on Monday. Also, under rule XXII, Members have until 1 p.m. today to file first-degree amendments to the substitute.

I thank my colleagues for their attention.

### RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, the leadership time is reserved.

### EDUCATIONAL FLEXIBILITY PARTNERSHIP ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 280, which the clerk will report.

The bill clerk read as follows:

A bill (S. 280) to provide for education flexibility partnerships.

The Senate resumed consideration of the bill.

Pending:

Jeffords amendment No. 31, in the nature of a substitute.

Bingaman amendment No. 35 (to amendment No. 31), to provide for a national school dropout prevention program.

Lott amendment No. 37 (to amendment No. 35), to authorize additional appropriations to carry out part B of the Individuals with Disabilities Education Act.

Mr. JEFFORDS. Mr. President, this week the Senate has been debating S. 280, the Education Flexibility Partnership Act of 1999. During the debate, we have heard various interpretations of Ed-Flex. I want to take a moment to remind my colleagues about the idea behind Ed-Flex.

The Department of Education, under the leadership of Secretary Riley, has stated that Ed-Flex authority will help States in "removing potential regulatory barriers to the successful implementation of comprehensive school reform" efforts.

Under Ed-Flex, the Department of Education gives a State some authority to grant waivers to a State, giving each State the ability to make decisions about whether some school districts may be granted waivers pertaining to certain Federal requirements.

I would like to remind my colleagues that States cannot waive any Federal regulatory or statutory requirements relating to health and safety, civil rights, maintenance of effort, comparability of services, equitable participation of students and professional

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



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staff in private schools, parental participation and involvement, and distribution of funds to State or local educational agencies. It is very limited, but very helpful.

I believe this week, working in a bipartisan fashion, we strengthen the accountability aspects of the Ed-Flex bill even beyond that of the bill that was passed out of committee last year by a vote of 17-1. The accountability features of the bill are designed to improve school and student performance, which should be the mission of every education initiative.

For a moment it appears that the debate on this bill has become mired in a debate over other education proposals not related to education flexibility but related to the Elementary and Secondary Education Act.

The Elementary and Secondary Education Act is the foundation for most Federal programs designed to assist students and teachers in our elementary and secondary schools. This year, this legislation is up for review.

As we embark on a new century, it is the perfect opportunity for us to examine the Federal role in our educational delivery system. The Senate Committee on Health, Education, Labor, and Pensions—the HELP Committee—is currently engaged in the hearing process and has been since last December.

Through the hearing process, we are evaluating currently authorized programs and exploring new ideas. The first hearing the committee held this year in regard to education examined various initiatives that have been introduced by Members of this body. The Elementary and Secondary Education Act is the most important education legislation we will consider this year, and probably the most important one we have. There are a lot of good ideas that are being discussed in and out of this Chamber that deserve a thorough review.

It is for this reason that we should not be debating these issues as amendments to the Ed-Flex bill but should be debating these proposals in the context of the Elementary and Secondary Education Act, so that they can receive adequate attention in determining their merits.

For this fiscal year, the Federal Government is currently spending approximately \$15 billion on programs related to elementary and secondary education. This figure excludes special education and vocational education.

How are these dollars being spent? Who is being served? Is student performance improving? What types of professional development programs are helpful to our classroom teachers? Are those teacher training activities translated into better teaching methods? What are the proper roles for the various levels of government? These are questions that must be, and will be, addressed in the coming months during the Elementary and Secondary Education reauthorization.

I urge my colleagues to work with me and the other members in the com-

mittee in finding the answers to these questions through the reauthorization process. Do not attempt to short circuit the process by offering those proposals to the Ed-Flex bill.

The Education Flexibility Partnership Act is not meant to serve as the sole solution to improving school and student performance. However, it does serve as a mechanism that will give States the ability to enhance services to students through flexibility with real accountability. I urge my colleagues to support immediate passage of S. 280.

Now, we have had, over the past few days, the desire—and I can understand that desire—to move ahead of the schedule of hearings and thorough review of the present Federal programs, to introduce the programs basically that have been recommended by the President for the purposes of trying to add them to this Ed-Flex bill way ahead of when they should be offered after a thorough examination and review of the problems we are facing as well as what the recommended programs would do to solve those problems.

It is the unenviable position I am placed in of trying to pass a bill called the Ed-Flex bill which will immediately give help to the States in better utilizing those resources that are already available and not to encumber it in the process by amending and trying to create programs which will hold up the passage of this bill not only here in the Senate but through the Government in the legislative process. So I don't know why we should or would like to do that.

I also point out where we are and will take a few minutes just to point out where we are presently with respect to our attempts and ability to be able to try to improve the educational process.

Back in 1983 during the Reagan years, Secretary Bell held a Senate hearing on the status of education in the United States. As a result of that, a report, "A Nation at Risk," was handed down in 1983 and, with words which are incredibly, I would say, looking towards the future in examining our educational system, said, "If a foreign nation had imposed upon this Nation our educational system we would have considered it an act of war." Those were incredibly strong words. We didn't fully understand what they meant for years.

In 1988, the Governors met in Virginia, in Williamsburg, and they agreed, after examining where we were not within ourselves, the tendency we have in this country is to try to compare ourselves among ourselves. In Vermont we say, "Oh, my gosh, we are doing better than most of the other States. We must be in good shape. We don't have to do anything." But it did prevail throughout Vermont and the country for some time. But gradually we recognized the problems.

One of the most, I think, poignant demonstrations of that problem was by

the Motorola company when they had a real problem with the quality of their production in this country. They found that the Japanese were moving ahead of them in the area the United States should have been the leader in—cell phones. The president of Motorola at that time brought his leaders together, the board of directors, and said, "What do we do?" The recommendation was, first of all, we ought to find out what our problem is in education, and secondly—I think the tone of it was—we ought to look elsewhere, to other countries, to find the educated population that we need in order to produce in competition with the Japanese.

The CEO did not like the thought or the idea of sending our jobs overseas because they were better educated. So he asked to have an examination of his own employees to see what could be done in order for them to produce the quality that was necessary. The results were amazing. They did not have the capacity in math. But that wasn't the basic problem. They found out—this is amazing in a corporation like Motorola—that the people who were given the math problems couldn't understand the math problems because they couldn't read. Wow. That sent a shudder through them. But the CEO went on, saying, "I don't care. We can do it."

So they set up remedial education programs in reading so they could get their employees up to skills in reading sufficiently to be able to understand the math problems. Then they had the training in math. Although the staff still recommended that they ought to send the jobs overseas to Malaysia, the CEO said, "We will do it here."

It turned out that with the proper remedial training and upgrading of math, they not only were able to produce on a par with the Japanese but were also superior to them. Therefore, they were able, after considerable problems getting into the Japanese market, to outperform the Japanese and kept the jobs at home.

In 1988 it was established that we had a problem by the Governors. But it took until 1994 before the Congress reacted and passed what is referred to as the "Goals 2000" bill. We took a look. Here it is now, 15 years after the "Nation At Risk" report and a goals panel which Senator BINGAMAN and I sat on with respect to the Senate, and we found, to our alarm, that we had no measurable improvement in the 15 years since the Nation was put on notice we had to improve—no measurable improvement, except our children were coming to school healthier. In other words, when they reached the sixth grade, they were healthier than they were 15 years ago. That still is not a very successful thing.

Then the thing we learned this last time, which was even more amazing, was that the data we were using to determine whether or not our young people were improving was 1994 data. We did not even have the capacity in this

Nation, after 15 years, to find out where we were. This is very extreme and a key element of the reauthorization of the Elementary and Secondary Education Act as to why we could not as of yet find out in an expeditious way where our young people stand as well on the kind of standard we need to be competitive internationally.

Mr. FRIST. Mr. President, will the Senator yield for a question?

Mr. JEFFORDS. I am happy to yield for a question.

Mr. FRIST. Mr. President, the bill we have been discussing for the last several days is a bipartisan bill entitled "Ed-Flex." It really aims at a fundamental issue, I believe, which is how we improve education for our children, kindergarten through the 12th grade.

This particular bill, which is sponsored by myself and RON WYDEN, is a bipartisan bill. It is a bill that is very simple.

My question is: It seems that over the last several hours of yesterday that a number of extraneous amendments which have nothing to do with my bill, the Ed-Flex bill, a very specific bill which gives flexibility to schools and to teachers and to local communities to accomplish education goals—all of these amendments seem to be well intended, seem to be great programs, but I ask: Is it not appropriate, or more appropriate, so that we can deliver a bipartisan bill supported by the American people, supported by all 50 Governors, supported by the President of the United States, supported by the Department of Education—why can't we in this body come to agreement to pass this bill as written with several germane or relevant amendments, which we have been dealing with very appropriately, in a clean way without trying to attach all of these other programs—all of these other programs, I might add, which have huge price tags. My bill doesn't cost a single cent, has bipartisan support, and will help the children within weeks or months of passage.

Why not—this is the question to my distinguished colleague—address all of these other issues, well intended, which do cost money, which are new programs, why not address them through the Elementary and Secondary Education Act, which is the most appropriate forum where we are considering all of these education programs as we go forward? Why can't we proceed with our bill as written, as appropriately modified, without having to consider every one of these other major issues that come forward that need to be addressed elsewhere?

Mr. JEFFORDS. In answer, I say that the Senator is right, absolutely right. What we need to do is to get this country in a position where the Governors have the flexibility to assist us as we move forward.

I would point out that what we have done also as a fallback in that sense is, with second-degree amendments, to point out that the best thing we can do

right now for the Governors and the Nation is to fully fund IDEA, which is the largest expense that local schools have in doing what is constitutionally required; that is, to provide a child with an appropriate and free education.

A recent Supreme Court decision just the other day points out how important that is now, where, under the 1988 Americans with Disabilities Act, the schools are now responsible to ensure that health care, which is necessary in order to allow the child to be able to obtain the maximum they can, is to be paid for by local governments.

Now, we promised to pay 40 percent of that bill when it was passed. I was on the committee, so I feel a little personally responsible. We said we would pay 40 percent. If you look at the chart behind me here, you can see that we are far from doing that. The total cost now—and that is going to go up significantly with the Supreme Court decision—is \$40.5 billion a year. The Federal Government, in order to take up its share, which would obviously be around \$10 billion—well over \$10 billion, right. But we are far from that. Right now we are still \$11 billion short.

Mr. FRIST. If the Senator will yield for one more question about where we stand as of this morning, again, the bill I have proposed, which passed through your committee last year by a vote of 17 to 1, which passed through your committee this year, which has bipartisan support, is Ed-Flex, flexibility given to local communities with strong accountability—that is the bill that we are discussing. Is what you have just pointed out, and what was pointed out yesterday, that before we consider a number of other programs—which may be important and which will be considered in your committee over the course of the next year—before we should fund new programs, however good they might be, we have an obligation to fulfill the promises that we made in the past, promises to fund a very good program—the Disability Education Act; special education? You pointed out that we have not fulfilled that promise yet and before we should dedicate specific funds to new programs, we should fund that unfunded promise that we made, that we guaranteed in the past.

Mr. JEFFORDS. That is absolutely correct. I praise the Senator for raising that issue and for the introduction on the Ed-Flex bill, because that is a no-cost measure. In fact, it is a "no-brainer" in the sense of passage. It ought to be passed. All it does is give the States flexibility to maximize the utilization of Federal funds. That should be on the books before we add any new programs and have the Governors have the maximum flexibility.

Mr. President, I want to also alert people about the program for this morning. We have promised that we will have a vote before 10:30 in order to accommodate several Senators. So I want to continue to expand on where we should be going right now. I am hopeful that we can be finished with

another amendment in the next 20 minutes so we can call the vote before 10:30 to accommodate those Senators. I again urge that the only amendments I will consider on this bill with respect to education will be those that will not encumber this bill with programs which should appropriately be on the Elementary and Secondary Education Act, which we will be discussing, and on which we are already holding hearings. We may accommodate amendments, but not those that will interfere with an orderly process of this legislation going forward, unencumbered, on bills that should be appropriately brought before the committee with respect to education and other matters.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

#### UNANIMOUS-CONSENT REQUEST

Mr. GRAMM. Mr. President, I ask unanimous consent the pending Ed-Flex bill be temporarily set aside and the Senate now proceed to the consideration of Calendar No. 26, S. 508, a bill to prohibit implementation of "Know Your Customer" regulations by the Federal banking agencies. I further ask consent that there be 20 minutes for debate on the bill equally divided in the usual form, there be no amendments in order, and following that debate the bill be read a third time and the Senate proceed to vote on passage of the bill with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Mr. President, on behalf of Senators on this side, I will have to object.

The PRESIDING OFFICER. Objection is heard.

#### AMENDMENT NO. 40

(Purpose: To prohibit implementation of "Know Your Customer" regulations by the Federal banking agencies)

Mr. GRAMM. Mr. President, I call up amendment 40.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas [Mr. GRAMM], for Mr. ALLARD, for himself, Mr. SANTORUM, Mr. ENZI, Mr. BENNETT and Mr. GRAMM, proposes an amendment numbered 40 to the language in the bill proposed to be stricken by amendment No. 31.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In the language proposed to be stricken, insert the following:

#### SEC. . "KNOW YOUR CUSTOMER" REGULATIONS RESCINDED.

(a) IN GENERAL.—None of the following proposed regulations may be published in final form and, to the extent that any such regulation has become effective before the date of the date of the enactment of this legislation, such regulation shall cease to be effective as of such date:

(1) The regulation proposed by the Comptroller of the Currency to amend part 21 of

title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(2) The regulation proposed by the Director of the Office of Thrift Supervision to amend part 563 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(3) The regulation proposed by the Board of Governors of the Federal Reserve System to amend parts 208, 211, and 225 of title 12 of the Code of Federal Regulation, as published in the Federal Register on December 7, 1998.

(4) The regulation proposed by the Federal Deposit Insurance Corporation to amend part 326 of title 12 of the Code of Federal Regulations as published in the Federal Register on December 7, 1998.

(b) PROHIBITION ON SIMILAR REGULATIONS.—None of the Federal Banking Agencies referred to in subsection (a) may prescribe any regulation which is substantially similar to, or would have substantially the same effect as, any proposed regulation described in paragraph (1), (2), (3), or (4) of subsection (a).

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Texas.

Mr. GRAMM. Mr. President, we now find ourselves in a situation where the Federal Reserve Board, the Office of Thrift Supervision, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, or FDIC, have introduced a regulation called "Know Your Customer." This regulation has a 90-day public comment period which will end on March 8. On behalf of the Banking Committee, Senator BENNETT and I sent a letter to each of the regulators, urging them to drop this proposed regulation. I would like to briefly tell our colleagues what this regulation does.

Under these regulations imposed on every bank and every thrift in America, banks and thrifts would have to set up a program to document a system of internal controls for compliance with the regulation including independent testing, monitoring of day-to-day compliance, and annual personnel training.

What all this would be geared toward is looking at the bank account of every single American who has an account, large or small, in any thrift or any bank in America, to determine the identity of any new customers, to determine the customer's source of funds in bank transactions, to determine the particular customer's normal and expected financial transactions, to monitor account activity for transactions that are inconsistent with the normal and expected transactions, and to report transactions of customers that are determined to be suspicious to the regulatory authority.

If you ever wondered what happened to all those people in the former Soviet Union who used to run things there and now are permanently out of work, the answer is they are all in the Clinton administration and they are running the banking authorities of this country. Can you imagine having in place in America regulations so if your mama doubles the contribution she makes on Sunday to the church, her banker looks at it to see if it is out of the ordinary?

I don't doubt that somewhere, somebody had some good intention. The ob-

jective here is to look at money laundering. But the problem is, this is such a broad-reaching regulation that it infringes on our constitutional rights.

I would like to call the attention of my colleagues to amendment IV in the Constitution. Amendment IV says:

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated. . . .

Our Federal Government has no right to routinely monitor your bank account. Our Federal Government has no right to keep records on where your money comes from, or how you write checks, or how you spend your money, unless there is some clear, compelling case that you are violating the law. What these bank regulators have done is not only run afoul of public opinion—over 135,000 Americans have filed comments in opposition to this process—but they have run afoul of something more important than public opinion. They have run afoul of the Constitution of the United States.

As a result, not having heard a definite answer from the regulators, members of the Banking Committee are here today to begin our process of engaging in oversight to be sure that when we pass laws, as we did setting up these agencies, that those laws are adhered to.

I believe our committees spend too much time writing law and too little time seeing that regulatory agencies abide by that law.

I have two colleagues here today who have been leaders in this effort to introduce the bill that we were unable to call up because a unanimous consent was objected to. Let me first yield to Senator ALLARD.

Mr. ALLARD. I thank the Senator for yielding for the purpose of a question. I just want to be clear that we are talking about the same issue here. My understanding is that these are the same rules and regulations proposed by the Federal Reserve, the FDIC, the Office of Thrift Supervision and the Office of the Comptroller of the Currency on December 7. As I understand, the regulations are going to require banks to set up customer profiles. I cannot imagine anything more intrusive than looking into somebody's banking account any time there is a little bonus that they get in their paycheck or they give a contribution somewhere. Then they suddenly become subject to scrutiny, not only by their banker but by law enforcement agencies and by the regulators. I think that is extremely intrusive. I just wanted to clarify that.

The regulations that are being proposed are extremely vague and are certainly a threat to our privacy in this country. The regulations, as I understand, were drawn up to fight fraud, tax evasion, and combat money laundering, but I do believe that they are reaching entirely too far. I think these regulations are unnecessary and, frankly, I think these regulations ought to be scratched.

One other thing that I want to clarify with Senator GRAMM from Texas is that credit unions, security firms and insurance firms are exempt from these regulations. Again, we have one part of the financial industry being regulated and none of the other parts being regulated. I think the proposed regulations would create a lot of imbalance.

Mr. GRAMM. If the Senator would allow me to reclaim my time, very briefly, not only is it an unconstitutional, unjustified, and unwarranted search and seizure, but wisely, the Securities and Exchange Commission and the National Credit Union Administration have not promulgated such rules. While we are being critical, and justifiably so, of the agencies that have, we should point out that these agencies did not follow suit, and I think they deserve some credit.

The point is, if I know that the Federal Government is going to be spying on my little bank account that might have \$1,100 in it, and I can take it and put it in a credit union or put it in a mutual fund and have some degree of privacy, every little bank, every savings and loan or community bank in America ends up being disadvantaged, because the Federal Government is using them to snoop on their customers. As a result, they lose customers.

Mr. ALLARD. These are unbelievably intrusive. I congratulate the chairman of the Banking Committee for his hard work, and, in particular, my colleague from Pennsylvania. He has really stepped forward on this issue, doing a great job on the Banking Committee. It is a pleasure to work with both of you on this issue.

Mr. GRAMM. Senator SANTORUM.

Mr. SANTORUM. Thank you, Mr. Chairman. I would like to return the compliment to my colleague from Colorado, Senator ALLARD, who has been magnificent in introducing legislation, working with Senator ENZI from Wyoming, and coauthoring a letter with myself and sending a correspondence a couple of weeks ago complaining about this regulation.

He mentioned a couple of the concerns. Actually, an interesting concern was brought up yesterday. If you are not aware or are you aware, Mr. Hawke, who is the head of the OCC, testified before the House Committee on the Judiciary, Subcommittee on Commercial and Administrative Law, yesterday and raised a concern. These are his regulations, but he raised some concerns, from all the feedback he had received, that he believed that these regulations were inadvertently undermining confidence in the banking system, because it violated the trust and the right of privacy between the banker and the customer. There are serious consequences to this. It is not just moving it from your bank to your savings and loan, but literally, it undermines the customer-banker relationship and that privacy relationship that is expected.

I will quote Mr. Hawke:

Law-abiding citizens . . . will understandably be apprehensive that their banks will report any transactions that may be the least out of the ordinary . . ."

A widespread loss of confidence in the privacy of bank accounts could lead to widespread withdrawals and "do lasting damage to our banking system. . . ."

That is from the regulator who has proposed these. I think he has now understood. Over 140,000 people have written, with, to my understanding, 33 in favor, and the other 139,900-plus were against it. I can tell you, in my office we have received 200 to 300 letters, all against, and almost all from individuals. The few thrifts and banks that have written us did not write us to complain about the regulatory burden, but wrote us to reflect all the complaints they are getting from their customers about the invasion of privacy here. This has some serious constitutional issues, and, I think, very serious ramifications for the banking industry. I would like your comment on that.

Mr. GRAMM. First of all, I would guess that those 33 people who were for it are the people who are going to sell all the management services and the training programs and the computer programs for enforcement. It is a foul breeze that doesn't blow somebody some good.

The point is, you have 260 million Americans who lose a constitutional right, when you have financial institutions that have every confidence that people have in the security of their deposits, not that they are going to lose the money but that they are going to lose their freedom to take their paychecks, deposit in their bank without people knowing how much they have deposited, and spend their money on things they want to spend it on without being second guessed as to whether this expenditure was out of the ordinary, with language like "determine the particular customer's normal and expected transaction."

Mr. SANTORUM. They are going to do a profile on every individual's transactions within their bank?

Mr. GRAMM. Take a bank in a medium-sized town and take the personnel they have, how in the world could they possibly comply with this outrageous regulation without it costing, on a nationwide basis, literally billions of dollars?

I think one of the complaints that we have on this issue is a very simple one, not only is it unconstitutional, not only is it outrageous, but it shows, again, how callous Federal regulators are about the costs that are imposed on American business, and the loss of freedom for American consumers. It is sort of the idea that if someone has a social experimentation, it is the job of Americans to comply with their experiment and it is the job of business to pay for it.

Nowhere in the regulation does it suggest that the Government is going to pay the bank in your hometown or

the bank that is in a shopping center near where you live in Colorado; there is nothing in the regulation that says they are going to pay for all these costs. Who do you think is going to pay for it? You are going to pay for it with fees on your checking account. You are going to pay for it with lower rates of return on your CD. You are going to pay for it when you borrow money to buy your home or buy a car or borrow money on a guaranteed student loan to send your child to college. You are going to pay for these regulations in higher costs.

I am delighted that the Comptroller of the Currency has become concerned, but why didn't they think about this before they promulgated this regulation?

The point is, our job on the Banking Committee is to stop this kind of thing from happening.

Mr. ALLARD. Will the Senator yield?

Mr. GRAMM. I would be happy to yield.

Mr. ALLARD. It is interesting how their light sort of turned on after such diverse groups as the ACLU and the Christian Coalition came together and opposed these regulations. As my colleague from Pennsylvania pointed out, the regulators have received over 100,000 objections. There are so many objections coming in, that they have a hard time keeping the number up on the web page because so many people are writing in to explain their concerns. I think the American people have caught on to this folly, and I think it is a shame that we have to bring it up in this manner to address it in the Senate.

Again, I thank the chairman of the Banking Committee for his fight to protect the Constitution and to protect the privacy rights of American citizens.

It is extremely important that we do everything possible to keep from having these rules and regulations passed. They are so invasive.

Mrs. MURRAY. Mr. President, will the Senator yield for a question?

Mr. SANTORUM. Will the Senator from Texas yield?

Mr. GRAMM. I yield, and then I will yield to the Senator from Washington for a question.

Mr. SANTORUM. As I understand procedurally what has happened, we tried to call up a bill on the floor, which I introduced with Senator ALLARD and Senator ENZI, and tried to get a vote to express the will of the Senate that we are against the "Know Your Customer" regulations.

My understanding is the other side objected to bringing that bill up. So you have had to offer an amendment to the Ed-Flex bill to try to get the Senate on record in opposition, because there will be some decision—the end of the comment period will be, I think, on Monday; is that correct?

Mr. GRAMM. That is correct. I also remind my colleague, we sent a letter from the committee on February 10 ob-

jecting to these regulations. The point is, when the committee of jurisdiction almost a month ago said no, the time has come for them to answer. That is why we brought this issue to the floor.

Mr. SANTORUM. So it is your desire to try to get a vote on this, have the Senate express itself in an up-or-down fashion in the next few minutes?

Mr. GRAMM. That is right. It would be nice if our colleagues would let us have an up-or-down vote on it. I don't know why anybody would be opposed to this amendment. But it would be my objective, after yielding to the Senator solely for the purpose of a question, to move to table the pending amendment and ask for the yeas and nays. But I yield to the Senator from Washington.

Mrs. MURRAY. Thank you. Mr. President, I came to the floor to talk about education. I was a little surprised we were talking about banking since we haven't been able to talk about a lot of education issues that are critical to parents, students and teachers across the country.

I ask my colleague from Texas what his intent is on this amendment. I know we are expected to go to a vote shortly. There are a number of us here who did want to talk about education before a vote occurred. Do you intend to vote in the next several minutes without yielding any Democratic time?

Mr. GRAMM. Mr. President, my intention is to move to table the amendment before 10:20 and ask for the yeas and nays. I do know we are here this morning to talk about education, and that is very important. But I say to my colleagues, in apologizing for having to disrupt their debate, that this is about education. When we have the Federal Government imposing regulations that will cost our financial institutions billions of dollars to comply and that will end up driving up the cost of loans as people borrow money to send their children to college, I think it is something with which we have to deal.

We are reaching the point where we could have a final determination. We are encouraged that the Office of the Comptroller of the Currency has raised concern about it responding to 140,000 objections. But the point is, on Monday, we are going to have, potentially, a final determination. We had hoped when we sent a letter on February 10 that we would get action. We did not get that action. As a result, we are here today.

Mr. President, I move to table amendment No. 40, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 40. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Kentucky (Mr. BUNNING), the Senator from Montana (Mr. BURNS), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Oklahoma (Mr. INHOFE), the Senator from Arizona (Mr. KYL), the Senator from Arizona (Mr. MCCAIN), the Senator from Alabama (Mr. SESSIONS), and the Senator from Wyoming (Mr. THOMAS) are necessarily absent.

I further announce that if present and voting, the Senator from Kentucky (Mr. BUNNING), the Senator from Montana (Mr. BURNS), the Senator from Arizona (Mr. KYL), the Senator from Arkansas (Mr. HUTCHINSON), and the Senator from Alabama (Mr. SESSIONS) would each vote "no."

Mr. REID. I announce that the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), and the Senator from Maryland (Ms. MIKULSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 0, nays 88, as follows:

[Rollcall Vote No. 33 Leg.]

NAYS—88

Abraham	Feingold	Mack
Akaka	Feinstein	McConnell
Allard	Frist	Moynihan
Ashcroft	Gorton	Murkowski
Baucus	Graham	Murray
Bayh	Gramm	Nickles
Bennett	Grams	Reed
Biden	Grassley	Reid
Bingaman	Gregg	Robb
Bond	Hagel	Roberts
Boxer	Harkin	Rockefeller
Breaux	Hatch	Roth
Brownback	Helms	Santorum
Bryan	Hollings	Sarbanes
Byrd	Hutchison	Schumer
Campbell	Inouye	Shelby
Chafee	Jeffords	Smith (NH)
Cleland	Johnson	Smith (OR)
Cochran	Kennedy	Snowe
Collins	Kerrey	Specter
Coverdell	Kerry	Stevens
Craig	Kohl	Thompson
Crapo	Landrieu	Thurmond
Daschle	Lautenberg	Torricelli
DeWine	Leahy	Voinovich
Dodd	Levin	Warner
Domenici	Lieberman	Wellstone
Durbin	Lincoln	Wyden
Edwards	Lott	
Enzi	Lugar	

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—11

Bunning	Hutchinson	Mikulski
Burns	Inhofe	Sessions
Conrad	Kyl	Thomas
Dorgan	McCain	

The motion to lay on the table the amendment (No. 40) was rejected.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, the Senate now is in its third day of debate on the education flexibility bill. I think that is good. This is a subject we should all be more than happy to talk about. There has been a good debate and a number of amendments have been disposed of. But progress has begun to slow down.

I feel the need to remind our colleagues on both sides of the aisle that

the appropriations season is fast approaching and that we have several important items to consider between now and the Easter recess. For instance, I presume that by the latter part of next week the emergency supplemental appropriations bill will be ready for consideration, since the Appropriations Committee reported it out unanimously yesterday; and, of course, we hope to go to the budget resolution and get it completed before we end the session at the end of March for the Easter recess. I believe there is a genuine interest on both sides of the aisle in completing both the Ed-Flex bill as well as the emergency supplemental, if that can be worked out, and the budget resolution which will be available, hopefully, within the next 10 days or so.

CLOTURE MOTION

Mr. LOTT. In order to assure that we keep moving toward passage of the Ed-Flex bill, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on amendment No. 31 to Calendar No. 12, S. 280, the education flexibility partnership bill.

Trent Lott, Jim Jeffords, John H. Chafee, Bob Smith (NH), Thad Cochran, Arlen Specter, Slade Gorton, Mitch McConnell, Richard Shelby, Bill Frist, Larry E. Craig, Jon Kyl, Paul Coverdell, Gordon Smith, Peter G. Fitzgerald, Judd Gregg.

Mr. LOTT. Again, Mr. President, it is my hope that the cloture vote will not be needed and that the Senate will be able to enter into some reasonable time agreement with respect to the Ed-Flex bill.

I know the Senator from Oregon has been working on both sides of the aisle, talking to his cosponsors, Senator FRIST and the chairman and ranking member of the committee, as well as leadership on the Democratic side of the aisle, and to the majority leader. He will continue to do that. I am hoping that he will find some way to get an agreement as to how we can proceed with amendments and get to a conclusion. But we haven't been able to get that worked out yet.

If we cannot get something worked out, then the cloture vote would occur on this cloture motion on Tuesday, March 9.

I now ask unanimous consent that the mandatory quorum under rule XXII be waived.

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

#### ORDER OF PROCEDURE

Mr. LOTT. Mr. President, for the information of all Senators, the Senate has conducted its last vote for the week.

Several Senators, again, on both sides of the aisle, expressed concern that it was necessary to have votes on Friday. But I discussed this with Senator DASCHLE. We just are going to have to, in order to complete the work we need to do, have votes on Friday mornings and also sometime around 5 o'clock on Mondays. We will try to be as flexible as we can. But, as usual, we have Senators who would like us to be a little later or a little earlier. And it is very hard to find that narrow window.

But from now until the Easter recess, and probably in May and June, Senators should plan on having a vote on Mondays at 5 and in the morning on Fridays, but with those votes not occurring later than 12. There will be some Mondays or Fridays where that will not be the case because there is a conference on one side or the other or a conflict.

Senator DASCHLE and I will talk about that, and we will try to notify Members far in advance—hopefully a month or more—when a Friday or a Monday might be completely divided.

There was a cloture filed last night to the pending Ed-Flex bill. We are reminded that under the provisions of rule XXII all first-degree amendments must be filed by 1 p.m. today; all second-degree amendments by 4 p.m. on Monday in order to qualify under the cloture rule.

The Senate will now continue on the Ed-Flex bill for debate only for Members to make statements.

It is my hope that an agreement can be worked out on the Ed-Flex bill as we proceed. If we can, then the cloture vote could be vitiated on Monday, and we would have some other vote.

But around 5 o'clock on Monday will be the next recorded vote.

I ask unanimous consent that the Senate continue with consideration of S. 280, the Ed-Flex bill for debate only until 12 noon. I further ask unanimous consent that at 12 noon the Senate begin a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

Several Senators addressed the Chair.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I rise to agree and disagree with the distinguished majority leader. Let me point out my area of agreement first.

I believe it is important, as we begin our legislative session this year, that Senators be fully apprised of the schedule, and we understand that we have to be here on Fridays and on Mondays.

I think the majority leader is absolutely right in expecting that we have votes on Friday mornings and Monday afternoons or Monday evenings.

I hope Senators will accommodate that schedule with their own personal schedules, because that is the only

way, as we get into more legislative work, that we will be able to accommodate all of our needs legislatively.

I must say that I am in strong disagreement with the leader's decision to file cloture. We have a very important amendment that I was hoping we could offer even this morning, the class size amendment, the 100,000-teacher amendment offered by Senator MURRAY and Senator KENNEDY, and a number of other Senators. That was not possible because of the decision made by the leader.

What is perhaps most perplexing to me is, having filed cloture yesterday, that 17 Republican Senators filed cloture, then they voted against tabling a banking amendment to the education bill this morning.

So we have an unusual set of circumstances where the very same Senators who signed a cloture motion yesterday, voted not to table an extraneous amendment having nothing to do with Ed-Flex today, the banking amendment. I must say it doesn't help us as our colleagues are attempting to work through this procedurally to understand what the nature of the strategy may be on the other side. It appears that what they are trying to do is simply deny the Democrats the right to offer our amendments. They will vote no on a Republican amendment—they will vote not to table; that is, a Republican amendment—having to do with banking, but then they will preclude Democrat Senators from offering legitimate, important amendments having to do with education, such as the class size amendment, and for having a debate on it.

So I am perplexed by that. It sends the wrong message. We want to cooperate.

#### EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999

The Senate resumed consideration of the bill.

Mr. DASCHLE. Mr. President, this is an important bill. Ed-Flex is a bill that, in my view, as I have said before, warrants a 100-to-nothing vote. We ought to give States more flexibility. But we also ought to recognize that if we are going to begin debate on education policy in the U.S. Senate, there are other issues that also merit consideration and opportunity for an up-or-down vote: Whether or not we have an afterschool program, whether or not we have an effort in this country to prevent dropouts, whether or not we consider 100,000 teachers and class size, whether or not we have school construction. All of those are legitimate education issues.

So I will offer to my distinguished majority leader another effort at compromise. I will attempt to see if we might come down to five or six amendments and say: Look. We will agree to those five or six amendments; we will agree to time limits and up-or-down votes on those five or six amendments;

and then let's move on. The majority leader was very generous, I thought, with what he said earlier to the Governors. As I understand it, the majority leader said, Let's go to the Senate; let's take a week; let's take 2 weeks, if necessary, but let's talk about education. Let's take 2 weeks if necessary. We haven't even taken a week yet.

So I really appreciate the majority leader's interest in trying to find some way with which to resolve this impasse. I think he is understandably desirous of moving on to other things. We want to do that. We want to pass the Ed-Flex bill. We want to pass good education amendments. We want to resolve this matter. We want to find a way to do it in a bipartisan manner. And I am confident that if we continue to work at it that we will.

So I will offer, again, to see if we might limit our amendments to maybe five or six with time limits and have up-or-down votes. I believe that is the best way to break through this. I am hopeful that we can get broad bipartisan agreement.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

Mr. President, I would like to follow up briefly on this Ed-Flex issue, first to thank the minority leader, who is clearly making a very strong effort to work this out and be conciliatory.

I would also like to thank the majority leader, Senator LOTT, who is making such an effort as well.

I want to advise our colleagues that we are going to work through the weekend to try to come up with a way that is fair for all concerned.

I think Senator DASCHLE made it clear these Democratic amendments are critical, it is important there is an opportunity they be discussed, and—conciliatory on the part of the leader—that there would be time agreements. I think the majority leader has made a very sensible statement of why this bill is a priority.

It is critically important that the more than \$11 billion that go out in programs covered by Ed-Flex is spent wisely. What we have found in the 12 States that are now using Ed-Flex is that a few miles from here, just a few miles from here, existing dollars now allocated under title I are being used to cut class size in half to make sure that kids can get the education they need.

For those of you who think that the Senator from Washington, Senator MURRAY, is making an important contribution in terms of the extra teachers, I want it clear that I support that. It is needed. But I support just as strongly—and I would say this especially to my Democratic friends—the proposition that we use money that is now allocated wisely. And we are not doing that today.

Under current law, for example, poor kids who want to get access to ad-

vanced computing aren't able to do it in a lot of instances because these programs put them into a regulatory straitjacket. In a lot of instances, we could boost the test scores up for poor kids. We haven't been able to do that because of some of the bureaucracy associated with these programs.

Last night we had a discussion about what these programs mean to parents. I happen to agree with the distinguished Senator from Massachusetts, the parents don't focus on Ed-Flex in bureaucratic terms. They do focus on results. I can assure you, the parents of those youngsters a few miles from here who have had their class size cut in half as a result of Ed-Flex are very appreciative of that. Because of Senator KENNEDY and Senator Hatfield, in 1994 we began this effort to pass Ed-Flex. It is time to expand it.

Around this country there has not been one example of an abuse associated with Ed-Flex—not one. But there are plenty of examples of why Ed-Flex is working for poor kids from coast to coast. Go see those kids in the State of Maryland—our friend, Senator SARBANES, is here—where they have used those dollars to cut class size. Or come to my home State of Oregon where, because of bureaucratic rules, it was not possible for poor kids to get advanced computing at their schools.

I know a number of my colleagues would like to speak, and I want to let them have that opportunity. But just know—because of the very conciliatory offer that has been made by the minority leader, Senator DASCHLE, this morning, and the majority leader, Senator LOTT, I believe is also trying to accommodate both sides—those of us who are sponsoring this legislation are going to work throughout the weekend to see if we can get a sensible time agreement that is fair to both sides.

As the Democratic sponsor of Ed-Flex, I want to again state to my colleagues, I think the contribution of our friend from Washington, Senator MURRAY, is important and the Boxer amendment on afterschool programs is critically important—but it is just as important to show that those \$11-plus billion that are now allocated in title I and other programs are being spent wisely. In fact, for those colleagues who share my view that we need more financial assistance in these key areas, I submit the best way to make the case for getting additional funds is to show taxpayers you are spending more wisely the dollars that are allocated at this time.

I look forward to some long hours over this weekend, working with our colleagues on both sides of the aisle. Education, in my view, is the premier issue of our time. I think that is why the Members of the Senate feel so strongly about it.

I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Washington.

Mrs. MURRAY. Mr. President, I commend my colleague for his work on the



Ed-Flex bill as well as the other co-sponsors of this initiative. I know he feels passionately about bureaucratic paperwork and has worked very hard to try to reduce some of that, as well as Education Secretary Riley, who has made a major effort in his tenure at the Department to reduce paperwork. We have heard some really good stories in the last year back from him.

We agree with you on Ed-Flex and want to move that forward. I think the Democratic leader this morning, offering to come up with limited amendments and limited time agreements, made a very generous offer, because there are a number of Senators, I think on both sides of the aisle, who want to spend some time talking about education, talking about what is happening in our schools, talking about our responsibility as Senators to be in partnership with those local schools and teachers and school board members; making sure that our kids, no matter who they are or where they come from or how much money they have, have the best education possible. That is the debate we want to have on the floor of the Senate.

I am extremely disappointed because I came over here this morning, hoping to offer my class size amendment. I have been precluded from doing that by the actions of the majority leader. I am ready to offer my amendment so we can send a message to those school board members who are meeting right now, today, trying to figure out their budgets, who last October listened to us tell them in a bipartisan way, Republicans and Democrats, Senate and House Members, that we are committed to helping them reduce class size so our kids can get the adequate learning they need to compete in today's global economy.

But we are here today, once again precluded from being able to offer that amendment, to have a debate, to have an up-or-down vote, so those school board members can put their budgets together and begin to hire those teachers, as they must shortly do, so they can have a commitment that is real.

Let's tell them this was not a political promise before the election by Republicans and Democrats. This was a real commitment on our part to make a difference, to reduce class size in grades 1 through 3. We began that process last year. We have an obligation, and this is our opportunity to make a real difference.

Mr. KENNEDY. Will the Senator be good enough to yield for a question?

Mrs. MURRAY. I am delighted to yield to the Senator from Massachusetts.

Mr. KENNEDY. The Senator reminds us that in the final days of the last Congress, we passed legislation that would provide local communities the opportunity to hire additional teachers so we could have smaller class sizes for the first three grades. That was worked out in a bipartisan way. As I understand, from what the Senator says, the

school boards are meeting now to find out whether this was just going to be something that would be for 1 year or whether it is going to be continual? The President has indicated strong support to continue it, recognizing that we need some 2 million new teachers over the period of 10 years. He wanted to really jump-start that whole process, and do it particularly in the early grades, which all the research indicates has such enormous potential for enhancing student achievement.

I was wondering whether the Senator realized that last October, when we made this agreement for the 1 year—the 1-year agreement—Congressman GOODLING, who is chairman of the House Education and the Workforce Committee, a Republican, declared:

The class size reduction was a real victory for the Republican Congress. But more importantly, it is a huge win for local educators, parents who were fed up with Washington mandates, redtape and regulation. We agree with the President's desire to help classroom teachers, but our proposal does not create the big new Federal education programs.

So Congressman GOODLING, the Republican chairman of the Committee at the time, was taking credit for a Republican victory. We considered it a victory as well. It was supported by Democrats and Republicans, and the people who were going to benefit were the children, so all of those who were involved at that particular time claimed it as a victory.

Now, the good Senator's amendment takes that concept, which the Senator had championed all last year, and extends it so the local families, school boards, principals, schoolteachers, and children will know there will be a continuation in the employment of those teachers over the period of the next 5 years, so that we can make some meaningful progress in reducing the class size.

Is that correct?

Mrs. MURRAY. The Senator from Massachusetts is absolutely correct. When we passed this last October, Republicans and Democrats stood up, stood together, and said: This is a commitment from the Federal Government. No additional redtape, no bureaucracy, the money is going to go out there to those local schools to hire teachers to reduce class size. We stood together, shoulder to shoulder.

I am having a difficult time going home now, talking to school board members and my friends who are teachers—many of whom are Republicans—and saying, well, gee, now maybe they might not support us.

They don't understand that because they are putting together a budget right now. They need to hire those teachers. They need to make a commitment to that teacher, to that class, to those parents who are enrolling their kids, that they are going to continue to do this. They need us in that partnership. They don't want political maneuvers. They don't understand why Ed-Flex is a bill we can't do this on. We

are talking about education. The time is right. It was bipartisan before. They want us to give that commitment now, and that is why I came to the floor today to offer this amendment.

Mr. KENNEDY. If the Senator will yield, then, for a final question? The Senator is the principal sponsor of this legislation and the one who was instrumental in achieving its outcome in the fall of last year, with bipartisan support and the support of the chairman of the House committee, Congressman GOODLING. As I understand it, therefore, the Senator is prepared to at least urge others to withhold further education amendments and support what Senator DASCHLE has said? There may be just a few amendments, but that the Senator's would certainly be one of the important ones because of the importance of the timing for local school districts, and that my colleague would agree to a reasonable time period?

Mrs. MURRAY. I was saying that.

Mr. KENNEDY. If the leaders came to you and said, We are prepared to enter into a time of a couple of hours to discuss this, you would be willing, perhaps—I know there would be a number of people that want to speak on it—but you are prepared to at least accommodate the leadership and the schedule on that issue. You would certainly support an initiative by the leaders, even from our side—maybe there are some on the other side—to move towards a very few amendments—I think the leader said five or six—and do it with a time limit so that we can move along with the Senate schedule. Do I understand correctly?

Mrs. MURRAY. The Senator from Massachusetts is absolutely correct. I am more than ready to do a time agreement, to do this quickly. The reason it is so important to do it now is it is bipartisan. It is absolutely timely in terms of school boards and school districts putting their budgets together. I actually heard the chairman of the committee this morning talk about the fact that the reason we should move Ed-Flex forward is that it is bipartisan and it is timely, not to wait for ESEA.

Mr. KENNEDY. If the Senator will yield further, we could have even had the debate during the course of this morning.

Mrs. MURRAY. We could have.

Mr. KENNEDY. We could have moved ahead towards the vote on that next week, and we could have accommodated the Senate schedule.

Mrs. MURRAY. I would have been delighted.

Mr. KENNEDY. I want to thank the Senator, first of all, for her passion and common sense and experience, as a former school board member and a former teacher and a mother. She has given a good deal of time and attention to this issue. We all have enormous respect for all the work she does when she is back home visiting with these communities and talking to parents and teachers about this proposal. She had an extensive inquiry as to the importance of this proposal, to bring this



matter to the Senate, and has been willing to follow a very reasonable time period for consideration of it. I just want to thank her and hope that she will be successful. I certainly will do everything I can to make sure that she is.

Mrs. MURRAY. I thank the Senator from Massachusetts.

Let me just finish my remarks. I know there are a number of other Senators present.

Mrs. BOXER. If the Senator will yield, because I am leaving in 30 seconds, I want to thank her and ask her a question. Does the Senator not agree with me that we owe a real debt to Senator WYDEN of Oregon, because the force of his desire to make education better resulted in a bipartisan agreement to bring an education bill to the floor? In doing so, I want to make it clear, because he and I have spoken, while we all agree with him that this is a good program, there have been many waivers passed on by Secretary Riley because he, too, agrees that Ed-Flex is working. This is a golden opportunity that he has given us to flesh out this bill, to make it even better.

I say to the Senator from Washington, she worked so hard to get 100,000 teachers into the classroom and reduce class sizes. We worked together on these issues to get afterschool funds to the school districts who wanted so much. Last year, there were \$540 million worth of requests for afterschool programs. We only had \$40 million. This year, the President wants to have the money to accommodate all those local districts.

I say to her, as a former school board member, the kinds of amendments that we hope to add to this bill, does she agree those kinds of amendments will give resources to the local districts so they will be able to make up their own minds as to whether they want those resources, that they will be able to design the programs themselves, and that what we are doing here, what the majority leader has done to us today, by not allowing these amendments, is simply to hold back these important bills from being voted upon so that those children will right now be denied the kinds of help they need?

The last point I want to make, and the last question I have to the Senator from Washington is this: Does she not agree that education is the No. 1 issue on the minds of the people and that when we see filibusters and stalls and hours of just chitchat and no work on education, that we are not meeting our responsibilities? Would she not agree with that? Again, I want to thank her for her leadership.

Mrs. MURRAY. I thank my colleague from California for her tremendous work on education, her passion, and in particular, her afterschool programs and appreciate her remarks this morning and agree with her. Education is absolutely the No. 1 priority for families across this country, but it is not just families. We go and talk to busi-

nesses, and business people tell us we need to be able to hire students out of our schools with math and science and reading and English skills. Studies show—and I will be delighted, when we get to the debate on this, to go through the studies again—that reducing class size makes a difference in a child's ability to learn to write and to read, to do math and to do science, just the skills our businesses are looking for. They are looking to us to make a commitment on this.

I commend my colleague from Oregon, as well, for his work on this. I know he is committed to this issue and has pledged his support as well. He knows, too, how important class size is.

Let me end by reminding my colleagues this is a bipartisan effort. It was passed in a bipartisan way last October. There is no reason not to do this now. In fact, a former Republican House Member said, on education, We should champion communities and parents, reduce class size, and increase accountability.

I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the Record, as follows:

REPUBLICAN MAIN  
STREET PARTNERSHIP,  
Arlington, VA.

AN OPEN LETTER TO REPUBLICANS IN  
CONGRESS

DEAR COLLEAGUES & FRIENDS: The Republican Main Street Partnership was founded in 1998. Our goal is to demonstrate that the Republican Party can govern and achieve our goals of bipartisan cooperation in enacting centrist policies. We are focused on speaking out, setting the agenda and demonstrating a new discipline for reaching consensus on difficult issues; without that, we believe that we will not be a Majority Party by the close of the Year 2000.

Immediately, the rhetoric of partisan hostility must stop. Our language too often has been heard as mean, judgmental and partisan. That "the other side does it" is no excuse. We need Republican unity to replace division or our statistical majority will never become a governing majority. We must restore dignity to our debate, civility to our conversations and compassion to our perspective. We need a new language and a new voice.

Our agenda must be positive; it must be an agenda for governance. On education, we should champion communities and parents, reducing class size and increasing accountability. On Social Security, we should press for personal choice, not 100% governmental custody of our retirement funds. On health care, Medicaid and Medicare we must legislate with compassion as well as prudence. On taxes, we must work to reduce the burden on hardworking middle-class American families. And when we discuss our agenda, we must do it in terms that dispel the fears and inspire the hopes of American families and businesses.

Both governance and civility will demand discipline. Challenges will rise from partisan and ideological quarters. That is when we must stay the course with unity, courage—and discipline.

If we can stand tall within our own tradition—if we can bring to the 106th Congress Lincoln's urgency for justice, Roosevelt's

commitment to the environment, Eisenhower's vision of public education—then the finest elements of our party's legacy, the tone of our speeches, the content of our legislation and the discipline of our behavior will make this a season of triumph for the Republican Party, and for the nation!

Sincerely,

The Republican Main Street Partnership  
Board of Directors

Gov. John McKernan, Hon. Mike Castle,  
Hon. Amo Houghton, Hon. Rick Lazio,  
Hon. Fred Upton, Mr. Allan Cors.

Mrs. MURRAY. Let me just conclude, because I know the Senator from Maryland would also like to speak, education is an issue that is important to all of us. Education is an issue that is important to everyone at home as well. I will again plead with the chairman from the committee to allow us to offer our amendments, to get an up-or-down vote, to limit the number of amendments, but to let us move forward on issues like this, like class size, that are bipartisan, that have been agreed to before, that the American public wants and that makes a difference for all of our children.

Thank you, Mr. President. I yield the floor.

Mr. JEFFORDS. Mr. President, I see the Senator from Maryland. Does the Senator desire to speak on the bill?

Mr. SARBANES. I desire to speak about the extremes to which the other side will go to frustrate the opportunity to consider significant educational initiatives on this bill by now bringing into consideration subject matter completely extraneous to education and the jurisdiction of the committee; namely, the amendment that is now pending dealing with a banking issue. I want to speak on that subject for a few minutes. I think it is highly relevant to the situation in which we find ourselves.

Mr. JEFFORDS. I see no other Senators. I desire to speak at some point. I would be happy to let the Senator speak now, even though it does not appear to be totally relevant to this bill. I would like an understanding of how much time he might like.

Mr. SARBANES. Ten minutes at the most.

Mr. JEFFORDS. All right. That is fine.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. I thank the Chair. I say to the chairman of the committee, I am not the one who is introducing what he describes as an extraneous issue into this debate. I am simply addressing the fact that it was introduced into this debate by others. I do not think it should be here, frankly.

Mr. JEFFORDS. I think that is relevant to the bill so I do not have a problem with you proceeding as you desire.

Mr. SARBANES. Mr. President, I think the extremes to which the other side will go to try to frustrate considering bona fide educational issues on this education bill was demonstrated by the fact that the vote we just had

was on tabling a motion on an amendment involving the "Know Your Customer" proposed regulations that were put out by the Federal banking regulators.

I wrote to the regulators, pointing out the problems with these proposed regulations and urging them to carefully consider these problems before proceeding or implementing them. The regulators have received a flood of comments highly critical of the proposed regulations and, in fact, the comment period, which ends on March 8, is not yet over. At least two regulators have already indicated, in advance of the comment period ending, that they expect not to adopt the proposed regulations as final regulations in view of the overwhelming number of comments they have received and the complexity of the issue.

Many of my colleagues have, as I have done, written to them pointing out the difficulties connected with these regulations and the possible breaches of customers' personal financial privacy.

On the other hand, since there is a law enforcement issue involved here with respect to money laundering, we need to be very careful what we do. I am concerned because the amendment not only addresses the proposed regulations but also precludes any other regulations being put forward by the agencies that would be similar to these.

Conceivably, the agencies could develop more narrow regulations that focus on the money laundering issue, in an effort to curb criminal activity, that would not carry with it the heavy burdens of regulation on the banks and the potential intrusion into the financial privacy of ordinary, law-abiding citizens, which none of us wants to do.

In fact, I have introduced a bill on the financial privacy issue, broader legislation than we are talking about here. I have been joined in that by Senators DODD, BRYAN, EDWARDS, LEAHY, and HOLLINGS. That is S. 187.

I invite other colleagues to join on that legislation, S. 187, because I think financial privacy is an extremely important issue and one that we need to address. We need to assure safeguards to our consumers that their financial privacy is not to be intruded upon without their knowledge and an opportunity to object.

But to reach out, as happened this morning, and try to drag in a subject matter unrelated to education and not directly connected with this bill, as part of a constant process that has been going on over the last few days to block out important educational amendments that would raise significant issues which need to be addressed, it seems to me, is going too far.

Let me, on these regulations, quickly point out that the regulators have received over 130,000 public comments about the regulations, demonstrating a great deal of concern about the privacy of personal financial information. The regulators have already indicated they

recognize the problems with the proposed regulations. Some have testified or written to the Congress indicating they expect withdrawal or substantial if not total revision.

We are addressing the problem in the normal course under which proposed regulations are addressed, the problem which this amendment addresses. In fact, of course, this amendment moves in and, in effect, seeks to shortcut or terminate the regular process which would be to let the comment period run and then the regulators take the comments into account. We have already had an indication from the regulators that they have seen enough now so that when they take the public comments into account, the concerns that Members have expressed, myself included, will be addressed.

The potential problem with the amendment is that it may foreclose any possibility of addressing the legitimate concerns of the law enforcement community directed towards money laundering. My very able colleague from Michigan, Senator LEVIN, has been working on that issue.

I simply rise to point out some of the complexity of this issue with which we are dealing, and to focus on the current situation in which we find ourselves—I gather there is not the ingenuity or wit to devise education-related amendments to try to block this process, as has been going on. So now we are going to reach out, wherever we can, and find non-education-related amendments, to bring them in to try to close out the amendment tree.

I am prompted to speak on that because this question of privacy is an issue to which we have addressed some attention. As I said, there is a comprehensive bill which has been introduced by a number of us which I am very hopeful we will be able to have hearings on and act on.

I think the "Know Your Customer" proposed regulations is a very important issue to be addressed. But I find it interesting that here we are on a Friday morning and, instead of dealing with education, we have brought in this issue out of the jurisdiction of the Banking Committee. I think the regulators were about to address this issue to everyone's satisfaction, but the issue has been addressed in the amendment, possibly in such a broad fashion that it will prevent the formulation of regulations specifically designed to get at money laundering, which the law enforcement community has indicated is a significant concern of theirs. That is an issue to which Senator LEVIN has addressed considerable attention.

I say to the distinguished chairman, to the extent he views these comments as not relevant or germane to his legislation, they were prompted by the fact that an amendment was proposed which itself is not relevant or germane to the bill before us and has nothing to do with education.

My own preference, obviously, is to get on with the education amendments.

I hope these discussions that are going to take place will make it possible for significant and important education amendments to be offered to this legislation. We are out here with an important piece of education legislation whose basic concept I support. But I do not think we should be precluded from offering other important initiatives with respect to education which, I think, if brought before the body, would command broad support in this institution. I think it would be very important in helping to deal with the Nation's educational challenges.

Mr. JEFFORDS. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. JEFFORDS. Let me explain the position I have taken. My concern is getting amendments now which should be on the Elementary and Secondary Education Act which is presently under consideration by the committee, if we are to start passing programs out here that should be more properly considered in committee as to how to allocate expenditure of funds and matters like that.

I understand that the pending amendment—we all know in the exigencies of time, and sometimes in order to get a message through, a situation arises where it is necessary, in a sense, to add an amendment that is really nongermane in order to send a message downtown. That is the understanding, and I think clear from the vote, that the Members want to send a message downtown that the process toward getting involved in the privacy of individuals' banking is not one which is acceptable to the Senate.

I suspect it will disappear into the great unknown at some point, but my main concern is to make sure that the committee, which is addressing the serious problems we have in education in this country, does it in an orderly process. We do recognize that the funds which local communities would like to have in order to meet the demands of some of the restrictions and regulations put on them are needed to replace the funds which should have been coming from the Federal Government with respect to IDEA or with respect to what is more commonly referred to as "special education." We were committed to 40 percent, and we are only sending less than a quarter of what we are committed to.

So I will do all I can to make sure that anything which is possible to enhance the local communities, as well as bring us closer to meeting the commitment we have to 40 percent of the cost of special education, is considered. But I am not going to allow amendments, or do my best not to allow amendments, to this bill which was meant to be expedited to assist the local communities to have an opportunity to be more flexible in meeting the needs, as they see them, under the restricted resources they have by virtue of the fact that we have not fully funded our commitment under special

education. I intend to do that, to try to see how we can ensure that they get the resources to which they are entitled.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I appreciate that comment from the chairman of the committee.

Let me just make two observations: First of all, on the need for this banking amendment, to send a message. The message has certainly been sent by many Members and by extensive public comment.

In that regard, Mr. President, I ask unanimous consent to have printed at the end of my statement a letter which I sent to the Chairman of the Federal Deposit Insurance Corporation on January 12 on this very issue of the "Know Your Customer" programs, sharply critical of the proposed regulations.

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

(See Exhibit 1.)

Mr. SARBANES. Just briefly the other question, I have been watching what has been going on. I am not on a committee with direct jurisdiction here, but I was prompted to speak by the fact that in this game of delay and blockage we are now dragging in outside amendments.

The chairman says he wants these other amendments considered in the context of the Elementary and Secondary Education Act. Am I mistaken in my impression that the Secretary of Education, who I think is supportive of Ed-Flex measures, advanced the position that those Ed-Flex measures should be considered in the context of the Elementary and Secondary Education Act?

Mr. JEFFORDS. I do not believe he has spoken out on that. He is supportive of our efforts to try to improve the Elementary and Secondary Education Act. I would say that he would not be unduly concerned if the President's program got attached to this amendment, obviously. He is the Secretary, he supports the President's programs, and they would like to get them implemented any way possible.

On the other hand, I doubt very seriously if he would take a position adverse to knowing what we were doing when we put together the bill, which is the one which will have more impact upon elementary and secondary education in this country than any other Federal act—that it is done well, that it proceeds with due care, and that we examine the present situation to see how things can be improved.

Right now we are spending somewhere close to \$15 billion on primary and secondary education. And, as I stated earlier, there is no demonstration that we have had any improvement since the 1983 acknowledgement that this country had a serious problem in education. So I think it is incumbent upon us to try to look at why, after spending all those billions of dol-

lars over those years, things have not improved since we understood we had a serious problem back in 1983. To just continue spending the money we are spending the way we are now, without looking at why it has had no measured improvement—which is an important part of the process—and to go ahead and just pass new programs without fully taking those matters into consideration, in my mind, would be irresponsible.

Mr. SARBANES. It is my understanding that the amendment which the Senator from Washington, Senator MURRAY, is offering for additional teachers in effect is a follow-on to a decision that this Congress made in the last session. Did we not authorize additional teachers in the last session?

Mr. JEFFORDS. The Senator knows as well as I know that in the final hours of any legislative session things happen in the exigencies of trying to get something together where people are dealing with the issues and probably are not fully aware of the implications of what they do. And that is what happened here.

These matters, through the pressure of the administration wanting to get something they had not been able to get through the normal legislative process, were able to get on the bill, which was that bill that was 40 inches high. Nobody knew what was in it until it got read. And the reason we are here with Senator MURRAY is there were some problems in the way that bill was thrown together that need to be attended to. And I understand that. It may be helpful in the amendment process that we get into next week with amendments. We might be able to make that bill more meaningful.

So that is not off the table, as far as I am concerned, as long as the changes that are made are constructive in making that bill that passed to be more usable by the communities. But right now, obviously, we are here with an amendment, because when it gets thrown together like that at the end of a session, they end up doing something that they do not know what they are doing.

Mr. SARBANES. It is my understanding that, first of all, that was extensively discussed. And my understanding is that it is consistent with recent educational studies, that small class size in the early years has been shown to have significant benefits. You talk about, we are spending a lot of money and we do not know whether it is producing results. One thing we seem to know, on the basis of the study, is that if we can lower these class sizes, particularly in the early years, we are going to get beneficial results.

If you ask anyone about the difference between the situation in the public schools and private schools, for which parents pay a lot of money, the first thing that leaps out at you is small class size. If you ask parents why they are laying out all of this money, one of the first things they say is, to

get a small class size. And these studies that have been done, as I understand it, support the proposition that the small class size will produce significant results, particularly when directed toward the early years so we can get these young people up to standard.

Mr. JEFFORDS. There is only one study which has been considered to have been done in a way that would give you evidence, and that study did come to that conclusion. The other studies were not really worth discussing.

However, again, these decisions were made in a back room, in the wee hours of the night; and obviously we would not be considering an amendment if it had been done well. Furthermore, the great debate, in my mind, of what is more important, reducing the class size from 20 to 18 or having a teacher teaching the class who knows the subject which he or she is teaching—I will bet you 10 to 1 you get better results by improving the quality of the teacher and the qualifications of the teacher than you will by reducing the class size by 2 or 3 or 4 or 5. I do not think anybody would debate that.

That is one thing we should consider, the flexibility under the bill—and this may come up—as to whether those moneys could not better be used and should not better be left to the discretion of the school systems to use those moneys to improve the proficiency of the teachers rather than just merely reducing the class size by 2 or 3 or 4.

Certainly if we get to her amendment next week, we will consider other options as well. And it may prove to be a productive experience. Hopefully it will. And I am very pleased to have listened to the leaders on both sides, that we can agree to a small number of amendments which we can consider next week, and move this bill on so that the benefits of the flexibility can be given to the Governors to help improve education overall; and the local communities will be able to do what they feel is necessary to improve that flexibility.

I know the Presiding Officer has been very active in trying to make sure that the local communities have more to say on how their schools can improve. So I think we are moving on a path right now that leads us through next week being a productive exercise, to have the kind of flexibility that the Governors need to help the communities. At the same time we may make some changes that will be beneficial but that do not involve superseding the normal process of the Education Committee to bring about some meaningful reform within the Federal structure.

As I pointed out, there has been no evidence that the huge Federal structure has made any improvement over the last 15 years in our education. We are on our way this year to being the most education-minded Congress that we have had in this century. I am hopeful that when we finish this year we will all be proud of the accomplishments we have made in this country to

get us on a path to making sure we will survive the strong competition we are getting from overseas, unduly impaired by our present educational system.

Mr. SARBANES. Mr. President, I say to the distinguished chairman, I hope we are not going to leave any impression here that the growing consensus on the benefit of small classes, particularly in the early grades, is somehow suspect. It is my understanding that consistently across the board students attending smaller classes in the early grades have been found to make more rapid progress than students in larger classes; that these benefits are the greatest for low-achieving minority children and low-income children, because smaller classes enable the teachers to identify and work effectively with students. In many instances they are able to address the problem early on, which prevents its worsening, perhaps to the extent of requiring special education in later years—if you are talking about conserving your resources.

I understand that Project STAR studied 7,000 students in 80 schools in Tennessee. Students in small classes performed better than students in large classes in each grade from kindergarten through the third grade. Followup studies show that the gains lasted through at least the eighth grade. The gains were larger for minority students.

In Wisconsin, the Student Achievement Guarantee in Education Program is helping to reduce class size in grades K through 3 and in low-income communities. Students in the smaller classes had significantly greater improvements in reading, math and science tests than students in the larger classes. The most significant achievement gains were among African American males.

In Flint, MI, efforts over the last 3 years to reduce class size in grades K through 3 have produced a 44-percent increase in reading scores and an 18-percent increase in math scores.

So the issue which the Senator from Washington and others are trying to address is an extremely important issue. It follows on the initiative that was taken by the Congress last year, and I very much hope that we will be able to address it in the course of considering this legislation. We ought to put these educational issues before the Senate and act upon them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, my colleague from Maryland made several comments on the "Know Your Customer" amendment we had up for consideration before the Senate.

I want to take just a couple of moments to respond. The reason that I felt it was important to bring up the amendment this morning with my colleagues on this side is that I serve on the Banking Committee with my colleague from Maryland, and I made an

attempt to bring this issue forward in the Banking Committee. It was objected to by the minority party at that time. We also brought up a bill here on the Senate floor for consideration, but again it was objected to by his side. It seemed that the only way we could get this issue considered by the Senate was to bring it up at this particular time. It was well within the rules of the Senate, and I thought it was very important that the Senate have an opportunity to speak on these rules and regulations before a final decision was made.

As to his second comment on the amendment being too broad, I admit that the amendment I introduced in the committee was broad. We wanted to do that because we were concerned that the regulators would just make minute changes in the rules and regulations, and then the regulations would be back before the American people. After further consideration, the language that was considered here on the Senate floor was narrowed and applied specifically to those rules and regulations in the current "Know Your Customer" proposal.

I just wanted to make those two comments. I also would like to thank the chairman and recognize the chairman's effort in trying to improve education in this country. I want to compliment him on his confidence in the States as well as local school boards. That is where a lot of these decisions should be made. I think there is a tendency here in Washington to think that we have all the answers, that one shoe size should fit all, and that one regulation should fit all.

I am one who feels that local school boards and States really are the ones that will come up with the innovative changes for education. We just need to give them the flexibility to do so. We need to allow them to work with parents who really do have a vested interest. We all want to see our children get a better education.

Again, I want to thank the chairman for his hard work and diligent efforts. We all appreciate that.

I yield the floor.

Mr. SARBANES. Mr. President, I want to follow up on the comments of the Senator from Colorado.

First of all, I acknowledge that he is trying to address the problem, and I indicated as much when we discussed it in the Banking Committee. But the proposal there and the bill that was originally introduced would, in effect, have eliminated existing regulations addressed to the money laundering issue.

Mr. ALLARD. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. ALLARD. The amendment—

Mr. SARBANES. Not the amendment; I will address the amendment. I want to talk about the bill and the proposal in the Banking Committee first. I think both of those propositions, the proposal in the committee and the bill, went too far, and I think the Senator is

prepared to concede they went too far because they would have wiped out existing regulations—not just proposed regulations—existing regulations addressed to significant cash transactions that we think are tied to the money laundering issue.

I don't think the Senator disagrees with that.

Mr. ALLARD. If the Senator will yield, I recognize that the amendment I introduced in the committee was broad. We made that adjustment on the amendment that was voted on this morning.

Mr. SARBANES. I understand that and I indicated earlier that had been done.

I only have two observations about that. Yesterday, the Comptroller of the Currency in testimony on the House side stated that they intended to withdraw the proposals "promptly."

Now, perhaps the Senator feels that through his communications with the regulators heretofore and the letters he sent—and I have sent a letter, and others have sent letters—we weren't able to get sufficient credit for having brought about this change—so we need to come out here and try to get this amendment passed so that we really show that we are the ones who did it and not the regulators who were affected, acting in a reasonable manner after reviewing all of the comments that have been received not only from the public but from Members of the Congress, as well.

Second, I do have some concern about your amendment because it addresses not only the proposed regulations, but, as I understand, it precludes them coming forward with any similar regulations that might be greatly narrowed so they get at the money laundering issue.

I don't assert that I am an expert on the money laundering issue and that is why the Senator from Michigan, Senator LEVIN, is putting a statement in the RECORD addressing the money laundering question, and the importance of that question and how we try to get at it.

I think this problem was well on its way to being solved. I understand the other side is searching desperately for amendments to offer in order to try to block this amendment process on educational issues. It is my perception that is why this matter came before us today, in an effort to keep out of the amendment process on the Ed-Flex bill, important amendments, which a number of our colleagues wish to offer. But the Senator and I share a common view that the regulations went too far, and we have expressed that opinion.

I think the initial proposals the Senator from Colorado made went too far in the other direction—and were overly broad. I think this proposal has been narrowed down, but I think it still contains within it one remaining problem, which I indicated, and that is whether it precludes any opportunity to do something that would be more effective on the money laundering issue,

without creating any of the privacy problems or the overregulation problems that both of us and others have perceived as being contained in the proposed regulations.

Mr. President, I yield the floor.

EXHIBIT NO. 1

U.S. SENATE,

Washington, DC, January 12, 1999.

Hon. DONNA TANOUÉ,  
Chairman, Federal Deposit Insurance Corporation,  
Washington, DC.

DEAR CHAIRMAN TANOUÉ: On Monday, December 7, 1998, the Federal Deposit Insurance Corporation, Board of Governors of the Federal Reserve, Office of the Comptroller of the Currency and Office of Thrift Supervision, each published in the Federal Register and solicited public comment on proposed regulations requiring insured depository institutions to develop "Know Your Customer" programs. The regulations are intended to enable financial institutions to protect themselves from engaging in transactions designed to facilitate illicit activities and ensure compliance with suspicious activity reporting.

The proposed regulations would require depository institutions to amass a large amount of data about customers and to monitor and analyze customers financial behavior. Institutions would be required to determine: a customers' sources of funds for transactions; "the particular customer's normal and expected transactions involving the bank"; and transactions "that are inconsistent with normal and expected transaction for that particular customer or for customers in the same or similar categories or classes;" and to report suspicious transactions.

I support implementing focused and effective methods to prevent money laundering and to promote law enforcement purposes, but am concerned that these proposed regulations have unintended negative consequences.

The scope of the proposed regulations allows for intrusion into the personal privacy of bank customers by profiling details of customers' lives, activities beyond what may be necessary for the stated regulatory purposes. The proposed regulations also could subject many low- and middle-class citizens who pose little threat of improper activities to such surveillance because there are no threshold limits. The proposed regulations have no minimum transaction size or account size, below which surveillance is not required.

While the proposed regulations would require banks to become huge repositories of personal financial data on their customers, there are no Federal limitations on the bank's use of the transaction data it collects. The bank can sell or share such data without a customer's knowledge or consent. This creates the very real possibility of large scale unwanted breaches of customers' personal financial privacy. Polls and newspaper articles have indicated that Americans are very concerned about their personal privacy, particularly their personal financial data. New business affiliations and technology advances are fueling consumer concerns about the mishandling of personal financial information.

It is evident that the proposed regulations have aroused widespread public concern. I hope that you will take these concerns into account as you proceed with the rulemaking process and develop policies to satisfy current law enforcement needs.

Sincerely,

PAUL S. SARBANES,  
U.S. Senator.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

(The remarks of Mr. KERREY pertaining to the introduction of S. 553 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JEFFORDS. Mr. President, I believe we are now in morning business.

#### MORNING BUSINESS

The PRESIDING OFFICER. The hour of 12 noon having arrived, consideration of the bill is concluded and the Senate is in morning business.

The Senator from Vermont is recognized.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 556 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### FEDERAL DEPOSIT INSURANCE CORPORATION'S "KNOW YOUR CUSTOMER" REGULATION

Mr. KERREY. Mr. President, I voted today in support of the Gramm amendment which supports my belief that the FDIC's "Know Your Customer" regulation should be withdrawn. This vote mirrors my earlier action where I had written to FDIC Chairwoman Tanoue asking her to withdraw the regulation.

While I commend FDIC's effort to identify and crack down on illegal activity, I am deeply concerned the "Know Your Customer" regulation will threaten the financial privacy of Nebraska customers.

When federal regulators consider any regulation like "Know Your Customer," the private relationship between customers and their financial institutions should be given the utmost consideration. I believe "Know Your Own Customer" would severely strain this relationship. Customers should feel confident that their financial transactions are done in confidence and not subject to uninvited searches. Bankers in Nebraska already report large cash transactions, violations of federal law and potential money laundering activity without invading the privacy of their customers. "Know Your Customer" would require financial officers to infringe on their customers' privacy, damaging public perception of the banking industry.

On behalf of the many Nebraskans, customers and bankers, who have relayed similar concerns with me, I am

pleased the United States Senate has taken this action. In the meantime, I will remain committed to see that FDIC withdraws the "Know Your Customer" regulation.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2051. A communication from the Senior Deputy Assistant Administrator, Bureau for Legislative and Public Affairs, U.S. Agency for International Development, transmitting, pursuant to law, the Agency's report on economic conditions in Egypt for 1997 and 1998; to the Committee on Foreign Relations.

EC-2052. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the National Institutes of Health AIDS Research Loan Repayment Program for fiscal year 1998; to the Committee on Health, Education, Labor, and Pensions.

EC-2053. A communication from the General Counsel of the Corporation for National Service, transmitting, pursuant to law, the report of a rule entitled "Claims Collection" (RIN3045-AA21) received on February 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-2054. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Risk-Based Capital Standards: Construction Loans on Presold Residential Properties; Junior Liens on 1- to 4-Family Residential Properties; and Investments in Mutual Funds. Leverage Capital Standards: Tier 1 Leverage Ratio" (Docket 98-125) received on February 26, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-2055. A communication from the Deputy Director for Policy and Programs, Community Development Financial Institutions Fund, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Notice of Funds Availability Inviting Applications for the Community Development Financial Institutions Program — Technical Assistance Component" (No. 982-0154) received on February 2, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-2056. A communication from the Director of the Federal Emergency Management Agency, transmitting, a draft of proposed legislation entitled "The National Flood Insurance Act Amendments of 1999"; to the Committee on Banking, Housing, and Urban Affairs.

EC-2057. A communication from the Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, transmitting, pursuant to law, the report of a rule entitled "Risk-Based Capital Standards: Construction Loans on Presold Residential Properties; Junior Liens on 1- to 4-Family Residential Properties; and Investments in Mutual Funds. Leverage Capital Standards: Tier 1 Leverage Ratio" (Docket 99-01) received on February 26, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-2058. A communication from the Director of the Federal Emergency Management Agency, transmitting, a draft of proposed legislation entitled "The Disaster Mitigation Act"; to the Committee on Environment and Public Works.

EC-2059. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Determination That Pre-existing National Ambient Air Quality Standards for PM-10 No Longer Apply to Ada County/Boise State of Idaho" (FRL6237-9) received on March 1, 1999; to the Committee on Environment and Public Works.

EC-2060. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Modification of the Ozone Monitoring Season for Alabama, Florida, Georgia, Kentucky, Mississippi and Tennessee" (FRL6237-6) received on March 1, 1999; to the Committee on Environment and Public Works.

EC-2061. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Regulation of Fuels and Fuel Additives: Extension of the Reformulated Gasoline Program to the St. Louis, Missouri Moderate Ozone Nonattainment Area" (FRL6306-1) received on March 1, 1999; to the Committee on Environment and Public Works.

EC-2062. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report on flood damage reduction projects for the Beargrass Creek Basin in Louisville, Kentucky; to the Committee on Environment and Public Works.

EC-2063. A communication from the Director of the Office of Regulatory Management and Information, transmitting, pursuant to law, the report of a rule entitled "Dicamba; Pesticide Tolerance, Technical Correction" (FRL6049-2) received on February 28, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2064. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Raisins Produced From Grapes Grown in California; Increase in Assessment Rate" (Docket FV99-989-2 IFR) received on February 26, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2065. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tart Cherries Grown in the States of Michigan, New York, Pennsylvania, Oregon, Utah, Washington, and Wisconsin; Additional Option for Handler Diversion and Receipt of Diversion Credits" (Docket FV99-930-1 IFR) received on March 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2066. A communication from the Comptroller General of the United States, trans-

mitting, pursuant to law, a report on an instance in which the Air Force did not fully implement a recommendation made by the Office of the Comptroller General in connection to a bid protest concerning workload procurement at the Sacramento Air Logistics Center; to the Committee on Governmental Affairs.

EC-2067. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the President's comprehensive Government-wide Performance Plan for fiscal year 2000; to the Committee on Governmental Affairs.

EC-2068. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the Office's report on the Costs and Benefits of Federal Regulations for 1998; to the Committee on Governmental Affairs.

EC-2069. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a report on the Department of Defense Civilian Acquisition Workforce Personnel Demonstration; to the Committee on Governmental Affairs.

EC-2070. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Prevailing Rate Systems; Removal of Umatilla County, Oregon, from the Spokane, Washington, Nonappropriated Fund Wage Area" (RIN3206-A110) received on March 2, 1999; to the Committee on Governmental Affairs.

EC-2071. A communication from the Chief Financial Officer of the Export-Import Bank of the United States, transmitting, pursuant to law, the Bank's annual report under the Inspector General Act for fiscal year 1998; to the Committee on Governmental Affairs.

EC-2072. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Last-in, First-out Inventories" (Rev. Rul. 99-15) received on March 2, 1999; to the Committee on Finance.

EC-2073. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Rules and Regulations" (Rev. Proc. 99-18) received on March 2, 1999; to the Committee on Finance.

EC-2074. A communication from the Statutory Chairman and the Administrative Chairman of the National Bipartisan Commission on the Future of Medicare, transmitting, pursuant to law, a report on the status of the Commission's recommendations; to the Committee on Finance.

EC-2075. A communication from the Chairman of the United States International Trade Commission, transmitting, a draft of proposed legislation to authorize appropriations for the Commission for fiscal year 2000; to the Committee on Finance.

EC-2076. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Proposed Method of Incorporating Health Status Risk Adjusters Into Medicare+Choice Payments" received on March 1, 1999; to the Committee on Finance.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ALLARD (for himself, Mr. ENZI, Mr. ASHCROFT, and Mr. BROWNBACK):

S. 552. A bill to provide for budgetary reform by requiring a balanced Federal budget and the repayment of the national debt; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. GRASSLEY (for himself and Mr. KERREY):

S. 553. A bill to provide additional trade benefits to countries that comply with the provisions of the ILO Convention; to the Committee on Finance.

By Mr. CAMPBELL:

S. 554. A bill to amend section 490 of the Foreign Assistance Act of 1961 to provide alternative certification procedures for assistance for major drug producing countries and major drug transit countries; to the Committee on Foreign Relations.

By Mr. DEWINE (for himself and Mr. VOINOVICH):

S. 555. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval between such periods does not exceed eight weeks; to the Committee on Veterans Affairs.

By Mr. BAUCUS (for himself and Mr. JEFFORDS):

S. 556. A bill to amend title 39, United States Code, to establish guidelines for the relocation, closing, consolidation, or construction of post offices, and for other purposes; to the Committee on Governmental Affairs.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAMS (for himself and Mr. GORTON):

S. Con. Res. 16. A concurrent resolution expressing the sense of the Congress that the Government National Mortgage Association guaranty fee should not be increased to provide increased revenues or the Federal Government to offset other expenditures; to the Committee on Banking, Housing, and Urban Affairs.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself and Mr. KERREY):

S. 553. A bill to provide additional trade benefits to countries that comply with the provisions of the ILO Convention; to the Committee on Finance.

#### THE INTERNATIONAL CHILD WELFARE PROTECTION ACT

Mr. GRASSLEY. Mr. President, I rise today, on behalf of myself and Senator KERREY, to introduce legislation that will chart a new United States approach to the terrible problem of child exploitation in overseas labor markets.

This legislation, the International Child Welfare Protection Act, will target new, additional trade benefits to countries that comply with the provisions of the International Labor Organization's Convention Number 138 concerning the Minimum Age for Admission to Employment, also known as the Minimum Age Convention.

The aim of the Minimum Age Convention is to abolish child labor throughout the world by establishing a minimum age at which children may be employed.

Our legislation will do two things:

It will give the President the authority to grant a country that complies with the Minimum Age Convention up to a fifty-percent tariff rate cut on items produced in that country that would not otherwise be eligible for preferential tariff rates.

It will also permit the President to waive current limitations on the amounts of additional goods that countries complying with the Minimum Age Convention may export to the United States. If, in the unlikely event the President finds that domestic industries are hurt because of these special, targeted trade benefits, the President also has the authority to suspend, limit, or withdraw the benefits.

This legislation is important for three reasons.

First, it is a tragic fact that child labor is rampant in many places in the world, despite more laws aimed at stopping this inhumane practice. International Labor Organization statistics show that between 100 million and 200 million children worldwide are engaged in providing goods and services. Ninety-five percent of these children, according to the ILO, work in developing countries. Why are children pressed into service as low-paid or un-paid workers? Because, according to the ILO, children are "generally less demanding, more obedient, and less likely to object to their treatment or conditions of work." We must all do what we can to stop this unconscionable practice.

The second reason we need this legislation is because it is clear that regulation and enforcement alone will not work. Incentives are needed as well. The reason that it is so tough to enforce child labor standards is that it is often very difficult to trace specific products to specific plants in specific countries. The Department of Labor's Bureau of International Labor Affairs says that quantifying the extent of child labor in a particular country's export industry "can seldom be done with specificity." If you can't even trace the goods or services with certainty, you can't expect enforcement alone to be the answer.

Finally, we need this legislation because even though the ILO Minimum Age Convention was adopted in 1973, only twenty-one developing country member states out of 173 ILO member states have ratified the Convention to stop child labor. Out of the twenty-one developing country member states that have ratified the Convention, none are from Asia, where over half of all working children are to be found. If even one additional ILO member state ratifies the Convention because of the trade incentives this legislation offers, we have achieved a great deal.

I encourage all my colleagues to join me in this effort.

Mr. KERREY. Mr. President, earlier this morning, Senator GRASSLEY of Iowa introduced a bill that I am a co-sponsor of called the International Child Welfare Protection Act. I would like to talk about that piece of legislation and the objective of that legislation.

I first became aware of this problem through the efforts of the junior Senator from Iowa, TOM HARKIN, who came before the Finance Committee earlier this year to describe the need to put in our trade authority language that would have the negotiators negotiating for the purpose of reducing the use of child labor worldwide. I support that. I believe the Finance Committee should, when we mark up the normal trade authority, put that language in. My hope is that this piece of legislation will provide a stimulus to do that.

This legislation Senator GRASSLEY and I are introducing says that economic growth is not just about the bottom line; it is about improving human lives.

I believe this piece of legislation can help do that, Mr. President, by taking an incentive-based approach to encourage developing countries to do the right thing on child labor. Instead of threatening them with access to U.S. markets, this bill says we are going to hold out an incentive and offer them U.S. markets at a price they currently can't access.

Now, the action we ask them to take in exchange is to sign the International Labor Organization's Convention on Child Labor. That convention states that the minimum age for admission to employment shall not be less than the age of completion of compulsory schooling; either 14, 15, or 16 years of age. For that agreement, we will provide preferential access to the world's largest consumer market for additional products.

As I said, I believe this is a good move for the United States to make. I think it does provide incentives, for developing nations especially, to change their own policies toward child labor. But I also think it is important to try to get into our negotiating authority language that directs our negotiators to keep child labor in mind and try to negotiate for the purpose of reducing the use of child labor in nations with which we trade. There should be a connection between trade and growing the middle-class worldwide.

Unfortunately, all too often, trade is measured only in terms of the dollars that we export and the dollars we import. For me, it is far better and more likely that we will have public support for good, open trade policies, if we use trade as a means to an objective, not just to produce a better bottom line, not just to produce higher trade numbers, but to increase the standard of living of people in the United States and to increase the standard of living of people throughout the world.

The single best way for us to assure access for U.S. goods overseas is for us

to help the middle class grow in other countries. The only way to do that is for people to produce and sell goods that other countries want to buy and their own people can afford. It is a very difficult process for developing nations. We went through it in the United States of America. But for those developing nations to lift their middle class, they have to open up their markets and subject their businesses to competition. Otherwise, their standard of living will constantly be depressed as a result of simply saying that we are only going to complete up to the standard of our domestic marketplace.

When I talk about international trade issues, Mr. President, that is the fundamental truth with which I began. Free trade—reducing tariffs both here and abroad—will help the middle class to grow. And a prosperous and growing middle class has a positive effect on the issues we face in trade policy today. Indeed, I argue that it is one of the reasons we have struggled to get normal trade authority from the President. As least as I see it in Nebraska, there is growing skepticism that there is a connection between the standard of living of the people who are in the workforce today and the trade policies.

Many of my citizens have reached a conclusion that there is a negative connection, and that free trade policies have depressed their standard of living and made it more difficult for them to earn the wages they feel they deserve as a consequence of the work they are doing every day. We have many problem in trade policies that make it difficult for us to convince the American people that free trade is unquestionably a good thing. The legislation Senator GRASSLEY and I have introduced today says we want to make progress on these issues.

The International Labor Organization estimates that more than 250 million children worldwide between the ages of 5 and 14 are obliged to work either full-time or part-time in developing countries alone. Many work under condition that are debilitating for their physical, moral, or emotional well-being.

Far too many are employed in the fields, rug factories, and electronic factories that hope to export products to the United States of America. What this bill does is go directly to that desire.

This bill would immediately cause other countries to say, desire.

This bill would immediately cause other countries to say, "We can sell products to the U.S. consumers that we could not sell before. All we have to do is agree to an internationally recognized standard on child labor."

If they sign that agreement today, they gain access to American markets and American dollars tomorrow. It is an approach that has worked for the Europeans. It is an incentive-based, rather than a punitive, approach; it is a trade policy that is increasingly recognized as a better way to proceed on some of these very difficult issues.



We want children to be the beneficiaries of economic growth, not the engines of it. To us, it is evident that it is self-defeating for economic growth to come at the expense of our children.

This bill is a step in the right direction, and I hope it represents to the people I serve that I am willing, in fact, I look forward to coming to the table on these very difficult and sticky trade issues that have divided us in the past.

I hope it is seen, as well, as an important first step—but a first step only—in reducing the terrible consequences of allowing these young children to be used for labor in these developing countries. It is a very important issue that Senator Harkin has worked on for years. He brought it to the attention of the Finance Committee. I believe the committee is responding in a first-step fashion, and I hope they will follow this action with further changes in the negotiating language that will say to our negotiators: we want you to put child labor at the top of your concerns when you are negotiating trade agreement.

By Mr. CAMPBELL:

S. 554. A bill to amend section 490 of the Foreign Assistance Act of 1961 to provide alternative certification procedures for assistance for major drug producing countries and major drug transit countries; to the Committee on Foreign Relations.

THE DRUG CERTIFICATION IMPROVEMENT ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce the Drug Certification Improvement Act of 1999 to strengthen and improve the annual drug certification process of countries which are fully cooperating with the United States to fight drug trafficking. This bill is based on legislation, S. 457, which I introduced in the 105th Congress.

I am concerned that the current system, in place since 1986, no longer works as Congress intended. As we witnessed last Friday, February 26th, the administration issued its certification for 1999. This certification penalizes only two countries—Burma and Afghanistan—for not fully cooperating with the United States to combat drug trafficking. The administration's certification also granted waivers on national security grounds to four countries—Paraguay, Haiti, Cambodia, and Nigeria—so they will continue to receive United States aid.

This certification, with only two countries sanctioned, raises serious concerns about the viability and effectiveness of the existing certification process and its underlying statutory authority. This concern is reflected in a Washington Post news report of February 27, 1999, which stated: "The Administration's relatively forgiving approach reflects an effort to lower the profile on the certification reviews and thereby reduce the political tensions it has often created."

Under current law, notice provided to the target country is often too late and not specific enough to address the problems. Congress also lacks timely and specific information that would assist in exercising its legislative and oversight responsibilities.

The existing law also gives a free ride to countries which are decertified but then granted waivers and continue to receive aid because it is deemed to be in the national interest of the United States. These waivers allow the provision of aid year after year to countries not fully cooperating with the United States. What incentive do these countries have to improve their cooperation?

The current certification process is set forth in section 490 of the Foreign Assistance Act of 1961. It requires the president to submit to Congress by March 1 of each year a list of major illicit drug producing and transiting countries which he certifies are fully cooperating with the United States.

Under existing law, the president has three options: One, certify a country which has cooperated fully with U.S. anti-drug efforts or has taken adequate steps on its own to comply with the 1988 U.N. anti-drug trafficking convention. Two, decertify a country for not fully cooperating. Or three, decertify a country but provide a waiver because it is in the national interests of the United States to continue to provide aid.

Currently, when a country is decertified, at least 50 percent of U.S. bilateral foreign aid is suspended in the current fiscal year. In fact, that country may lose more than 50 percent of its current funding if the State Department has not yet released the aid. Unless the country is recertified, all U.S. aid is suspended in subsequent fiscal years. And, the United States is required to vote against loans in the multilateral development banks, such as the World Bank and the Inter-American Development Bank.

Congress has 30 days from receipt of the President's certification to enact a joint resolution disapproving the President's action. If Congress passes such a resolution, the President can veto it and require a two-thirds majority vote in Congress to override the veto. Congress also has its prerogative to pass a resolution at other times, but it too would be subject to a presidential veto.

The alternative I am proposing today would basically put countries "on probation." By putting countries on notice that the United States has serious concerns about their lack of cooperation, it would provide a fair period of time during which those countries could address U.S. concerns.

My legislation builds on the existing carrot and stick approach in the certification process. The carrot is certification although for a finite period of time of 7 months. During this "probationary period," all U.S. aid continues to flow and the United States remains supportive in international develop-

ment banks. The President also stipulates which specific conditions must be met by that country to improve its cooperation with the United States and to continue receiving U.S. aid. Not only is sufficient notice provided to the country, but to the Congress as well.

The stick is a penalty similar to that under existing law. If after 7 months the country does not comply with the stipulations made by the President to improve its cooperation with the United States, 100 percent of U.S. bilateral aid is cut off. The United States also would vote against aid in the multilateral development banks if the country does not comply with U.S. stipulations, as provided for under current law. These penalties would remain in effect until the President notifies Congress that the country has complied with the stipulations made in the President's original probationary certification.

My bill also provides reasonable notice to Congress. Under this alternative, Congress would be informed about those specific concerns which the President identified regarding a country's lack of cooperation. Congress also would be able to track that country's progress during the 7-month probationary period and, of course, maintain its prerogative to pass legislation as it deems necessary. I believe this would help avoid contentious battles between Congress and the administration which appear to be a main reason for the limited certification we see from the administration this year.

It is clear that the existing certification process is flawed. The Drug Certification Improvement Act of 1999 provides a new certification option to fix the process, and I urge my colleagues to support passage of this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 554

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

**SECTION 1. ALTERNATIVE CERTIFICATION PROCEDURES FOR ASSISTANCE FOR MAJOR DRUG PRODUCING AND DRUG TRANSIT COUNTRIES.**

(a) IN GENERAL.—Section 490 of the Foreign Assistance Act of 1990 (22 U.S.C. 2291j) is amended by adding at the end the following:

"(i) ALTERNATIVE CERTIFICATION PROCEDURES.—

"(1) IN GENERAL.—In lieu of submitting a certification with respect to a country under subsection (b), the President may submit the certification described in paragraph (2). The President shall submit the certification under such paragraph at the time of the submission of the report required by section 489(a).

"(2) CERTIFICATION.—A certification with respect to a country under this paragraph is a certification specifying—

"(A) that the withholding of assistance from the country under subsection (a)(1) and the opposition to assistance to the country under subsection (a)(2) in the fiscal year concerned is not in the national interests of the United States; and

"(B) the conditions which must be met in order to terminate the applicability of paragraph (4) to the country.

"(3) EFFECT OF CERTIFICATION IN FISCAL YEAR OF CERTIFICATION.—If the President submits a certification with respect to a country under paragraph (1) for a fiscal year—

"(A) the assistance otherwise withheld from the country pursuant to subsection (a)(1) may be obligated and expended in that fiscal year; and

"(B) the requirement of subsection (a)(2) to vote against multilateral development bank assistance to the country shall not apply to the country in that fiscal year.

"(4) EFFECT OF CERTIFICATION IN LATER FISCAL YEARS.—

"(A) IN GENERAL.—Subparagraph (B) shall apply to a country covered by a certification submitted under this subsection during the period beginning on October 1 of the year in which the President submits the certification and ending on the date on which the President notifies Congress that the conditions specified with respect to the country under paragraph (2)(B) have been met.

"(B) PROHIBITION ON ASSISTANCE.—

"(i) BILATERAL ASSISTANCE.—During the applicability of this subparagraph to a country, no United States assistance allocated for the country in the report required by section 653 may be obligated or expended for the country.

"(ii) MULTILATERAL ASSISTANCE.—During the applicability of this subparagraph to a country, the Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to vote against any loan or other utilization of the funds of such institution to or by the country.

"(5) DEFINITION.—For purposes of this subsection, the term 'multilateral development bank' shall have the meaning given the term in subsection (a)(2)."

(b) CONFORMING AMENDMENTS.—Subsection (a) of such section is amended by striking "subsection (b)" each place it appears and inserting "subsections (b) and (i)".

By Mr. DEWINE (for himself and Mr. VOINOVICH):

S. 555. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval between such periods does not exceed eight weeks; to the Committee on Veterans Affairs.

#### VETERANS' EDUCATION BILL

Mr. DEWINE. Mr. President, I rise today to introduce the Veterans' Education Benefits Equity Act. A similar bill has already been introduced in the House of Representatives by my distinguished Ohio colleague, Congressman NEY.

This legislation would fix an unintended oversight in veterans' educational benefits. Currently, the law stipulates that qualified veterans can receive their monthly educational assistance benefits when they are enrolled at educational institutions during periods between terms, if the period does not exceed 4 weeks. This time period was established to allow enrolled veterans to continue to receive their benefits during the December/January holidays. The problem with the current

time period is that it only covers veterans enrolled at educational institutions on the semester system. Obviously, many educational institutions work on the quarter system, which can have a vacation period of eight weeks between the first and second quarters during the winter holiday season. Consequently, many veterans unfairly lose their benefits during this period because of the institution's course structures.

It is my understanding that some educational institutions which have a sizable veteran enrollment frequently create a one credit hour course on military history or a similar topic specifically geared towards veterans in order for them to remain enrolled and eligible for their educational benefits. Consequently, the cost of extending the current eligibility period to eight weeks would have a minimal, if not negligible, cost.

The Department of Veterans' Administration has recognized the need to correct this oversight and assisted in the drafting of this legislation and fully supports this bill.

I urge my colleagues to support this common sense fix and allow all veterans to received the uninterrupted educational assistance they earned. Mr. President, I ask unanimous consent that the text of the Veterans' Education Benefits Equity Act be printed in the RECORD.

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

S. 555

*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 "Veterans Education Benefits Equity Act of 1999".

#### SEC. 2. REVISION OF EDUCATIONAL ASSISTANCE INTERVAL PAYMENT REQUIREMENTS.

(a) IN GENERAL.—Clause (C) of the third sentence of section 3680(a) of title 38, United States Code, is amended to read as follows:

"(C) during periods between school terms where the educational institution certifies the enrollment of the eligible veteran or eligible person on an individual term basis if (i) the period between such terms does not exceed eight weeks, and (ii) both the term preceding and the term following the period are not shorter in length than the period."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to payments of educational assistance under title 38, United States Code, for months beginning on or after the date of the enactment of this Act.

By Mr. BAUCUS (for himself and Mr. JEFFORDS):

S. 556. A bill to amend title 39, United States Code, to establish guidelines for the relocation, closing, consolidation, or construction of post offices, and for other purposes; to the Committee on Governmental Affairs.

#### THE POST OFFICE AND COMMUNITY PARTNERSHIP ACT OF 1999

Mr. BAUCUS. Mr. President, I rise today to introduce the Post Office Community Partnership Act of 1999.

There has been a great deal of debate lately on the importance of letting states and localities make their own decisions. Whether it is with highway funding, the the "ed flex" bill, or legislation to allow states more latitude in establishing rural hospitals, there is increasing sentiment that Washington really doesn't know better—states and localities should find solutions to the problems they know best. It is in the spirit of state and local control that I, along with Senator JEFFORDS, introduce legislation to give citizens a say in Postal Service decisions to open, close, relocate or consolidate post offices.

Since its establishment over 200 years ago, with Benjamin Franklin as the first Postmaster General, the United States Postal Service has faithfully delivered the mail to generations of Americans. Across small town America, the post office is still the center of the community, the glue that holds towns like Livingston and Red Lodge, Montana together.

Unfortunately, Americans all over have suffered as the Postal Service opens, closes, or moves post offices without considering the impact their decision will have on the community.

Today, Senator JEFFORDS and I are introducing legislation to change that. With passage of the Post Office Community Partnership Act, downtown communities will have an increased say in their future. They will have input into Postal Service decisions that affect their communities, and they will be allowed the chance to offer alternatives to Postal Service changes. Under current law, communities have little say when the USPS decides to pull up stakes. Our bill would change that by allowing communities to work with the Postal Service in the decision-making process.

With the exception of some minor changes, this is the same bill that we introduced last spring, the one that received 76 votes of support when it was attached to the Treasury Postal Appropriations bill.

I was pleased when Senator JEFFORDS and I received such overwhelming support for our legislation in the 105th Congress.

However, the amendment was stripped when the Senate and House reconciled their bills; I was very disappointed that the wishes of three in four senators were ignored in passing the final legislation through conference committee.

That small communities across America are reeling from the effects of downtown post office closings is evidence enough that their voices need to be heard, and I am confident that this year we will pass this important bill. I believe that with mutual cooperation, the interests of communities and the Postal Service can be served. The nature—indeed the very name—of this legislation is participation.

We will not give up the fight. For the sake of small communities everywhere,

I will continue to do my utmost to see that their views are heard and accounted for. I am confident that with this bill's passage our communities and this important American institution may begin a new era of cooperation for the good of all involved. And we can put the community back in the Postal Service.

Mr. President, I hope my colleagues will join Senator JEFFORDS and me in passing this important legislation.

Mr. JEFFORDS. Mr. President, I rise today to discuss a bill that my colleague Senator BAUCUS and I are reintroducing titled the "Post Office Community Partnership Act of 1999".

Aside from a few technical changes, the bill is similar to the one we introduced in the 105th Congress that was supported by so many of our colleagues in a 76-21 vote last July. Unfortunately our postal language was dropped from the underlying bill during conference with the House. However, I am hopeful that this year our bill will become law. I should add that this year we have coordinated our efforts with Representative BLUMENAUER of Oregon and an identical companion bill is being put forward in both the Senate and the House.

Mr. President, I live in a small town in Vermont. I understand the importance downtowns and village centers play in the identity and longevity of communities. Downtowns are the social and economic hearts of small communities. They are where neighbors catch up on the news, shop, worship, and celebrate national holidays.

Our bill will enable the residents of small villages and large towns to have a say when the Postal Service decides that their local post office will be closed, relocated, or consolidated. Local post offices are important tenants in any vibrant downtown. A recent article in *USA Today* cited a 1993 study that found that 80 percent of the people who shopped downtown planned their visit around a visit to the post office.

There is much talk in the news today about revitalizing our downtowns and encouraging smart growth. I say to my colleagues, if you want to encourage smart growth, let's start by doing what we can do to keep federal facilities such as post offices in downtowns.

Some of my colleagues may ask why this legislation is necessary. A story from my home state of Vermont will answer that question.

A few years ago the general store on the green in Perkinsville, Vermont went bankrupt and the adjacent post office wanted to leave the small village center for a new building outside of town. By the time the community was aware of the relocation, plans were so far along—the new building had actually been constructed based on the promise of the post office as the anchor tenant—that there was no time to fully investigate in-town alternatives. One elderly resident wrote that in contrast to families now being able to walk to

the post office, "we certainly won't be walking along the busy Route 106 two miles or more to get postal services."

Mr. President, post office closings and relocations are occurring all across the country and especially in small and rural communities. My colleagues will quickly discover similar examples in their own states where the removal of the post office has harmed the economic vitality of the downtown area, deprived citizens without cars of access, and contributed to sprawl.

Mr. President, post offices in Vermont and across the nation are centers of social and business interaction. In communities where post offices are located on village greens or in downtowns, they become integral to these communities' identities. I believe that this legislation will strengthen the federal-local ties of the Postal Service, help preserve our downtowns, and combat the problem of sprawl. I urge my colleagues to join Senator BAUCUS and me in support of this important legislation.

#### ADDITIONAL COSPONSORS

S. 13

At the request of Mr. SESSIONS, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 13, a bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education.

S. 493

At the request of Mr. SARBANES, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 493, a bill to require the Secretary of the Army, acting through the Chief of Engineers, to evaluate, develop, and implement pilot projects in Maryland, Virginia, and North Carolina to address problems associated with toxic microorganisms in tidal and non-tidal wetlands and waters.

S. 508

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 508, a bill to prohibit implementation of "Know Your Customer" regulations by the Federal banking agencies.

S. 528

At the request of Mr. SPECTER, the names of the Senator from Utah (Mr. HATCH) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 528, a bill to provide for a private right of action in the case of injury from the importation of certain dumped and subsidized merchandise.

S. 543

At the request of Ms. SNOWE, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 543, a bill to prohibit discrimination on the basis of genetic information with respect to health insurance.

AMENDMENT NO. 40

At the request of Mr. ALLARD the names of the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Wyoming (Mr. ENZI), the Senator from Utah (Mr. BENNETT), and the Sen-

ator from Texas (Mr. GRAMM) were added as cosponsors of amendment No. 40 proposed to S. 280, a bill to provide for education flexibility partnerships.

At the request of Mr. ROBB his name was added as a cosponsor of amendment No. 40 proposed to S. 280, *supra*.

At the request of Mr. NICKLES his name was added as a cosponsor of amendment No. 40 proposed to S. 280, *supra*.

#### SENATE CONCURRENT RESOLUTION 16—EXPRESSING THE SENSE OF CONGRESS THAT THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION GUARANTY FEE SHOULD NOT BE INCREASED TO PROVIDE INCREASED REVENUES

Mr. GRAMS (for himself and Mr. GORTON) submitted the following concurrent resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs.

S. CON. RES. 16

Whereas the Government National Mortgage Association, known as Ginnie Mae, was established as a wholly owned corporation of the United States to facilitate the worldwide sale of investment securities backed by mortgages insured or guaranteed by the Federal Housing Administration (FHA) or the Veterans Administration (VA), which is now the Department of Veterans Affairs;

Whereas Ginnie Mae assesses a fee to lenders issuing such securities and notes for the guaranty, by Ginnie Mae, of the timely payment to investors of principal and interest of the securities and notes;

Whereas the guaranty fee currently charged by Ginnie Mae, at a rate of 6 basis points, has produced significant net revenue for the Federal Government each year;

Whereas Ginnie Mae is actuarially sound and its reserves are sufficient to protect the taxpayers of the United States from any loss;

Whereas the cost of home ownership is increasing, thereby making the dream of home ownership unattainable for many families in the United States;

Whereas FHA and VA loans are used primarily by first-time and minority homeowners to achieve the dream of home ownership;

Whereas Congress should seek to eliminate barriers to affordable housing and reduce the costs of home ownership; and

Whereas proposals to increase the Ginnie Mae guaranty fee above the current rate, if enacted, would constitute a tax on home ownership, would increase the costs of owning a home, and would ultimately deny many Americans the opportunity to own a home; Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring).* That it is the sense of the Congress that any increase in the guaranty fee assessed by the Government National Mortgage Association above the rate currently in effect constitutes an unnecessary and unwarranted tax on home ownership that cannot be justified as sound public policy or as necessary for financial soundness of the Government National Mortgage Association and, therefore, should not be used to provide increased revenues for the Federal Government to offset other expenditures.

Mr. GRAMS. Mr. President, today I am submitting a Senate Concurrent

Resolution expressing the sense of the Congress that guaranty fees charged by the Government National Mortgage Association—or Ginnie Mae—should not be increased as a means of offsetting additional Federal spending. I am pleased that my colleague from Washington, Senator GORTON, is joining me in submitting this resolution.

As the Federal budget process proceeds over the next few months, there will inevitably be attempts to manipulate revenues to fund pet projects. Unfortunately, what Washington calls revenues, Americans call taxes. This resolution serves notice that taxes on American homebuyers—in this case through higher fees on the securities used to fund the loans—should not be used to fund general government.

I am pleased that a companion resolution—H. Con. Res. 10—has been introduced in the House. I urge my colleagues to join in expressing their sense that increased taxes on homebuyers to fund general government spending are inappropriate, and I invite my colleagues to add their name to this resolution.

#### AMENDMENTS SUBMITTED

#### EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999

#### WELLSTONE AMENDMENTS NOS. 41-42

(Ordered to lie on the table.)

Mr. WELLSTONE submitted two amendments intended to be proposed by him to amendment No. 31 proposed by Mr. JEFFORDS to the bill (S. 280) to provide for education flexibility partnerships; as follows:

##### AMENDMENT No. 41

On page 3, between lines 15 and 16, insert the following:

(8)(A) Part A of title I of the Elementary and Secondary Education Act of 1965 is intended to provide supplementary educational services to low achieving children attending schools with relatively high concentrations of students from low income families.

(B) Other than fiscal year 1966, Congress has never passed legislation that provided the maximum funding authorized to carry out such part.

(C) The fiscal year 1999 appropriation for such part is less than half of the level required to fund such part of the maximum authorized level.

(D) By funding such part at the maximum authorized level, the Federal Government will provide more assistance for disadvantaged children than the Federal Government did for fiscal year 1999.

(E) The Senate is committed to funding such part at the maximum authorized level.

##### AMENDMENT No. 42

On page 15, between lines 2 and 3, insert the following:

(F) local and state plans, use of funds, and accountability, under the Carl D. Perkins Vocational and Technical Education Act of 1998, except to permit the formation of secondary and post-secondary consortia.

#### WELLSTONE (AND OTHERS) AMENDMENT NO. 43

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. REED, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

On page 15, between lines 2 and 3, insert the following:

“(F) Sections 1114b and 1115c of Title I of the Elementary and Secondary Education Act of 1965;”.

#### TORRICELLI AMENDMENTS NOS. 44-45

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

##### AMENDMENT No. 44

At the end, add the following:

##### SEC. 401. DEMONSTRATION GRANTS.

(a) FINDINGS.—Congress finds that—

(1) the length of the academic year at most elementary and secondary schools in the United States consists of approximately 175 to 180 academic days, while the length of the academic years at elementary and secondary schools in a majority of the other industrialized countries consists of approximately 190 to 240 academic days;

(2) eighth-grade students from the United States have scored lower, on average, in mathematics than students in Japan, France, and Canada;

(3) various studies indicate that extending the length of the academic year at elementary and secondary schools results in a significant increase in actual student learning time, even when much of the time in the extended portion of the academic year is used for increased teacher training and increased parent-teacher interaction;

(4) in the final 4 years of schooling, students in schools in the United States are required to spend a total of 1,460 hours on core academic subjects, which is less than half of the 3,528 hours so required in Germany, the 3,280 hours so required in France, and the 3,170 hours so required in Japan;

(5) American students' lack of formal schooling is not counterbalanced with more homework as only 29 percent of American students report spending at least 2 hours on homework per day compared to half of all European students;

(6) extending the length of the academic year at elementary and secondary schools will lessen the need for review, at the beginning of an academic year, of course material covered in the previous academic year; and

(7) in 1994, the Commission on Time and Learning recommended that school districts keep schools open longer to meet the needs of children and communities.

(b) DEMONSTRATION GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary of Education, from amounts appropriated under subsection (d) for a fiscal year, shall award demonstration grants to local educational agencies to—

(A) enable the local educational agencies to extend the length of the school year to 210 days;

(B) study the feasibility of an effective methods for extending learning time within or beyond the school day or year, including consultation with other schools or local educational agencies that have designed or implemented extended learning time programs;

(C) conduct outreach to and consult with community members, including parents, students, and other stakeholders, such as tribal leaders, to develop a plan to extend learning time within or beyond the school day or year; and

(D) research, develop, and implement strategies, including changes in curriculum and instruction, for maximizing the quality and percentage of common core learning time in the school day and extending learning time during or beyond the school day or year.

(2) DEFINITION.—In this section, the term “common core learning time” means high-quality, engaging instruction in challenging content in the core academic subjects of English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

(c) APPLICATION.—A local educational agency desiring a grant under this section shall submit an application to the Secretary of Education at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall describe—

(1) the activities for which assistance is sought;

(2) any study or other information-gathering project for which funds will be used;

(3) the strategies and methods the applicant will use to enrich and extend learning time for all students and to maximize the percentage of common core learning time in the school day, such as block scheduling, team teaching, longer school days or years, and extending learning time through new distance-learning technologies.

(4) the strategies and methods the applicant will use, including changes in curriculum and instruction, to challenge and engage students and to maximize the productivity of common core learning time, as well as the total time students spend in school and in school-related enrichment activities;

(5) the strategies and methods the applicant intends to employ to provide continuing financial support for the implementation of any extended school day or school year;

(6) with respect to any application seeking assistance for activities described in subsection (b)(1)(A), a description of any feasibility or other studies demonstrating the sustainability of a longer school year;

(7) the extent of involvement of teachers and other school personnel in investigating, designing, implementing and sustaining the activities assisted under this part;

(8) the process to be used for involving parents and other stakeholders in the development and implementation of the activities assistance under this section;

(9) any cooperation or collaboration among public housing authorities, libraries, businesses, museums, community-based organizations, and other community groups and organizations to extend engaging, high-quality, standards-based learning time outside of the school day or year, at the school or at some other site;

(10) the training and professional development activities that will be offered to teachers and others involved in the activities assisted under this section;

(11) the goals and objectives of the activities assisted under this section, including a description of how such activities will assist all students to reach State standards;

(12) the methods by which the applicant will assess progress in meeting such goals and objectives; and

(13) how the applicant will use funds provided under this section in coordination with funds provided under other Federal laws.

(d) DURATION.—A grant under this section shall be awarded for a period of 3 years.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$50,000,000 for each of the fiscal years 2000 through 2004.

(2) USE OF FUNDS.—The Secretary of Education shall use not less than 70 percent of the amount appropriated for each fiscal year under paragraph (1) to award grants to applicants that want to extend the school year to at least 210 days.

#### AMENDMENT NO. 45

At the end, add the following:

### **TITLE —TEACHER QUALITY ENHANCEMENT AND INCENTIVE PROGRAM**

#### **SEC. —01. PURPOSE.**

The purpose of this title is—

(1) to encourage the best and brightest candidates to teach in public elementary and secondary schools serving disadvantaged populations; and

(2) to encourage high achieving candidates to enter the teaching profession who would otherwise not consider a career in teaching.

#### **SEC. —02. GRANTS AUTHORIZED.**

(a) IN GENERAL.—The Secretary is authorized to award grants to 50 local educational agencies for a fiscal year to enable the local educational agencies to award bonuses to highly qualified individuals who agree to teach in elementary schools or secondary schools that are served by the local educational agency and located in high poverty areas, for a period of not less than 4 years.

(b) LOCAL EDUCATIONAL AGENCY ELIGIBILITY.—A local educational agency shall be eligible for a grant under this title if not less than 40 percent of children in the schools served by the local educational agency are eligible to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)).

(c) AMOUNT.—Grants under this section shall be awarded in the amount of \$300,000.

(d) BONUSES NOT TAXED.—For purposes of the Internal Revenue Code of 1986, a bonus awarded under this title shall not be includable in the gross income of the individual awarded the bonus.

(e) COLLABORATION.—The Secretary shall collaborate with local educational agencies, local boards of education, and local offices of student financial assistance in carrying out the program assisted under this section.

(f) DEFINITION.—The definitions in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) shall apply to this title.

#### **SEC. —03. LOCAL REQUIREMENTS.**

(a) LOCAL USES.—Each local educational agency receiving a grant under this title shall use the funds made available under this title to—

(1) award bonuses to highly qualified individuals who agree to teach in elementary schools or secondary schools in which at least 40 percent of the children are eligible to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c));

(2) award the bonuses to not more than 40 highly qualified individuals for a fiscal year on a competitive basis taking into consideration—

(A) objective measures such as test scores, grade point average or class rank, and such other criteria as the local educational agency may determine appropriate; and

(B) recommendations received under subsection (c); and

(3) award the bonuses in the amount of \$15,000 with \$7,500 paid after the first year of such teaching and \$7,500 paid after the second year of such teaching.

(b) PROHIBITION.—Each local educational agency receiving a grant under this title shall not use the grant funds to offset the salary of a teacher awarded a bonus under this title.

(c) RECOMMENDATIONS.—Each local educational agency receiving a grant under this title shall establish a system for receiving a limited number of recommendations from institutions of higher education for individuals to receive bonus awards under this title.

#### **SEC. —04. ELIGIBILITY.**

To be eligible to receive a bonus award under this title an individual—

(1) shall enter into an agreement with the local educational agency to work in a school described in section —03(1) for not less than 4 years or repay the bonus in accordance with section —06;

(2) shall pass all State certification examinations required to teach in an elementary school or secondary school in the State;

(3) shall have graduated with a 3.5 grade point average from an institution of higher education, or have graduated in the top 15 percent of the individual's graduating class at an institution of higher education, with a bachelor's degree;

(4) shall submit an application to the local educational agency in accordance with section —05(a).

#### **SEC. —05. APPLICATIONS; NOTIFICATION.**

(a) APPLICATION.—Each individual desiring a bonus award under this title shall submit an application to a local educational agency not later than January 15 of each year containing such information as the local educational agency may require.

(b) NOTIFICATION.—A local educational agency shall notify individuals of their bonus awards by May 1 of each year.

#### **SEC. —06. REPAYMENT.**

Each individual who receives a bonus award under this title and does not comply with the terms of the agreement described in section —04(1) within 6 years of receiving the first bonus award payment under this title, without an excuse that is acceptable to the local educational agency, shall repay to the local educational agency the amount of the bonus awards received plus interest. Repayment shall begin not later than 2 years after the local educational agency determines the individual is in noncompliance with the agreement.

#### **SEC. —07. AUTHORIZATION OF APPROPRIATIONS.**

There is authorized to be appropriated to carry out this title \$15,000,000 for each of the fiscal years 2000 and 2001.

### **REED (AND OTHERS) AMENDMENT NO. 46**

(Ordered to lie on the table.)

Mr. REED (for himself, Mr. KENNEDY, Mr. DODD, and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

On page 13, line 14, strike "and".

On page 13, line 15, strike "all interested" and insert "parents, educators, and all other interested".

On page 13, line 17, strike the period and insert ";", shall provide that opportunity in accordance with any applicable State law specifying how the comments may be received, shall make the comments received available for public review, and shall submit the comments with the agency's application

to the Secretary or the State educational agency, as appropriate."

### **BOND AMENDMENT NO. 47**

(Ordered to lie on the table.)

Mr. BOND submitted an amendment intended to be proposed by him to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

At the end, add the following new title:

### **TITLE —DIRECT CHECK FOR EDUCATION ACT**

#### **SEC. —1. SHORT TITLE.**

This title may be cited as the "Direct Check for Education Act".

#### **SEC. —2. FINDINGS.**

Congress finds that—

(1) education should be a national priority but must remain a local responsibility;

(2) the Federal Government's regulations and involvement often create barriers and obstacles to local creativity and reform;

(3) parents, teachers, and local school districts must be allowed and empowered to set local education priorities; and

(4) schools and education professionals must be accountable to the people and children served.

#### **SEC. —3. DEFINITIONS.**

In this title:

(1) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) SECRETARY.—The term "Secretary" means the Secretary of Education.

(3) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

#### **SEC. —4. DIRECT AWARDS TO LOCAL EDUCATIONAL AGENCIES.**

(a) DIRECT AWARDS.—From amounts appropriated under subsection (b) and not used to carry out subsection (c), the Secretary shall make direct awards to local educational agencies in amounts determined under subsection (e) to enable the local educational agencies to support programs or activities, for kindergarten through grade 12 students, that the local educational agencies determine to be appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title \$3,500,000,000 for each of the fiscal years 2000 and 2001, \$4,000,000,000 for each of the fiscal years 2002 and 2003, and \$5,000,000,000 for fiscal year 2004.

(c) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated under subsection (b) for each fiscal year to continue to make payments to eligible recipients pursuant to any multiyear award made prior to the date of enactment of this Act under the provisions of law repealed under subsection (d). The payments shall be made for the duration of the multiyear award.

(d) REPEALS.—The following provisions of law are repealed:

(1) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.).

(2) Section 307 of the Department of Education Appropriations Act, 1999.

(3) Title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6801 et seq.).

(4) Part B of title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7331 et seq.).

(5) Part A of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.).

(6) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(e) DETERMINATION OF AMOUNT.—

(1) PER CHILD AMOUNT.—The Secretary, using the information provided under subsection (f), shall determine a per child amount for a year by dividing the total amount appropriated under subsection (b) for the year, by the average daily attendance of kindergarten through grade 12 students in all States for the preceding year.

(2) LOCAL EDUCATIONAL AGENCY AWARD.—The Secretary, using the information provided under subsection (f), shall determine the amount provided to each local educational agency under this section for a year by multiplying—

(A) the per child amount determined under paragraph (1) for the year; by

(B) the average daily attendance of kindergarten through grade 12 students that are served by the local educational agency for the preceding year.

(f) CENSUS DETERMINATION.—

(1) IN GENERAL.—Not later than December 1 of each year, each local educational agency shall conduct a census to determine the average daily attendance of kindergarten through grade 12 students served by the local educational agency.

(2) SUBMISSION.—Not later than March 1 of each year, each local educational agency shall submit the number described in paragraph (1) to the Secretary.

(g) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under subsection (f) for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency would have received under this section if the agency had submitted accurate information under subsection (f).

(h) DISBURSAL.—The Secretary shall disburse the amount awarded to a local educational agency under this title for a fiscal year not later than July 1 of that year.

#### SEC. 5. AUDIT.

(a) IN GENERAL.—The Secretary may conduct audits of the expenditures of local educational agencies under this title to ensure that the funds made available under this title are used in accordance with this title.

(b) SANCTIONS AND PENALTIES.—If the Secretary determines that the funds made available under section 4 were not used in accordance with section 4(a), the Secretary may use the enforcement provisions available to the Secretary under part D of the General Education Provisions Act (20 U.S.C. 1234 et seq.).

#### MURKOWSKI AMENDMENT NO. 48

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

At the end, add the following:

#### TITLE —SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

##### SEC. 1. DEFINITIONS.

Section 4131 of the Safe and Drug-Free Schools and Communities Act of 1994 (20

U.S.C. 7141) is amended by adding at the end the following:

“(7) ABUSE.—The term ‘abuse’, used with respect to an inhalant, means the intentional breathing of gas or vapors from the inhalant with the purpose of achieving an altered state of consciousness.

“(8) DRUG.—The term ‘drug’ includes a substance that is an inhalant, whether or not possession or use of the substance is legal.

“(9) INHALANT.—The term ‘inhalant’ means a product that—

“(A) may be a legal, commonly available product; and

“(B) has a useful purpose but can be abused, such as spray paint, glue, gasoline, correction fluid, furniture polish, a felt tip marker, pressurized whipped cream, an air freshener, butane, or cooking spray.

“(10) USE.—The term ‘use’, used with respect to an inhalant, means abuse of the inhalant.”.

##### SEC. 2. FINDINGS.

Section 4002 of such Act (20 U.S.C. 7102) is amended—

(1) in paragraph (2), by inserting “, and the abuse of inhalants,” after “other drugs”;

(2) in paragraph (5), by striking “and the illegal use of alcohol and drugs” and inserting “, the illegal use of alcohol and drugs, and the abuse of inhalants”;

(3) in paragraph (7), by striking “and tobacco” each place it appears and inserting “, tobacco, and inhalants”;

(4) in paragraph (9), by striking “and illegal drug use” and inserting “, illegal drug use, and inhalant abuse”;

(5) by adding at the end the following:

“(11)(A) The number of children using inhalants has doubled in the last 10 years. Inhalants are the third most abused class of substances by children age 12 through 14 in the United States, behind alcohol and tobacco. One of 5 students in the United States has tried inhalants by the time the student has reached the 8th grade.

“(B) Inhalant vapors react with fatty tissues in the brain, literally dissolving the tissues. A single use of inhalants can cause instant and permanent brain, heart, kidney, liver, and other organ damage. The user of an inhalant can suffer from Sudden Sniffing Death Syndrome, which can cause a user to die the first, tenth, or hundredth time the user uses an inhalant.

“(C) Because inhalants are legal, education on the dangers of inhalant abuse is the most effective method of preventing the abuse.”.

##### SEC. 3. PURPOSE.

Section 4003 of such Act (20 U.S.C. 7103) is amended, in the matter preceding paragraph (1), by inserting “and abuse of inhalants” after “and drugs”.

##### SEC. 4. GOVERNOR'S PROGRAMS.

Section 4114(c)(2) of such Act (20 U.S.C. 7114(c)(2)) is amended by inserting “(including inhalant abuse education)” after “drug and violence prevention”.

##### SEC. 5. DRUG AND VIOLENCE PREVENTION PROGRAMS.

Section 4116 of such Act (20 U.S.C. 7116) is amended—

(1) in subsection (a)(1)(A), by inserting “, and the abuse of inhalants,” after “illegal drugs”; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by inserting “and the abuse of inhalants” after “use of illegal drugs”; and

(ii) by inserting “and abuse inhalants” after “use illegal drugs”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting “(including age appropriate inhalant prevention programs for all students, from the preschool level through grade 12)” after “drug prevention”; and

(ii) in subparagraph (C), by inserting “and inhalant abuse” after “drug use”.

##### SEC. 6. FEDERAL ACTIVITIES.

Section 4121(a) of such Act (20 U.S.C. 7131(a)) is amended, in the first sentence, by striking “illegal use of drugs” and inserting “illegal use of drugs, the abuse of inhalants,”.

##### SEC. 7. GRANTS TO INSTITUTIONS OF HIGHER EDUCATION.

Section 4122(a)(1) of such Act (20 U.S.C. 7132(a)(1)) is amended by striking “the illegal use of alcohol and other drugs” and inserting “the illegal use of alcohol and other drugs, and the abuse of inhalants,”.

##### SEC. 8. MATERIALS.

Section 4132(a) of such Act (20 U.S.C. 7142(a)) is amended by striking “illegal use of alcohol and other drugs” and inserting “illegal use of alcohol and other drugs and the abuse of inhalants”.

#### FEINSTEIN AMENDMENT NO. 49

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

At the end, add the following:

#### TITLE —STUDENT ACHIEVEMENT

##### SEC. 01. SHORT TITLE.

This title may be cited as the “Student Achievement Act of 1999”.

##### SEC. 02. REMEDIAL EDUCATION.

(a) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to high need, low-performing local educational agencies to enable the local educational agencies to carry out remedial education programs that enable kindergarten through grade 12 students who are failing or are at risk of failing to meet State achievement standards in the core academic curriculum.

(b) USE OF FUNDS.—Grant funds awarded under this section may be used to provide prevention and intervention services and academic instruction, that enable the students described in subsection (a) to meet challenging State achievement standards in the core academic curriculum, such as—

(1) implementing early intervention strategies that identify and support those students who need additional help or alternative instructional strategies;

(2) strengthening learning opportunities in classrooms by hiring certified teachers to reduce class sizes, providing high quality professional development, and using proven instructional practices and curriculum aligned to State achievement standards;

(3) providing extended learning time, such as after-school and summer school; and

(4) developing intensive instructional intervention strategies for students who fail to meet the State achievement standards.

(c) APPLICATIONS.—Each local educational agency desiring to receive a grant under this section shall submit an application to the Secretary. Each application shall contain—

(1) an assurance that the grant funds will be used in accordance with subsection (b); and

(2) a detailed description of how the local educational agency will use the grant funds to help students meet State achievement standards in the core academic curriculum by providing prevention and intervention services and academic instruction to students who are most at risk of failing to meet the State achievement standards.

(d) CONDITIONS FOR RECEIVING FUNDS.—A local educational agency shall be eligible to receive a grant under this section if the local

educational agency or the State educational agency—

(1) adopts a policy prohibiting the practice of social promotion;

(2) requires that all kindergarten through grade 12 students meet State achievement standards in the core academic curriculum at key transition points (to be determined by the State), such as 4th, 8th, 12th grades, before promotion to the next grade level;

(3) uses tests validated for these purposes and other indicators to assess student performance in meeting the State achievement standards, such as tests, grades and teacher evaluations; and

(4) has substantial numbers of students who are low-performing students.

(e) DEFINITIONS.—In this section:

(1) CORE ACADEMIC CURRICULUM.—The term “core academic curriculum” means curriculum in subjects such as reading and writing, language arts, mathematics, social sciences (including history), and science.

(2) LOCAL EDUCATIONAL AGENCY.—The term “local educational agency” has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(3) PRACTICE OF SOCIAL PROMOTION.—The term “practice of social promotion” means a formal or informal practice of promoting a student from the grade for which the determination is made to the next grade when the student fails to meet the State achievement standards in the core academic curriculum. The term does not include decisions made for children with disabilities consistent with the requirements of section 601 et seq. of the Individuals with Disabilities Education Act (20 USC 1401 et seq.).

(4) SECRETARY.—The term “Secretary” means the Secretary of Education.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$500,000,000 for each of the fiscal years 2000 through 2004.

#### MURRAY (AND KENNEDY) AMENDMENT NO. 50

(Ordered to lie on the table.)

Mrs. MURRAY (for herself and Mr. KENNEDY) submitted an amendment intended to be proposed by them to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, supra; as follows:

At the end of the amendment, add the following:

#### SEC. \_\_\_\_ CLASS SIZE REDUCTION.

Title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7301 et seq.) is amended by adding at the end the following:

#### “PART E—CLASS SIZE REDUCTION

##### “SEC. 6601. SHORT TITLE.

“This part may be cited as the ‘Class Size Reduction and Teacher Quality Act of 1999’.

##### “SEC. 6602. FINDINGS.

“Congress finds as follows:

“(1) Rigorous research has shown that students attending small classes in the early grades make more rapid educational progress than students in larger classes, and that these achievement gains persist through at least the elementary grades.

“(2) The benefits of smaller classes are greatest for lower achieving, minority, poor, and inner-city children. One study found that urban fourth-graders in smaller-than-average classes were  $\frac{3}{4}$  of a school year ahead of their counterparts in larger-than-average classes.

“(3) Teachers in small classes can provide students with more individualized attention,

spend more time on instruction and less on other tasks, cover more material effectively, and are better able to work with parents to further their children’s education.

“(4) Smaller classes allow teachers to identify and work more effectively with students who have learning disabilities and, potentially, can reduce those students’ need for special education services in the later grades.

“(5) Students in smaller classes are able to become more actively engaged in learning than their peers in large classes.

“(6) Efforts to improve educational achievement by reducing class sizes in the early grades are likely to be more successful if—

“(A) well-prepared teachers are hired and appropriately assigned to fill additional classroom positions; and

“(B) teachers receive intensive, continuing training in working effectively in smaller classroom settings.

“(7) Several States have begun a serious effort to reduce class sizes in the early elementary grades, but these actions may be impeded by financial limitations or difficulties in hiring well-prepared teachers.

“(8) The Federal Government can assist in this effort by providing funding for class-size reductions in grades 1 through 3, and by helping to ensure that the new teachers brought into the classroom are well prepared.

##### “SEC. 6603. PURPOSE.

“The purpose of this part is to help States and local educational agencies recruit, train, and hire 100,000 additional teachers over a 7-year period in order to—

“(1) reduce class sizes nationally, in grades 1 through 3, to an average of 18 students per classroom; and

“(2) improve teaching in the early grades so that all students can learn to read independently and well by the end of the third grade.

##### “SEC. 6604. PROGRAM AUTHORIZED.

“(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated, \$1,400,000,000 for fiscal year 2000, \$1,500,000,000 for fiscal year 2001, \$1,700,000,000 for fiscal year 2002, \$1,735,000,000 for fiscal year 2003, \$2,300,000,000 for fiscal year 2004, and \$2,800,000,000 for fiscal year 2005.

“(b) ALLOTMENTS.—

“(1) IN GENERAL.—From the amount appropriated under subsection (a) for a fiscal year the Secretary—

“(A) shall make a total of 1 percent available to the Secretary of the Interior (on behalf of the Bureau of Indian Affairs) and the outlying areas for activities that meet the purpose of this part; and

“(B) shall allot to each State the same percentage of the remaining funds as the percentage it received of funds allocated to States for the previous fiscal year under section 1122 or section 2202(b), whichever percentage is greater, except that such allotments shall be ratably decreased as necessary.

“(2) DEFINITION OF STATE.—In this part the term “State” means each of the several States of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

“(3) STATE-LEVEL EXPENSES.—Each State may use not more than a total of  $\frac{1}{2}$  of 1 percent of the amount the State receives under this part, or \$50,000, whichever is greater, for a fiscal year, for the administrative costs of the State educational agency.

“(c) WITHIN STATE DISTRIBUTION.—

“(1) IN GENERAL.—Each State that receives an allotment under this section shall distribute the amount of the allotted funds that re-

main after using funds in accordance with subsection (b)(3) to local educational agencies in the State, of which—

“(A) 80 percent of such remainder shall be allocated to such local educational agencies in proportion to the number of children, aged 5 to 17, who reside in the school district served by such local educational agency and are from families with incomes below 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) for the most recent fiscal year for which satisfactory data is available compared to the number of such individuals who reside in the school districts served by all the local educational agencies in the State for that fiscal year, except that a State may adjust such data, or use alternative child-poverty data, to carry out this subparagraph if the State demonstrates to the Secretary’s satisfaction that such adjusted or alternative data more accurately reflects the relative incidence of children living in poverty within local educational agencies in the State; and

“(B) 20 percent of such remainder shall be allocated to such local educational agencies in accordance with the relative enrollments of children, aged 5 to 17, in public and private nonprofit elementary schools and secondary schools in the school districts within the boundaries of such agencies.

“(2) AWARD RULE.—Notwithstanding paragraph (1), if the award to a local educational agency under this section is less than the starting salary for a new teacher in that agency, the State shall not make the award unless the local educational agency agrees to form a consortium with not less than 1 other local educational agency for the purpose of reducing class size.

##### “SEC. 6605. USE OF FUNDS.

“(a) IN GENERAL.—Each local educational agency that receives funds under this part shall use such funds to carry out effective approaches to reducing class size with highly qualified teachers to improve educational achievement for both regular and special-needs children, with particular consideration given to reducing class size in the early elementary grades for which some research has shown class size reduction is most effective.

“(b) CLASS REDUCTION.—

“(1) IN GENERAL.—Each such local educational agency may pursue the goal of reducing class size through—

“(A) recruiting, hiring, and training certified regular and special education teachers and teachers of special-needs children, including teachers certified through State and local alternative routes;

“(B) testing new teachers for academic content knowledge, and to meet State certification requirements that are consistent with title II of the Higher Education Act of 1965; and

“(C) providing professional development to teachers, including special education teachers and teachers of special-needs children, consistent with title II of the Higher Education Act of 1965.

“(2) RESTRICTION.—A local educational agency may use not more than a total of 15 percent of the funds received under this part for each of the fiscal years 2000 through 2003 to carry out activities described in subparagraphs (B) and (C) of paragraph (1), and may not use any funds received under this part for fiscal year 2004 or 2005 for those activities.

“(3) SPECIAL RULE.—A local educational agency that has already reduced class size in the early grades to 18 or fewer children may use funds received under this part—



“(A) to make further class-size reductions in grades 1 through 3;

“(B) to reduce class size in kindergarten or other grades; or

“(C) to carry out activities to improve teacher quality, including professional development activities.

“(c) SUPPLEMENT NOT SUPPLANT.—A local educational agency shall use funds under this part only to supplement, and not to supplant, State and local funds that, in the absence of such funds, would otherwise be spent for activities under this part.

“(d) PROHIBITION.—No funds made available under this part may be used to increase the salaries of or provide benefits to (other than participation in professional development and enrichment programs) teachers who are, or have been, employed by the local educational agency.

“(e) PROFESSIONAL DEVELOPMENT.—If a local educational agency uses funds made available under this part for professional development activities, the agency shall ensure the equitable participation of private nonprofit elementary and secondary schools in such activities. Section 6402 shall not apply to other activities under this section.

“(f) ADMINISTRATIVE EXPENSES.—A local educational agency that receives funds under this part may use not more than 3 percent of such funds for local administrative expenses.

**“SEC. 6606. COST-SHARING REQUIREMENT.**

(a) FEDERAL SHARE.—The Federal share of the cost of activities carried out under this part—

“(1) may be up to 100 percent in local educational agencies with child-poverty levels of 50 percent or greater; and

“(2) shall be no more than 65 percent for local educational agencies with child-poverty rates of less than 50 percent.

“(b) LOCAL SHARE.—A local educational agency shall provide the non-Federal share of a project under this part through cash expenditures from non-Federal sources, except that if an agency has allocated funds under section 1113(c) to one or more schoolwide programs under section 1114, it may use those funds for the non-Federal share of activities under this program that benefit those schoolwide programs, to the extent consistent with section 1120A(c) and notwithstanding section 1114(a)(3)(B).

**“SEC. 6607. REQUEST FOR FUNDS.**

“Each local educational agency that desires to receive funds under this part shall include in the application submitted under section 6303 a description of the agency's program under this part to reduce class size by hiring additional highly qualified teachers.

**“SEC. 6608. REPORTS.**

“(a) STATE.—Each State receiving funds under this part shall report on activities in the State under this section, consistent with section 6202(a)(2).

“(b) SCHOOL.—Each school receiving assistance under this part, or the local educational agency serving that school, shall produce an annual report to parents, the general public, and the State educational agency, in easily understandable language, regarding student achievement that is a result of hiring additional highly qualified teachers and reducing class size.”.

BINGAMAN AMENDMENT NO. 51

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to amendment No. 31 proposed by Mr. JEFFORDS to the bill, S. 280, *supra*; as follows:

At the end, add the following:

**TITLE \_\_\_\_—DROPOUT PREVENTION AND STATE RESPONSIBILITIES**

**SEC. \_\_\_\_01. SHORT TITLE.**

This title may be cited as the “National Dropout Prevention Act of 1999”.

**Subtitle A—Dropout Prevention**

**SEC. \_\_\_\_11. DROPOUT PREVENTION.**

Part C of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7261 et seq.) is amended to read as follows:

**“PART C—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS**

**“Subpart 1—Coordinated National Strategy**

**“SEC. 5311. NATIONAL ACTIVITIES.**

“(a) NATIONAL PRIORITY.—It shall be a national priority, for the 5-year period beginning on the date of enactment of the National Dropout Prevention Act of 1999, to lower the school dropout rate, and increase school completion, for middle school and secondary school students in accordance with Federal law. As part of this priority, all Federal agencies that carry out activities that serve students at risk of dropping out of school or that are intended to help address the school dropout problem shall make school dropout prevention a top priority in the agencies' funding priorities during the 5-year period.

“(b) ENHANCED DATA COLLECTION.—The Secretary shall collect systematic data on the participation of different racial and ethnic groups (including migrant and limited English proficient students) in all Federal programs.

**“SEC. 5312. NATIONAL SCHOOL DROPOUT PREVENTION STRATEGY.**

“(a) PLAN.—The Director shall develop, implement, and monitor an interagency plan (in this section referred to as the “plan”) to assess the coordination, use of resources, and availability of funding under Federal law that can be used to address school dropout prevention, or middle school or secondary school reentry. The plan shall be completed and transmitted to the Secretary and Congress not later than 180 days after the first Director is appointed.

“(b) COORDINATION.—The plan shall address inter- and intra-agency program coordination issues at the Federal level with respect to school dropout prevention and middle school and secondary school reentry, assess the targeting of existing Federal services to students who are most at risk of dropping out of school, and the cost-effectiveness of various programs and approaches used to address school dropout prevention.

“(c) AVAILABLE RESOURCES.—The plan shall also describe the ways in which State and local agencies can implement effective school dropout prevention programs using funds from a variety of Federal programs, including the programs under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) and the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

“(d) SCOPE.—The plan will address all Federal programs with school dropout prevention or school reentry elements or objectives, programs under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a-11 et seq.), title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.), part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), subtitle C of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2881 et seq.), and other programs.

**“SEC. 5313. NATIONAL CLEARINGHOUSE.**

“Not later than 6 months after the date of enactment of the National Dropout Preven-

tion Act of 1999, the Director shall establish a national clearinghouse on effective school dropout prevention, intervention and reentry programs. The clearinghouse shall be established through a competitive grant or contract awarded to an organization with a demonstrated capacity to provide technical assistance and disseminate information in the area of school dropout prevention, intervention, and reentry programs. The clearinghouse shall—

“(1) collect and disseminate to educators, parents, and policymakers information on research, effective programs, best practices, and available Federal resources with respect to school dropout prevention, intervention, and reentry programs, including dissemination by an electronically accessible database, a worldwide Web site, and a national journal; and

“(2) provide technical assistance regarding securing resources with respect to, and designing and implementing, effective and comprehensive school dropout prevention, intervention, and reentry programs.

**“SEC. 5314. NATIONAL RECOGNITION PROGRAM.**

“(a) IN GENERAL.—The Director shall carry out a national recognition program that recognizes schools that have made extraordinary progress in lowering school dropout rates under which a public middle school or secondary school from each State will be recognized. The Director shall use uniform national guidelines that are developed by the Director for the recognition program and shall recognize schools from nominations submitted by State educational agencies.

“(b) ELIGIBLE SCHOOLS.—The Director may recognize any public middle school or secondary school (including a charter school) that has implemented comprehensive reforms regarding the lowering of school dropout rates for all students at that school.

“(c) SUPPORT.—The Director may make monetary awards to schools recognized under this section, in amounts determined by the Director. Amounts received under this section shall be used for dissemination activities within the school district or nationally.

**“Subpart 2—National School Dropout Prevention Initiative**

**“SEC. 5321. FINDINGS.**

“Congress finds that, in order to lower dropout rates and raise academic achievement levels, improved and redesigned schools must—

“(1) challenge all children to attain their highest academic potential; and

“(2) ensure that all students have substantial and ongoing opportunities to—

“(A) achieve high levels of academic and technical skills;

“(B) prepare for college and careers;

“(C) learn by doing;

“(D) work with teachers in small schools within schools;

“(E) receive ongoing support from adult mentors;

“(F) access a wide variety of information about careers and postsecondary education and training;

“(G) use technology to enhance and motivate learning; and

“(H) benefit from strong links among middle schools, secondary schools, and postsecondary institutions.

**“SEC. 5322. PROGRAM AUTHORIZED.**

“(a) ALLOTMENTS TO STATES.—

“(1) IN GENERAL.—From the sum made available under section 5332(b) for a fiscal year the Secretary shall make an allotment to each State in an amount that bears the same relation to the sum as the amount the State received under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) for the preceding fiscal

year bears to the amount received by all States under such title for the preceding fiscal year.

"(2) DEFINITION OF STATE.—In this subpart, the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(b) GRANTS.—From amounts made available to a State under subsection (a), the State educational agency may award grants to public middle schools or secondary schools, that have school dropout rates which are in the highest 1/3 of all school dropout rates in the State, to enable the schools to pay only the startup and implementation costs of effective, sustainable, coordinated, and whole school dropout prevention programs that involve activities such as—

- "(1) professional development;
- "(2) obtaining curricular materials;
- "(3) release time for professional staff;
- "(4) planning and research;
- "(5) remedial education;
- "(6) reduction in pupil-to-teacher ratios;
- "(7) efforts to meet State student achievement standards; and

"(8) counseling for at-risk students.

"(b) INTENT OF CONGRESS.—It is the intent of Congress that the activities started or implemented under subsection (a) shall be continued with funding provided under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.).

"(c) AMOUNT.—

"(1) IN GENERAL.—Subject to subsection (d) and except as provided in paragraph (2), a grant under this subpart shall be awarded—

"(A) in the first year that a school receives a grant payment under this subpart, in an amount that is not less than \$50,000 and not more than \$100,000, based on factors such as—

- "(i) school size;
- "(ii) costs of the model being implemented; and

"(iii) local cost factors such as poverty rates;

"(B) in the second such year, in an amount that is not less than 75 percent of the amount the school received under this subpart in the first such year;

"(C) in the third year, in an amount that is not less than 50 percent of the amount the school received under this subpart in the first such year; and

"(D) in each succeeding year in an amount that is not less than 30 percent of the amount the school received under this subpart in the first such year.

"(2) INCREASES.—The Director shall increase the amount awarded to a school under this subpart by 10 percent if the school creates smaller learning communities within the school and the creation is certified by the State educational agency.

"(d) DURATION.—A grant under this subpart shall be awarded for a period of 3 years, and may be continued for a period of 2 additional years if the State educational agency determines, based on the annual reports described in section 5328(a), that significant progress has been made in lowering the school dropout rate for students participating in the program assisted under this subpart compared to students at similar schools who are not participating in the program.

#### "SEC. 5323. STRATEGIES AND ALLOWABLE MODELS.

"(a) STRATEGIES.—Each school receiving a grant under this subpart shall implement research-based, sustainable, and widely replicated, strategies for school dropout prevention and reentry that address the needs of an

entire school population rather than a subset of students. The strategies may include—

"(1) specific strategies for targeted purposes; and

"(2) approaches such as breaking larger schools down into smaller learning communities and other comprehensive reform approaches, developing clear linkages to career skills and employment, and addressing specific gatekeeper hurdles that often limit student retention and academic success.

"(b) ALLOWABLE MODELS.—The Director shall annually establish and publish in the Federal Register the principles, criteria, models, and other parameters regarding the types of effective, proven program models that are allowed to be used under this subpart, based on existing research.

"(c) CAPACITY BUILDING.—

"(1) IN GENERAL.—The Director, through a contract with a non-Federal entity, shall conduct a capacity building and design initiative in order to increase the types of proven strategies for dropout prevention on a schoolwide level.

"(2) NUMBER AND DURATION.—

"(A) NUMBER.—The Director shall award not more than 5 contracts under this subsection.

"(B) DURATION.—The Director shall award a contract under this section for a period of not more than 5 years.

"(d) SUPPORT FOR EXISTING REFORM NETWORKS.—

"(1) IN GENERAL.—The Director shall provide appropriate support to eligible entities to enable the eligible entities to provide training, materials, development, and staff assistance to schools assisted under this subpart.

"(2) DEFINITION OF ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that, prior to the date of enactment of the National Dropout Prevention Act of 1999—

"(A) provided training, technical assistance, and materials to 100 or more elementary schools or secondary schools; and

"(B) developed and published a specific educational program or design for use by the schools.

#### "SEC. 5324. SELECTION OF SCHOOLS.

"(a) SCHOOL APPLICATION.—

"(1) IN GENERAL.—Each school desiring a grant under this subpart shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may require.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall—

"(A) contain a certification from the local educational agency serving the school that—

- "(i) the school has the highest number or rates of school dropouts in the age group served by the local educational agency;
- "(ii) the local educational agency is committed to providing ongoing operational support, for the school's comprehensive reform plan to address the problem of school dropouts, for a period of 5 years; and
- "(iii) the local educational agency will support the plan, including—

- "(I) release time for teacher training;
- "(II) efforts to coordinate activities for feeder schools; and
- "(III) encouraging other schools served by the local educational agency to participate in the plan;

"(B) demonstrate that the faculty and administration of the school have agreed to apply for assistance under this subpart, and provide evidence of the school's willingness and ability to use the funds under this subpart, including providing an assurance of the support of 80 percent or more of the professional staff at the school;

"(C) describe the instructional strategies to be implemented, how the strategies will

serve all students, and the effectiveness of the strategies;

"(D) describe a budget and timeline for implementing the strategies;

"(E) contain evidence of interaction with an eligible entity described in section 5323(d)(2);

"(F) contain evidence of coordination with existing resources;

"(G) provide an assurance that funds provided under this subpart will supplement and not supplant other Federal, State, and local funds;

"(H) describe how the activities to be assisted conform with an allowable model described in section 5323(b); and

"(I) demonstrate that the school and local educational agency have agreed to conduct a schoolwide program under 1114.

"(b) STATE AGENCY REVIEW AND AWARD.—The State educational agency shall review applications and award grants to schools under subsection (a) according to a review by a panel of experts on school dropout prevention.

"(c) CRITERIA.—The Director shall establish clear and specific selection criteria for awarding grants to schools under this subpart. Such criteria shall be based on school dropout rates and other relevant factors for State educational agencies to use in determining the number of grants to award and the type of schools to be awarded grants.

"(d) ELIGIBILITY.—

"(1) IN GENERAL.—A school is eligible to receive a grant under this subpart if the school is—

"(A) a public school—

"(i) that is eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), including a comprehensive secondary school, a vocational or technical secondary school, and a charter school; and

"(ii) (I) that serves students 50 percent or more of whom are low-income individuals; or

"(II) with respect to which the feeder schools that provide the majority of the incoming students to the school serve students 50 percent or more of whom are low-income individuals; or

"(B) is participating in a schoolwide program under section 1114 during the grant period.

"(2) OTHER SCHOOLS.—A private or parochial school, an alternative school, or a school within a school, is not eligible to receive a grant under this subpart, but an alternative school or school within a school may be served under this subpart as part of a whole school reform effort within an entire school building.

"(e) COMMUNITY-BASED ORGANIZATIONS.—A school that receives a grant under this subpart may use the grant funds to secure necessary services from a community-based organization, including private sector entities, if—

"(1) the school approves the use;

"(2) the funds are used to provide school dropout prevention and reentry activities related to schoolwide efforts; and

"(3) the community-based organization has demonstrated the organization's ability to provide effective services as described in section 107(a) of the Job Training Partnership Act (29 U.S.C. 1517(a)), or section 122 of the Workforce Investment Act of 1998 (29 U.S.C. 2842).

"(f) COORDINATION.—Each school that receives a grant under this subpart shall coordinate the activities assisted under this subpart with other Federal programs, such as programs assisted under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a-11 et seq.) and the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

**"SEC. 5325. DISSEMINATION ACTIVITIES.**

"Each school that receives a grant under this subpart shall provide information and technical assistance to other schools within the school district, including presentations, document-sharing, and joint staff development.

**"SEC. 5326. PROGRESS INCENTIVES.**

"Notwithstanding any other provision of law, each local educational agency that receives funds under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) shall use such funding to provide assistance to schools served by the agency that have not made progress toward lowering school dropout rates after receiving assistance under this subpart for 2 fiscal years.

**"SEC. 5327. SCHOOL DROPOUT RATE CALCULATION.**

"For purposes of calculating a school dropout rate under this subpart, a school shall use—

"(1) the annual event school dropout rate for students leaving a school in a single year determined in accordance with the National Center for Education Statistics' Common Core of Data, if available; or

"(2) in other cases, a standard method for calculating the school dropout rate as determined by the State educational agency.

**"SEC. 5328. REPORTING AND ACCOUNTABILITY.**

"(a) REPORTING.—In order to receive funding under this subpart for a fiscal year after the first fiscal year a school receives funding under this subpart, the school shall provide, on an annual basis, to the Director a report regarding the status of the implementation of activities funded under this subpart, the disaggregated outcome data for students at schools assisted under this subpart such as dropout rates, and certification of progress from the eligible entity whose strategies the school is implementing.

"(b) ACCOUNTABILITY.—On the basis of the reports submitted under subsection (a), the Director shall evaluate the effect of the activities assisted under this subpart on school dropout prevention compared to a control group.

**"SEC. 5329. PROHIBITION ON TRACKING.**

"(a) IN GENERAL.—A school shall be ineligible to receive funding under this subpart for a fiscal year, if the school—

"(1) has in place a general education track;

"(2) provides courses with significantly different material and requirements to students at the same grade level; or

"(3) fails to encourage all students to take a core curriculum of courses.

"(b) REGULATIONS.—The Secretary shall promulgate regulations implementing subsection (a).

**"Subpart 3—Definitions; Authorization of Appropriations****"SEC. 5331. DEFINITIONS.**

"In this Act:

"(1) DIRECTOR.—The term "Director" means the Director of the Office of Dropout Prevention and Program Completion established under section 220 of the General Education Provisions Act.

"(2) LOW-INCOME.—The term "low-income", used with respect to an individual, means an individual determined to be low-income in accordance with measures described in section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)).

"(3) SCHOOL DROPOUT.—The term "school dropout" has the meaning given the term in section 4(17) of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6103(17)).

**"SEC. 5332. AUTHORIZATION OF APPROPRIATIONS.**

"(a) SUBPART 1.—There are authorized to be appropriated to carry out subpart 1,

\$5,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) SUBPART 2.—There are authorized to be appropriated to carry out subpart 2, \$145,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 4 succeeding fiscal years, of which—

"(1) \$125,000,000 shall be available to carry out section 5322; and

"(2) \$20,000,000 shall be available to carry out section 5323."

**SEC. 12. OFFICE OF DROPOUT PREVENTION AND PROGRAM COMPLETION.**

Title II of the Department of Education Organization Act (20 U.S.C. 3411) is amended—

(1) by redesignating section 216 (as added by Public Law 103-227) as section 218; and

(2) by adding at the end the following:

**"OFFICE OF DROPOUT PREVENTION AND PROGRAM COMPLETION**

"SEC. 220. (a) ESTABLISHMENT.—There shall be in the Department of Education an Office of Dropout Prevention and Program Completion (hereafter in this section referred to as the 'Office'), to be administered by the Director of the Office of Dropout Prevention and Program Completion. The Director of the Office shall report directly to the Secretary and shall perform such additional functions as the Secretary may prescribe.

"(b) DUTIES.—The Director of the Office of Dropout Prevention and Program Completion (hereafter in this section referred to as the 'Director'), through the Office, shall—

"(1) help coordinate Federal, State, and local efforts to lower school dropout rates and increase program completion by middle school, secondary school, and college students;

"(2) recommend Federal policies, objectives, and priorities to lower school dropout rates and increase program completion;

"(3) oversee the implementation of subpart 2 of part C of title V of the Elementary and Secondary Education Act of 1965;

"(4) develop and implement the National School Dropout Prevention Strategy under section 5312 of the Elementary and Secondary Education Act of 1965;

"(5) annually prepare and submit to Congress and the Secretary a national report describing efforts and recommended actions regarding school dropout prevention and program completion;

"(6) recommend action to the Secretary and the President, as appropriate, regarding school dropout prevention and program completion; and

"(7) consult with and assist State and local governments regarding school dropout prevention and program completion.

"(c) SCOPE OF DUTIES.—The scope of the Director's duties under subsection (b) shall include examination of all Federal and non-Federal efforts related to—

"(1) promoting program completion for children attending middle school or secondary school;

"(2) programs to obtain a secondary school diploma or its recognized equivalent (including general equivalency diploma (GED) programs), or college degree programs; and

"(3) reentry programs for individuals aged 12 to 24 who are out of school.

"(d) DETAILING.—In carrying out the Director's duties under this section, the Director may request the head of any Federal department or agency to detail personnel who are engaged in school dropout prevention activities to another Federal department or agency in order to implement the National School Dropout Prevention Strategy."

**Subtitle B—State Responsibilities****SEC. 21. STATE RESPONSIBILITIES.**

Title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801 et

seq.) is amended by adding at the end the following:

**"PART I—DROPOUT PREVENTION****"SEC. 14851. DROPOUT PREVENTION.**

"In order to receive any assistance under this Act, a State educational agency shall comply with the following provisions regarding school dropouts:

"(1) UNIFORM DATA COLLECTION.—Within 1 year after the date of enactment of the National Dropout Prevention Act of 1999, a State educational agency shall report to the Secretary and statewide, all school district and school data regarding school dropout rates in the State, and demographic breakdowns, according to procedures that conform with the National Center for Education Statistics' Common Core of Data.

"(2) ATTENDANCE-NEUTRAL FUNDING POLICIES.—Within 2 years after the date of enactment of the National Dropout Prevention Act of 1999, a State educational agency shall develop and implement education funding formula policies for public schools that provide appropriate incentives to retain students in school throughout the school year, such as—

"(A) a student count methodology that does not determine annual budgets based on attendance on a single day early in the academic year; and

"(B) specific incentives for retaining enrolled students throughout each year.

"(3) SUSPENSION AND EXPULSION POLICIES.—Within 2 years after the date of enactment of the National Dropout Prevention Act of 1998, a State educational agency shall develop uniform, long-term suspension and expulsion policies for serious infractions resulting in more than 10 days of exclusion from school per academic year so that similar violations result in similar penalties."

**AUTHORITY FOR COMMITTEES TO MEET****COMMITTEE ON ARMED SERVICES**

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Armed Services Subcommittee on Emerging Threats and Capabilities be authorized to meet at 9:30 a.m. on Friday, March 5, 1999, in open session, to receive testimony on emerging threats to vital U.S. national security interests.

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

**SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM**

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Special Committee on the Year 2000 Technology Problem be permitted to meet on March 5, 1999, at 9:30 a.m. for the purpose of conducting a hearing.

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

**ADDITIONAL STATEMENTS****CROP INSURANCE FOR THE 21ST CENTURY ACT**

● Mr. BURNS. Mr. President I rise today as one of the proud cosponsors of S. 529, Crop Insurance for the 21st Century Act. This issue has been at the forefront of reform for American agriculture this session.

The language offered today will bring about much-needed changes in the area

of risk management for farmers and ranchers. Maintaining an effective farm income safety net is paramount to the survival of agriculture. I believe an effective crop insurance program will provide farmers and ranchers greater possibilities for economic sustainability in the future and help them out of the current financial crisis.

A truly effective crop insurance plan involves simply three things: private insurance, the federal government and the farmer or rancher. The federal government can help facilitate a program to unite the producer and the private insurance company. Privatization with government intervention will ultimately put the control in the hands of the agricultural producer. With a risk management plan, bankers are also more likely to finance producers if they have both their commodity and their price covered, with a reliable insurance program.

This bill will render relief to the inadequacies of the current program. All agricultural producers are painfully aware of the problems with the current crop insurance program. Unaffordable premiums are the primary stumbling block for producers. In years of depressed market prices, crop insurance, though badly needed, is simply unaffordable for farmers and ranchers. Other problems prevalent in the current program are inequalities in rating structure and the issue of unfair coverage given to multiple year disasters.

This bill inverts the current subsidy formula, in order to provide the highest levels of subsidies to producers at the highest levels of buy-up coverage, and thus alleviate the unaffordable premiums. It also allows for the revenue policies to be fully subsidized.

This bill also removes the exclusion for livestock in the current crop insurance program. For Montana, which derived \$991 million from livestock sales in 1996-97 this exclusion is extremely important. Of course, the choice will remain up to the livestock producer whether they wish to purchase a policy. It is important however, that they are given the option. With several years of depressed market prices, livestock producers can no longer remain in business without assistance.

This bill will also ultimately put more control in the hands of active producers. It restructures the Federal Crop Insurance board of directors to include two active producers; one in crop insurance, and one in reinsurance. The board would also include the Under Secretary for Farm and Foreign Agricultural Services, the Under Secretary for Rural Development and the Chief Economist of USDA. In addition, it mandates that the Board Chairperson be one of the non-governmental members. These are important steps to ensure that the new program is run for the producers by the producers.

A larger step towards private enterprise is the initiation of a flexible subsidy pilot program for the private sector to compete on rates and delivery

expenses. I believe this will ultimately put the accountability factor on the companies carrying the policies. Much like auto insurance, health or medical insurance, companies will be forced to compete for agricultural producers business, in effect lowering premiums further.

This bill is an important tool to reform the current crop insurance program into a risk management program, designed to help the producer in the long-term. It is vital to find a solution to provide a way for farmers and ranchers to stay in agriculture. They must be able to continue to produce and distribute the world's safest food supply at a profitable margin.

Mr. President, I look forward to working with Senators ROBERTS and KERREY on this important piece of legislation. I will have some amendments forthcoming, that I believe will make this bill even more effective. I believe this bill will pave the way for massive crop insurance reform and help producers out of this economic crisis.●

#### HUMANITARIAN OF THE YEAR JOHN GINOPOLIS

● Mr. ABRAHAM. Mr. President, I rise today to acknowledge Mr. John Ginopolis for his continuing dedication to support efforts that benefit children. John Ginopolis has served on the board of trustees for Children's Hospital of Michigan since 1984 and also serves on the Executive Committees for the Children's Hospital Pediatric Clinical Services Board.

A tireless fundraiser, John's annual events help support two endowments, The George Ginopolis Endowment for Hematology/Oncology and the Ginopolis-Karmanos Pediatric Cancer Research Endowment.

In 1987, John Ginopolis joined Sparky Anderson in Sparky's creation of Caring Athletes Team for Children's and Henry Ford Hospitals (CATCH) which has issued grants in excess of \$1 million and built an endowment of more than \$3 million. John has served on CATCH's board of trustees since its inception, and in 1989 John was inducted into the CATCH Hall of Fame.

It is with great pleasure that I announce that John Ginopolis is the recipient of this year's March of Dimes "Humanitarian of the Year Award." He will be given his award at the 27th annual March of Dimes "Sweetheart Ball" on Saturday, March 6, 1999, in Dearborn, Michigan. I extend my sincerest congratulations to Mr. Ginopolis.●

#### HUMANITARIAN OF THE YEAR PAM AGUIRRE

● Mr. ABRAHAM. Mr. President, I rise today to acknowledge Ms. Pam Aguirre, for her strong commitment to the Detroit area Hispanic community. After working her way up through her father's company, Mexican Industries, she was ultimately named CEO and

later chairman of the board. Under her guidance and leadership, Mexican Industries has blossomed into one of the most successful Hispanic-owned businesses in the United States, with over 1,500 employees and annual sales of \$167 million.

Ms. Aguirre has received recognition for her dedication to the Hispanic community and for Mexican Industries' involvement with charitable organizations. In 1996 she was presented with the "Hispanic Business Alliance Award," and she and Mexican Industries have been featured in Working Woman magazine as one of the "The Top Fifty Woman-Owned Businesses." Her dedication to community involvement is also illustrated in her participation on several boards. Among these are the Economic Club of Detroit, the Boy Scouts, Michigan Minority Business Development, the U.S. Hispanic Chamber of Commerce, and the Hank Aguirre Cancer Foundation.

It is with great pleasure that I announce Ms. Pam Aguirre as the recipient of this year's March of Dimes "Humanitarian of the Year Award." She will be given this award at the 27th annual March of Dimes "Sweetheart Ball" on March 6, 1999, in Dearborn, Michigan. I extend my sincerest congratulations to Ms. Aguirre.●

#### HUMANITARIAN OF THE YEAR RUBEN BURKS

● Mr. ABRAHAM. Mr. President, I rise today to acknowledge Mr. Ruben Burks for his continuing dedication to the UAW, and his support of children in the Flint community. Mr. Burks has been a member of the UAW since 1955 when he went to work as an assembler at General Motors in Flint, Michigan. Throughout his career in the UAW, Mr. Ruben has served in several capacities, including shop committeeperson, alternate committeeperson, and Local 598 executive board member. In 1970 Mr. Burks was appointed to the International Union staff where he served UAW members in General Motors and independents, parts, and suppliers plants. Last year Mr. Burks had the privilege of being elected secretary-treasurer of the UAW, making him responsible for various administrative departments of the international Union. In addition, he directs the UAW's Veterans department.

A long-time community activist, Mr. Burks is actively involved in numerous civic, charitable, and youth organizations in the Flint community, including the Special Olympics, March of Dimes, Red Cross, and Easter Seals. He has also served as a director of the Flint Urban League, Goodwill Industries of Flint, and the Sam Duncan Memorial Scholarship Fund. Mr. Burks is also an active member of the advisory board of the University of Michigan at Flint.

It is with great pleasure that I announce that Mr. Ruben Burks will be the recipient of this year's March of

Dimes "Humanitarian of the Year Award." Mr. Burks is being honored with this award as a result of his tireless commitment to the Flint community. He will receive this award at the 27th annual March of Dimes "Sweet-heart Ball" on March 6, 1999, in Dearborn, Michigan. I wish to extend my sincerest congratulations to Mr. Burks.●

#### HUMANITARIAN OF THE YEAR WALTER C. WATKINS JR.

● Mr. ABRAHAM. Mr. President, I rise today to acknowledge Mr. Walter C. Watkins, Jr., recipient of this year's March of Dimes "Humanitarian of the Year Award." Mr. Watkins' distinguished career in the field of banking began in 1968, when he joined NBD as a management trainee. Mr. Watkins has since gone on to become the President of NBD Bank in Michigan, and head of BANK ONE'S middle market customers in Michigan, Ohio, and Kentucky.

Mr. Watkins is a member of the board of Fisk University, as well as the boards of the Detroit Downtown Development Authority (DDA) and the Detroit Economic Growth Corporation (DEGC). In addition, Mr. Watkins serves on the advisory board of Black Family Development, Inc., and is a member of the Urban Bankers Forum, the Leadership Detroit Alumni Association, and 100 Black Men of Greater Detroit. Mr. Watkins' community involvement also extends to past board affiliations with the Detroit Medical Center, the Public Administration Foundation, and the Rehabilitation Institute, where he served as chairman.

I want to commend Mr. Watkins for his distinguished career and numerous contributions to the state of Michigan and the city of Detroit. I extend my sincerest congratulations to Mr. Watkins, who will receive his award at the 27th annual March of Dimes "Sweet-heart Ball" award dinner on Saturday, March 6, 1999, in Dearborn, Michigan.●

#### FILING OF FIRST DEGREE AMENDMENTS

Mr. JEFFORDS. Mr. President, I now ask unanimous consent that, notwithstanding adjournment of the Senate, Members have until 1 p.m. to file first-degree amendments to amendment number 31 to the Ed-Flex bill.

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

#### ORDERS FOR MONDAY, MARCH 8, 1999

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 noon on Monday, March 8. I further ask unanimous consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour deemed to have expired, the time for the two leaders be reserved, and there then be a period of morning business until 2 p.m. with the following limitations: 12 o'clock to 12:30 under the control of Senator GRAMM, or his designee; 12:30 to 1 o'clock under the control of Senator VOINOVICH; and 60 minutes under the control of Senator DURBIN or his designee.

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

Mr. JEFFORDS. Mr. President, I further ask unanimous consent that at the hour of 2 p.m. the Senate resume consideration of S. 280, the Ed-Flex legislation.

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

#### PROGRAM

Mr. JEFFORDS. Mr. President, for the information of all Senators, at 2 p.m. on Monday the Senate will resume consideration of the Ed-Flex legislation. Under the order, a cloture vote will occur at 5 p.m. on Monday on the pending substitute amendment to the

Ed-Flex bill. If necessary, a second cloture vote will occur on Tuesday.

In accordance with rule XXII, Members will have until 4 p.m. on Monday to file second-degree amendments to the substitute.

With regard to the second cloture vote, Senators will have until 1 p.m. on Monday to file timely first-degree amendments.

The majority leader has stated that it is hoped that the Senate will be able to complete action on this important education bill as soon as possible.

I thank all Senators for their attention, and I remind everyone that the next vote will occur on Monday beginning at 5 p.m.

#### ADJOURNMENT UNTIL MONDAY, MARCH 8, 1999

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:06 p.m., adjourned until Monday, March 8, 1999, at 12 noon.

#### NOMINATIONS

Executive nominations received by the Senate March 5, 1999:

##### DEPARTMENT OF COMMERCE

KELLY H. CARNES, OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY OF COMMERCE FOR TECHNOLOGY POLICY, VICE GRAHAM R. MITCHELL, RESIGNED.

##### DEPARTMENT OF STATE

JOHN DAVID HOLUM, OF MARYLAND, TO BE UNDER SECRETARY FOR ARMS CONTROL AND INTERNATIONAL SECURITY, DEPARTMENT OF STATE, (NEW POSITION)

DAVID B. SANDALOW, OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY OF STATE FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, VICE EILEEN B. CLAUSSEN, RESIGNED.

##### DEPARTMENT OF JUSTICE

BILL LANN LEE, OF CALIFORNIA, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE DEVAL L. PATRICK, RESIGNED.

BETH NOLAN, OF NEW YORK, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE WALTER DELLINGER.