

Etheridge	Luther	Rush
Evans	Maloney (CT)	Sabo
Fattah	Maloney (NY)	Sanders
Fazio	Markey	Sawyer
Filner	Martinez	Scott
Foglietta	Mascara	Serrano
Frank (MA)	Matsui	Sherman
Furse	McDermott	Slaughter
Gejdenson	McGovern	Smith, Adam
Gephardt	McHale	Stabenow
Green	McKinney	Stark
Gutierrez	McNulty	Stenholm
Hastings (FL)	Meehan	Stokes
Hefner	Meek	Strickland
Hilliard	Millender-	Stupak
Hinchee	McDonald	Tanner
Holden	Miller (CA)	Taylor (MS)
Hoyer	Minge	Thompson
Jackson (IL)	Mink	Thurman
Jackson-Lee	Nadler	Tierney
(TX)	Oberstar	Torres
Jefferson	Obey	Towns
Johnson (WI)	Olver	Turner
Johnson, E.B.	Owens	Velazquez
Kanjorski	Pallone	Vento
Kaptur	Payne	Visclosky
Kennedy (RI)	Pelosi	Waters
Kilpatrick	Peterson (MN)	Watt (NC)
Kind (WI)	Pickett	Waxman
Kucinich	Poshard	Wexler
Lantos	Rivers	Weygand
Lewis (GA)	Rodriguez	Wise
Lipinski	Roemer	Woolsey
Lofgren	Rothman	Yates
Lowey	Roybal-Allard	

NOT VOTING—11

Bliley	Flake	Linder
Brown (CA)	Gonzalez	McIntosh
Cubin	Harman	Schiff
Dingell	Houghton	

□ 1241

Ms. MCKINNEY and Mr. STUPAK changed their vote from "yea" to "nay."

Messrs. RANGEL, RAHALL and MCKINTYRE changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

CONSIDERING MEMBER AS FIRST SPONSOR OF H.R. 616

Mrs. KELLY. Mr. Speaker, I ask unanimous consent that I may hereafter be considered as the first sponsor of H.R. 616, a bill originally introduced by Representative Molinari of New York, for the purposes of adding cosponsors and requesting reprints pursuant to clause 4 of rule XXII.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 274, I call up the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SUNUNU). The bill is considered read for amendment.

The text of H.R. 2646 is as follows:

H.R. 2646

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 "Education Savings Act for Public and Private Schools".

SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

"(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account."

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

"(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tuition, fees, tutoring, special needs services, books, supplies, equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

"(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

"(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law."

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking "higher" each place it appears in the text and heading thereof.

(b) INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking "\$500" and inserting "\$2,500".

(2) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking "\$500" and inserting "\$2,500".

(B) Section 4973(e)(1)(A) of such Code is amended by striking "\$500" and inserting "\$2,500".

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph 1 of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: "The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary)."

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking "The maximum amount

which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

SEC. 3. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied (other than with respect to severance pay) without regard to the result reached in the case of *Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue*, 107 T.C. 271 (1996).

(b) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

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

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

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

The SPEAKER pro tempore. Pursuant to House Resolution 274, the committee amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part 1 of House Report 105-336, is adopted.

The text of the committee amendment in the nature of a substitute, as modified by part 1 of House Report 105-336 pursuant to House Resolution 274, is as follows:

H.R. 2646

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 "Education Savings Act for Public and Private Schools".

SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)) but only with respect to amounts in the account which are attributable to contributions for any taxable year ending before January 1, 2003, and earnings on such contributions:

Such expenses shall be reduced as provided in section 25A(g)(2).

“(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.”

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

“(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified elementary and secondary education expenses’ means tuition, fees, tutoring, special needs services, books, supplies, computer equipment (including related software and services) and other equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

“(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

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

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking “higher” each place it appears in the text and heading thereof.

(b) TEMPORARY INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(2) CONTRIBUTION LIMIT.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

“(4) CONTRIBUTION LIMIT.—The term ‘contribution limit’ means \$2,500 (\$500 in the case of any taxable year ending after December 31, 2002).”

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking “\$500” and inserting “the contribution limit for such taxable year”.

(B) Section 4973(e)(1)(A) of such Code is amended by striking “\$500” and inserting “the contribution limit (as defined in section 530(b)(4)) for such taxable year”.

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph (1) of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: “The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).”

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking “The maximum amount which a contributor” and inserting “In the case of a contributor who is an individual, the maximum amount the contributor”.

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

SEC. 3. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied without regard

to the result reached in the case of Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue, 107 T.C. 271 (1996).

(b) REGULATIONS.—The Secretary of the Treasury or the Secretary’s delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHODS OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

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

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

(C) the next amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment specified in part 2 of the report, if offered by the gentleman from New York [Mr. RANGEL] or his designee, which shall be considered read and debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas [Mr. ARCHER] and the gentleman from New York [Mr. RANGEL] shall each control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

□ 1245

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 2646.

The SPEAKER pro tempore (Mr. SUNUNU). Is there objection to the request of the gentleman from Texas?

There was no objection.

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

Mr. Speaker, I was reading in the paper yesterday that our schoolchildren are unable to demonstrate a basic knowledge of science. The article said that more than half of the fourth graders who recently took a national science test could not even identify the Atlantic and Pacific Oceans.

This is more than troublesome. If America is to remain competitive in the global arena, an arena whose battles are often fought with science and technology, we need to see that our children have the mental tools they need to succeed.

In the balanced budget bill, we gave the parents the help that they need by college IRA’s, IRA’s to make college more affordable with the same income caps, the same levels as are in this bill. Today we extend that same type of help to parents with younger children in K through 12, elementary and secondary education. The legislation we

consider allows parents, grandparents, and others to put up to \$2,500 a year in education savings accounts where it can grow tax-free, and be used for a wide variety of educational uses.

The bill is one of the best things, in my opinion, to happen to education. It is good for public schools, it is good for private schools, it is good for parochial schools, and it is good for home schooling. But most importantly, it is good for students everywhere, and that means that it is good for America’s future.

An estimated 14.3 million Americans will sign up for these accounts by the year 2002, and 75 percent, and I accentuate this, 75 percent of those families will have children in public schools. Here is how it works. If a child in public, private, or home schooling needs a tutor for science or for any other subject, a parent can tap the educational savings account. If a child in public, private, or home schooling needs books or supplies, a parent can tap the account. If a child has special needs, and our heart and help should go out to those children who are in special need, which often spans a lifetime, a parent can use the account. If a parent needs to provide transportation so a child can attend a good school, the account may be tapped.

I cannot think of anything more important to the American people than their children and their children’s educations. While this bill may not guarantee that fourth graders will know the location of oceans, it will help their parents improve the education opportunities. Is this bill a panacea for all of our education ills? Of course not. But we should not wait for the day when we have a magic solution to all of the ills, we should do what we can at this moment. This is a can-do proposition.

Mr. Speaker, this concludes my remarks, but I take a moment to inform the Chamber that the gentleman from Illinois [Mr. MANZULLO] asked to be included as a cosponsor of this measure, but was inadvertently left off the cosponsor list.

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

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

I rise in opposition to H.R. 2646, Mr. Speaker. Mr. Speaker, let me join with the leadership of the House in stressing how important it is that we allow our young people to get access to a decent education as soon as we can. Mr. Speaker, when we dream about the economic opportunities that will be had for Americans, and those people that we intend to trade with in all parts of the world, one thing we take for granted is that academically our young people will be able to get the training in order to participate in what is going to be for history a revolutionary and exciting time.

Yet, we go to that bargaining table with 1.6 million people in jail. God knows, I believe if you violate the law,

justice should take a hand and you should be removed from society. But why is this number of people continuing to explode? Why is it that 80 percent of the crimes are not violent? Why are they all drug-related? Why are all of the people in jail illiterate, unemployable? Why do they all seem to be coming from communities where the school system has failed?

The answer has to be because it is out of these communities that there is no hope, there are no dreams, there are no opportunities. Life really does not mean that much, and jail is no real, serious threat. So now our country finds the U.S. Congress interfering with local schools by suggesting that we need more prisons than we need schools. It is sad, but that is how it is going to be recorded. Local and State governments are involved in prison-making, not making students prepared in order to get a decent education.

Even our great President targeted colleges, and we are now trying to find some bridge to go from before school to be prepared for college. So I can see how Mr. COVERDELL could respond to a tax initiative and say, let us make more money available for people to just spend, if they can find some reason to spend that money on a child before they go to college.

I think that we cannot even call it an educational bill, because soon we will see that there is no education attached to this. It is bad tax law, because soon we will see that if we are looking for simplification, tell me what a taxpayer is going to have to put on the sheet in order to justify that they spent this money that they had in a tax-free account on education? We are going to have to look long and hard to find any education in this bill, but we do not have to look long and hard to find a tax break in this bill.

Let us get to something that the gentleman from Texas [Mr. ARCHER] and I are working on now in a bipartisan way, the restructuring of the internal revenue system. Prior to pulling it up by its roots, we will restructure it. It is going to cost some money to restructure the Internal Revenue Service. Any decent American politician that wants to get reelected had better prepare some kind of way to get a good knock in there against the Internal Revenue Service. It is going to be good this year, and it will be better next year.

So in order to restructure it, we need some money. We have come up with the money, at least the majority have, to pay for that. So I was surprised in asking the question, how are we going to pay for the education savings account? Guess what, we are going to use the same money. No, do not tell me we cannot use the same money to pay for two things, if it is the same amount of money. We are Ways and Means, we know that much. Which one do we want to fund out of this one source of money, Coverdell, or the restructuring of the IRS? We do not know, but we will spend the money on the first bill

that reaches the President's desk and he signs.

Let me tell the Members this, if they are for paying for the restructuring of the Internal Revenue Service, Members have to strike down Coverdell, because if we pass Coverdell and the money is spent for Coverdell, we have no money for Internal Revenue Service. But I assume this technical point will be explained by the majority, since they are able to do that well.

Let me say that what I am trying to do with my bill, which we will have an opportunity to vote for or against, is to allow the local school districts to recognize, in areas where they are failing, that they need some help. If they can successfully bring the private sector in and form a partnership in a special academy, where the curriculum is not just set by educators but by the business people, who know the skills that are going to be necessary to hire these people, we will be able with this very same money to allow them to issue bonds to rebuild the schools, to get the equipment.

But under Coverdell, all we will be able to do is say that somebody that had the disposable income of up to \$2,500, or a friend of theirs that may want to give a gift to the child and put it in to deposit it tax-free, will be able to withdraw this for tutors, for babysitters, for taxicabs, for movies, for anything that they think is necessary to make that child happy.

Remember, the burden will be on the IRS, if we are able to find the money to restructure it, to prove that the money was used for an educational experience. Talk about a horror story, we are now about to hear it from Members that understand what is in this bill.

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

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. HAYWORTH] is recognized for 3 minutes and 30 seconds.

Mr. HAYWORTH. Mr. Speaker, I thank the distinguished gentleman from Texas [Mr. ARCHER], the chairman of the committee, for yielding time to me, and for this opportunity to come to the well and engage in honest dialogue and debate concerning the future of our children.

I listened with great interest to my colleague, the gentleman from New York, the distinguished ranking member, and listened also as he outlined literally the horrors that confront American families today in so many neighborhoods, including the neighborhood and the community that my colleague from New York represents.

What we have here today, Mr. Speaker, is a historic opportunity to help those families, to help those parents seize control of the money they earn to

direct an education in the way they see fit, whether it is choosing a school that the parents and family and others believe is best suited for the education of that child, or seeking outside help, remedial tutoring or extra-educational aid, such as textbooks or computers; to have a savings account, a tax-free interest-bearing account to put the control back in the hands of American parents. For those people should literally hold the destiny of their children in their hands, and this affords those parents the chance.

Mr. Speaker, we have made great strides in allowing these educational accounts for college-bound students. Why, then, would we deprive children from kindergarten through the 12th grade of the same opportunity?

Mr. Speaker, I would point out a special provision of this bill that I believe is vitally important, an ability for parents of children with special needs to look beyond the chronological age to continue to have money in these accounts to help those children.

Mr. Speaker, one of my first cousins has Downs syndrome. My uncle and aunt were blessed that they lived in a community with a school district with the ability to help educate children with special needs. But the challenge is for parents of children with special needs that, in our situation today, quite literally many of those parents are at the mercy of the local school districts in terms of quality of education.

Mr. Speaker, when we adopt this bill today we do not leave any parents, but especially those parents of children with special needs, literally at the mercy of the accident of geography, and where they happen to live in a school district.

What we have, Mr. Speaker, with this bill, and I urge its passage and the creation of these special savings accounts, is the chance to give families the opportunity to make the choices to help benefit their children. I urge passage of this bill.

□ 1300

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, so that we can make certain that we confine our remarks to what is in the bill, does the gentleman have any idea where a child with special needs would be in the bill before us? I would urge the gentleman, please, not to place his arguments on special needs, because there is absolutely no description in this legislation as to what is a special needs child, which means that every parent, I would like to believe, would believe that their child has special needs and there is no way in the world to disprove it.

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

Mr. Speaker, the gentleman from Arizona, I am sure, intends to be accurate, but the accuracy is this bill provides for a lifetime ability for parents

with children that have special needs, rather than a cutoff at an age limit under current law. The definition of special needs is to be done by the Treasury, and it is a part of this bill. Mr. Speaker, I say that respectfully in response to the gentleman from New York.

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

Mr. Speaker, we do not know as we debate this bill what a special need is, but we can imagine and hope that Treasury will come up with something. And if the gentleman is talking about a lifetime, I do not know why he sunset the bill in 5 years, but I am sure he will have enough time to explain that.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, this piece of legislation is the confluence of two bad Republican ideas, one of which provides tax breaks for our wealthiest people and not for those in the middle class who truly need it, and the other is to emphasize private schools under the guise of reforming public education.

Mr. Speaker, this bill is flawed for a number of reasons. I think we will hear more about the ability, for example, to buy a car under this proposal in order to transport students to school. But it is also flawed because it puts in the hands of people making over \$93,000, 70 percent of all the benefits. In other words, it could be called the Prep School Promotion Act of 1997, more than a public school reform bill.

Mr. Speaker, we ought to be putting resources into reducing class sizes, we ought to be putting resources into wiring our public schools, training our teachers. We have an understanding of what it takes to improve the infrastructure of our public school system, but we are going to take \$4 billion over the next 10 years and divert it to people who would like to perhaps start or perhaps be subsidized in their attendance already in private institutions.

We do not really help the average American with this bill. We hold out a carrot to an industry or to some few individuals, many of whom have the capacity to already engage in educating their children privately. It is a God-given American right to do so. We do not have to be diverting our hard-earned taxpayers' dollars to those families, while our public schools across the country are lacking basics. And I do not mean just in inner cities or rural areas; in high-growth suburbs as well.

Mr. Speaker, we can make improvements in our public educational system and we ought to do it. This is a diversion and it is a travesty.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas, Mr. SAM JOHNSON, a respected member of the Committee on Ways and Means.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, has anyone noticed that the

President will endorse any education initiative as long as it supports big government, like Goals 2000? Like national testing? This is the same President that threatens to veto any program that increases parental control over a child's education.

Mr. Speaker, look at this administration's track record. They opposed education block grants to States, they oppose vouchers for the poorest, poorest 2,000 children, and now they oppose this bill, which gives parents the ability to invest up to \$2,500 a year in their child's education so that they can attend the safest and most academically challenging school available.

Why is the President against parents sending their children to the school of their choice? Surely he cannot believe that Washington bureaucrats are smarter than parents. And I hope it is not because he is so politically indebted to the special interests in Washington, like the National Education Association for instance, that he can no longer see what is best for America's kids.

Well, whatever the reason, Mr. Speaker, this President is wrong to oppose this bill. This bill will not only strengthen our children's future by giving the parents a tool to make sure their children can attend a school that meets their needs, needs only a parent can determine. No one can seriously argue that there is anything wrong with giving parents, grandparents, and friends the power to invest in a child's education. America's future depends on our children, and we ought to provide those parents with whatever they need to make sure that their children are the most educated, productive, and successful in the world.

Mr. Speaker, I would to urge the President to join us as we try to help parents help their children. I urge all of my colleagues here in the House to do the same. Vote for this bill. Give our children a chance to grow up to be great Americans.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. OWENS].

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

Mr. OWENS. Mr. Speaker, I rise in opposition to H.R. 2646. I think the credibility of the Congress is greatly injured by playing these kinds of college boy, sophisticated games around the edges of a crucial issue like education reform.

Mr. Speaker, we are showing off with college boy sophistication while we reject the common sense of the American people. They want something real done about the education reform problem. They do not want us to continue to play games. Our credibility is now down to 36 percent. I understand this Congress dropped from 40 percent. This is the reason. We are not serious here. We like to show off among ourselves.

Mr. Speaker, the voters out there clearly want decisive action on edu-

cation reform and improvement. They keep saying it again and again and again. In this 105th Congress, instead of playing games, we should take advantage of this window of opportunity to do something significant. The people are saying they want a real effort by Congress to deal with the education problems.

Instead of education savings accounts and other headline-seeking tricks, we should unite in launching a bipartisan omnibus bill around the things that both Republicans and Democrats already agree on. We agree that we need more teacher training and that Federal aid would greatly help that teacher training process. We agree we need more technology in the schools; both Republicans and Democrats are in favor of giving aid for more technology.

We agree on charter schools. Instead of pushing vouchers and education savings accounts, why not unite in the areas that we agree? We are both in favor of charter schools, both parties. Why do we not move forward in some kind of way which is commensurate with the problem?

Let us understand that schools are at the core of what should be a massive opportunity system in America which will generate the kind of educated population we need as we go into the 21st century. We are the indispensable Nation. We are going to have to continue to hold on to a leadership role. We cannot do that unless we have the most highly educated population.

Mr. Speaker, let us stop playing games and let us have some real Federal aid to education that meets the common sense needs of the American people.

Mr. ARCHER. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a respected Member of the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in my area of northwestern Pennsylvania one of the biggest challenges facing the middle class is the affordability of education, and this is something that affects middle-class families across a range of circumstances. It is the single biggest barrier to the next generation being able to penetrate through and achieve the American dream.

Mr. Speaker, as a supporter of educational tax relief for all stages of schooling, I rise in strong support of this legislation, the Gingrich-Coverdale approach with education savings accounts for private and public schools.

This legislation allows parents to establish a tax-free savings account to be used for a child's education at any school from kindergarten through high school on to college. This legislation will expand the education savings account provisions included in our tax bill of this year by, first of all, increasing from \$500 to \$2,500 per year the maximum amount of contributions

that can be made to an education savings account; second of all, to include elementary and secondary school expenses; third, to allow corporate entities as parties to be able to contribute to an ESA on someone's behalf.

Mr. Speaker, I join my colleagues in supporting this legislation to renew our commitment to helping families afford the full range of educational expenses demanded through our children's lifetimes. There are no, to coin the term of the previous speaker, "college boy sophisticated games" here. This is tax relief that a broad range of families can access.

Let me say, Mr. Speaker, I realize the left wing of this body hates this proposal. They think that any resources that are diverted into private institutions, even through tax-free accounts, is a use of public funds. Mr. Speaker, I would say to my Democrat colleagues, "Folks, it is not your money."

Mr. Speaker, if people want to send their kids with their resources to private or parochial schools, they should be able to through this tax-free account. This is critical to diversity in education, and it is critical to restoring the American dream. I realize this provision was originally in our tax bill and it was stripped out because the President threatened to veto the entire tax bill if this was in the bill.

Mr. Speaker, today I want to say to the President, Go ahead, make our day. Veto this bill if you think it is bad for families to use their own resources to put their kids through school.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Speaker, I want to know what happened to the idea that this country invests in education. Why are we now asking parents and grandparents to spend more money on the education of their children? I think they already pay enough in taxes. The problem is that this body does not want to spend those taxes wisely. Instead of asking people to spend more money, why not look at the way we spend money?

This body spends, for every 7 cents it spends on education, it puts 52 cents to the Pentagon. So if we took \$200,000 and invested in every elementary and secondary school in this country \$200,000, we would come to a total of \$26 billion.

Well, Mr. Speaker, guess what? This Congress gave \$26 billion to pay for nine more B-2 bombers that the Pentagon did not even ask for. So it is not a question of not being able to pay for education. We should invest in education. It is a national security issue. What it is a question of is are we going to spend the money that these American taxpayers send to the Congress wisely or are we going to waste it and then have to come to them and say now it is time they divvy up some of their own money to pay for education. It is a disgrace.

Mr. Speaker, we have got to invest wisely. Every tax dollar should go to real national security: our children; their education. That is where we should be putting our money and we should not be asking through a gimmick in the Tax Code to make these parents pay for more money to the education of their children. It is a bad idea. We should vote this down, and we should vote for education every time we can and invest more money in education and less money in additional B-2 bombers that nobody needs, even the Pentagon does not want. Let us invest in America. Let us invest in America's children.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Kentucky [Mrs. NORTHUP].

Mrs. NORTHUP. Mr. Speaker, I appeal to my colleagues as a mother to support this bill. I think that we have demonstrated our commitment to education over many, many years of contributions, both State and local and Federal.

□ 1315

In fact, we have 729 programs that contribute to making educational systems in this country work better, to make sure that each child, every child has an opportunity for a good education. I think it is sort of amazing that the people that oppose this bill assume that every parent will make the choice to take their child out of public school and put them in a nonpublic school. I assume that many of our public schools are, in fact, great schools and that these parents, that many parents want to keep their child in public school. If they are not, we have got a much huger problem than what we do about these \$2,500 school savings accounts. The reality is, there is not anything we can do at this level. There is not any check we can write at this level that helps each 6-year-old and each 7-year-old, each 10-year-old and each 18-year-old be successful.

Each one of my six children took unique needs, unique intervention to help them go from the beginning years of school to successfully complete school. Some of them had a terrible time with math and they needed tutoring. Some of my children needed special help in other areas. I do have special needs children. I have adopted children with diagnosed special needs and I have biological children that are dyslexic and have been diagnosed every step of the way. There is not any education program, private or public, that has met my children's needs.

I had to find the resources to provide tutoring, to provide special summer schools, to provide special opportunities for those children to be successful. Thank goodness my husband and I could find those resources. Some of those I found by going back to work myself, by making quilts and selling them to provide for those services.

This gives those parents these opportunities.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN], coauthor of the restructuring of the IRS bill that we are trying to protect the funding.

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from New York [Mr. RANGEL] for yielding me this time.

Mr. Speaker, there are many reasons to be opposed to the legislation before us. It will benefit just a few people, those who have wealth. It has very limited benefits. It diverts funds that otherwise could be available to improve education in our country.

Let me just mention one fundamental problem with this bill that I hope we all would see. That is, how in the world will the IRS ever be able to administer this bill? Look at the definition that is included for which the money in this account can be used in order to get tax preference.

It can be used for tuition, fees, tutoring, special needs services, books, supplies, computer equipment, including related software and services, that is going to be an easy one for the IRS to figure out, what software is educationally related, and other equipment. Transportation, does that include a car that one can buy for their child? Supplementary expenses required for enrollment or attendance, does that include peanut butter and jelly sandwiches for nutrition services? How will the IRS ever be able to administer this program without being completely intrusive into the lives of the taxpayers of this country?

This bill cannot be enforced. Rather than being an A plus account, these are really A slush accounts. I would urge my colleagues to reject the notion.

The good news is that this bill is not going to become law. It is not going to pass the other body and be signed by the President. We do have an opportunity today to do something for education that we can really help; that is, support the Rangel substitute. Then we can build upon the budget agreement that we reached this year and we can really put more money into education.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington [Ms. DUNN], another respected member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

I would like to respond to the comments of gentlewoman from Oregon. This Nation's value is education. We have worked to support the public education system. The problem with the public education system right now is that it is not doing the job. Every parent wants to give the best education possible to his or her children. That is why some parents are saying they are willing to pay in effect double, if they decide voluntarily to take part in this program where we set aside money that can go into an education savings accounts to purchase the best education possible for their child, K

through 12. They also continue to pay all the expenses of public education.

I know that this happens because I went through it when I was a young mother, divorced, single parent, two children, 6 and 8, determined that I preferred to send my children to a private school, really appreciated the fact that choice was involved, but could not pay for transportation. So I was in that kind of box of having to get my child to school at the same time that I started a job. I know what the feeling is in the pit of your stomach when you are late to work because you want to make sure your kids are well-protected on the school ground.

What I like about this bill is that a parent who takes the choice of school into his or her hands can say, I am going to start at age zero with my child and every year save up to \$2,500 in an account just in case of emergency. In my case, my child had a specific language disability. My child needed training every single day, five days a week for 6 years at \$17 an hour. That is a pretty heavy hit these days where working parents have to be in jobs all day just to make the bottom line work out.

So I think this is a great program. I admire those parents who are willing to continue to make the best education their top value. Americans of all stripes are alike in many ways. I believe that is why many Democrats have come over to us and said we want to support this legislation.

Let me just tell my colleagues a number on this legislation we have discovered, that if a parent puts money into this account from the time his child is born, by the time that child gets to high school, there can be a total, it is just a \$2,000, say 7½ percent interest, \$46,000 in that account plus another additional \$6,000 that comes because one does not have to pay tax on the interest of the account.

Mr. Speaker, I think it is a great opportunity. It recognizes that our principal challenge, educationally, is no longer college, but to raise the standards of our grade school and our high school students. What are our choices? Our choices are do nothing and get the product that we have gotten. It is not good enough to prepare our youngsters for a global economy or we can act today by passing this bill and helping parents obtain the tools that are needed to ensure that their child, every single one of them gets the best possible education from kindergarten to college.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from North Carolina [Mr. ETHERIDGE], an educator as well as a legislator.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman from New York for yielding me the time.

Mr. Speaker, I rise today in strong opposition to this bill and to this latest attack on our public schools and, yes, on our children, their parents, and their communities. This legislation is

the wrong approach to improving education for the 1.2 million children in the North Carolina public schools and the more than 45 million children all across this great Nation.

As the first member of my family to graduate from college, I am grateful to the public schools of North Carolina for the opportunity I had to get an education. They did a tremendous job for our three children. I know firsthand that public education holds the key to the American dream.

As a former superintendent elected for two terms, 8 years in North Carolina, I know what it takes to improve the public schools and to give our children the opportunity to make the very best of their God-given ability. This bill is the latest attempt to use the precious taxpayer resources that we have to subsidize private schools. It will take precious resources that we need to strengthen our schools and put it into the pockets of the wealthiest people to send them to private schools. According to the Joint Committee on Taxation, the original version of this bill would have cost the U.S. Treasury over \$5 billion over the next 10 years.

That money would have been better spent helping States and localities rebuild crumbling schools, constructing new schools to relieve overcrowding. In fact, the President proposed a plan to do just that, but the proponents of this bill stripped it out of the original budget bill that passed this body earlier this year.

Mr. Speaker, I sought this office because I could not stand by and watch Congress launch attack after attack on our Nation's public schools. I saw that 2 years ago when this body stood up and said, we are going to abolish the Department of Education, we are going to do away with the school lunch programs and we are going to eliminate student loans. A member of the majority party just last week even, last month, compared our public schools, and I quote, to the Communist legacy. This bill is nothing more than an attempt to scapegoat our public schools once again.

Mr. Speaker, abandoning our public schools will not improve public education in this country. This bill is a cowardly act of surrender. Vote against this latest attack and vote for the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield myself 30 seconds to respond to the gentleman because he obviously has not read the bill.

The bill will provide assistance to families with children in public schools that is so badly needed today and public school teachers have come to me and begged for this because they say tutors are needed to help with the education of children in public schools. Seventy-five percent of the resources that this bill provides will go to families with children in public schools. Unfortunately, there is a group out there that does not want families to have any help for children who go into private schools.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington Mrs. LINDA SMITH.

Mrs. LINDA SMITH of Washington. Mr. Speaker, I thank the gentleman for bringing this bill to the floor.

I have listened to the debate here and think that sometimes you just have to go back to the original bill to remember what it is because we lose track in the debate. The education savings account for public and private schools allows parents and grandparents like me to open an account for each of my grandchild's education that can be used only, only the interest, the principal I still pay taxes on, but the interest can be used for a child's education needs while they are in school, for private school, just the interest, if their parents should choose, and from kindergarten through college. The \$2,500 a year that I would put in each of the children's accounts as a grandparent, allowed under this bill, can be put in until they are 18 years old.

If I take the money out that is now being used in our economy because savings is good for our economy, I have to pay a penalty on that. There is a great incentive for me to save for my grandchildren's education, not as great an incentive as an IRA where you can deduct the base \$2,500 from your taxes, but a great incentive because I can save interest free for my grandchildren. As long as they spend the interest on college education, no one pays tax on the interest.

This is not an attack on anything. It is a way of families getting involved in their kids' education. The great part about it is we know by all research families involved in their education gives the best education for children. Moms and grandmas making the choices gives the child the most personal education.

I also wanted to say that as a grandma, I look at what is ahead for my grandkids. I do not want them to have to choose a public opportunity only. They might want to choose a private college. But if they do choose a public college, I would like to have them have options.

With this, I want to encourage Members to look back at the bill and realize, this is a very good step toward reform and grandparents in America will like it.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to say that the gentlewoman really did explain this bill in a very accurate way, in that I just wish I could better understand that if one puts the money in an account and one can spend the interest on that account and one does it for their child and their grandchild and the bill is going to sunset in 5 years, my God, how much interest will ever be there for them to spend?

Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Indiana [Mr. ROEMER].

□ 1330

Mr. ROEMER. Mr. Speaker, I thank the gentleman from New York for

yielding me this time, and I rise in opposition to this legislation for three reasons: distribution, accountability, and fairness.

First of all, distribution. The Department of the U.S. Treasury has said, by analysis, that 70 percent of the benefits go to 20 percent, the highest 20 percent, of Americans. Twenty percent of the benefits go to the highest 20 percent of Americans making money in this country. Now, that is one reason.

Second, fairness. How many people making \$25,000 a year, with their children in public schools, are going to be able to save \$2,500 a year and benefit from this? Good question. Maybe not many.

But third, I think, Mr. Speaker, the main reason here is accountability. Now, I just voted for three IRA's in the tax relief bill that we passed for Americans, and I was proud to do it: An education IRA, a Roth IRA, and expansion of the existing IRA.

The education IRA can go for college tuition. We know that; the IRS knows that. This particular IRA can go for any of the following things: computers, books, supplies, equipment, transportation, and supplementary expenses. So if we want to buy measuring cups to teach our children at home about science, is that a tax writeoff?

Should the IRS come in and audit that? Is that what the Republicans are saying? Is this the Auto Relief Act of 1997? What about buying our children a car? What about putting gasoline in the car? What about driving to and from school but also going to work?

Now, do we want the IRS to look at those things? Are all those expenses or are they not? Should the IRS stay completely out of this or should they be nosing into every one of these situations?

So from a position of accountability, we can buy software, we can have services, I understand we can pay one child to tutor another of our children under this act. Let us have some accountability, folks.

If we are going to fix the IRS, as we have decided this week, let us fix it for everybody. We will do it in a bipartisan way, but with public education. What this act does is let us just fix it primarily for people making over \$70,000 a year for them to drive their kids back and forth to school and buy some computers and some measuring cups.

Let us fix public education for everybody. Let us fix the IRS for everybody.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], the distinguished chairman of the Republican conference.

Mr. BOEHNER. Mr. Speaker, I thank my colleague from Iowa for yielding me this time.

My colleagues, Republicans here in the House, have begun a bold campaign to strengthen and reform our Nation's education system. We are attempting to send more dollars directly to the classrooms, trying to return control of education to parents, teachers, and

local communities, and giving working class parents and poor parents new educational choices.

I think that is exactly what the Education Savings Act for Public and Private Schools does. The bill that we have today simply extends the popular and successful college education savings accounts to parents with kids in kindergarten through grade 12.

All over the country, and certainly in my district, there are lower and middle-income families who struggle every day to make ends meet. These are exactly the type of families that these accounts are intended to help. The rich, as those on the other side of the aisle like to talk about, do not have to save to pay for a tutor if their kids are not doing well in math or reading. The rich, as they describe them, do not have to save to buy a new computer. They do not have to save in order to pay for SAT prep classes or summer education camps. These things are already available to them because they have the cash to do it.

What we are trying to do is to help lower middle income and poor folks in America save the money that they can to help their children get a better education. Now, what is wrong with allowing American parents to keep more of what they earn so that they can help their children get the educational aids they need that will help them have a shot at the American dream? That is what we are trying to do today.

We provide Pell grants for students in college. Private college, public college, it makes no difference. We provide student loans for college. Private, public, it makes no difference. But as soon as we try to do something to give parents greater control over the education of their children that are in grades 12 and under, there is a big stone wall. That is because the education bureaucracy in America rises up and says no, we are in charge of that.

This bill today gives parents more choices.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan [Mr. LEVIN], a member of the Committee on Ways and Means.

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

Mr. LEVIN. Mr. Speaker, let me just answer the gentleman from Ohio [Mr. BOEHNER]. Federal control, most of the money for secondary and elementary education that is appropriated here goes for special education and compensatory education that are under the control of local school districts. So that is an effort really to debate by demonization to say that we are trying to defend a Federal bureaucracy when most of the money that is appropriated goes to school districts.

Second, the gentleman from Ohio and others say that their bill is an effort to help the working class. Look at the data. According to the Treasury Department analysis, under this bill a family with income \$33,000 to \$55,000

would get \$7 a year help; a family \$55,000 to \$93,000, \$32; and a family \$93,000 and up would get \$96, three times the family with half the income and 12 times a family with three to five times the income.

Now, if the money is already available to the wealthy family, why are we giving them a tax break?

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, does the gentleman have a copy of this? We would love to see this analysis.

Mr. LEVIN. Reclaiming my time, Mr. Speaker, we would be glad to, and I would also tell the gentleman from Iowa that we distributed, in the Committee on Ways and Means, a study by the Federal Reserve that indicated that families \$30,000 to \$40,000 had non-retirement investment assets of \$2,500. In other words, they did not have as much money, most of them, as the amount of money that could be put in by wealthier families.

The wealthy family has that income available and those assets. And a family \$40,000 to \$50,000 has nonretirement investment assets, those under 35, of only \$3,400. So we are saying put \$2,500 a year in. Who can do that if they have assets of only \$3,400 nonretirement assets?

Now, this is an effort by the majority, in essence, to cover their weak flank: education. But they are covering it by helping wealthy families and hurting public education. That is a bad idea. The Rangel idea is a much better one. Let us vote for it.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. Mr. Speaker, I thank the gentleman for yielding me this time.

The previous speaker said something about accountability and how we must have accountability in this matter. Really, accountability in this context, I think, more equates to control. On this side what we are talking about is choice, which equates to freedom. And that is the difference in this debate.

The difference is whether control is going to remain with a bureaucracy, whether it is in Washington or in a county back home. The question is who controls education: Is it a bureaucracy, an education bureaucracy, or is it parents? So accountability on this side really equates into control. Choice on this side equates into freedom.

But there is something that comes with this freedom. The freedom we are after on this side is the opportunity for parents to choose where to send their kids to school. That is our ultimate objective, or at least my ultimate objective: to allow every parent in America to choose where to send their child to school among all options available to them.

Now, I realize that the education establishment does not like that, because

they do not want to give up that control. But consider what they are after: The education folks are always trying to create little programs at the Department of Education that are supposedly going to save the day, but we all know they will fall short.

I think we are all coming to the conclusion, or I hope we are, that really the only way to educate kids is for parents to be involved. And the way for parents to be involved is to vest them with decisionmaking. Do not tell them by some formula worked out or map worked out in some bureaucrat's office somewhere where they are going to send their kids to school. Give them choice.

Give them the opportunity to go to, say, Poly Williams School, where they have to sign a contract in order to have their kids there, and then what we will have is parental involvement because they are exercising their free choice. They are buying into the school. They are participating in Johnny's education, and Johnny is going to get educated that way.

That is the change we need to bring, and I wholeheartedly support this small step toward that.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. GREEN].

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

Mr. GREEN. Mr. Speaker, I thank my ranking member for yielding me this time.

Listening to the debate earlier, we all support education and all the ways we can do it, and the opportunity to help families have their children to be prepared for tomorrow, but it is frustrating, as a Member of the House, that last week the solution to the education problems was vouchers for the District of Columbia and this week it is for an educational IRA that will only be for a specific higher income.

And those numbers that the members of the Committee on Ways and Means have been talking about are reflected in a graph that I have here that shows my district, whose medium income is about \$22,000, that is about the average for the country, in some cases, I believe, but it shows if an individual makes \$33,000 to \$55,000 their only tax break will be \$7. But today we are having a special that says, OK, we are going to solve education by giving \$7 back to a family with an income of \$33,000 to \$55,000.

I wish we had quick fixes to education problems, but we do not. It takes hard work. And there are millions of parents, teachers, and even school administrators who care and love those children and that are not looking for quick-fix gimmicks like vouchers or even this IRA.

America has always had a commitment to education, whether it be in private, parochial or in home school, or particularly where 90 percent of the students go, which is public education.

This bill allows parents to set up a tax-free IRA of \$2,500 per year, per child. What this proposes is that it will only let the wealthiest families participate and take advantage of it. Ninety percent of the students attend public education, yet those parents of poorer incomes or moderate incomes, under the numbers I see from the Committee on Ways and Means, they have to buy school uniforms and computers, but they cannot take advantage of this.

This is not the solution for our educational problems. It takes hard work. Let us get away from some of the gimmicks and get back to really providing quality education. Quality education in public education is our Nation's gift for our children.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM], who was former chairman of the Subcommittee on Early Childhood, Youth and Families.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from California [Mr. CUNNINGHAM] is recognized for 2½ minutes.

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

I want to thank my friend, the gentleman from New York, Mr. CHARLIE RANGEL. He is speaking to the issues. He is not using the Carl Marx class warfare, but he is really speaking to the issues, and that is refreshing, and I want to thank the gentleman for that.

Mr. Speaker, I speak as a teacher and a coach for many years. I have my entire family either as coaches, teachers, or principals in public school. Last weekend we attended the public school teacher awards for outstanding teachers, and I want to tell my colleagues, parents lauded those teachers, students lauded those teachers, and I agree that public education is the key to the future of America. I agree.

I would say another step is parental involvement. And community involvement is another very important key. I do not want to take away from that.

□ 1345

My passions are national security and education. But how do we get the maximum amount of dollars to do that? That is what the issue is. I thank the gentleman for speaking to that.

One of the things we said was charter schools. The unions opposed that when it first came out, but it has proven well. We are trying to give the key to the local, to the parent, to the teachers and I would say even the families, because a grandparent, a person that earns \$25,000 a year or less, if they want to save for their children's education and we do not tax that, that is good, I would say to my friend. We ought to take away that tax burden for those folks. I would say that the maximum amount of dollars my friend sponsored, how do we get, and State bureaucracy

is just as bad as Federal bureaucracy. The Federal bureaucracy with the 760 programs, we only get about 48 cents out of every dollar to the classroom, out of Federal dollars. Why? Because of the bureaucracy and the paperwork. The State is just as bad. In some areas in our society, we get as little as 23 cents. Let us work for the State, the Federal, and the private and do it and let us support this bill and support the choice.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, there is nothing in this bill that gives one nickel to the teachers, one nickel to the schools, one nickel to equipment. It gives the parent, whether the kid is in private or public school, that has enough money to put in the bank an opportunity to use the interest on the money.

Mr. CUNNINGHAM. Would the gentleman say that it is wrong for a low-income parent that does want to set aside, that we ought to tax that individual?

Mr. RANGEL. I believe it is good for all parents. It has nothing to do with education.

Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. SANCHEZ].

Ms. SANCHEZ. Mr. Speaker, today I rise in support of the Rangel substitute to H.R. 2646, the Education Savings Act for Public and Private Schools. The Coverdell legislation is a Federal subsidy of private school education. Ninety percent of all the children in America go to public schools. The numbers are increasing every day. Let that be the focus of our education agenda, how to improve America's public education system.

Our schools are trying to fix their problems. For example, the majority of kindergarten through 12th grade schools in my Congressional district are overcrowded. They are continuing to succeed despite the difficult circumstances. Should we not give incentives to local school districts to modernize, to renovate their schools, to build new classrooms rather than give incentives to parents to take their kids out of the public school system?

That is why I am encouraging my colleagues to vote for the Rangel substitute. Let us do what is right for America's children. Let us make sure that a quality education is available to every student, regardless of their family income. Please vote for the substitute.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds. Only in Washington, DC, would money that is taxed on parents that comes to Washington and we say we want to go back to parents be called a Federal subsidy. Think about that. Only in Washington, DC, would somebody have the nerve to say money we take from you in taxes and give back to you in tax relief is a Federal

subsidy. That blows my mind. I think that in and of itself is the difference in this debate here today, who you trust, parents or the government.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. PETERSON].

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise today to strongly support the bill that is before us. It was one of my biggest disappointments that the budget negotiators gave in to the President and the liberal Democrats to restrict how parents and families can spend their own savings accounts on education.

I think it is un-American. The concept of an educational IRA makes so much sense. It is after-tax dollars we allow them to put away for their own families. It is an act to encourage Americans to plan and save for their own children's education, making them less dependent on government help.

What are my colleagues afraid of? That is good public policy. It is about freedom, parents and families making choices, parents and families planning for their own children's future. What is the difference between grade 13 and grade 11 and 12? Well, in 13 you can choose. In grade 11 and 12, you have no choices because the government knows better.

Let us look at Johnny and Suzie. Suzie needs a strong base because she has chosen a tough college program. Her parents, her educators realize that she may not be able to get into the program she wants. So she may choose a different public school for her senior year or she may choose a private school so she can get the preparation for the education she has chosen. Or Johnny, who just needs some help in 11th or 12th grade so he can go to college. He is right on the borderline of what colleges will accept, the colleges he wants. What is wrong with Johnny's and Suzie's parents having a right to choose?

We heard today, how can we ask families to invest in the children's education? We are not asking them. We are giving them the opportunity. There are those who said all the money is going to go to the rich. They assume that working Americans do not care about their children's future. Working Americans will save quicker than anybody, because they care about their children. Many working Americans do not have a college education, but they want their children to and they will sacrifice, and we should give them that chance. We should give parents and families the right to choose.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Speaker, I rise as a representative of a rural district and as a deficit hawk to express my strong opposition to this legislation. It is not well thought out. For many of

us, avoiding backloaded tax cuts that will cause the deficit to increase in the next century was one of the most important principles of the budget agreement.

This bill creates exactly the type of backloaded tax cut that fiscally responsible Members in both parties fought to keep out of the budget agreement. The bill reported by the committee was paid for in the 5-year budget window by an offset that produces large one-time savings in the early years. The savings drop off after the second year and the revenue loss continues to grow every year. As a result, the bill will increase the deficit beginning in the year 2000.

This last-minute transparent sunseting gimmick added at the Committee on Rules does not solve the problem. Many of the proponents of this legislation ridiculed the President earlier this year for his budget proposal, and I agreed with your criticism. How is this different? It is not. No one believed that tax cuts proposed by the President would be sunsetted after 4 years, and I do not think anyone honestly believes that Congress will allow this provision to sunset after families have been contributing to an education savings account for several years.

Paying for legislation during the budget window while ignoring growing out-year costs is exactly the type of budget gimmick that helped produce the record deficits in the past, and returning to gimmicks to get around the budget rules is a dangerous step down the slippery slope of unraveling the budget agreement and returning to uncontrolled deficits.

If we are serious about helping our children, our first priority must be to remain committed to reaching a balanced budget and stop piling debt on future generations.

I also oppose this legislation as a Member representing a rural district with 109 school districts and as a former schoolteacher in a rural school. School choice may sound good in theory, but it does not make sense in the real world of rural America without further eroding the fragile economies in rural communities. This legislation is bad fiscal policy and even worse education policy.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, today I rise in support of the Education Savings Act for Public and Private Schools. This bill is not just about education. It is about trust and equity. If it is OK to offer a tax break to parents who want to send their children to college, then should we not offer that same advantage to parents who want their children to have a quality elementary and secondary education?

This bill does not take money away from public education. So why are op-

ponents so afraid of this bill? Maybe they are afraid that parental empowerment and involvement in their children's education will prove more effective than empowering education bureaucrats in Washington, DC. To me, this is a simple issue. Who are you going to side with today, bureaucrats or parents?

I urge my colleagues to vote for H.R. 2646 and let America's parents know that Congress trusts them to care for their children's education.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Speaker, I rise today in strong support of the Rangel substitute. I support the Rangel substitute because the original bill is nothing more than another backdoor attempt to try and dismantle public education. I have listened to people talk about helping those with low income. My statistics suggest that low-income people in my community, who earn less than \$40,000 a year, do not have any discretionary money to invest in a tax plan. They do not have any additional money that they can use for education.

I submit that public education is the only real safeguard that exists in this country for the preservation of democracy. Anything less than that, Mr. Speaker, is going against the grain, it is going against the wishes of the American people, it is going against the needs of those in middle America. I urge strong support for the Rangel substitute.

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

Mr. Speaker, for those who say that we are talking about bureaucracy, the amendment would indicate that all we are trying to do is improve the public school system in the areas that it is failing, if they can cooperate with the private sector to improve the curriculum and make the students more productive, to give them the skills to work with. No, we do not give away money, interest-free money to those that have this disposable income. We believe the systems that are not working should be reinforced, make them productive, make them effective and get more people out of the jails and into the workplace.

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

First of all, let me answer some of the critics who have been saying that public education is not something that we support. Not only am I a product of public education, which Members can draw their own conclusions about, the good or the bad about public education just from me standing here. I happen to think it was pretty good, my kids are in public education. I support public education.

In fact, I just spent this last week of our recess going around talking to parents, talking to teachers, talking to students and administrators about the importance of public education. But

they also know that there is extra, that education now between K through 12 is not enough. We did something in the balanced budget plan called the HOPE scholarship. It is a start. What we want to do is we want to expand that, because we know particularly for people who have children with special needs that there is always extra. There is a little extra in the summer, there is a little extra after the grades are all over and the schoolhouse closes after they have graduated, we hope. There is extra that they are going to need.

I understand that there are some who say that because you are poor, you probably will not want to participate. A, that is wrong, because people do care about their kids. And, B, even if they are able to participate a little, is that not better than nothing?

I understand there is a Treasury study out there that says that it only means \$10 for somebody. \$10? \$10 is something. It is a start. Maybe that is not enough. Maybe we ought to go further. Let us talk about going further, but let us not stop just because that is not enough for one particular family. Let us give the incentive to families so that they can meet those challenges. And let us also do it in a way that recognizes that education is a lifelong process.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose the Education Savings Act for Public and Private Schools—H.R. 2646—despite having been an original cosponsor of the Parents and Student Savings Account Act—PLUS A—bill and having been quite active in seeking support for the original bill. I remain a strong supporter of education IRA's, which are a good first step toward restoring parental control of education by ensuring parents can devote more of their resources to their children's education. However, this bill also raises taxes on businesses and I cannot vote for a bill that raises taxes, no matter what other salutary provisions are in the legislation.

I certainly support the provisions allowing parents to contribute up to \$2,500 a year to education savings accounts without having to pay taxes on the interest earned by that account. This provision expands parental control of education, the key to true education reform as well as one of the hallmarks of a free society. Today the right of parents to educate their children as they see fit is increasingly eroded by the excessive tax burden imposed on America's families by Congress. Congress then rubs salt in the wounds of America's hardworking, taxpaying parents by using their tax dollars to fund an unconstitutional education bureaucracy that all too often uses its illegitimate authority over education to undermine the values of these same parents.

In fact, one of my objections to this bill is that it does not go nearly far enough in returning education authority to the parents. This is largely because the deposit to an education IRA must consist of after-tax dollars. Mr. Speaker, education IRA's would be so much more beneficial if parents could make their deposits with pretax dollars. Furthermore, allowing contributions to be made from pretax dollars would provide a greater incentive for citizens to contribute to education IRA's for other underprivileged children.

Furthermore, education IRA's are not the most effective means of returning education resources to the American people. A much more effective way of promoting parental choice in education is through education tax credits, such as those contained in H.R. 1816, the Family Education Freedom Act, which provides a tax credit of up to \$3,000 for elementary and secondary expenses incurred in educating a child at private, parochial, or home schools. Tax credits allow parents to get back the money they spent on education, in fact, large tax credits will remove large numbers of families from the tax rolls.

I would still support this bill as a good first—albeit small—step toward restoring parental control of education if it did not offset the so-called cost to Government—revenue loss—by altering the rules by which businesses are taxed on employee vacation benefits. While I support efforts to ensure that tax cuts do not increase the budget deficit, the offset should come from cuts in wasteful, unconstitutional Government programs, such as foreign aid and corporate welfare. Congress should give serious consideration to cutting unconstitutional programs such as Goals 2000 which run roughshod over the rights of parents to control their children's education, as a means of offsetting the revenue loss to the Treasury from this bill. A less than 3-percent cut in the NEA budget would provide more funds than needed for this return of tax dollars to families who seek choice in their children's educational needs.

Mr. Speaker, we in Congress have no moral nor scientific means by which to determine which Americans are most deserving of tax cuts. Yet, this is precisely what Congress does when it raises taxes on some Americans to offset tax cuts for others. Rather than selecting some arbitrary means of choosing which Americans are more deserving of tax cuts, Congress should cut taxes for all Americans.

Moreover, because we have no practical way of knowing how many Americans will take advantage of the education IRA's relative to those who will have their taxes raised by the offset in this bill, it is quite possible that H.R. 2646 is actually a backdoor tax increase. In fact, the Joint Committee on Taxation has estimated that this legislation will increase revenues to the Treasury by \$1.8 billion over the next 2 years.

It is a well-established fact that any increase in taxes on small businesses discourages job creation and, thus, increases unemployment. It is hard too see how discouraging job creation by raising taxes is consistent with the stated goal of H.R. 2646—helping America's families.

Mr. Speaker, I would suggest that is this type of legislation—a backdoor tax increase masquerading as a tax cut—that is, in part, responsible for the widespread and ever growing disgust with this body.

In conclusion, although the Education Savings Act for Public and Private Schools does take a small step toward restoring parental control of education, it also raises job-destroying taxes on business. Therefore, I cannot in good conscience support this bill. I urge my colleagues to join me in opposing this bill and instead support legislation that returns education resources to American parents by returning to them moneys saved by deep cuts in the Federal bureaucracy, nor by raising taxes on other Americans.

Mr. BUYER. Mr. Speaker, we face a crisis in American education today. Forty percent of

all 10 year olds can't meet basic literacy standards. United States eighth-graders recently placed 28th in the world in math and science skills. Two thousand acts of violence take place in schools each day, and almost a third of today's college freshmen require some remedial instructions. The education initiatives Republicans are bringing to the House floor in the next few days are an excellent start toward solutions of these problems.

Education savings accounts [ESA's] give middle- and low-income parents new education choices—public and private—to educate their children in safe and nurturing environments. Families or individuals earning less than \$95,000 a year would be eligible to contribute up to \$2,500 annually into an account for a child's educational needs while at public, private, religious or home schools—from kindergarten through college. The buildup of the interest within that account is tax free and the savings from that account can be used for tuition, tutoring, transportation, equipment, services for kids with special needs, home computers, uniforms, books and supplies, and SAT preparation or enrollment expenses related to sending a child to a public school in a neighborhood district.

It has been estimated that around 14.3 million families—about 10.8 million of which are families whose children attend public school—would benefit from these accounts by 2002. Seventy percent of the tax savings from these accounts would go to families whose income is less than \$75,000 a year. Families can make no more important investment than the investment in their child's education.

Some people would argue that ESA's would siphon off funds needed for public school education. In fact, public education would benefit from Americans' being encouraged to invest in their neighborhood schools. Faced with rising costs, many public schools are forced to operate in unsafe buildings or with too few textbooks. The funds these ESA's provide would help improve the quality of public school education by freeing tax dollars for basic instruction, supplies, and repairs. Just investing \$2,500 a year from a child's birth until he or she enters the first grade would yield nearly \$17,883 for that child's elementary education. Research has shown that engaging parents in their children's education improves the academic performance of those children, and also gives parents a stake in the success of their local schools.

The Emergency Student Loan Consolidation Act just passed the House this week. This bill allows Department of Education direct loans to be consolidated with Federal family education loans [FFEL] until September 30, 1998; allows students to consolidate loans with private-sector loans; and requires consolidated FFEL and direct loans to carry the same interest rate of a consolidated direct loan. In addition, the bill stipulates that HOPE scholarships—the recently created \$1,500 tax credits for families for the first 2 years of college established by the Taxpayer Relief Act—will not reduce the financial aid award a student receives. The Department of Education has been unable to effectively operate their direct student loan program since it was created in 1993 and America's students should not have to pay for this administration's shortcomings.

If we truly want to help parents, teachers, and local officials strengthen and reform our Nation's education system, we must make

sure Federal education dollars reach the classroom. This may sound simple enough, but currently \$5.4 billion of the \$15.4 billion spent by the U.S. Department of Education on elementary and secondary education programs never reaches the all-important classroom and, instead, is lost to a frightening sea of bureaucracy. Roughly 65 percent of Department of Education elementary and secondary dollars actually reach the classrooms. I urge all of my colleagues to take the important first step of making sure that taxpayer education dollars get where they are supposed to be going—to the children and teachers in the classroom.

We cannot continue to allow our education system to entrap young students and permit them to fall further behind. We must act now and take these key first steps to bringing about a brighter future for our children.

Mr. DAVIS of Florida. Mr. Speaker, today, I rise to express my opposition to the Education Savings Act for Public Private Schools principally for two reasons. First, balancing our Federal budget should be our highest priority. We should not pass any bills, whether they increase spending or cut taxes, without considering their impact on our need to balance the budget. This bill costs approximately \$5 billion during the next 5 years of its implementation and its cost thereafter is unclear and potentially much, much higher. There is no decrease in spending called for by the bill to offset its cost. As a result, it will hamper, perhaps significantly, our efforts to balance the budget.

Second, while we should support the efforts of parents to educate their children as best as possible and to fully participate in that process, we should not give preference to private schools over public schools. Because this bill appears to do so, I also oppose it for that reason.

Finally, I want to point out that the child tax credit and education IRA created in the recent Taxpayers Relief Act and the Balanced Budget Act respectively, both of which I supported, are far superior to this bill in providing parent financial support for the education of their children. Furthermore, the cost of each of these bills is paid for within the context of moving us much closer to balancing the federal budget.

Mr. Speaker, for these reasons, I urge my colleagues to join me in voting against the Education Savings Act for Public and Private Schools.

Mr. CRANE. Mr. Speaker, I rise in strong support of H.R. 2646, legislation to provide American families with the opportunity to save for their children's education. I commend the Speaker and our committee chairman, BILL ARCHER, for their leadership on this issue.

As a former university professor and school headmaster, I take great interest in efforts to improve the education of our children. The bill before the House today provides taxpayers with new education IRA accounts which will allow annual after tax contributions of up to \$2,500 to be saved for not only college expenses, but for expenses incurred from kindergarten through high school. When used for education purposes, the interest earned in these accounts will be free from additional taxation. These education dollars will belong to the taxpayer, not the Government, and children will have them available for their public, private or home schooling needs.

The Taxpayer Relief Act of 1997, passed earlier this year by Congress, provided edu-

cation IRA's, but limited their use to college expenses. In that bill, the Republican Congress had attempted to provide education IRA's for all levels of schooling. This broad IRA survived the House/Senate conference committee, where I supported it, as well as the negotiations with the Clinton administration. It was only after the tax deal was publicly announced that President Clinton quietly threatened to veto the whole tax cut package unless the kindergarten through high school use provisions were eliminated. The President is also threatening to veto this attempt to help parents educate their kids. As usual, the President is looking out for his campaign contributors, rather than our children the future of our country.

I must address the rather specious claims of the opponents of this bill. While our liberal colleagues support education IRA's for colleges, they have lined up in opposition to expanding IRA use for all levels of our children's education. I have received letters in my office from teachers unions, school board associations, and the administration claiming that these IRA accounts will undermine public education in this country. These groups obviously misunderstand this bill. Parents are free to use these IRA accounts for their children, regardless of whether they attend public, private or home schools. In the case of public-schooled children, parents can, for example, use their IRA to provide a tutor for their child. If parents use the IRA money to send their child to a private school or to home school their children, they are not relying on a government hand-out—it is their own money. These IRA's are foreign to the liberal education hierarchy because it removes Washington as an obstacle to educating our kids.

In recent years, public education in America has too often failed our kids. I do not intend to condemn the hard-working teachers, because they need help too. This failure is unfortunately, exemplified in the schools in our Nation's capital. No school system in America, public or private, spends more money per pupil than does Washington, DC. Yet the children in Washington's public schools rank nearly last in academic achievement in America. Taxpayers have poured billions of dollars into our schools and our children are seeing less and less return on this investment. Yet when we Republicans, and a brave Democrat or two, propose to allow parents more freedom and options to educate their children, the liberal education establishment alleges that we are attacking children. How much more failure in our schools will Americans tolerate before they take their schools back from the liberal education establishment? Make no mistake about it, opponents of this bill do not trust parents to make decisions about the education and the future of their own children.

This bill will give parents an additional valuable tool to use in their children's education. Parents, not bureaucrats, will have the ability to decide what is best for the kids, and they can use their IRA accounts accordingly. Therefore, I urge my colleagues to support H.R. 2646 and I hope that the President will reconsider his threat to veto this bill.

Mr. PACKARD. Mr. Speaker, parents across America want greater control of their children's education and greater accountability from their children's schools. Parents must be able to send their children to safe, quality schools that reinforce the lessons of responsibility and respect that they try so hard to teach at home.

The array of Republican initiatives that we are working to advance are designed to help kids, parents, teachers, and local officials strengthen and reform our Nation's education system—from kindergarten through college and vocational schools to mid-career job training.

I am committed to providing every child in America with first-class learning opportunities in safe, secure schools where they can truly learn. Critical situations call for dramatic change. Maintaining the status quo which chooses bureaucrats over kids, parents, and teachers is immoral and will only keep students trapped in a failed system where they cannot learn. Our education reform initiatives will turn this around. The time to take action is now.

Mr. Speaker, our agenda for the American learner is a serious attempt to bring commonsense reforms to a myriad of redundant and antiquated Federal education programs. We plan to send Federal education dollars to the classrooms, not to Washington bureaucrats; we intend to return control over education to mothers, fathers, and local communities; we want to strengthen our commitment to basic academics, and we want to give every child the same opportunity to thrive and succeed.

At this time, I can only hope that our Democratic colleagues will reject the dictates of the big-money special interests and join us in our effort to give every child a chance at future success and the American dream. It's the least they deserve and I will work to provide our children with a top-quality education and the opportunity for a successful future.

Mr. CALVERT. Mr. Speaker, one of the most contentious battles looming before us today is the battle to save our children by improving education. Like other contentious issues that have come before the Congress such as abortion and the death penalty, very few people are ambivalent about their stand on this subject. One side levels charges of elitism while the other is denounced as bureaucrats. What is being overlooked in the debate, however, is what is ultimately best for our children. The system is clearly failing students when you hear statistics like 40 percent of all 10-year-olds can't meet basic literacy standards, U.S. eighth-graders placed 28th in the world in math and science skills, and almost a third of today's college freshmen require some remedial instruction. How did we let the state of education reach a crisis level?

H.R. 2646, the Education Savings Act for Public and Private Schools, will allow parents, grandparents, friends, scholarship sponsors, companies or charities to open an account for a child's educational needs while at public, private, religious or home schools from kindergarten through college. Savings from these accounts can be used for tuition, tutoring, transportation, books and supplies, and services for kids with special needs, among other things. This bill is about helping parents help their children. How can anyone be opposed to giving money to families for educational use rather than using that money to create more government bureaucracy?

I am a product of the public schools in the district I am now honored to represent. I want the parents and children in my district to have access to the best education possible. As a lawmaker, I owe it to future generations. I urge all of my colleagues to support H.R. 2646.

The SPEAKER pro tempore (Mr. FOLEY). It is now in order to consider

the amendment printed in part 2 of House Report 105-336.

AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. RANGEL:

Strike sections 1 and 2 of the bill and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public School Improvement Act".

SEC. 2. MODIFICATIONS TO EDUCATION ZONE PROVISIONS.

(a) INCREASE IN VOLUME CAP ON BONDS.—Paragraph (1) of section 1397E(c) of the Internal Revenue Code of 1986 (relating to credit to holders of qualified zone academy bonds) is amended by striking "\$400,000,000" and inserting "\$4,000,000,000".

(b) PERMITTED USES OF BOND PROCEEDS TO INCLUDE SCHOOL CONSTRUCTION.—Subparagraph (A) of section 1397E(d)(5) of such Code is amended to read as follows:

"(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established."

Amend the title to read as follows: "To amend the Internal Revenue Code of 1986 to promote the construction and rehabilitation of public schools by increasing the amount of qualified zone academy bonds which may be issued."

The SPEAKER pro tempore. Pursuant to House Resolution 274, the gentleman from New York [Mr. RANGEL] and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York [Mr. RANGEL].

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

Mr. Speaker, I encourage Members' support for my amendment, which merely is an expansion of existing law that was incorporated in the recent tax package, with the support of the leadership of the Democrats, the Republicans, as well as the President of the United States.

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What it does is to allow those public school systems that are failing us in areas of extreme poverty to get their acts together by realizing that they have to do something better. And what they do better is to have to reach out to form partnerships, to form academies with the private sector leadership in these communities, and to sit down with the teachers and with the parents, the business people and the local officials, and to come up with a curriculum, not just one that they feel good about, not one that comes from the State capital, but one in which the private sector can say that these are the skills that we are going to need in this community if your kids are going to go to college or if your kids are going to get a job.

So there is no special bank accounts. What it amounts to is it allows these communities to be able to go to the public market and to borrow the funds with interest-subsidized bonds so that

they would be able to supplement the public budget by providing funds for scientific equipment, scientific books, things that would be approved by this partnership, to rehabilitate the buildings, to make the repairs, and to have the type of academies that excel in those communities that they are not doing well in.

It just seems to me if one takes a look at some of these communities, one would find that the budgets to keep kids in jail far exceeds the budgets that keep kids in school. In the city of New York, we pay \$84,000 a year to keep a kid in a detention center, and we are fighting now as to whether \$7,000 is a sufficient amount of money to keep that same kid in school.

All this is saying is that as we concentrate on the next century and having people with the intellect and the technology to keep America in the forefront, do not try to move forward and leave millions of people behind without the skills to work with.

I encourage Members to consider this. It cannot be called partisan. It borrows from the same concepts of funding as our Republican majority. The concept has been supported, it is in existing law, and I just hope that you would believe that this is really a more effective way to improve the quality of education for those kids who do not have the option to go to private school, but have this as the only network, as I and the gentleman from Iowa [Mr. NUSSLE], had when we were kids, and that was that public school system.

We are not saying there is an attack on that system, we are saying that it is in a critical stage today, and we are asking Members in the Congress not to let that go, because for many of us, we never had the option to go to a private school.

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

Mr. NUSSLE. Mr. Speaker, I claim the time in opposition to the amendment.

The SPEAKER pro tempore. The gentleman from Iowa is recognized for 30 minutes.

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

Mr. Speaker, let me start by commending the gentleman from New York for what I would have to suggest is a good idea, and an idea we need to consider in this House of Representatives, we need to consider in the Senate, or in the other body, we need to consider in Washington, as a way to try to empower State and local communities to deal with some very specific problems that I know the gentleman is well aware of.

I just also became well aware of them in my own community of Waterloo, IA, where we also are faced with a number of problems involving infrastructure or brick and mortar as they call it, of schools that have deteriorated, and are forming partnerships within their own community. Even without your amendment, they have done this to come to-

gether to plan for the future, to figure out ways to share information and resources, and also build back the school system, because they, along with the gentleman and myself, agree that public education is an important foundation for a free society, and particularly one that has gotten us this far in our history.

I would just have to say, however, that we have a finite pot of money that we hope to use as the offset, and yours is a substitute. If there was a way we could augment it after studying the way it would work, because one of the concerns I have is I think you target—it seems to target only low-income areas, I would be concerned that maybe we allow that to broaden out even a little further, because there are some areas that may not quite meet the definition of low income, yet are faced with some unique challenges. Maybe it is through recession, maybe it is on a periodic basis. But I do think your plan deserves study and merit.

So I find it difficult to debate against it. We have talking points here, of course, and we can look and say, well, our plan supports savings; your plan supports borrowing. That is really not the point. The point is they are two separate problems.

One part is we have parents that need to deal with immediate concerns of dealing with their children's education. You and I both know that means public education, but in many instances the choice is becoming more and more frequent, a private education, extra education in addition to public education. So we tried to meet that challenge through the Education Savings Act.

What you are trying to accomplish is in a different, no less important, in my view, area of infrastructure for education.

I think in this instance why we are opposing this is because we would like to move this plan. It has been part of our platform, we believe in it, we are going to move it, that is our intent, but in my opinion, and I am speaking for myself here, I believe we ought to take a closer look at your plan with regard to building up and giving empowerment to local communities, whether it is academies or zones of partnership, so that we can, in fact, infuse some support in a nontraditional way to our public education system.

Some would rush in here and say let us appropriate dollars. Yours is unique. It says we have to have local control. I believe it says we have to have community involvement. It has to come from the bottom up. We are just there to help. I think that is a unique and very administrable plan.

Unfortunately, with the pool of money available, I am going to push my idea, support your idea as something we need to look into, but believe that it needs to wait until another day, I say respectfully.

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

Mr. RANGEL. Let me thank my friend, the gentleman, for his support, even though it is limited.

Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. LEWIS], a member of our committee.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague, my leader, for yielding me this time.

Mr. Speaker, I rise to express my strong opposition to this ill-conceived plan. Across our Nation, public schools are in need of assistance. According to a recent GAO report, one out of every three public schools is in serious need of repair and construction work. Our public schools are crumbling. Our children need our help.

The deterioration of our public schools should not be a partisan issue. The Department of Education did not cause the physical deterioration of our public schools, nor did Goals 2000, or Head Start. They are crumbling because of a lack of money, effort, and caring.

Some of our public schools are crumbling in other ways. Students are not learning. Drugs and firearms have invaded our Nation's school yards.

As a nation and as a people, we should be responding to this crisis by fixing and building our public schools. Public education is a great equalizer in our Nation. Nine out of every ten children in this country attend public schools. I attended public schools. I would bet that the majority of the Members of Congress came from some public school. We know that each and every child has a right to a good education in a safe environment at a public school.

The bill before us would do nothing to improve our public schools. Instead, it would use the Federal Tax Code to undermine support for public education.

This bill is a sneaky and slick proposal that would have two results: First, it would subsidize religious groups and religious schooling; second, it would continue Republican efforts to undermine our support for public education.

Working families do not want their hard-earned tax dollars going to support private schools. A family making less than \$55,000 a year will receive, at most, \$7 under this misguided proposal. Meanwhile, upper income families get more than 10 times that amount.

Most Americans, Mr. Speaker, cannot afford these exclusive education accounts. They cannot afford to set aside \$2,500 each year for each child's education. This bill cannot and will not help them, but public education can. Public education can help every child, no matter how rich, no matter how poor. Again, public education is the great equalizer.

If we are going to spend \$2.5 billion on education, let us spend it on public education that our Nation's children and all of our children can use. Let us invest in public education, not tax

breaks for sending their kids to private and religious schools.

Mr. Speaker, for this reason I urge all of my colleagues to reject this proposal. Let us invest in our crumbling public schools. Let us support the Department of Education. Let us use our limited resources to invest in the millions of children who cannot afford exclusive education accounts. These children are the ones that need our help. Defeat this bill, support the Rangel substitute, support our public schools.

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

Mr. Speaker, the gentleman from Georgia [Mr. LEWIS] is obviously quite eloquent. This is not a choice, I would say to my friend, between public education and private education. In fact, I do not believe the gentleman is trying to suggest that private education, particularly church-based education, is not good.

I do think we need to support public education. It is not a choice of one or the other. This is to help those who want to make that choice. There are many who make that choice all the time.

Mr. Speaker, I would be glad to enter into a colloquy with the gentleman, if he could get time from his side.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, my friend would agree that 9 out of every 10 children go to public schools. That is where the greatest need is.

Mr. NUSSLE. Including me. That is where I went.

Mr. LEWIS of Georgia. We are planning to spend maybe \$2 billion or more?

Mr. NUSSLE. My children go to public school.

Mr. LEWIS of Georgia. My child attended a public school.

Mr. NUSSLE. Mine still do.

Mr. LEWIS of Georgia. That is very good. I am just trying to help your child and all children; your children, my children, and the children of Georgia.

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

Mr. Speaker, not only did I go to public school and my kids, but I happen to have a child with special needs. I know that as much as you try and as much as I try, there is no way that the public education system is going to be able to provide all of the necessary things, the resources and educational tools, that my daughter is going to need into the future.

I am not suggesting I necessarily need this account, I do not know. We will see. It probably is not going anywhere, it sounds like, from what we hear, because the President does not think parents ought to have this choice.

I believe we ought to at least start down the road and discuss who should make these decisions.

Mr. LEWIS of Georgia. Mr. Speaker, if the gentleman will yield, we are pro-

posing to help all families, not just wealthy families.

Mr. NUSSLE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. PETERSON].

Mr. PETERSON of Pennsylvania. Mr. Speaker, I find it interesting, there have been several speakers who have said that parents, working Americans, poor Americans, cannot afford to do this, and they will not, and it appears with Treasury and their examples and the figures they have come up with, they are assuming they will not.

If that is the case, this bill should not be a problem, because it will not impact our schools, because the parents that have the right to choose today, the wealthy parents, make those choices every day, but middle Americans and the poor cannot make choices because they cannot afford to. So if that is true, this bill should not be a problem. This whole debate is frivolous.

But I cannot pass up the chance to deal a little bit with the Rangel amendment, which we are debating now. There is a stark difference here. We have a bill that encourages people to save, parents and families to invest in their children's future, empower parents to make choices, with their money, not our money, their money, and now we have a substitute that talks about making it easier for school districts to go into debt.

I have been a businessman for 26 years, and I served in State government for 19 years, and watched our educational system in Pennsylvania.

□ 1415

A business or a school district cannot borrow their way out of trouble. If they are in trouble, borrowing money is not necessarily the answer.

In Pennsylvania we have one school district that we gave an additional \$400 million a year, over and above the formula, because they were impoverished and struggling. That \$400 million never fixed their problem, and has not fixed it until today, because you can subsidize a poor school district as much as you want and you will not fix it, because it is not being run right.

We have a choice here of empowering parents, encouraging them to save money for their own children's future, or whether we want to deal with the Federal Government getting involved in local school district debt. I am not opposed to allowing them the cheapest way to borrow money, if there is a way to do that. I am not opposed to that. But that is certainly no substitute for the bill that is before us.

Why do we want to deprive American families the right to choose? I personally think very little of the money will go to basic education. I think the bulk of it will be, because if I was saving for my grandchildren and helping them, it would be to help them go to college and get their education.

If the crisis came in 10th, 11th, or 12th grade, to help them get into the

program they want, why should parents not have the right to use it? I do not understand a government that does not trust parents to make decisions, and does not want to empower parents to save money to provide for their children's future. That is just un-American, to oppose it.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida [Mrs. THURMAN], a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the question here today is how can we best provide for the education of our Nation's youth, of which approximately 90 percent attend public schools? Clearly, from this debate, Members of this body do not share the same views with respect to this question. Some think that we should provide incentives for a select few to leave the public school system. Others, including myself, believe the answer lies in strengthening the current system for a larger majority.

What concerns me, however, is that we continue to skirt the issue. I believe this body should focus on a comprehensive education reform package, one that incorporates a strengthened public school system, as well as incentives for families to save for college. The Rangel alternative is more in touch with the problems of our educational system.

Unlike the Coverdell bill, the Rangel substitute is consistent with the goals of improving our education system and our commitment to attaining a balanced budget. Moreover, the Rangel substitute would meet critical needs for school districts throughout this country, and in particular, Florida.

In a recently released report by the Florida Governor's Commission on Education, it was found that the construction, maintenance, and repair deficit in Florida was \$3.3 billion over 5 years. To address this deficit and to come up with a constructive long-term plan to meet the educational needs of Florida schoolchildren, on November 3 our State legislature will meet in a special session. I firmly believe that an interest-free loan option would help their problems.

As a former educator in Florida, I know firsthand it has a real need for a loan program like the substitute we are considering today. With more than 17,000 students jammed into portables throughout the State, the issue of repair and new construction must be addressed. I simply do not think that these very real problems faced by both the Florida legislature and schoolchildren can be solved through an educational IRA program.

Not only would the Rangel program address these very real issues, but it is workable. It would be an attractive option for many of Florida's local governments and school districts. Creating a public-private partnership to meet the dire needs of our schoolchildren is not

only innovative but fiscally sound for the Federal, State and local governments.

I do not think there is anybody in this body that opposes the concept of allowing parents to provide the best educational opportunities for their children. But, as has been noted, with limited resources let us act in a responsible way, which would provide additional resources for all public school systems. Let us target our limited resources to programs that will benefit the most people at the greatest savings.

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

Mr. Speaker, I would respond to the gentlewoman, the gentlewoman probably remembers that in the 1997 tax bill that we just had, and Florida may be interested in this as well, that we passed \$400 million for this exact purpose. In fact, it was in the 1997 bill. I think it was probably because of the leadership of the gentleman from New York [Mr. RANGEL] and many others that we provided this. I think Florida has an option.

Now, this is a trial period. I mean, I think it would be good to see how this works. But to suggest that, again, this is a choice between one idea and another is really not correct. This is an expansion of a current good idea.

Mr. Speaker, I yield 2½ minutes to my friend, the gentleman from Nevada [Mr. ENSIGN], a member of the committee.

Mr. ENSIGN. Mr. Speaker, there have been many arguments on this, and sitting on the Committee on Ways and Means I heard many of the arguments by the other side of the aisle, and quite a bit of the class warfare was engaged in this debate. We had quite a healthy debate in the Committee on Ways and Means on the whole idea, whether this is going to be for the rich or the poor.

Many on the other side of the aisle seemed to think that people in lower income brackets cannot save; that they do not have confidence in people in lower income brackets, even though there are many people in this country that are in low income brackets that are sacrificing for their children, that are saving, that are putting money together. There are a lot of lower income people that are even sending their kids to private schools.

But this is not just about private versus public schools. This bill, 70 percent, it is estimated 70 percent of the money that is in this bill will go to helping students in the public schools. The old solutions for the public school systems have not worked. It is a disaster. In New York City, Washington, DC, most of the major cities around the country, the school zones, the public school zones are a disaster for our children.

We need to care more about our children than we do about the educational bureaucracies, and those bureaucracies that protect the current status quo. We need to look for new answers. Forget

about who we are protecting, other than let us think about the children.

What this savings account will do, for those kids in public schools that maybe need a tutor, their parents will be able to save and sacrifice so maybe they can get a tutor for their child that could make the difference.

The reason that we say that this is a good bill is because Americans right now are encouraged, because we penalize them by taxing their savings. Any time you save, you get taxed on it. We have a national savings rate now, right now, of around 3 percent. It is the least in our country's history.

Traditionally, we have had about a 9-percent savings rate. Japan has about a 20-percent savings rate. What we are trying to do in this country is to encourage people at all income levels to save, and especially to save and to sacrifice for their children. What could be more important for their children than their education?

I just encourage my colleagues to vote yes on this bill, and no against the Rangel amendment.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from New Jersey [Mr. PASCARELL].

Mr. PASCARELL. Mr. Speaker, I yield to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I just want to respond to the person here that talked about our school systems.

First of all, how about those children who need a book, that do not have a book right now? How about those kids who do not have a computer? Or just as importantly, how about those kids who do not even have a classroom to go into?

The gentleman's bill, while he suggests that \$400 million was given in 1997, how about the \$2.5 billion that we are looking at in the IRA? We could actually leverage those dollars with the Rangel bill to \$8 billion. \$8 billion would make a big difference, but \$2.5 billion is what they want to give to IRA's, and \$400 million is what they wanted to give to construction.

Mr. PASCARELL. Mr. Speaker, I rise in support of the Rangel substitute. I believe the gentleman from New York [Mr. RANGEL] has drafted a very smart and effective proposal which would provide necessary assistance to public schools.

As a former mayor and a member of a local school board, I know all too well about the problems facing our public schools. I have seen them firsthand and closeup. I did not have to read about them.

Approximately 90 percent of our students are educated in our public school system. A staggering percentage of those students are forced to learn in schools that are crumbling all around them. We have a responsibility to address this deficiency. The Rangel substitute does just that. It provides schools with much-needed resources for construction and repair, the purchase of equipment, curriculum development,

and teacher training. It does all this within the confines of the balanced budget agreement.

Many of us proudly supported the landmark tax relief legislation we passed this year, but I was disappointed that in the \$90-plus billion relief bill, elementary and secondary education was largely ignored.

The Rangel substitute gives us an opportunity to expand, both in scope and investment, upon the one area in that bill that provided real assistance to secondary and primary and elementary schools. The Taxpayer Relief Act provides interest-free capital to public schools, but does so only at a very modest level. Under this substitute, the funds available would be increased from \$400 million in each of the next 2 calendar years to \$4 billion. That is a significant contribution, when we look at the needs of construction in every 1 of the 50 States of the Union. This only touches the surface.

Mr. Speaker, this program establishes a valuable partnership between our public schools and the private sector. This partnership will ensure that the resources flow directly into the schools where they are needed. At the same time, the lender will be made whole through a Federal tax credit equal to the interest that the borrower would otherwise have had to pay. This is a prudent use of Federal resources. The Rangel substitute is smart, and addresses real problems in our educational system. It does it within the confines of the balanced budget agreement.

I do not oppose increasing choice in educational systems, and in fact, I am pleased that in the upcoming days this Chamber will likely have an opportunity to vote on legislation opening up the choice of charter schools to more students and their parents. Nor am I opposed to private or parochial education, having been the product of it myself.

What I am opposed to is turning our backs on the public school system that educates 90 percent of our children. Let us support choice. Let us give parents more say in their children's education. Let us not blindly shun private or parochial education. I urge my colleagues to support the Rangel substitute.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to my friend, the gentlewoman from Texas [Ms. GRANGER].

Ms. GRANGER. Mr. Speaker, I rise in opposition to the substitute, and in favor of the underlying legislation. I rise as a former teacher, myself, and as the daughter of a woman who spent 47 years of her life as an educator.

The answer for our children is not borrowing money or further limiting our children's opportunities. It has often been said that giving children an education is expensive, but leaving them uneducated is a lot more expensive. That is why this Congress, through our legislation, is committed to ensuring that our parents get a better return on their investment and our

children get a better experience in their classroom.

Today, this Congress is considering an initiative designed to give our parents a choice, our students a chance, and our schools a charge to be the very best schools in the world.

Our approach is simple. By allowing parents to set up savings accounts, we can allow families to get more for their money. We can allow them to build up a nest egg of money, and use it to pay for their children's education. If they want to buy a computer for their child, they can do it. If they want to send their child to a different school, they can do it. If they want to pay for a tutor to help their children learn more, they can do it.

This may seem like small steps, but I believe they will have a big impact. They will help improve all of our schools in America, but more importantly, they will help improve the education our children receive. They will also do so without increasing the role of the Federal Government in Washington.

Many times on many different issues we in Congress seek to make a statement. Well, here is one issue where we can actually make a difference. When people say, we cannot give our children a better chance, I say, we can, and also we should. When people say we cannot give our parents another choice, I say we can and we must. When people say, we cannot improve our schools, I say we can and we will. Our children deserve it and our future demands it.

□ 1430

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. NEAL], a member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, let me stand as a former teacher, former mayor of a large municipality, but most importantly, in this House today the lead Democratic sponsor of the individual retirement account. The notion of the individual retirement account was, with heavy emphasis on the middle term, retirement. That is what we are really discussing here. We spoke to the issue in the budget agreement about expanding individual retirement accounts for middle-class people.

The point of this issue today is that this individual retirement account proposal has nothing to do with retirement. We are further diverting resources from the public schools, but overwhelmingly it is being done to the benefit of high-income Americans.

Mr. Speaker, let me cite a couple of specific examples. The bill before us today would only benefit families with sufficient investment assets that would enable them to accumulate income on those assets over a long period of time.

Families paying education expenses out of wage and salary income, however, would receive no or little benefit under this legislation. Families, again, with school-aged children would re-

ceive very little benefit. If a family currently had a child in a private school, that family would receive only a small benefit, if they could contribute \$2,500 to an investment account after having paid the cost of private school tuition.

The bill before us today has no real income limits. For many families, the tax benefit would be less, and I urge my colleagues to listen to this, \$15 a year; \$15 a year.

Mr. Speaker, I support the Rangel substitute which is targeted to schools in need of assistance. I come from the State that gave America the concept of a public education. The Rangel substitute encourages greater private sector involvement, but most importantly, it provides additional resources for our public schools, of which I am also a product. It allows us to meet the pressing need of school construction and repair as well as equipment purchases and course development, and certainly teacher training.

This alternative expands the education zone bond provisions included in the Taxpayer Relief Act. It also provides an interest-free source of capital for public schools that enter into partnerships with the private sector to improve those public schools with the greatest need.

Let me close, Mr. Speaker, on the note on which I opened. The individual retirement account was constructed for the purpose of retirement. It was built for the purpose of speaking to our low national savings rate. The legislation here proposed by the majority has nothing to do with that concept.

Mr. NUSSLE. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, the gentleman from Massachusetts [Mr. NEAL] just spoke about the individual retirement account and he said that it was a good idea for retirement but it was not a good idea, maybe, for anything else. I would just suggest to the gentleman that, as I recall the debate, the reason why the individual retirement account came up is that we learned that there was a crisis in this country about retirement, that Social Security could not do it all.

Mr. Speaker, guess what? The idea was, hey, let us let people save for their retirement. Heaven forbid that we would give an incentive for that. A great idea. Well, guess what we did? We stole it. We stole the idea. We said if they can save for that, they can save for lots of things. Guess what? Savings is good. And this is the reason, because we also have been learning something else out here, that government cannot solve all the problems of this world. Parents have got to get involved. How do they get involved? With resources. Where do those resources come from? They earn them. What do we do with those resources? We take them.

So what we are suggesting is let us leave them there. Let us let families make those decisions. The gentleman says that some of these families do not

earn enough, therefore they cannot utilize them. Let me tell the gentleman about what is happening out there. Those with the resources, the rich as some people like to come here to the floor and demagog, are already doing this. They are already setting up accounts and already take their kids out of the public school system. They are fleeing from the system. They are already doing this, with or without accounts, with or without Rangel substitutes. It is happening.

Mr. Speaker, the issue is are we going to be able to empower those parents who need that system? Are we going to be able to empower them for the extra book, for the computer, for the tutor, for the additional expenses that a child with special needs needs in our society?

Mr. Speaker, that is all we are saying here today. Some people are running in here saying that we are burning down the public school system. Where in the world does it say that? People that are sending their kids to public schools, like I am, not everybody on this floor who is using a lot of fancy words today necessarily are sending their kids to public school systems. I happen to be. I think it is important for our democracy.

But I also know that the public school system cannot do it on its own. My son and daughter need me in order to help with that. I think it is important for us to recognize that this is not a choice between two different concepts. We are not saying pick public education or pick some fancy savings account. We are not saying that.

Mr. Speaker, we are saying choose public education, but choose it with the ability through an incentive to save a little bit for the extra expenses that we know are going to be there. That is all we are suggesting. It is not some choice between public and private education. We already have that choice in front of us and already those with resources are making their choice and they are running from the system.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts [Mr. TIERNEY].

Mr. TIERNEY. Mr. Speaker, let me just make an observation that we make a choice under this proposed bill every time we decide to take public resources and apply them to a private use. That is exactly the choice that is being made on that side of the aisle.

Mr. Speaker, let me just go back. When we first started dealing in this country with education, people that had the means obviously made a choice to send their children to private schools. That is all that existed, and they made a good choice. I think private schools are wonderful. People that have the opportunity to do that, this is a free country, they ought to have the freedom of making that choice.

We understand all the things that people got out of education. It was obvious and there is no mistake and no coincidence that people with the re-

sources made sure their children went to private schools. But as a society it became clear to us over a period of time that those benefits of education would be good for every child in this country, and there were not opportunities for every child in this country to go to a private school and there will never be an opportunity in this country for every child to go to a private school.

Mr. Speaker, we decided to use public resources for a public purpose to have public education. The idea is that we would invest enough resources to make sure that every child had the best opportunity to get an education, all of the economic arguments that have been stated a million times, and they are obvious. The idea that we will have a better democracy, a better society if children are educated has been quoted and spoken to often. The idea that every child has a right to enjoy life, whether it is art or music or literature or history, just the idiosyncracies of the world they live in, that is obvious.

Mr. Speaker, that is the chance we want to give to the 50 million children that cannot go to a private school or will never, under this plan or any other plan, be able to go. The idea of choice is how will we spend our limited public resources? Will we be giving tax breaks so those people who are already situated well enough that they can make the choice to send their child to private school will get another break, or will we make sure that the public resources are spread around the larger group to benefit all of us as well as that family and that individual.

Mr. Speaker, I think that is the choice that I think the public wants made for public schools. There are excellent public schools in this country, when they have the resources, when the walls are not falling down, when the lights work, when they have the textbooks, when they have the computer, when the teachers are trained and retrained, when the class sizes are small enough. I visit them every week in my district and they work quite well.

It is our disinvestment from public education through the proposed means and other similar means that will spell the bad note for public education. We can make public education work, as it is in so many places in this country, if we do not divert the resources. That is the challenge for us.

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

Mr. Speaker, I would just point out this difference. Listen to this. There is a difference between us, and I respect the gentleman's position. That is fine. He believes take that money from people, spread it around. I understand that. The gentleman calls that public resources. I call that taxpayers' money.

Mr. Speaker, people who worked on the line at John Deere in Waterloo, IA; people who are on a combine right now harvesting corn in Iowa, that is their

dollars, it is their money. Now, I get to take some of that because I am the Federal Government. We will deal with that. But I would say to the gentleman from Massachusetts, It is not your money. It is their money.

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

Mr. RANGEL. Mr. Speaker, I yield 3¼ minutes to the gentleman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Mr. TIERNEY. Mr. Speaker, will the gentleman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Massachusetts.

Mr. TIERNEY. Mr. Speaker, let me say that it is obvious to all of us that when we are talking the taxpayers' money, we are talking about the community's money. I do not think it is my money. I know quite well it belongs to everybody. It is their choice to have a good public education system in this country. We ought to spend public funds, their funds on that, not some wealthy individual's further advantage on a private school. They have made that choice and they do that on their own.

Ms. JACKSON-LEE of Texas. Mr. Speaker, reclaiming my time, I thank the gentleman from Massachusetts and I guess I would thank all of us for bringing this to the forefront. But yet let me say that there is a missing element, and that missing element is the millions of children who today sit in public schools.

Mr. Speaker, it is a shame that they are not a part of this debate, but for those who have been educators and those who have taught in schools let me say that I have sat in public schools. I would not be here today had it not been for a strong public school system. That is who I want to speak for today, the millions of children who cannot be here who are in crumbling schools, buildings without heat, teachers who need a better curriculum.

Mr. Speaker, this is a flimsy idea, this so-called education savings account. The Washington Post says it right. "The House is scheduled to vote today on a further tax cut, almost exclusively for the better off, masquerading as a form of aid to education. It is not clear that this could pass constitutional muster since most of the tax benefit would end up as a backdoor public aid to private education. Only people with quite high incomes could afford to set aside, in advance of the elementary and secondary years, enough money to make the device work."

Mr. Speaker, that is the key element. This does not take into account the 90 percent of hard-working Americans whose children are in public schools who want to see their taxes go for better infrastructure.

Mr. Speaker, I am here to support the Rangel substitute, which makes common sense. We know our schools

are crumbling. We know curriculums need to be better. We understand that public schools have been the real anchor for opportunity in this Nation. There is always something that parents will always say: God and country, and, yes, education. If Americans are a new immigrant, if they are a minority, if they are a woman, education is what does it for us.

Mr. Speaker, this just steers away another big balloon of hope for those individuals who think they will be able to save. But if they are paying for Johnny's clothing, if they are paying the light bill and the rent bill, if they are paying the car note on two cars so that parents who both work can go two opposite directions, then they do not have the money to put aside \$2,500 for elementary and secondary education this.

Mr. Speaker, this is a bad piece of legislation. It does not work. Public schools are the great equalizer. They provide equal opportunity. The Rangel substitute says fix our schools, fix our curriculum, help our parents be a viable participant in the education of their children. Let us not use these flimsy backdoor methods, calling it a \$2,500 a year tax savings, masquerading as an IRA for those who can already give \$2,500 for savings and provide private school education.

Mr. Speaker, I urge my colleagues to support public education. Vote down this Coverdell legislation and support the Rangel amendment.

Mr. Speaker, I rise today in opposition to H.R. 2646, the Education Savings Act for Public and Private Schools as a cruel hoax on low-income parents. How can a family that does not have enough money to pay the rent and put food on the table have enough money to put \$2500 in a savings account.

This is nothing more than another bone that the Republicans are giving to their rich constituents who are looking for a tax shelter. The bill means that funds that could be going to our public schools will now be going to private and religious schools that may not have any right to such a government subsidy under the Constitution.

Our public school system is the great equalizer for our nation and I am appalled that we are now considering targeting our public schools to help out the rich!

If a family can afford to send its children to a private school, so be it. The government has no business underwriting the education for families that do not need it. This body should be making sure that help all of our children receive a quality education.

Congressman RANGEL's Amendment makes sense. Let's give the public schools a chance, a chance to rebuild themselves, at least a chance to rebuild their infrastructure. This bond proposal will allow public schools to fix the roofs and to buy the text books they need. Our public schools are the backbone of opportunity for our youth. If we choose to abandon the schools, we will be turning our backs on them for the 21st century.

I urge my colleagues to vote against this attempt to undermine the public education system that we have always supported.

[From the Washington Post, Thursday, Oct. 23, 1997]

A FLIMSIEY IDEA IN THE HOUSE

The House is scheduled to vote today on a further tax cut almost exclusively for the better-off, masquerading as a form of aid to education. It would be a follow-on to the tax cut the president and Congress included, im- providently, in their plan to balance the budget earlier this year. The earlier cut in- cluded an instrument called the educational savings account, the investment income from which would be exempt from tax if used to pay for higher education. The new pro- posal is to allow such accounts to be used to pay for elementary and secondary education as well.

It's not clear this could pass constitutional muster, since most of the tax benefit would end up as backdoor public aid to private education. It would be bad policy even if it did pass such muster. The concept of vouchers to help low-income students transfer out of non-performing public schools in which they are trapped is relevant here. It has some big and obvious problems; but assuming it, too could survive a court test, it seems to us worth trying at least in the form of a modest experiment.

The reason the voucher idea is relevant is that the proposed tax cut comes wrapped in some of the same rhetoric, but is nowhere near the same thing. Only people with quite high incomes could afford to set aside in ad- vance of the elementary and secondary years enough money to make the device worth- while. The Treasury has estimated that about three-fourths of the benefit would go to the highest-income one-fourth of all fami- lies. The proposal is being urged in the name of educational reform, which it is not. Pro- ponents say there would be no public cost, but there would. If Congress sends him this, the president would be right to cast his threatened veto. The proponents want the issue, which they think will help them. We think they're wrong; this is a flimsy idea that can't stand up to scrutiny.

Mr. NUSSLE. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. THUNE].

Mr. THUNE. Mr. Speaker, I thank the distinguished gentleman from Iowa [Mr. NUSSLE], our neighbor State, for his leadership on this issue. What we are talking about here are a couple of values that I think are fundamental in American culture. One is the value of letting parents choose what is in the best interest of their children. The second one is to try and promote the high- est quality level when it comes to our children's education.

□ 1445

I want to suggest today, we had a lot of discussion about this, but this frank- ly is an extension of the education sav- ings accounts for college that became law as part of the bipartisan Tax Relief Act of 1997. Opponents of the bill have been arguing today that this, in fact, may be taking money out of the public school. This simply is not true. These education savings accounts allow par- ents, grandparents, friends, scholarship sponsors, companies and charities to open an account for a child's edu- cational needs at public, private, reli- gious or home schools.

This bill would not take away from the education formula in my State of South Dakota or in any other State.

Public schools will still receive the same level of funding that they receive today. These accounts simply allow parents to save their own money to pay for their child's needs. Should not par- ents actually be the ones who are in the best position to decide what their child's needs are for school and should they not be allowed some type of incen- tive to provide for their children the tools that are necessary to become pre- pared for the 21st century?

One of the arguments we have heard from the other side today and the oppo- nents continue to claim is that this will only benefit rich people. I do not see anywhere in the bill where it says only people of high incomes can open these accounts. Frankly, most families in South Dakota are very average in- come levels. There are people who will benefit immensely from this. I think they would love to have the ability to save money in a tax-free account so that they could buy a new computer or have access to the Internet.

We also have families in South Da- kota with special needs children. The cost of their education often exceeds the age of 18. This bill will allow them to have accounts to apply to their edu- cation for as long as is necessary.

Finally, Mr. Speaker, opponents today are also trying to claim that we as Republicans are trying to send kids to private schools. Official estimates show that nearly 11 million families or 70 percent of those who would use these accounts would do so to support chil- dren in public schools. My children at- tended public schools in South Dakota. They attend the public school system out here in Arlington, VA. I can assure my colleagues, if we have an oppor- tunity to have tax-free accounts for our children, that money will go to- ward benefiting public schools.

I support the education savings ac- counts. I hope the rest of my col- leagues do as well. I believe, again, that we are addressing values that are very fundamental to the culture of this country, the first being, of course, that we want the very highest quality edu- cation for our children, and secondly, that we ought to allow the parents of this country to determine and choose on their own what is in the best inter- est of their children.

Mr. RANGEL. What time remains, Mr. Speaker?

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from New York [Mr. RANGEL] has 6¾ minutes remain- ing, and the gentleman from Iowa [Mr. NUSSLE] has 11 minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Con- necticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, today Republicans continue their attack on America's public schools. This is what it is all about. Shift the taxpayers' dol- lars from public education and put it into private education. This legislation drains the Treasury of taxpayers' dol- lars needed to improve public schools and provides a tax break for those who

are the wealthiest in this country. Ninety percent of America's children attend public schools. These are the children we should be helping.

Focusing on school construction, fix the schools where walls are crumbling down, invest in teacher training, purchase new textbooks, put in computers and get them on line with the Internet. That is what the Rangel substitute does.

Republicans would help wealthy families who can already afford to send their kids to private schools. My kids went to public schools. I know what that means. I know what the great equalizer public education has been in this country. Under this legislation, a parent could write off the purchase of a car to drive their kid to school or they could pay one child to tutor a brother or a sister.

Seventy percent of the benefits of the bill go to upper income families making \$93,000 or more. It is wrong. Education is for everyone, not the few or the privileged.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

I rise in strong support of the substitute amendment to renew and rebuild our Nation's public schools. As the sponsor of the Rebuild America's Schools Act with 115 cosponsors, I am keenly aware of our school building crisis. Last year, the GAO confirmed what students and teachers already knew, that too many of our Nation's public schools are literally falling down. How much will it cost to repair them? The GAO says \$112 billion. It is shameful that we have let the problem grow so severe. Children cannot learn in overcrowded or makeshift classrooms. They cannot learn when ceiling leaks or when walls are tumbling down.

Mr. Speaker, we have let our children down. Now we have to make amends. The Rebuild America's Schools Act would make it cheaper for States and school districts to raise capital for school building and repair. The Rangel substitute takes a similar approach. It makes \$4 billion available to provide interest-free bonds to our Nation's public schools. The money raised by these bonds would help repair buildings, build new classrooms. It would purchase computer equipment, develop teaching materials, train teachers.

The Rangel substitute would also harness the knowledge, ingenuity, resources of the business community to help prepare our students for the rigors of the new global economy. It asks corporate America to step up to the plate and go to bat for our children.

This is something each and every one of us must do. Local school districts are overwhelmed. The local tax base just cannot keep up with routine main-

tenance costs, let alone the costs of easing overcrowding or upgrading schools for 21st century learning. The fact is, local bond issues fail regularly. We can only address the abysmal condition of our Nation's school buildings with the concerted effort of every level of government. We need a real partnership. The Federal funds are but a small fraction of what is needed to solve this urgent problem. It does not mean that we in Washington do nothing. We must do our fair share. I ask for support of the Rangel substitute.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Speaker, I thank the distinguished gentleman from Iowa [Mr. NUSSLE] for yielding time to me, and certainly my chairman, the gentleman from New York [Mr. RANGEL].

I rise hopefully not to the chagrin of the gentleman from Iowa, but in support of the Rangel substitute.

Mr. Speaker, this proposal addresses one of the most basic and perhaps pressing needs facing this Nation today, the lack of adequate facilities within which to educate our future policymakers and firefighters and doctors and lawyers in this Nation.

Mr. Speaker, we should not allow our children to wait any longer. When I hear my friends on the other side of the aisle assert passionately the need to create reasonable opportunities for young people to learn, I am forced to agree. But common sense tells us that this cannot happen if they do not have decent school buildings and infrastructure in which to learn. The Rangel substitute is not a radical measure. This proposal seeks simply to lighten the burden on those who would utilize bond financing for teacher training, for curriculum development and infrastructure improvements.

Mr. Speaker, this body not long ago passed the Juvenile Justice Act, which makes it easier to arrest 13-year-olds and send them to adult prisons. As one of this body's youngest Members, I would urge my colleagues to support this substitute, allow those young people an opportunity and do what is best for America's future.

Again, I thank the gentleman from Iowa [Mr. NUSSLE] and thank my chairman.

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

The SPEAKER pro tempore. The gentleman from New York [Mr. RANGEL] is recognized for 3¾ minutes.

Mr. RANGEL. Mr. Speaker, let me thank the majority floor manager, the gentleman from Iowa [Mr. NUSSLE], for creating an atmosphere in discussing this issue, not one against the other, but in all recognizing that what we are talking about is education. This country is going to be just as strong as the level of that superior education that we are going to be able to maintain in order to have, if we are going to maintain our ability to be competitive.

We cannot continue the way we are going. We cannot ignore that we

are putting a lot of people in jail that have no access to education. We cannot ignore the fact that we have to improve this public school system. I guess at best that we are saying that as we compete for limited funds, where do you want to give the priority? No matter how much we say that those funds belong to the taxpayer, we have a very complicated system in the bill before us in order to get that money in any way to improve the quality of education.

Basically, what we are saying is parents know best. If they have the disposable income, let them save and we will be able to take the interest and do some things that, one way or the other, would be supportive of education.

My approach is entirely different. My approach says, where is the problem and how can we fix it? My approach says, let us get away from the bureaucracy and doing things like we used to do and bring in people that ultimately have to say who they need to work for them if they are going to be effective and productive. Those are the people that are hiring the people, not just graduates, but hopefully graduates that can produce something.

If these local communities that are in trouble, and it is described that they are, and you all do not have to be poor, but if you come from communities where you find students who are not making it, they make application and go into partnership with these business people, set the criteria for the curriculum, if the teachers cannot teach it, they help them to teach it and based on existing law, expand the opportunity so that bonds can be issued where the interest rates will be subsidized by credits and we can rebuild these schools, we can retrain these teachers, we can produce not only those who get diplomas, but produce kids who will be able to get jobs.

It just seems to me that no matter how much we have to support the private sector, and no one should have anything against it, that we should not be able to take the limited resources to do that until we are certain that there is a public school system there that American kids who do not have the choices, so many of whom ended up in this Congress, would at least be able to say, we have a strong public school system.

I am not asking that the labor leaders or that the politicians dictate what is going to be taught in these schools. I am asking that the partnership be with those entrepreneurs who know what they need to be competitive with foreign trade partners and we cannot do it alone.

It seems to me it is bipartisan. The Speaker, no one more than he helped to get this concept in the bill. The President yielded to make certain that it was there. The chairman of the committee, so we do have \$400 million there that can be leveraged. But if we were able to take the resources that we are talking about now that can be used

only by families who do have the disposable income and to be able to say, let us have something that is good expanded, I suggest to my colleagues, it would be a higher priority.

Mr. NUSSLE. Mr. Speaker, I want to thank the distinguished ranking member of my committee, the Committee on Ways and Means, for the way he has also conducted this debate. It is a very important issue that he brings up. I ask our distinguished majority leader to close the debate for our side. I would point out that he is not only our distinguished majority leader, but he is also a teacher and a father.

Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY].

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized for 9½ minutes.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Iowa for yielding me the time. More important than being a teacher and a father, I am proud today to tell my colleagues, I am a grandfather as well.

I would like to compliment everybody that has participated in this debate today and compliment on both sides of the aisle for the interest and the concern that we have shown here.

I know the gentleman from New York (Mr. RANGEL) well. I know the gentleman from New York is also a father and a grandfather. As I look at the gentleman from New York, probably a great grandfather. But in any event, whatever the generation, I have no doubt in my mind of the love for the children that can be found with the gentleman from New York.

I believe that to be the case of all of us. We are all concerned in this country. Every one of us is concerned about the schools of this Nation and the extent to which they are in all too many cases failing our children. While we have that concern, we should stop and remind ourselves, most of the schools in most of the communities are doing very well by our children. Most of the communities are blessed with what they have. Most of the teachers are very dedicated to these children. And most of the teachers should be appreciated and treasured for their devotion to the children.

□ 1500

But we have instances where there is heartbreaking failure. Many people try to address this heartbreaking failure, and not the least of the people who have tried to do so is a person named Howard Fuller, who is the former superintendent of Milwaukee's public schools.

Howard Fuller has devoted his professional life to the schools and to the children, and he has examined all the options that come along. He has tried everything he was able to, and after a lifetime's work, he gives us some advice.

He says: "If you are in a system, as I was as a superintendent, demanding

change, but everyone there is clear that whether a single child learns or not, everyone is going to get paid, if everybody is clear that in schools that have never educated kids, each year, you are going to put more kids in there, there is not one single thing I can do about it, and all the rhetoric in the world is not going to change that."

Mr. Fuller goes on to say: "What I am saying is simply this, I think you have got to have a series of options for parents. I support charter schools. I support site-based management—that is real site-based management. I support anything that changes the options for parents. But I am here to say that if one of those options is not choice that gives poor parents a way to leave, the kind of pressure that you need internally is simply not to occur."

We are inspired by Mr. Fuller's observations. We believe that what we need is parents to have an intimate control over where their child goes to school.

Now, most of us do that. I represent the suburbs of Dallas. School choice is not a very important matter for my constituents. They have made that decision by where it is they have found their home. And I can tell my colleagues that when they come into the community, as anyone does when they go into any community, every family asks, and it is very important, what are the schools like? But sometimes, because of mobility-related, or perhaps job-related, or lack of employment, people find themselves incapable of moving out of a community where they know the schools to be failures and they are incapable of finding the solution to fixing the schools that are failing their children, incapable of having in their own right the money that is necessary to take them to an alternative school.

So we tried school scholarships for some of these parents. We were resisted on that. That would be for the very, very most poor parents. We intend to do that. Those parents should have the opportunity to achieve a scholarship.

We have other parents who stand right on the cusp of being able to, and they anticipate and they know that if they can get started and they can put the savings up, when their little one is at the right age, they will be able to use their own savings to exercise school choice.

I talked to somebody the other day. I said, I thought very few people with much income in Washington, DC, have their children in the public schools. If they have the income, they will move them out to a private school alternative. One person said, well, that is true; another said that is not true, some of us leave our children in there.

Most parents think more of their children. Most parents are not going to sacrifice their children to a bad school in the interest of what feeble effort that child's presence can make to the rehabilitation of the school. Most parents want to grab their children and run. Most parents know what their

child needs, cares about the child having what it needs, and desperately invests their life's hopes and dreams and prayers in the child.

Most parents realize that if only they can find a way to get their child out of this trap, the little guy has only got 1 year to be in the third grade. He has to get it right now. They cannot afford to see him lose that time. They do not want him losing his time falling behind. They want the school for his little brother, when they get him there, they want the school to be sound 4 or 5 years from now, if that is what it takes, that is great, but now their little guy has to have some chance.

We have tried these different approaches to say to moms and dads that we understand the love they have for that child. We know that they want to go into their twilight years and look at their adult youngster and say the boy is living our dream; he is happy, he is well educated, he is able, he has his own family, he has good civic skills, and we made that happen.

And while I respect very deeply the gentleman from New York's commitment to brick and mortar, I respect even more deeply the commitment of the parents of this Nation to doing what they must do, and what I can do now for my grandbaby. And this Government must know that goodness in these parents; must have the decency to respect that goodness in these parents; must respond with exactly the kind of measure that is brought to the floor that says to the parents of America, moms and dads, we know two things about this matter and we are bound to respect them: These are your children and that is your money. You are the best judge. You have the love for that child. You are making the commitment. You invested the dream and you invested the prayer in that child.

If this Government cannot stand up and proudly honor that, this Government does not deserve to represent those moms and those dads and those children.

I ask my colleagues, please, out of the respect for the parents in America that says that they need to have their right to exercise choice over their child's entire life now, please respect that, vote "no" on the substitute, pass this bill, and do it as a matter of honor and respect for the parents who we should cherish so much.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the amendment offered by the gentleman from New York [Mr. RANGEL].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 199, nays 224, not voting 10, as follows:

[Roll No. 523]

YEAS—199

Abercrombie	Gutierrez	Nadler
Ackerman	Hall (OH)	Neal
Allen	Hamilton	Oberstar
Andrews	Harman	Obey
Baesler	Hastings (FL)	Olver
Baldacci	Hefner	Ortiz
Barcia	Hilliard	Owens
Barrett (WI)	Hinchev	Pallone
Becerra	Hinojosa	Pascarell
Bentsen	Holden	Pastor
Berry	Hooley	Payne
Bishop	Hoyer	Pelosi
Blagojevich	Jackson (IL)	Pickett
Blumenauer	Jackson-Lee	Pomeroy
Bonior	(TX)	Poshard
Borski	Jefferson	Price (NC)
Boswell	John	Rahall
Boucher	Johnson (CT)	Rangel
Boyd	Johnson (WI)	Reyes
Brown (CA)	Johnson, E. B.	Rivers
Brown (FL)	Kanjorski	Rodriguez
Brown (OH)	Kaptur	Roemer
Cardin	Kennedy (MA)	Rothman
Carson	Kennedy (RI)	Roybal-Allard
Clay	Kennelly	Rush
Clayton	Kildee	Sanchez
Clement	Kilpatrick	Sanders
Clyburn	Kind (WI)	Sandlin
Condit	Kleczka	Sawyer
Conyers	Klink	Schumer
Costello	Kucinich	Scott
Coyne	LaFalce	Serrano
Cramer	Lampson	Sherman
Cummings	Lantos	Sisisky
Danner	Levin	Skaggs
Davis (FL)	Lewis (GA)	Skelton
Davis (IL)	Lofgren	Slaughter
DeFazio	Lowey	Smith, Adam
DeGette	Luther	Snyder
Delahunt	Maloney (CT)	Spratt
DeLauro	Maloney (NY)	Stabenow
Dellums	Manton	Stark
Deutsch	Markey	Stenholm
Dicks	Martinez	Stokes
Dingell	Mascara	Strickland
Dixon	Matsui	Stupak
Doggett	McCarthy (MO)	Tanner
Dooley	McCarthy (NY)	Tauscher
Doyle	McDermott	Taylor (MS)
Edwards	McGovern	Thompson
Engel	McHale	Thurman
Eshoo	McHugh	Tierney
Etheridge	McIntyre	Torres
Evans	McKinney	Towns
Farr	McNulty	Traficant
Fattah	Meehan	Turner
Fazio	Meek	Velazquez
Filner	Menendez	Vento
Ford	Millender-	Waters
Frank (MA)	McDonald	Watt (NC)
Frost	Miller (CA)	Waxman
Furse	Minge	Wexler
Gejdenson	Mink	Weygand
Gephardt	Moakley	Wise
Goode	Mollohan	Woolsey
Gordon	Moran (VA)	Wynn
Green	Murtha	Yates

NAYS—224

Aderholt	Bunning	Crapo
Archer	Burr	Cunningham
Armey	Burton	Davis (VA)
Bachus	Buyer	Deal
Baker	Callahan	DeLay
Ballenger	Calvert	Diaz-Balart
Barr	Camp	Dickey
Barrett (NE)	Campbell	Doolittle
Bartlett	Canady	Dreier
Barton	Cannon	Duncan
Bass	Castle	Dunn
Bateman	Chabot	Ehlers
Bereuter	Chambless	Ehrlich
Bilbray	Chenoweth	Emerson
Bilirakis	Christensen	English
Bliley	Coble	Ensign
Blunt	Coburn	Everett
Boehrlert	Collins	Ewing
Boehner	Combust	Fawell
Bonilla	Cook	Foley
Bono	Cooksey	Forbes
Brady	Cox	Fowler
Bryant	Crane	Fox

Franks (NJ)	Lewis (CA)
Frelinghuysen	Lewis (KY)
Galleghy	Linder
Ganske	Lipinski
Gekas	Livingston
Gibbons	LoBiondo
Gilchrest	Lucas
Gillmor	Manzullo
Gilman	McCollum
Goodlatte	McCrery
Goodling	McDade
Goss	McInnis
Graham	McKeon
Granger	Metcalf
Greenwood	Mica
Gutknecht	Miller (FL)
Hall (TX)	Moran (KS)
Hansen	Morella
Hastert	Myrick
Hastings (WA)	Nethercutt
Hayworth	Neumann
Hefley	Ney
Herger	Northup
Hill	Norwood
Hilleary	Nussle
Hobson	Oxley
Hoekstra	Packard
Horn	Pappas
Hostettler	Parker
Hulshof	Paul
Hunter	Paxon
Hutchinson	Pease
Hyde	Peterson (MN)
Inglis	Peterson (PA)
Istook	Petri
Jenkins	Pickering
Johnson, Sam	Pitts
Jones	Pombo
Kasich	Porter
Kelly	Portman
Kim	Pryce (OH)
King (NY)	Quinn
Kingston	Radanovich
Klug	Ramstad
Knollenberg	Redmond
Kolbe	Regula
LaHood	Riggs
Largent	Riley
Latham	Rogan
LaTourette	Rogers
Lazio	Rohrabacher
Leach	Ros-Lehtinen

NOT VOTING—10

Berman	Foglietta	Schiff
Capps	Gonzalez	Visclosky
Cubin	Houghton	
Flake	McIntosh	

□ 1527

The Clerk announced the following pair:

On this vote:

Mr. Capps for, with Mrs. Cubin against.

Messrs. BILBRAY, ADERHOLT and LIPINSKI changed their vote from "yea" to "nay."

Mr. GORDON and Mr. MOLLOHAN changed their vote from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CAPPS. Mr. Speaker, on rollcall No. 523, the Rangel amendment to H.R. 2646, I was unavoidably detained because of a scheduled meeting in the White House. Had I been present, I would have voted "yea."

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to House Resolution 274, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RANGEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 230, nays 198, not voting 6, as follows:

[Roll No. 524]

YEAS—230

Aderholt	Gibbons	Pappas
Archer	Gilchrest	Parker
Armey	Gillmor	Paxon
Bachus	Gilman	Pease
Baker	Gingrich	Peterson (PA)
Ballenger	Goode	Petri
Barr	Goodlatte	Pickering
Bartlett	Goodling	Pitts
Barton	Goss	Pombo
Bass	Graham	Porter
Bereuter	Granger	Portman
Bilbray	Greenwood	Pryce (OH)
Bilirakis	Gutknecht	Quinn
Bishop	Hall (OH)	Radanovich
Bliley	Hall (TX)	Radstad
Blunt	Hansen	Redmond
Boehner	Hastert	Regula
Bonilla	Hastings (WA)	Riggs
Bono	Hayworth	Riley
Boyd	Hefley	Rogan
Brady	Herger	Rogers
Bryant	Hill	Rohrabacher
Bunning	Hilleary	Ros-Lehtinen
Burr	Hobson	Roukema
Burton	Hoekstra	Royce
Buyer	Horn	Ryan
Callahan	Hostettler	Salmon
Calvert	Hulshof	Sanford
Camp	Hunter	Saxton
Campbell	Hutchinson	Scarborough
Canady	Hyde	Schaefer, Dan
Cannon	Inglis	Schaefer, Bob
Castle	Istook	Sensenbrenner
Chabot	Jenkins	Sessions
Chambless	Johnson, Sam	Shadegg
Chenoweth	Jones	Shaw
Christensen	Kasich	Shays
Clement	Kelly	Shimkus
Coble	Kim	Shuster
Coburn	King (NY)	Skeen
Collins	Kingston	Smith (MI)
Combust	Klug	Smith (NJ)
Condit	Knollenberg	Smith (OR)
Cook	Kolbe	Smith (TX)
Cooksey	LaHood	Smith, Linda
Cox	Largent	Snowbarger
Crane	Latham	Solomon
Crapo	LaTourette	Souder
Cunningham	Lazio	Spence
Danner	Leach	Stearns
Davis (VA)	Lewis (CA)	Stump
Deal	Lewis (KY)	Sununu
DeLay	Linder	Talent
Diaz-Balart	Lipinski	Tanner
Dickey	Livingston	Tauscher
Doolittle	Lucas	Tauzin
Dreier	Manzullo	Taylor (MS)
Duncan	McCollum	Taylor (NC)
Dunn	McCrery	Thomas
Ehlers	McDade	Thornberry
Ehrlich	McHale	Thune
Emerson	McInnis	Tiahrt
English	McKeon	Upton
Ensign	Metcalf	Walsh
Everett	Mica	Wamp
Ewing	Miller (FL)	Watkins
Fawell	Moran (KS)	Watts (OK)
Flake	Moran (VA)	Weldon (PA)
Foley	Myrick	Weldon (FL)
Forbes	Nethercutt	Weller
Fowler	Neumann	White
Fox	Ney	Whitfield
Franks (NJ)	Northup	Wicker
Frelinghuysen	Norwood	Wolf
Galleghy	Nussle	Young (AK)
Ganske	Oxley	Young (FL)
Gekas	Packard	

NAYS—198

Abercrombie	Baldacci	Becerra
Ackerman	Barcia	Bentsen
Allen	Barrett (NE)	Berman
Andrews	Barrett (WI)	Berry
Baesler	Bateman	Blagojevich

Blumenauer	Hoyer	Owens
Boehlert	Jackson (IL)	Pallone
Bonior	Jackson-Lee	Pascarell
Borski	(TX)	Pastor
Boswell	Jefferson	Paul
Boucher	John	Payne
Brown (CA)	Johnson (CT)	Pelosi
Brown (FL)	Johnson (WI)	Peterson (MN)
Brown (OH)	Johnson, E. B.	Pickett
Capps	Kanjorski	Pomeroy
Cardin	Kaptur	Poshard
Carson	Kennedy (MA)	Price (NC)
Clay	Kennedy (RI)	Rahall
Clayton	Kennelly	Rangel
Clyburn	Kildee	Reyes
Conyers	Kilpatrick	Rivers
Costello	Kind (WI)	Rodriguez
Coyne	Klecicka	Roemer
Cramer	Klink	Rothman
Cummings	Kucinich	Roybal-Allard
Davis (FL)	LaFalce	Rush
Davis (IL)	Lampson	Sabo
DeFazio	Lantos	Sanchez
DeGette	Levin	Sanders
Delahunt	Lewis (GA)	Sandlin
DeLauro	LoBiondo	Sawyer
Dellums	Lofgren	Schumer
Deutsch	Lowey	Scott
Dicks	Luther	Serrano
Dingell	Maloney (CT)	Sherman
Dixon	Maloney (NY)	Sisisky
Doggett	Manton	Skaggs
Dooley	Markey	Skelton
Doyle	Martinez	Slaughter
Edwards	Mascara	Smith, Adam
Engel	Matsui	Snyder
Eshoo	McCarthy (MO)	Spratt
Etheridge	McCarthy (NY)	Stabenow
Evans	McDermott	Stark
Farr	McGovern	Stenholm
Fattah	McHugh	Stokes
Fazio	McIntyre	Strickland
Filner	McKinney	Stupak
Foglietta	McNulty	Thompson
Ford	Meehan	Thurman
Frank (MA)	Meek	Tierney
Frost	Menendez	Torres
Furse	Millender-	Towns
Gejdenson	McDonald	Traficant
Gephardt	Miller (CA)	Turner
Gordon	Minge	Velazquez
Green	Mink	Vento
Gutierrez	Moakley	Waters
Hamilton	Mollohan	Watt (NC)
Harman	Morella	Waxman
Hastings (FL)	Murtha	Wexler
Hefner	Nadler	Weygand
Hilliard	Neal	Wise
Hinches	Oberstar	Woolsey
Hinojosa	Obey	Wynn
Holden	Olver	Yates
Hooley	Ortiz	

NOT VOTING—6

Cubin	Houghton	Schiff
Gonzalez	McIntosh	Visclosky

□ 1553

Mr. BERMAN changed his vote from "yea" to "nay."

Mr. HALL of Texas changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 1119, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. SPENCE submitted the following conference report and statement on the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. 105-340)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1998".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Organization of Act into divisions; table of contents.

Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.

Sec. 102. Navy and Marine Corps.

Sec. 103. Air Force.

Sec. 104. Defense-wide activities.

Sec. 105. Reserve components.

Sec. 106. Defense Inspector General.

Sec. 107. Chemical Demilitarization Program.

Sec. 108. Defense health programs.

Sec. 109. Defense Export Loan Guarantee Program.

Subtitle B—Army Programs

Sec. 111. Army helicopter modernization plan.

Sec. 112. Multiyear procurement authority for specified Army programs.

Sec. 113. M113 vehicle modifications.

Subtitle C—Navy Programs

Sec. 121. New Attack Submarine program.

Sec. 122. CVN-77 nuclear aircraft carrier program.

Sec. 123. Exclusion from cost limitation for Seawolf submarine program.

Subtitle D—Air Force Programs

Sec. 131. Authorization for B-2 bomber program.

Sec. 132. ALR radar warning receivers.

Sec. 133. Analysis of requirements for replacement of engines on military aircraft derived from Boeing 707 aircraft.

Subtitle E—Other Matters

Sec. 141. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.

Sec. 142. NATO Joint Surveillance/Target Attack Radar System.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.

Sec. 202. Amount for basic and applied research.

Sec. 203. Dual-use technology program.

Sec. 204. Reduction in amount for Federally Funded Research and Development Centers.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Manufacturing technology program.

Sec. 212. Report on operational field assessments program.

Sec. 213. Joint Strike Fighter program.

Sec. 214. Kinetic energy tactical anti-satellite technology program.

Sec. 215. Micro-satellite technology development program.

Sec. 216. High altitude endurance unmanned vehicle program.

Sec. 217. F-22 aircraft program.

Subtitle C—Ballistic Missile Defense Programs

Sec. 231. National Missile Defense Program.

Sec. 232. Budgetary treatment of amounts for procurement for ballistic missile defense programs.

Sec. 233. Cooperative Ballistic Missile Defense program.

Sec. 234. Annual report on threat posed to the United States by weapons of mass destruction, ballistic missiles, and cruise missiles.

Sec. 235. Director of Ballistic Missile Defense Organization.

Sec. 236. Repeal of required deployment dates for core theater missile defense programs

Subtitle D—Other Matters

Sec. 241. Restructuring of National Oceanographic Partnership Program organizations.

Sec. 242. Maintenance and repair of real property at Air Force installations.

Sec. 243. Expansion of eligibility for the Defense Experimental Program to Stimulate Competitive Research.

Sec. 244. Bioassay testing of veterans exposed to ionizing radiation during military service.

Sec. 245. Sense of Congress regarding Comanche program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.

Sec. 302. Working capital funds.

Sec. 303. Armed Forces Retirement Home.

Sec. 304. Fisher House Trust Funds.

Sec. 305. Transfer from National Defense Stockpile Transaction Fund.

Sec. 306. Refurbishment of M1-A1 tanks.

Sec. 307. Operation of prepositioned fleet, National Training Center, Fort Irwin, California.

Sec. 308. Refurbishment and installation of air search radar.

Sec. 309. Contracted training flight services.

Sec. 310. Procurement technical assistance programs.

Sec. 311. Operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

Sec. 321. Monthly reports on allocation of funds within operation and maintenance budget subactivities.

Sec. 322. Expansion of scope of quarterly readiness reports.

Sec. 323. Semiannual reports on transfers from high-priority readiness appropriations.

Sec. 324. Annual report on aircraft inventory.

Sec. 325. Administrative actions adversely affecting military training or other readiness activities.

Sec. 326. Common measurement of operations tempo and personnel tempo.

Sec. 327. Inclusion of Air Force depot maintenance as operation and maintenance budget line items.