

106TH CONGRESS  
1ST SESSION

# S. 1512

To provide educational opportunities for disadvantaged children, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

AUGUST 5, 1999

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide educational opportunities for disadvantaged children, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3               **TITLE I—EDUCATIONAL**  
4               **OPPORTUNITIES**

5       **SEC. 101. PURPOSES.**

6               The purposes of this title are—

7                       (1) to assist States to—

8                               (A) give children from low-income families

9                               the same choices among all elementary and sec-

1           ondary schools and other academic programs as  
2           children from wealthier families already have;

3                   (B) improve schools and other academic  
4           programs by giving parents in low-income fami-  
5           lies increased consumer power to choose the  
6           schools and programs that the parents deter-  
7           mine best fit the needs of their children; and

8                   (C) more fully engage parents in their chil-  
9           dren's schooling; and

10           (2) to demonstrate, through a 3-year national  
11       grant program, the effects of a voucher program  
12       that gives parents in low-income families—

13                   (A) choice among public, private, and reli-  
14       gious schools for their children; and

15                   (B) access to the same academic options as  
16       parents in wealthy families have for their chil-  
17       dren.

18   **SEC. 102. AUTHORIZATION OF APPROPRIATIONS.**

19       (a) IN GENERAL.—There is authorized to be appro-  
20   priated to carry out this title (other than section 110)  
21   \$1,800,000,000 for each of fiscal years 2001 through  
22   2003.

23       (b) EVALUATION.—There is authorized to be appro-  
24   priated to carry out section 110 \$17,000,000 for fiscal  
25   years 2001 through 2004.

1 **SEC. 103. PROGRAM AUTHORITY.**

2 (a) IN GENERAL.—The Secretary shall make grants  
3 to States, from allotments made under section 104 to en-  
4 able the States to carry out educational choice programs  
5 that provide scholarships, in accordance with this title.

6 (b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDI-  
7 TURES.—The Secretary may reserve not more than  
8 \$1,000,000 of the amounts appropriated under section  
9 102(a) for a fiscal year to pay for the costs of admin-  
10 istering this title.

11 **SEC. 104. ALLOTMENTS TO STATES.**

12 (a) ALLOTMENTS.—The Secretary shall make the al-  
13 lotments to States in accordance with a formula specified  
14 in regulations issued in accordance with subsection (b).  
15 The formula shall provide that the Secretary shall allot  
16 to each State an amount that bears the same relationship  
17 to the amounts appropriated under section 102(a) for a  
18 fiscal year (other than funds reserved under section  
19 103(b)) as the number of covered children in the State  
20 bears to the number of covered children in all such States.

21 (b) FORMULA.—Not later than 90 days after the date  
22 of enactment of this Act, the Secretary shall issue regula-  
23 tions specifying the formula referred to in subsection (a).

24 (c) LIMIT ON STATE ADMINISTRATIVE EXPENDI-  
25 TURES.—The State may reserve not more than 1 percent

1 of the funds made available through the State allotment  
 2 to pay for the costs of administering this title.

3 (d) DEFINITION.—In this section, the term “covered  
 4 child” means a child who is enrolled in a public school  
 5 (including a charter school) that is an elementary school  
 6 or secondary school.

7 **SEC. 105. ELIGIBLE SCHOOLS.**

8 (a) ELIGIBILITY.—

9 (1) IN GENERAL.—Schools identified by a State  
 10 under paragraph (2) shall be considered to be eligi-  
 11 ble schools under this title.

12 (2) DETERMINATION.—Not later than 180 days  
 13 after the date the Secretary issues regulations under  
 14 section 104(b), each State shall identify the public  
 15 elementary schools and secondary schools in the  
 16 State that are at or below the 25th percentile for  
 17 academic performance of schools in the State.

18 (b) PERFORMANCE.—The State shall determine the  
 19 academic performance of a school under this section based  
 20 on such criteria as the State may consider to be appro-  
 21 priate.

22 **SEC. 106. SCHOLARSHIPS.**

23 (a) IN GENERAL.—

24 (1) SCHOLARSHIP AWARDS.—With funds  
 25 awarded under this title, each State awarded a grant

1 under this title shall provide scholarships to the par-  
2 ents of eligible children, in accordance with sub-  
3 sections (b) and (c). The State shall ensure that the  
4 scholarships may be redeemed for elementary or sec-  
5 ondary education for the children at any of a broad  
6 variety of public and private schools, including reli-  
7 gious schools, in the State.

8 (2) SCHOLARSHIP AMOUNT.—The amount of  
9 each scholarship shall be \$2000 per year.

10 (3) TAX EXEMPTION.—Scholarships awarded  
11 under this title shall not be considered income of the  
12 parents for Federal income tax purposes or for de-  
13 termining eligibility for any other Federal program.

14 (b) ELIGIBLE CHILDREN.—To be eligible to receive  
15 a scholarship under this title, a child shall be—

16 (1) a child who is enrolled in a public elemen-  
17 tary school or secondary school that is an eligible  
18 school; and

19 (2) a member of a family with a family income  
20 that is not more than 200 percent of the poverty  
21 line.

22 (c) AWARD RULES.—

23 (1) PRIORITY.—In providing scholarships under  
24 this title, the State shall provide scholarships for eli-  
25 gible children through a lottery system administered

1 for all eligible schools in the State by the State edu-  
2 cational agency.

3 (2) CONTINUING ELIGIBILITY.—Each State re-  
4 ceiving a grant under this title to carry out an edu-  
5 cational choice program shall provide a scholarship  
6 in each year of the program to each child who re-  
7 ceived a scholarship during the previous year of the  
8 program, unless—

9 (A) the child no longer resides in the area  
10 served by an eligible school;

11 (B) the child no longer attends school;

12 (C) the child's family income exceeds, by  
13 20 percent or more, 200 percent of the poverty  
14 line; or

15 (D) the child is expelled or convicted of a  
16 felony, including felonious drug possession, pos-  
17 session of a weapon on school grounds, or a vio-  
18 lent act against an other student or a member  
19 of the school's faculty.

20 **SEC. 107. USES OF FUNDS.**

21 Any scholarship awarded under this title for a year  
22 shall be used—

23 (1) first, for—

1 (A) the payment of tuition and fees at the  
2 school selected by the parents of the child for  
3 whom the scholarship was provided; and

4 (B) the reasonable costs of the child's  
5 transportation to the school, if the school is not  
6 the school to which the child would be assigned  
7 in the absence of a program under this title;

8 (2) second, if the parents so choose, to obtain  
9 supplementary academic services for the child, at a  
10 cost of not more than \$500, from any provider cho-  
11 sen by the parents, that the State determines is ca-  
12 pable of providing such services and has an appro-  
13 priate refund policy; and

14 (3) finally, for educational programs that help  
15 the eligible child achieve high levels of academic ex-  
16 cellence in the school attended by the eligible child,  
17 if the eligible child chooses to attend a public school.

18 **SEC. 108. STATE REQUIREMENT.**

19 A State that receives a grant under this title shall  
20 allow lawfully operating public and private elementary  
21 schools and secondary schools, including religious schools,  
22 if any, serving the area involved to participate in the pro-  
23 gram.

1 **SEC. 109. EFFECT OF PROGRAMS.**

2 (a) TITLE I.—Notwithstanding any other provision  
3 of law, if a local educational agency in the State would,  
4 in the absence of an educational choice program that is  
5 funded under this title, provide services to a participating  
6 eligible child under part A of title I of the Elementary  
7 and Secondary Education Act of 1965 (20 U.S.C. 6311  
8 et seq.), the State shall ensure the provision of such serv-  
9 ices to such child.

10 (b) INDIVIDUALS WITH DISABILITIES.—Nothing in  
11 this title shall be construed to affect the requirements of  
12 part B of the Individuals with Disabilities Education Act  
13 (20 U.S.C. 1411 et seq.).

14 (c) AID.—

15 (1) IN GENERAL.—Scholarships under this title  
16 shall be considered to aid families, not institutions.  
17 For purposes of determining Federal assistance  
18 under Federal law, a parent's expenditure of schol-  
19 arship funds under this title at a school or for sup-  
20plementary academic services shall not constitute  
21 Federal financial aid or assistance to that school or  
22 to the provider of supplementary academic services.

23 (2) SUPPLEMENTARY ACADEMIC SERVICES.—

24 (A) IN GENERAL.—Notwithstanding para-  
25 graph (1), a school or provider of supple-  
26mentary academic services that receives scholar-



1 ship funds under this title shall, as a condition  
2 of participation under this title, comply with the  
3 provisions of title VI of the Civil Rights Act of  
4 1964 (42 U.S.C. 2000d et seq.) and section  
5 504 of the Rehabilitation Act of 1973 (29  
6 U.S.C. 794).

7 (B) REGULATIONS.—The Secretary shall  
8 promulgate regulations to implement the provi-  
9 sions of subparagraph (A), taking into account  
10 the purposes of this title and the nature, vari-  
11 ety, and missions of schools and providers that  
12 may participate in providing services to children  
13 under this title.

14 (d) OTHER FEDERAL FUNDS.—No Federal, State, or  
15 local agency may, in any year, take into account Federal  
16 funds provided to a State or to the parents of any child  
17 under this title in determining whether to provide any  
18 other funds from Federal, State, or local resources, or in  
19 determining the amount of such assistance, to such State  
20 or to a school attended by such child.

21 (e) NO DISCRETION.—Nothing in this title shall be  
22 construed to authorize the Secretary to exercise any direc-  
23 tion, supervision, or control over the curriculum, program  
24 of instruction, administration, or personnel of any edu-

1 cational institution or school participating in a program  
2 under this title.

3 **SEC. 110. EVALUATION.**

4 The Comptroller General of the United States shall  
5 conduct an evaluation of the program authorized by this  
6 title. Such evaluation shall, at a minimum—

7 (1) assess the implementation of educational  
8 choice programs assisted under this title and their  
9 effect on participants, schools, and communities in  
10 the school districts served, including parental in-  
11 volvement in, and satisfaction with, the program and  
12 their children's education;

13 (2) compare the educational achievement of  
14 participating eligible children with the educational  
15 achievement of similar non-participating children be-  
16 fore, during, and after the program; and

17 (3) compare—

18 (A) the educational achievement of eligible  
19 children who use scholarships to attend schools  
20 other than the schools the children would at-  
21 tend in the absence of the program; with

22 (B) the educational achievement of chil-  
23 dren who attend the schools the children would  
24 attend in the absence of the program.

1 **SEC. 111. ENFORCEMENT.**

2 (a) REGULATIONS.—The Secretary shall promulgate  
3 regulations to enforce the provisions of this title.

4 (b) PRIVATE CAUSE.—No provision or requirement  
5 of this title shall be enforced through a private cause of  
6 action.

7 **SEC. 112. DEFINITIONS.**

8 In this title:

9 (1) CHARTER SCHOOL.—The term “charter  
10 school” has the meaning given the term in section  
11 10310 of the Elementary and Secondary Education  
12 Act of 1965 (as redesignated in section 3(g) of Pub-  
13 lic Law 105–278; 112 Stat. 2687).

14 (2) ELEMENTARY SCHOOL; LOCAL EDU-  
15 CATIONAL AGENCY; PARENT; SECONDARY SCHOOL;  
16 STATE EDUCATIONAL AGENCY.—The terms “elemen-  
17 tary school”, “local educational agency”, “parent”,  
18 “secondary school”, and “State educational agency”  
19 have the meanings given the terms in section 14101  
20 of the Elementary and Secondary Education Act of  
21 1965 (20 U.S.C. 8801).

22 (3) POVERTY LINE.—The term “poverty line”  
23 means the poverty line (as defined by the Office of  
24 Management and Budget, and revised annually in  
25 accordance with section 673(2) of the Community

1 Services Block Grant Act (42 U.S.C. 9902(2))) ap-  
 2 plicable to a family of the size involved.

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

5 (5) STATE.—The term “State” means each of  
 6 the 50 States.

## 7 **TITLE II—REVENUE PROVISIONS**

### 8 **SEC. 201. PHASEOUT OF OIL AND GAS EXPENSING OF** 9 **DRILLING AND DEVELOPMENT COSTS.**

10 Section 263(c) of the Internal Revenue Code of 1986  
 11 is amended by adding at the end the following new sen-  
 12 tence: “This subsection shall not apply to the applicable  
 13 percentage of costs incurred in taxable years beginning  
 14 after December 31, 1999. For purposes of the preceding  
 15 sentence, the applicable percentage for any taxable year  
 16 shall be determined in accordance with the following table:

<b>“In the case of any taxable    The applicable percentage is— year beginning in—</b>	
2000 .....	20
2001 .....	40
2002 .....	60
2003 .....	80
After 2003 .....	100.”

### 17 **SEC. 202. SUNSET OF ALCOHOL FUELS INCENTIVES.**

18 (a) IN GENERAL.—The following provisions of the In-  
 19 ternal Revenue Code of 1986 are each repealed:

20 (1) Section 40 (relating to alcohol used as fuel).

21 (2) Section 4041(b)(2) (relating to qualified  
 22 methanol and ethanol).

1           (3) Section 4041(k) (relating to fuels con-  
2           taining alcohol).

3           (4) Section 4081(c) (relating to taxable fuels  
4           mixed with alcohol).

5           (5) Section 4091(c) (relating to reduced rate of  
6           tax for aviation fuel in alcohol mixture, etc.).

7           (6) Section 6427(f) (relating to gasoline, diesel  
8           fuel, kerosene, and aviation fuel used to produce cer-  
9           tain alcohol fuels).

10          (7) The headings 9901.00.50 and 9901.00.52  
11          of the Harmonized Tariff Schedule of the United  
12          States (19 U.S.C. 3007).

13          (b) EFFECTIVE DATE.—The repeals made by sub-  
14          section (a) shall take effect on October 1, 1999.

15       **SEC. 203. REPEAL OF ENHANCED OIL RECOVERY CREDIT.**

16          Section 43 of the Internal Revenue Code of 1986 is  
17          amended by adding at the end the following:

18          “(f) TERMINATION.—In the case of taxable years be-  
19          ginning after December 31, 1999, the enhanced oil recov-  
20          ery credit is zero.”.

21       **SEC. 204. REPEAL OF UNLIMITED PASSIVE LOSS DEDUC-**  
22       **TIONS FOR OIL AND GAS PROPERTIES.**

23          Section 469(c)(3) of the Internal Revenue Code of  
24          1986 (relating to working interests in oil and gas prop-  
25          erty) is amended by adding at the end the following:

1                   “(C) TERMINATION.—This paragraph shall  
 2                   not apply with respect to any taxable year be-  
 3                   ginning after December 31, 1999.”

4 **SEC. 205. SUGAR PROGRAM.**

5           (a) ELIMINATION OF AUTHORITY TO USE SUGAR AS  
 6 COLLATERAL FOR LOANS.—Section 156 of the Agricul-  
 7 tural Market Transition Act (7 U.S.C. 7272) is  
 8 amended—

9           (1) in subsection (d)—

10                   (A) by striking “(d)” and all that follows  
 11                   through “A loan under” and inserting “(d)  
 12                   TERM OF LOANS.—A loan under”;

13                   (B) by striking paragraph (2); and

14                   (C) by redesignating subparagraphs (A)  
 15                   and (B) as paragraphs (1) and (2), respectively,  
 16                   and indenting appropriately;

17                   (2) by striking subsection (g); and

18                   (3) by redesignating subsections (h) and (i) as  
 19                   subsections (g) and (h), respectively.

20           (b) ELIMINATION OF SUGAR PRICE SUPPORT AND  
 21 PRODUCTION ADJUSTMENT PROGRAMS.—

22                   (1) IN GENERAL.—Notwithstanding any other  
 23                   provision of law—

24                           (A) a processor of any of the 2003 or sub-  
 25                           sequent crops of sugarcane or sugar beets shall

not be eligible for a loan under any provision of law with respect to the crop; and

(B) the Secretary of Agriculture may not make price support available, whether in the form of a loan, payment, purchase, or other operation, for any of the 2003 and subsequent crops of sugar beets and sugarcane by using the funds of the Commodity Credit Corporation or other funds available to the Secretary.

(2) TERMINATION OF MARKETING QUOTAS AND ALLOTMENTS.—

(A) IN GENERAL.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(B) CONFORMING AMENDMENT.—Section 344(f)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1344(f)(2)) is amended by striking “sugar cane for sugar, sugar beets for sugar,”.

(3) GENERAL POWERS.—

(A) DESIGNATED NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking “milk, sugar beets, and sugarcane” and inserting “and milk”.

(B) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after “agricultural commodities” the following: “(other than sugar)”.

(C) SECTION 32 ACTIVITIES.—Section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), is amended in the second sentence of the first paragraph—

(i) in paragraph (1), by inserting “(other than sugar)” after “commodities”; and

(ii) in paragraph (3), by inserting “(other than sugar)” after “commodity”.

(4) TRANSITION PROVISIONS.—This subsection and the amendments made by this subsection shall not affect the liability of any person under any provision of law as in effect before the application of this subsection and the amendments made by this subsection.

(5) CROPS.—This subsection and the amendments made by this subsection shall apply beginning with the 2003 crop of sugar beets and sugarcane.

