

others, the space agency, the nuclear commission. All of these icons of Government need to be closely examined to see where is our money. The Department of Agriculture, which gives away money, has forgiven \$12 billion in debts to farmers, for Farmers Home Loan mortgages.

Mr. Speaker, it is tax time. It is a time we take seriously where the revenues come from and where the expenditures go. Every American ought to get involved. They ought to get involved with compassion and love and concern for their fellow man.

Mr. Speaker, I include Mr. Novak's article of April 15, 1996, for the RECORD:

[From the Washington Post, Apr. 15, 1996]

#### GOP DEFICIT TRAP

(By Robert D. Novak)

As Republican congressional leaders on March 28 were poised to flee Washington for a two-week Easter break, they failed to notice a "preliminary report" on the government's long-term fiscal outlook prepared by their own Congressional Budget Office (CBO). But President Clinton's eagle-eyed number crunchers quickly perused it and could scarcely contain their delight.

The report estimated the federal budget deficit for the year 2002 down to \$107 billion—miraculously, \$37 billion lower than the CBO number just three months earlier. Thus, the president and the Republicans are but a short, easy hop away from balancing the budget in seven years as measured by the CBO, as they each have agreed to attempt.

Good news? For Clinton, yes. For the Republicans, no. The hop to budget balance is too short and too easy. By this route, the deficit can be erased without one dime from entitlements—Social Security, Medicare, Medicaid and the like—whose immense growth could eventually ruin the economy. What's more, the deficit would be eliminated without downsizing the present massive structure of the federal government or relieving the onerous tax burden.

The Republicans are in a deficit trap. In their first experience controlling Congress in 40 years, they have gradually lost emphasis on revolutionary change in government by obsessing on the deficit. The president is on the brink of a major victory—achieving a zero deficit without significantly altering the federal leviathan and without providing real tax relief.

This became clear to Clinton's budget experts when they read the CBO's March 28 report forecasting the effects of a freeze at 1996 dollar levels of "discretionary" spending—amounts affected by the congressional appropriations process, as contrasted with entitlements.

The 2002 deficit estimate of \$107 billion was reduced from the \$144 billion in CBO's December 1995 update. Its reason: "largely" the piecemeal reductions in appropriations painstakingly passed by Congress that were not vetoed by Clinton. Assumed lower interest rates that would result from a balanced budget also were factored in.

The president's aides immediately telephoned their Republican counterparts in Congress, pointing out the new numbers and proposing: Let's get together now and make a seven-year budget deal!

The components of such a deal are not hard to envision: the small reductions in Medicare and Medicaid growth already proposed by Clinton, plus a few more cuts in discretionary spending. The package might also include a modest tax reduction (with some capital gains cuts) drafted by the Joint Tax Committee and tentatively endorsed by administration officials.

But Capitol Hill was empty of Republican policy-makers for the last two weeks, and what the White House was proposing was above the pay grade of GOP staffers still there. Such a budget deal would have far-reaching effects on the presidential election. Deficit reduction, budget-balancing and even tax reduction would be neutralized as issues for Republicans.

Senate Budget Committee Chairman Pete Domenici, campaigning for reelection in New Mexico, has been informed. So has Sheila Burke, chief of staff for Senate Majority Leader Robert J. Dole. House and Senate GOP budget staffers met last week.

But as Congress reconvenes this week, it is safe to say that there is no Republican policy for dealing with these numbers. In fact, only Bob Dole is in a position to make this decision now that he is the party's prospective presidential nominee.

In his long-accustomed role as a self-described "doer" rather than a "talker," the decision would be easy for Dole: Make the deal and accept the congratulatory signing pen from Bill Clinton at the Rose Garden.

It is more difficult now that he must confront Clinton in a broader arena. He must determine whether he will rule out a quick budget agreement and insist that the deficit is not everything and that it is essential to reduce entitlements and taxes for the sake of the economy.

He might even propose a package that adjusts the Consumer Price Index in a way that would cut entitlement payments but also increase tax payments, so that it would have to be accompanied by significant tax reductions. This course might rescue the Republicans from the deficit trap constructed by congressional leaders, including Bob Dole.

#### THE REPUBLICAN BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. GRAHAM] is recognized for 60 minutes.

Mr. GRAHAM. Mr. Speaker, I think probably a good lead-in to this debate is the last comment of the gentleman from New York [Mr. OWENS] that every American should get involved with what is going on in Congress, and I think compassion and understanding are very good guides to have, and I think reality needs to be in there somewhere.

Let us talk about the budget real quickly, then we are going to get into something near and dear to everyone's heart in this country, and that is education. The Federal role in it, what we have tried to do at the national level in this Congress, I think to improve education, and to have an effective delivery system that recognizes the need to educate our children, to balance the budget, and what role money should play in all that, what role the Federal Government should play.

Mr. Speaker, I find it very interesting that we can balance the budget and remove the deficit without affecting entitlements. That is very curious. I need to read the article by Mr. Novak. As I understand the dynamic that we are facing, two-thirds of the Federal budget that we deal with is on auto pilot. Sixteen percent of the Federal budget is interest payments. We paid more in 1997, will pay more in 1977 for

interest on the national debt than the entire Defense Department, over \$400 billion.

Forty cents of every individual income tax dollar collected in this country goes to pay the interest element of the national debt. Over 50 percent, I believe it is 51 percent of the Federal budget consists of entitlement spending, such as Medicare, Medicaid and welfare. Medicare has gone up 2,200 percent since 1980.

When we look at the Federal deficit and the national debt, the national debt is over \$5 trillion, and I ask people at home what a trillion is. It is a number, it is a term that really is beyond imagination. I think a lot of people can relate to a million. They may not have a million, I certainly do not. But they can relate to the concept of a million dollars. If you spent a million dollars a day, Mr. Speaker, it would take you 2700 years to spend 1 trillion. If you collected \$1 trillion in taxes from the American public, it is the equivalent of \$3,814 from every man, woman and child in America, and we know that every man, woman, and child in America is not paying taxes. So those of us that are are paying a lot.

Let us talk about the Federal budget now that we understand what 1 trillion is. The Republican budget that Mr. OWENS criticized so harshly and the President vetoed appropriated \$12 trillion to run the Federal Government over the next 7 years. That is right, the Republicans have spent \$12 trillion at the national level over the next 7 years compared to the last 7 years. That is a 26-percent increase in Federal spending, a 64-percent increase in Medicare alone over the next 7 years, from a \$4,800 per senior citizen expenditure this year, to the year 2002, it will grow to \$7,100. A tremendous amount of money is being spent on welfare and Medicaid, an over 50-percent increase.

Student loans in the education area, we have increased student loan funds by over 50 percent in the next 7 years. What the Republican budget has done is tremendously increase spending over a 7 year period 20 percent, 6 percent across the board, tremendous increases in entitlements, but less than the projected amounts, because the projected amounts are going to be well above 50 percent, well above 63 percent. Those of us who say that we want to balance the budget, I think we need to start being honest with each, and I know my colleague from Florida has been a real champion in this cause. If Members really want to balance the budget, I think it is time to address why we have debt to begin with.

Why did America get into \$5 trillion worth of debt? Was it because Ronald Reagan increased military spending during the 1980's where the deficit did grow? Well, the truth is that he did. I was in the Air Force from 1982 to 1988. After the Carter years, the military was a place that needed expenditures. Spare parts were in short supply. We had squadrons of airplanes grounded.

The Navy could not sail ships because of lack of funding. So Ronald Reagan decided to increase military spending during the 1980's, and Congress allowed him to do so but they required an increase in social spending.

The truth be known, it is not because Ronald Reagan wanted to increase military spending. It is not because Tip O'Neill and Tom Foley increased social spending at the rate of 3 to 1 during the 1980's. The truth is that the national debt grew to such large proportions as it exists today because during the 1980's, entitlement spending went through the roof. One program, Medicare, increased 2200 percent since 1980.

□ 2000

And all of the other entitlements, Medicare and Medicaid, have grown tremendously. Medicaid is growing at 19 percent a year since 1990. So if you want to blame anybody, I think you can blame both parties, because we have sat back and we have watched entitlement spending go through the roof to the point now it is over 50 percent of the Federal budget.

If nothing changes in this country in the next 17 years, the Federal budget, the Federal revenue collected from the taxpayers at the national level, will be spent in two areas: entitlement spending and interest payments on the national debt. It is already two-thirds of our budget. In 17 years it will consume the entire revenue stream. There will be no money left to fund the Defense Department, Education Department, the Commerce Department, and environmental agencies that exist at the Federal level. And that is not a Republican statement. That comes from Senator KERRY, a Democratic Senator, who has been involved in entitlement study and reform. And the facts are just what they are, facts. Entitlement spending is out of control and it is going to consume the entire revenue stream unless we do something about it.

We have tried to do something about it, and I think in a very responsible manner. What we have done is we have allowed increased spending in Medicare alone 2½ times the inflation per year, a 63 percent increase in a 7-year period, a tremendous amount of increase, but we are going to create options available to senior citizens that are more efficient than this 1965 fee-for-service Medicare model that is full of fraud.

We are going to give people something they very rarely get from the Federal Government, and that is a choice. A choice to pick a program that may deliver more effective medicine, less bureaucratically, and a better deal for the taxpayers. It is time to give people choices that mirror private sector growth in health care.

The private sector programs are growing at 3 to 4 percent, the government programs, like Medicare and Medicaid, are growing at 13 and 19 percent because they are very inefficient, they are full of fraud, and they have

the wrong incentives. It is hard to get preventive medicine reimbursed under Medicare. The number one expenditure in Medicare is diabetes, but you cannot get insulin paid for.

So it is a system that is really overdue for an overhaul. And we have allowed private sector programs to be placed on the table and let senior citizens make choices, and we are going to give them four to five different options to Medicare as it exists today. But they have to choose. And if they do not want to make a choice, they stay in Medicare as it exists now. And that is just one example.

In Medicaid, we are going to allow the States to take the increased spending at the Federal level and manage care the money. Right now our Medicaid programs are growing at 19 percent. If you are a Medicaid recipient and you go to the hospital and have a \$300 visit for a cold, something private insurance would not allow you to do, Medicaid reimburses people for medical conditions four and five times the expense that the private sector manages those same illnesses.

So it is time now to start allowing States to put into place managed care programs for the Medicaid recipient that are good, that are compassionate, but that have cost controls on them so it does not grow at 19 percent.

If you want to improve education in my State of South Carolina, which I do, and I think everybody who is listening to me in South Carolina would like to see that happen, let us change Medicaid. Because when Medicaid grows at 19 percent at the national level, that is the health care for the disabled and the welfare recipient, when it is growing at that rate for the State of South Carolina, to get any Medicaid money from the Federal Government they have to put money on the table. It is a matching formula.

So when the pot of money at the Federal level grows at 19 percent, then for South Carolina to get its Medicaid money, its share grows at the same rate, so you are robbing our State budget to get Medicaid money from the Federal Government. And if we do not change, if we do not change that dynamic, every State's budget is going to be consumed by getting matching portions of Medicaid.

And as the gentleman from New York, MAJOR OWENS, indicated, the Governors in this country, Republican and Democrat alike, have gotten into a room and said: Enough. You are bankrupting our State. We are having to spend most of our budget to get Medicaid dollars because the pot of money at the Federal level is growing so large, the mandates are so onerous, we have no flexibility. Please, give us a break. We can get by on less money if you will give us flexibility to create programs that mirror the private sector.

And unless we do that, ladies and gentlemen, you will not balance the budget. If we do not address the reason Medicare grows at 22 percent every 15

years, it does not matter if you spend less in 7 years to get the numbers right, you are going to be back in debt. It does not matter if you slow the growth of Medicaid down temporarily, as the President's budget does. If you do not change the reason it grows at 19 percent, you are not going to keep the budget balanced. And it does not matter what you do in welfare reform if you do not address the reason people stay on welfare 10½ years.

So what I am looking for is a budget that addresses the reason we got in debt, a budget that addresses the underlying problem, which is entitlement spending. Let us reform entitlements up here in a fair and compassionate way so that we can deliver you a balanced budget that will stay balanced. Let us create a welfare system so that the average person does not stay on it a decade.

I believe most people want to get off welfare, go into the private sector and live with dignity and not be dependent on the Federal Government, but it is darn hard to do that. If you live together as man and wife under our current system, we look at both incomes and deny benefits. If you get a part-time job we will start taking benefits away from you when you start moving up the economic ladder. We are trying to keep your vote, but we are not allowing you to be free from government control.

I am looking for a welfare system that helps people who need help, that will give you training, give you educational assistance and will allow you to get a job. And the way you create a job is not by me talking about it on the floor of the House, it is by lowering taxes so people have more money to invest and grow their businesses.

Capital gains tax reductions will be good for this country. It will create jobs and bring in additional revenue to the Federal Government. It did in the 1980's when we lowered capital gains tax rates, it will in the 1990's if we can ever get it passed.

But the way you create a job is to change this model that currently exists of where we are overtaxed, we overlitigate, and we overregulate. And the ultimate hope of welfare reform is a system that allows people to help themselves, that pushes them forward, that will not pay them to have children they cannot afford, but will have a job waiting on them. And to do that you need to change this bureaucratic model that we have created for the last 40 years that is strangling American business. I think that is compassionate.

I think that is the way to truly deal with the Nation's problems, because the poor in this country want the same thing as anybody else who is an American: the hope of having it better for themselves and their children than the last generation, a chance to have a private pension plan, a chance to have health care that they own and is now given to them by the government. We all have the same values, we just have a different belief on how to get there.

The special order topic really tonight is about education. And nothing is going to change in this country until we provide an educational system that brings the best out in our kids, and that is a school environment where you can go to school and not worry about being beaten up or having a drug deal occur under your nose.

The national role in education since 1979 has grown dramatically. Test scores have gone down. Education quality is stagnant. We are not moving forward by having more control at the national level. The Department of Education's budget in 1979 was about \$16 billion. It is \$32 billion now. Six percent of all education dollars spent in this country comes from the Federal level. Ninety-four percent of education funding comes from the State and local level.

When you talk about education reductions at the national level, it has to be put in perspective of the total funding. The bad deal is that 50 percent of the mandates, how to spend the money at the local level, comes from the Federal Government. We give you very few dollars, but we put a lot of requirements on our local educators, our State and local systems, and we are not getting a quality product.

The only model that will work, in my opinion, is to have parents and teachers and the community leaders involved, and the current Federal system does not allow that to happen. It is a wall between quality education and the State and local community. I do believe that we have an overly intrusive Federal role in education that is not bringing out the best in our kids, and that we have programs on the books that are very inefficient, all done in the name of compassion.

Title I, that Mr. OWENS mentioned, is a program that started in the 1960's to help school districts that had a disproportionate number of disadvantaged and poor students, to give them a leg up, a little extra tutorial time. That program has grown now to almost where 80 percent of school districts in this country receive title I money. It has become a candy store.

Title I money is spent on disadvantaged students, and the definition of disadvantaged has grown greatly. And the facts are that 80 percent of the people who provide this extra tutorial time are not certified teachers, they are teachers' aids. It is becoming an employment opportunity for the major cities in this country.

The test scores of the children receiving title I assistance have not moved up any. What we are doing is basically we are taking an average of 10 minutes a day extra time for a title I student, getting no return on our money, giving the money to someone who is not a professional educator, trained as a teacher, taking them out of the class and spending \$6 billion a year doing that. That is not a good deal for the taxpayer and we are not moving forward.

The gentleman from Florida is going to tell us a bit about Head Start and how unsuccessful that program has been when measured by objective criteria. It is a good idea. It is a compassionate idea, but eventually you have to look to see if the idea is delivering a quality product. Title I is not a good investment educationally or financially, and Head Start, I believe, falls under that same category when you look at the return for your money.

I would yield now to the gentleman from Florida to tell us a little about title I, then we will talk about student loans.

Mr. MICA. I thank the gentleman from South Carolina for yielding, and also I must take a minute and thank him and his other 72 colleagues of the 73 new freshmen in the House of Representatives. How refreshing it is to have people come from all walks of life. Not just attorneys, but somewhere in the neighborhood of three-quarters of this class, this new class of freshmen, come from business. Three-quarters of them have never run for a political office or served in other political office. And they took time from their lives and their family obligations and business and professional obligations, and leaders like the gentleman from South Carolina, Mr. LINDSEY GRAHAM, have come here and looked at how our Government is operating. They brought a message from the people in this last election that the people were not pleased with paying more and getting less, as I often say.

I have only been here 37 months in Congress, so I consider myself part of that new breed, but I commend the gentleman and his colleagues for what they have brought to the Congress and their recommendations. If you consider what we are doing tonight, Mr. LINDSEY GRAHAM from South Carolina is doing tonight, he is here late at night talking about education. He is a Republican, he is a member of the new majority, and the Republicans and Mr. GRAHAM and every one of my Republican colleagues are very committed to good sound education, improving education in this country. We cannot make any better investment. But ask any American, ask any parent, ask any student, ask any teacher about education in the United States today, and they are going to tell you that education is in crises.

Republicans have always been strong supporters of education. Being business men and women and professionals and people who are highly educated, they know that education is really the key to the success of the problems in this country. They know that if you go into the jails, if you go into the unemployment lines in this Nation, if you go into the homes of welfare recipients, you find that they did not have a good education opportunity. But Americans and Republicans and Democrats and independents and anyone who lives and pays taxes in this Nation must be concerned about paying more for education and getting less.

Now, I always drive the other side of the aisle crazy and the Democrats crazy, because I like to deal with facts, and sometimes they come out here and say things and they do not base them on fact. But let me tell you about where we are in education and the facts about paying more and getting less. The fact is, and these are not my statistics, these are published statistics, the fact is SAT scores dropped from a total average of 937 in 1972 to 902 in 1994. The fact is we are spending more and getting less.

The fact is 17-year-olds scored 11 points worse in science in 1970 than in 1994. The fact is reading of 17-year-olds, 17-year-olds who do not read at a proficient level, their reading scores have fallen since 1992. Spending more, getting less.

The fact is, in math, United States students scored worse in math than all other large countries except Spain. The fact is we are spending more and getting less for education.

The fact is 30 percent of all college freshmen must take remedial education, and in my district in central Florida, and I come from a fairly prosperous and successful central Florida area, some of our community colleges, one of the presidents told me over 50 percent of his students entering community college need remedial education. And then I was stunned to read that at another local community college, 71 percent of the entering freshmen need remedial education.

□ 2015

This is the fact. These are the facts. We are paying more and we are getting less in education. That is what this is about. It is not just how much money we come here and spend, and the people just getting home today and are working and yesterday paid their taxes. And they are sending this incredible amount of their money here to Washington. This is the result of your dollars.

We need to look at how; we came here to look at how effectively we were spending those dollars. I looked at Head Start. Let me again deal with some facts. Let us talk a little bit for a minute about the history of Head Start.

Every Member of this Congress, Mr. Speaker, and every citizen of this country should pay attention to this, because first of all they think Republicans are cutting spending in these areas. The fact is, in education we are proposing increasing expenditures of almost \$25 billion over the next 7 years. I tell people that and they say, I thought Republicans were cutting education. The fact is, for possibly illegal aliens, you will not be getting education. That is part of what this debate is about. You do not hear that talked about here. But let us talk about one program that I took some time spending, spending some of my staff work and my personal time in looking at a Head Start program.

Back in the schools that I attended at the University of Florida, I remember serving as the secretary of academic affairs and student government. This is back in the early 1960s. I was committed to trying to make a change and to do some positive things. I remember one of the things we worked on was a project called Project Begin Here, because we knew we had a university, the University of Florida, a great institution, here we had a town, Gainesville, where students did not have opportunities to learn. So we started this Project Begin Here to take the resources of this great university school of education I was a part of and bring it into the community and help give kids an opportunity and an uplift.

We knew that was a key way back then. I supported Head Start Programs back then in the early 1960s. I support Head Start Programs today. The concept is basically good. The problem is look at what has happened.

Look at the time from 1990 to 1995. Head Start funding increased 128 percent. Washington spent over \$31.2 billion on the Head Start Program. Those are the types of increases. The House proposed, the House proposed \$3.39 billion for 1996, only a minimal reduction from \$3.52 billion that was appropriated for 1995. Now, that is not a very big difference. There is a reduction, and let me talk about the purpose for the reduction in a minute. But the funding for this program has grown almost five times as fast as the number of children served. The growth has resulted in a sloppy, I mean disgusting management of the program. This is not what I am saying. This is not a Republican report I am going to detail here. And again, we must look at how we are spending these dollars and what the effect is and what are we getting for the program.

Now, these programs, and again, not Republican reports, and I only want to deal with facts because, as I said, it drives the opposition crazy, this report is the Office of Inspector General, Department of Health and Human Services, evaluating Head Start expansion through the performance indicators. These are 1993. This one is 1993, Head Start expansion grantee experiences.

Let us talk about what we found here. Head Start is 30 years old, and yet there is little evaluation of the program's effectiveness. This is not what I am saying. What there is suggests that academic gains made by kids in the program are in fact temporary. That is what we find. The HHS report found that, one, children may not be fully immunized before leaving the Head Start Program. I mean here we spend hundreds of millions on immunization programs, a government program, and we cannot even get our government program to cooperate with the administration's program to immunize, so number one grade success.

Grantees frequently do not identify families social services needs, another criticism of this, and wait until you hear how we spend the money on trying to identify this.

Grantee's files and records are incomplete, inconsistent and difficult to review. And wait until you hear how I detail what is required as far as administration of this program in one small program in my district.

The HHS report also found that there was no educationally meaningful differences between Head Start children and nonHead Start children by the end of the second year of grade school. Numerous independent studies confirm that the present Head Start Program has only short-term benefits for poor children.

This is not what I have said. This is the report of the inspector general. These are the facts. So this is how they evaluated the program.

So I was contacted by a parent who was a single mother, divorced, I believe, situation with two children and she put her children into the Head Start, had, I think, one or two children in Head Start Program. And she was having a difficult time personally but wanted to give her children every advantage. I commend her for her effort. But then she came to me and said, Mr. MICA, she is a very intelligent woman, a very educated woman. She said, I have had my children in this program and it is a disaster. So I thought, well, I better look at what is going on.

So I went and I looked at the Head Start Program. Let me give you one Head Start Program in one community, and there are some, there are others that are not run in this fashion, but let me tell you what is going on in my area of Florida.

Last year this one program that serves 378 children received over \$2 million for the Federal Government, another \$550,000 from the State, that is over \$2.5 million. The cost per student for a part-time preschool program is \$7,325. That is just the local administrative cost, the figures I have, not including this huge bureaucracy they have built in Washington, not including the bureaucracy that they have in Atlanta. I could send the student to the best preschool program, a stellar one in central Florida for this amount of money. And then with the money that bureaucrats are wasting in administration, I would have money left over, plenty of money left over. In addition, I know that the program would be, first of all, longer in duration because this is an abbreviated program. The teachers, there would be at least some certified teachers in the program. And the child would have a much better experience.

This program in central Florida has been found to be deficient by HHS in serving children for the past two years. My attempts to try to change it are totally useless because you have to deal with a bureaucracy in Washington and Atlanta and all kinds of regulations. It is amazing that they can run this.

Listen to the best part. This agency, again the local Head Start Program, one program, 378 students, employs 25 teachers and 25 assistants. Now, that is

not bad. But first of all, not one of the teachers that I know of are certified. Not one of the assistants are certified. They have come up with some cockamamie certification program, but basically what you have is a minority employment program.

So then they gather all the minority children together in this program with no certified teachers to basically provide day care services. It is an incredibly expensive price tag. And are these students getting a cultural advantage? Are they getting an educational experience? The answer has to be no.

Now, you have not heard the most outrageous part of this entire story. I asked for the budget for these 378 students. For the 25 teachers, there are nearly 25 administrators. Listen to this: One director gets almost \$40,000; an area coordinator gets almost \$29,000; another area coordinator, \$29,000; an education coordinator, \$26,000; a family services coordinator, \$26,000; a nutrition coordinator, almost \$26,000; mental health disability coordinator, \$26,000; another health coordinator, \$26,000; personnel training coordinator, \$19,000; an educational specialist, \$29,000; another educational specialist, \$24,000. It goes on and on, \$20,000, they go on and on. Then you have family services specialists. It is absolutely mind-boggling.

Then you get to the teachers, the teachers. Here is the teacher, first teacher, \$12,000 a year, \$14,000 a year. We might even have a teacher in here, there is one for \$15,000. I do not have a certified teacher. This is a national disgrace, Mr. Speaker, that my disadvantaged students, 378 of them, that we have this bureaucracy.

Now, it would not be bad if you just had this bureaucracy for this little program, but this incredible amount of money. Let us face it, this is what the debate is all about, Mr. Speaker. I am chairman of the House Civil Service Subcommittee that oversees the Federal employees. So I asked the staff to tell me how many employees there are in the Department of Education. There are 4,876. Now, of all of the departments, I think they probably take the cake, but there are 3,322 just down the street from here, 3,322. I really think the Secretary of Education, Mr. Riley, was taking great pride in how he had reduced the number of people in the Department of Education from some other year. So I ask our staff to also investigate, and they told me that there are thousands upon thousands of contract employees that are not now counted in these figures. But we have 3,322 bureaucrats here pumping out rules and regulations and they pump them out to Tallahassee, my State capital, and other State capitals. They pass then onto Atlanta, and they must pass them on. So we have 25 administrators making twice the amount of money anyone in the classroom made in this program, and we wonder why our students cannot read and why there is this debate. But it is all about spending more and getting less.

□ 2030

Again, these are the facts. Anyone who would like copies of these, any of my colleagues, this is how the programs are run. These are the evaluations. These are not Republican evaluations.

Mr. Speaker, Members can see I get a little bit hot under the collar when they accuse Republicans of cutting education. I have two children. I am concerned about education.

I heard the gentleman from South Carolina talking about Title I. I do not know a lot about it, but I know how important it is to have it as a follow-up program. If you have Head Start and you do not have Title I, we know if the kids cannot read by third grade, as my superintendent so ably says in Seminole County, FL, the school superintendent, he says, they are lost. They cannot read, they cannot write, they cannot do basic math. If we are not spending the money in the classroom on the students, in the programs that need it, for the teachers, we have a problem.

A teacher just came up to me in a Title I Program and stated, "Mr. MICA, I want you to know, they told me I am going to lose my job, but they are hiring another administrator." I almost got sick when I heard that. Here is a teacher in a Title I Program, and Title I programs are important. We need to make sure that for the students who need Title I, that we have a consistent pattern of education; that we just do not do minority grouping with minority employment and give these children a disadvantage. They need an advantage, the very best advantage. Then we need to follow up in first grade and second grade and third grade, so they can read and write, and of course do basic skills.

Mr. Speaker, I want to talk, if I may, just for a minute more. If the gentleman will continue to yield, when I get on these subjects, again, as a former graduate of the University of Florida School of Education, I just get so upset and concerned about the direction of education.

Mr. Speaker, if we take a minute and look at what we are doing to employ students who need skills for real jobs, and I am not talking about \$5-an-hour-paying jobs. We know people have difficulty living on minimum wage. But we are talking about jobs that give people an opportunity to be self-sustaining, good-paying jobs. When we start to look at what we are doing with our job training programs, the same accusations, Republicans are cutting money for job training programs.

Again, Mr. Speaker, we must look at what we are doing. The American people must stop, listen, and learn about what is going on with their money. Here is one program for job education. I know this comes under the Department of Labor. Here is an article that says, "Audit faults job training program." This is in Puerto Rico. We also pay for job training there, but the

same thing happens in the United States. This report says, "the department spent about \$305,000 for each participant placed in a job-related employment whose employment lasted over 90 days."

Mr. Speaker, this caught my eye just recently in the Washington Post, but there was an article within the last month or so in the Orlando Sentinel that absolutely was flabbergasting. It talked about the State of Florida and job training and education programs. Get this. The State of Florida, one State out of the 50 States, spends \$1 billion in their job trainings programs, \$1 billion. This was a State audit of those programs.

The State audit said basically that the programs were, almost every one of them, a disaster. It said, in fact, that only 20 percent of the students who entered these job training programs ever completed them, 20 percent who entered. Then, of those who completed the job training program, only 37 percent got a job. Then, of the 37 percent, and remember, that is of the 20 percent who have entered who got a job, they got just above a minimum wage job. Then they found that within 6 months the people were out of a job.

One billion dollars that people spent yesterday in paying their taxes, Floridians and other Americans, to send to Washington for education programs that do not make sense, for job training programs that do not make sense. Again, the reports go on and on.

I served on the committee that oversaw some of these programs, the EPA and some of the others in the previous Congress. I would sit at the hearings and just about fall off my chair to hear how taxpayer money was wasted and abused. But this message is not getting out to the Congress, Mr. Speaker, it is not getting out to the American people, that they are paying more and getting less.

I know in their hearts and in their guts, the American people know this is wrong. They know there is something wrong with the system, and they are dedicated. People are interested in education. Everyone I have met, whether it is someone working in a grocery store or someone who is a high professional in my community, is interested in education. Every Republican wants education. But what we do not want is this huge bureaucracy, this huge ineffectiveness that has cast a spell across the entire country.

What we want, too, are some other things that we may not be able to legislate. We may begin to want to look at how we can restore some true caring, some love, some spiritual values, some values, some discipline in these schoolrooms. You talk to the teachers, I have talked to teachers who have been struck twice. Instead of another art course or a music class, as in where some of my children went, they are putting in security guards. There are police people. We do not have new math teachers or cultural teachers, we

have more policepeople. We are putting in metal detectors in our schools. There is something wrong. There is something dramatically wrong. If this does not tell a little bit of the picture, I do not know what does.

Mr. Speaker, I know there are other problems: the welfare system that we have created over 40 years. When children go to school and they have never seen a father, they come from a home that is in total disruption, they have no sense of values, then we wonder why we get into these situations. We are dealing with the problems that we have self-generated in 40 years of decline of family values, of discipline in our schools; of the professionalism of education, rather than a 9 to 5 job: If I can just make it through one more day and keep these kids under some control, and keep the discipline to where they do not physically abuse me during the day, I have made it through another day in my classroom. It has to stop.

I just came here for a short time. I do not plan to stay forever. But I am dedicated, and if the gentleman from South Carolina [Mr. GRAHAM] is not here next time or the other freshmen are not here, I know the American people will send more people to get this job done, because they are concerned, and we are concerned. We do not care about the next election, we are concerned about the next generation. When we have to take our children out of schools and we are paying taxes and seeing this result, it is sad. It really is sad.

Mr. Speaker, I thank the gentleman for yielding to me. I get wound up in these debates, but these are all things that I take personally. I am a Republican who cares about education and does not like to have people tell me that we are gutting or cutting education. We are trying to improve, we are trying to re-examine education as it has been done and correct these mistakes, and do a better job with taxpayers' very hard-earned money. Again I thank the gentleman for yielding.

Mr. GRAHAM. Mr. Speaker, I thank very much the gentleman from Florida for talking about facts, because sometimes facts get in the way of a good story. Head Start is a good idea, but when you look at the facts you described, you have to wonder if the program is working as efficiently as the taxpayers deserve for it to work.

It is obvious that you care about education, that you have made it your life's work, but you also care about the national debt, the \$5 trillion debt, and the role that money plays in education and the debt have to be examined. I would suggest to you that the education problems in this country are not all about money. They go a lot deeper than that. They are about the breakdown of the home, they are about relying on someone else from far away to solve all your problems, just like a lot of problems exist in America today, and we, the people, are responsible.

You can blame Congress, it is a fashionable thing to do, and we do deserve

to be blamed for allowing this Nation to get so far in debt. We should be allowed to talk openly about improving the educational climate in America and balancing the budget without having people throw rocks at you, because you heard the gentleman from Florida, Mr. MICA, speak. I hope you are convinced, I know I am, that he is sincere about providing a quality education, but he has a responsibility to manage the taxpayers' money wisely and to provide that quality education.

I would suggest that you are not getting a return on your investment, as he has indicated. Let us talk about student loans for a minute. You have heard a lot of talk about student loans. I know the gentleman from Florida has, and our Speaker is very knowledgeable about the student loan situation in America.

I am the first person in my family to go to college. I am not a country club anything in that regard. I am the first Republican in my district in 120 years. They hung the other guy, so I think I am doing a little bit better. But things are changing down South. It is a district with an average per capita income is \$13,200. It is not a wealthy district. It is a very proud district where people want to pass on their hopes and dreams and make it better for their children.

I received student loans. My parents died when I was a junior and senior in college, and I had a 12-year-old sister who received student loans. They worked very hard to give me an education, and I helped my sister, and the Government helped us by allowing student loans, making student loans available to us. That is going to continue, because most of the people in my district who are qualified students to go to college will go into a banker's office and say, I would like to go to college, and the banker will say, what do you own? The student probably owns very little, and sometimes the parents do not have the assets to make a loan on the up and up, so the Federal Government comes in and guarantees that loan. That will continue, as long as I am in Congress, because that is a very much-needed dynamic in this country.

What will not continue is to lend money blindly, to waste money in the name of compassion, and to take the hard-earned taxpayers' dollars from two-thirds of the children, the kids who graduate high school and go into the work force and never get a student loan. We have some obligation to run the student loan program like a business.

Here are the facts. The Republican budget increased student loan spending from \$24 billion to \$36 billion over the next 7 years, a 50 percent increase in the amount of money available for student loans. The number of students eligible for a student loan has grown from \$6.6 million to \$7.1 million over the next year under the Republican plans. We have increased Pell grants to the highest level ever. \$2,440 will be available for eligible students to receive a

Pell grant, money that you receive that you do not pay back.

My sister, when my parents died, was eligible to get a Pell grant. That program continues and is fully funded. There is more money in the program than in the history of the program. We are looking at the number of people eligible, but trying to ratchet down the income levels, so the money will go to the people who need it the most. You cannot be everything to everybody and balance the budget. That is a bad dynamic to create, even if we were not in debt.

The supplemental education opportunity grants program that helps disadvantaged students is funded at the same level it was last year. The college work-study program is fully funded at \$617 million. The Perkins loan program remains at \$6 billion, just like the President requested. The Trio program for minorities and disadvantaged students is fully funded at \$463 million. That is the Republican budget.

What we did try to do is we tried to look at the student loan program and see if we could improve it and make savings to help balance the budget, because I think we have a moral obligation to look at the way we spend money and to craft programs that help people, but not overly waste money for the two-thirds of the students that never borrow it to go to college to begin with.

We were able to save \$10 billion in about 2 days of talking. Unfortunately, most of those savings will never go into effect, but I am going to tell you, in just about 2 minutes, how you can save \$10 billion and I believe not hurt a soul, help the taxpayer, and make this student loan program more energetic.

Mr. Speaker, we were going to save \$5 billion by doubling the risk that the bank shares in the event of a default. Under the current student loan program, when a bank lends the money the Federal Government guarantees the loan, and if there is a default, the bank gets 98 cents on a dollar. Do you think they spend a whole lot of time chasing that loan down? That is not a good business deal for the American taxpayer.

I want banks to make money. I think banks should be the primary lender of student loans. They should be able to get into the student loan business and make money, but the Federal Government needs to do a better deal than 98 cents on the dollar. Under the Republican reform, we double the risk the banks will accept in the event of a default. They will still be able to make money, but there is less risk for the taxpayer, there is more risk-sharing. That saved \$5 billion, and had nothing to do with anybody who is getting a student loan. It had to do with the banks.

Mr. Speaker, we saved \$1.2 billion by eliminating a program the President is pushing called direct lending.

□ 2045

The student loan guarantee program where we underwrite loans of the pri-

vate sector needs to be improved. It is not a good business deal for the taxpayer. It is inefficient. The risk is not shared in a fair amount. We are going to improve that. We are going to double the risk. We are going to stop subsidizing the guaranteed agencies to the extent that they are subsidized now. We are going to do a better business deal for you, the American taxpayer, and still help students.

The President, who is critical of the guaranteed program, wants to go the opposite direction. What he would like to have happen is the Federal Government become the primary lender, become a bank. Can you imagine the Department of Education becoming the third largest consumer bank in America?

The bureaucrats that the gentleman from Florida [Mr. MICA] has described would have a huge loan portfolio available to them. They would replace the private sector. We would go borrow the money, the Federal Government. We are broke, we do not have money, we would have to borrow money. We would let the Department of Education become the lender and the collection agency. It would be a disaster.

It may be easier to get the money, somewhat more efficient, they say. That is not true. We would have a government bureaucracy at the Department of Education with unlimited growth potential. They would be the third largest consumer bank in America, and a bureaucratic Department of Education gets paid whether they collect the loan or not. It is not their money.

The banks are lending their money. They have a reason to go collect the money. They are in a business. The Department of Education are not bankers, they are not in the banking business, and the President wants to replace private sector capital with public borrowed money, replace bankers who are in the business of collecting money for a living with bureaucrats.

That is the worst idea I have ever heard of in this Congress, and it shows us how much he believes in big government. I will never ever vote, I will never ever allow that to happen, to take a private sector program that should and could be improved and replace it with a dominated Federal program where the default rates are going through the roof.

If we think there is a problem now with defaults, let the Federal Government be the lender and the collection agency. They could care less. They want your vote, not your money back, not the money back. That would be a disaster, and it is not going to happen. It is not going to happen if we control this place.

It will happen if the other party takes over, unfortunately, and there are Members of the other party who think this is a bad idea. Please do not allow the Federal Government to become the third largest bank and replace private capital with government

borrowed money. That is a horrible idea.

The Congressional Budget Office has told us if we would get the Federal Government out of the lending business in education, we would save \$1.2 billion. That shows us how big a bureaucracy has grown up over a 10 percent share of the market, where direct lending has 10 percent of the student loan business now, there is a \$1.2 billion savings if we wiped it out. The President wants to do 100 percent direct lending, but we save \$1.2 billion in our budget by wiping it out, \$5 billion by doubling the risk of banks.

One thing we did do for students, that under the current program, Mr. MICA, if you graduate from college, we forgive the interest payment of your loan for a 6-month period when you graduate. We have proposed to allow the interest element of your loan to continue to run. You do not have to pay it if you do not have the money, but we are going to let the interest continue to run, not forgive the interest for a 6-month period. That would save \$3.5 billion to the American taxpayer. It would mean to the average student a \$4 a month increase, but it would save \$3.5 billion for this Nation. I could tell you right now if we got to the point where we cannot forgive the interest for a 6-month period and that be devastating to education and a student cannot incur a \$4 a month charge, then something is wrong and we are never going to balance the budget. That is not too much to ask. That is an appropriate thing to do to save \$3.5 billion for the American taxpayer, and that is part of this package. We save \$10 billion and I have just described to you, we increase the interest rates for parents who are not eligible for the guaranteed program to borrow the money at Treasury rates plus a percent, we increase that 0.1 percent, that will result in about half a billion dollars. We save \$10 billion for the American taxpayers and the only thing to happen to a student is that they would have to pay \$4 a month more because they are going to have to pay their interest for the 6-month period after they get out of college. We are not going to forgive it. To me that was very reasonable and responsible. It helped us balance the budget, and I think it improved the student loan program that needs to be improved.

Those two-thirds of high school students who never go to college, who never go on and receive a student loan, they deserve our time and attention, too. Because they are the ones paying the bill and we can have a quality student loan program. Access to education is a must. I will always vote to ensure that money is available to help needy students and families who cannot go it on their own have money available to go to college. But as long as I am here, we are going to run it more like a business, we are going to ask the private sector to share the risk, we are going to improve the quality of the student

loan program, we are going to negotiate a better deal for the taxpayer and we are going to save money in the process, and we are going to ask those students who borrow the money to pay it back. We have reduced the default rate by 50 percent and it has got nothing to do with direct lending. It has got to do with a Congress who has finally gotten tough and tells the school that has a 25 percent default rate, "You're going to get out of the program." There are schools in this program that have 50 and 60 percent default rates. They should not be allowed to participate. We are going to start asking people to pay the money back, we are going to ask schools to get involved and run it more like a business at their level. We are going to renegotiate a relationship between the student loan program and the American taxpayer that will ensure access to education, but we are going to save some money because we are wasting money now and they are not contradictory principles. You can have efficiencies in government and improve the quality of people's lives, and that is the goal of this Congress, in education and every other area. I am proud to have been a part of it. Instead of getting criticized, I think we should be applauded for taking on programs that have not been looked at since 1965.

Mr. MICA. If the gentleman will yield, I think the gentleman makes a very good point and he has detailed this evening, Mr. Speaker, some of the differences in the philosophy between the Republicans and Democrats on this issue. Education is important but it is not just a question of spending more money, it is how we spend that money. This is really the fundamental debate in this entire Congress. It transcends not only education but every other area. I spoke this afternoon on the floor about the EPA and Superfund program. We spend more, we get less. We are spending more in those programs and we are cleaning up fewer and fewer of the sites, and we are not even cleaning up the sites that pose the most risk to human health and safety. We have detailed tonight how just in a few programs, student loans, title I, in Head Start and some of the other programs the disaster that we have come across as new Members of the Congress and found in my 37 or 38 months here and in Mr. GRAHAM's tenure, so each of those areas we have tried to look at how a businessperson, how a parent, how a teacher, how someone interested in education would make changes. Because if you just continue the way we have, you have thrown more money at the problem, you are not really addressing the fundamental changes that need to be made in the programs. Again, whether it is education or environment or other areas, these are the fundamental debates. As a parent, I want a good education. As a parent, I want our children to be able to read their diplomas and to stop the decrease in these scores, and to stop this bu-

reaucratic administration. Again 3,322 Federal Department of Education employees in Washington, DC. Not in the classroom, not out there teaching. But their job is to pass on rules and regulations and that is why we have a big bureaucracy in Atlanta and other regional offices, that is why you have a big bureaucracy in my State capital and in other State capitals. That is why your school boards are required to hire more administration people. That is why Head Start is top heavy with administration. It all starts here. This may be the last opportunity that this Congress has and the American people have a real opportunity to make changes in these programs. And that is the fundamental debate. Do we want to continue to pay more and get less? I think it is time to reverse that trend. I think it is time to improve education, improve the environment, improve the way taxpayer money that again came here yesterday in incredible amounts and is deducted from people's paychecks in incredible amounts. I thank the gentleman for his leadership on this issue.

Mr. GRAHAM. I thank the gentleman from Florida for participating and providing facts that I think show very clearly that the efficiencies in government that we are seeking can be found without looking very deeply. That if you had an opportunity to come up here yourself, the ones listening to me tonight and look at these programs and spend a few minutes analyzing how they are run, you could save \$10 billion pretty quickly, also. It is not that hard to do. The hard thing is to convince people that when you are trying to improve the student loan program for the two-thirds of the students who never get in it but pay the taxes for it, that you are not being mean.

When you try to stop Medicare from growing at 2200 percent so you can keep the budget balanced, that you are not being mean, because you can provide quality health care from Medicare to seniors in this country without allowing the program to grow 2200 percent every 15 years. The amount of money and the efficiency do not relate. We are spending more money than we need to. We can deliver a better quality program, a better quality of life and save money in the process. That is not only something we can do, it is something we must do. If you allow us, we will do it.

#### VOTING RIGHTS ACT OF 1965

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from Louisiana [Mr. FIELDS] is recognized for 60 minutes.

Mr. FIELDS of Louisiana. Mr. Speaker, I rise tonight to talk about the Voting Rights Act of 1965 and all of its amendments thereto.

Yesterday, Mr. Speaker, I had the opportunity to go before a panel and present different legal arguments as relates to redistricting in Louisiana and