

they are doing wonderful things in that charter school in that State.

We have seen that around the country, States freeing up administrators, States freeing up teachers at the local level to focus on what needs to be done in the classroom. It is about time Washington decides that is the best place to go, that we start agreeing with the movements that are going on around the States to less mandates, more flexibility at the local level, and more dollars to the classroom.

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

As quickly as I can, Mr. Speaker, at least 95 percent of the Federal dollars are reaching the classroom, Federal dollars I am talking about, for Federal programs. They reach the classroom. The paperwork from Washington is not what is inundating the local school districts. If we look at the State of Kansas, it has less than an inch of paperwork regulations. If we look at the State of California, it is about 17 inches of paper regulations. That is what these people are complaining about. But when we ask the question wrong, we are going to get the answer wrong.

This is not about power. My friend, the gentleman from California, Mr. DUKE CUNNINGHAM, says that we are hungry for power up here. I have never felt that power up here. It is not about power, it is about States' rights.

Mr. GOODLING. Mr. Speaker, I yield the remainder of my time to the gentleman from Missouri [Mr. BLUNT].

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

Mr. BLUNT. Mr. Speaker, the question today is, should we send more dollars to the classroom? This does not seem like it would be a tough question, but it is a question that we are struggling with on the House floor today.

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Who knows your child's name better? A teacher who knows that child or a bureaucrat in the beltway in Washington or even in the State capital?

Our opponents on this issue say that we are already meeting the 90 percent standard. Well, if that is true, let us pass this resolution and ensure that we meet this standard in the future. But we have studies that suggest that we are meeting a 65 percent standard. The difference in the 65 percent standard and a 90 percent standard is about \$1,800 for every classroom in America. Every elementary school principal, every secondary school principal can count the number of rooms in their building, multiply that by \$1,800; that is the difference in what we are talking about here today.

Mr. Speaker, this is the difference in whether we buy microscopes or not; whether we buy computers or not; whether a classroom has an overhead projector or not; whether there are chemicals for the chemical lab or tools for the shop. And Dollars to the Class-

room can increase teachers' salaries, rather than create another form for teachers to fill out.

Dollars to the Classroom is more accountable to the taxpayer because it would ensure for the first time by passing this resolution that, in fact, 90 percent of all funds earmarked for elementary and secondary programs get to the classroom. By doing this, we start the process of setting a new standard, the standard that says that Federal dollars that are appropriated here for education programs really need to get to where kids and teachers are.

We have heard today about that study in the New York City school system that says that 43 percent of money in that district is spent on education; 43 percent is not good enough. Throwing dollars at education will not solve this problem. It is a worn out solution. We need to continue to work toward new solutions.

The new solution we are advancing today is to get the money in the hands of teachers, get the money to classrooms, short circuit any bureaucracy, whether it is bureaucracy in Washington, in State capitals, or even at the local administrative level.

School superintendents and administrators support this concept. Teachers support this concept. Today, Mr. Speaker, I urge my colleagues to join us in supporting this concept. This bill is different because it sends dollars directly to the classroom where solutions can be found. I urge my colleagues to support this new strategy that puts our children first.

Mr. RADANOVICH. Mr. Speaker, as a cosponsor of House Resolution 139—the dollars to the classroom resolution—I want to express my strong support for this measure and ask my colleagues for their support as well.

With the passage of this measure, the Congress has a tremendous opportunity to send a strong message on how to improve our public education structure. The resolution states that at least 90 percent of Federal funds for elementary and secondary education should be spent in classrooms.

We all agree that the public education system is in disarray. We can improve our schools by providing them with the resources they need to make their classrooms better, safer places to learn. House Resolution 139 does just that. The best thing Washington can do to better educate our children is to send more responsibility and funding back to the local communities and schools who know the needs of these children best.

For too long, the Government has taken a view that bureaucrats in Washington, DC, know what is best for the children in my State of California. How can that be true if California's education needs vary significantly within our State, let alone compared to other States? Who would try to argue that schools in rural Mariposa County have the same needs as schools in inner-city Los Angeles? Probably someone at the Department of Education.

Mr. Speaker, we can no longer continue to build a one-size-fits-all education agenda. I was sent to this Congress to represent the people and the families of California's Central Valley. I believe part of this representation in-

cludes giving my constituents the resources they need to ensure that our children have the best education possible. House Resolution 139 sends that important message.

As we head into the 21st century, it is important that the Federal Government work with States and local communities by giving them more flexibility and decisionmaking power to shape the policies that are so crucial to our children's education. House Resolution 139 is an important step in that direction.

The SPEAKER pro tempore (Mr. SNOWBARGER). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GOODLING] that the House suspend the rules and agree to the resolution, House Resolution 139, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 AMENDMENTS

Mr. FAWELL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1227) to amend title I of the Employee Retirement Income Security Act of 1974 to clarify treatment of investment managers under such title.

The Clerk read as follows:

S. 1227

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

SECTION 1. INVESTMENT MANAGERS UNDER ERISA TO INCLUDE FIDUCIARIES REGISTERED SOLELY UNDER STATE LAW ONLY IF FEDERAL REGISTRATION PROHIBITED UNDER RECENTLY ENACTED PROVISIONS.

(a) IN GENERAL.—Section 3(38)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(38)(B)) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(2) by striking "who is" and all that follows through clause (i) and inserting the following: "who (i) is registered as an investment adviser under the Investment Advisers Act of 1940; (ii) is not registered as an investment adviser under such Act by reason of paragraph (1) of section 203A(a) of such Act, is registered as an investment adviser under the laws of the State (referred to in such paragraph (1)) in which it maintains its principal office and place of business, and, at the time the fiduciary last filed the registration form most recently filed by the fiduciary with such State in order to maintain the fiduciary's registration under the laws of such State, also filed a copy of such form with the Secretary;"

(b) AVAILABILITY OF DOCUMENTS VIA FILING DEPOSITORY.—A fiduciary shall be treated as meeting the requirements of section 3(38)(B)(ii) of the Employee Retirement Income Security Act of 1974 (as amended by subsection (a)) relating to provision to the Secretary of Labor of a copy of the form referred to therein, if a copy of such form (or substantially similar information) is available to the Secretary of Labor from a centralized electronic or other record-keeping database.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on

July 8, 1997, except that the requirement of section 3(38)(B)(ii) of the Employee Retirement Income Security Act of 1974 (as amended by this Act) for filing with the Secretary of Labor of a copy of a registration form which has been filed with a State before the date of the enactment of this Act, or is to be filed with a State during the 1-year period beginning with such date, shall be treated as satisfied upon the filing of such a copy with the Secretary at any time during such 1-year period. This section shall supersede section 308(b) of the National Securities Markets Improvement Act of 1996 (and the amendment made thereby).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. FAWELL] and the gentleman from California [Mr. MARTINEZ] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. FAWELL].

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

Mr. Speaker I am pleased today to rise to seek passage of Senate 1227, legislation which amends title I of the Employee Retirement Income Security Act, known as ERISA, to permit investment advisors registered with State securities regulators to continue to serve as investment managers to ERISA plans.

Mr. Speaker, Senate bill 1227 is identical to H.R. 2226, which I introduced on July 23, 1997, with the cosponsorship of the gentleman from New Jersey [Mr. PAYNE], ranking member on the Subcommittee on Employer-Employee Relations.

At the end of last Congress, landmark bipartisan legislation was enacted which adopted a new approach for regulating investment advisers, the Investment Advisors Supervision Coordination Act. Under the act, beginning July 8, 1997, States are assigned primary responsibility for regulating smaller investment advisors and the Securities and Exchange Commission is assigned primary responsibility for regulating larger investment advisors.

Mr. Speaker, under this framework, however, smaller investment advisors registered only by the States, and prohibited by the new law from registering with the SEC, would no longer meet the definition of investment manager under ERISA, since the current Federal law definition only recognizes advisers registered with the SEC.

As a temporary measure, a 2-year sunset provision was included in the securities reform law extending for 2 years the qualification of State registered investment advisers as investment managers under ERISA. This provision was intended to address the problem on an interim basis while congressional committees with jurisdiction over ERISA reviewed the issue. We have reviewed this issue and have developed Senate bill 1227 and H.R. 2226 to permanently correct this oversight.

Without this legislation, State-licensed investment advisers who, because of the securities reform law, no longer are permitted to register with the SEC would be unable to continue to

be qualified to serve as investment managers to pension and welfare plans covered by ERISA. Without this bill, the practice of thousands of small investment advisers and investment advisory firms would be seriously disrupted after October 10, 1998, as would the 401(k) and other pension plans of their clients.

It is necessary for an investment adviser seeking to advise and manage the assets of an employee benefit plan subject to ERISA to meet ERISA's definition of investment manager. It is also important for business reasons for small investment advisers to eliminate the uncertainty about their status as investment managers under ERISA. This uncertainty makes it difficult for such advisers to acquire new ERISA plan clients and could well cause the loss of existing clients.

Mr. Speaker, the bill will amend title I of ERISA to permit an investment adviser to serve as an investment manager to ERISA plans if it is registered with either the SEC or the State in which it maintains its principal office and place of business, if it could no longer register with the SEC as a result of the requirements of the 1996 securities reform law.

In addition, the bill requires that whatever filing is made by the investment adviser with the State be filed with the Secretary of Labor as well. The Department of Labor has asked for this dual filing with the Department and has assured the Congress that it needs no additional resources to process the forms.

This legislation has the support, therefore, of the Department of Labor. Arthur Levitt, Chairman of the Securities and Exchange Commission, has written to the Committee on Education and Workforce, expressing the need for this legislation and his support for this effort to correct this problem.

In addition, the bill is supported by the International Association of Financial Planning, the Institute of Certified Financial Planners, the National Association of Personal Financial Advisers, the American Institute of Certified Public Accountants, and the North American Securities Administrators Association, Inc.

By passing this legislation today we will correct this oversight in the securities reform law, thus protecting small advisers from unintended ruin and bringing stability to the capital management marketplace. I urge its passage.

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

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

Mr. Speaker, I rise today to speak on S. 1227, the ERISA rules for investment managers. Usually this legislation would be managed by the gentleman from New Jersey [Mr. PAYNE]. Unfortunately, he has been detained. I do, however, want to compliment him for his leadership on this issue.

Mr. Speaker, the 104th Congress passed the Investment Advisors Supervision Coordination Act, which made a change in the ERISA definition of investment manager. This change would have had unforeseen, potentially damaging effects on smaller investment firms. Because these investment advisers would not qualify as plan fiduciaries under ERISA, they would no longer be able to administer plan assets.

S. 1227 would require firm advisers that administer less than \$25 million in plan assets to register with the Department of Labor, and the idea that the Department of Labor would be the central database of investment advisers is a good one. Furthermore, this action will preserve the ability of these advisers to act as plan fiduciaries. This proposal that is before us now would restore current law and reestablish systemic uniformity.

Mr. Speaker, I commend the gentleman from Illinois [Mr. FAWELL], chairman of the Subcommittee on Employer-Employee Relations, and the gentleman from New Jersey [Mr. PAYNE], ranking member of the subcommittee, cosponsoring the House version of the bill, and I urge my colleagues to support S. 1227.

Mr. MARTINEZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FAWELL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. FAWELL] that the House suspend the rules and pass the Senate bill, S. 1227.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FAWELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 1227 and House Resolution 139.

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

There was no objection.

J. ROY ROWLAND FEDERAL COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1484) to redesignate the Dublin Federal Courthouse building located in Dublin, GA, as the "J. Roy Rowland Federal Courthouse," as amended.

The Clerk read as follows:

H.R. 1484

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