

TORRICELLI, Mr. VOINOVICH, Mr. WARNER, Mr. WELLSTONE, Mr. WYDEN, Mr. DASCHLE, Mr. HELMS, and Mr. BIDEN):

S. Con. Res. 7. A concurrent resolution honoring the life and legacy of King Hussein ibn Talal al-Hashem; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCONNELL (for himself Mr. GRAHAM, Mr. BUNNING, Mr. MACK, Mr. BREAUX, Mr. DEWINE, Mr. SMITH of Oregon, Mr. ROBB, Mr. LUGAR, Mr. COCHRAN, Ms. LANDRIEU, Mr. MURKOWSKI, Mr. STEVENS, Mr. COVERDELL, Mr. WARNER, Mr. SMITH of New Hampshire, Mr. BAYH, Mr. BYRD, Mr. SPECTER, and Mr. KERREY):

S. 387. A bill to amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for distributions from qualified State tuition programs which are used to pay education expenses; to the Committee on Finance.

EDUCATIONAL SAVINGS LEGISLATION

• Mr. MCCONNELL. Mr. President, I come to the floor today to introduce legislation that addresses an important issue facing American families today—the education of their children. It is my long-held belief that we need to make a college education more affordable, and the legislation I am introducing today, the College Savings Act, will do just that by providing tax incentives to families who save for college.

This legislation is a serious effort to reward long-term saving by making savings for education tax-free. It is important that we not forget that compounded interest cuts both ways. By saving, participants can keep pace, or even ahead of, tuition increases while putting a little away at a time. By borrowing, students bear added interest costs that add thousands to the total cost of tuition. Savings will have a positive impact, by reducing the need for students to borrow tens of thousands of dollars in student loans. This will help make need-based grants, which target low-income families, go much further.

Mr. President, anyone with a child in college knows first-hand the expense of higher education. Throughout the 1990's, education costs have continually outstripped the gains in income. Tuition rates have now become the greatest obstacle students face in attending college. In fact, the astronomical increase in college costs has been well documented. According to a study conducted by the College Board, tuition and fees for a four-year public university rose 107 percent from 1980-1997, while median household income rose only 12 percent.

Due to the high cost of education, more and more families have come to rely on financial aid to meet tuition costs. In fact, a majority of all college students utilize some amount of financial

assistance. In 1997-98, \$60 billion in financial aid was available to students and their families from federal, state, and institutional sources. This was \$3 billion higher than the previous year. A majority of this increase in aid was in the form of loans, which now make up the largest portion of the total federal-aid package at 57 percent. Grants, which a decade ago made up 49 percent of assistance, have been reduced to 42 percent. This shift toward loans further burdens students and families with additional interest costs.

We must reverse the dependence on federal assistance and encourage families to save. My legislation would reward savings and allow students and families that are participating in these state-sponsored plans to be exempt from federal income tax when the funds are used for qualified educational purposes. This legislation also recognizes the leadership that states have provided in helping families save for college. In the mid-1980s, states identified the difficulty families had in keeping pace with the rising cost of education. States like Kentucky, Florida, Ohio, and Michigan were the first to start programs in order to help families save for college. Nationwide more than 30 states have established savings programs, and over a dozen states are preparing to implement plans in the near future. Today, there are nearly one million savers who have contributed over \$3 billion in education savings. The provision which I authored, which allows tax-free education savings in state-sponsored savings plans for education purposes, provides nearly a \$1.5 billion tax break for middle-class savers nationwide. In Kentucky, over 3,720 families have established accounts, which amount to about \$7.5 million in savings.

Mr. President, I have worked closely with the state plan administrators over the years seeking both their advice and support. Again this year, I am pleased to have the National Association of State Treasurers and the College Savings Plans Network endorse this legislation. They have worked tirelessly in support of this legislation because they know it is in the best interest of plan participants—the families who care about their children's education.

Mr. President, many Kentuckians are drawn to this program because it offers a low-cost, disciplined approach to savings. In fact, the average monthly contribution in Kentucky is just \$52. It is also important to note that 60 percent of the participants earn under \$60,000 per year. By exempting all interest earnings from state taxes, my legislation rewards parents who are serious about their children's future and who are committed over the long-term to the education of their children by providing a significant tax break for middle-class savers nationwide. Clearly, this benefits middle-class families.

In 1994, I introduced the first bill to make education savings exempt from taxation. Since then I have won a cou-

ple of battles, but still haven't won the war. To win the war, Congress needs to make education savings tax free—from start to finish. The bill I am introducing today will achieve that goal.

In 1996, Congress took the first step in providing tax relief to families investing in these programs. In the Small Business Job Protection Act of 1996, I was able to include a provision that clarified the tax treatment of state-sponsored savings plans and the participants' investment. This measure put an end to the tax uncertainty that has hampered the effectiveness of these state-sponsored programs and helped families who are trying to save for their children's education. Also in 1996, Virginia started its plan and was overwhelmed by the positive response. In its first year, the plan sold 16,111 contracts raising \$260 million. This success exceeded all goals for this program.

In 1997, the Taxpayer Relief Act made revisions to provide maximized flexibility to families saving for their children's college education. The most significant reform was to expand the definition of "qualified education costs" to include room and board, thus doubling the amount families could save tax-free. In Kentucky, room and board at a public institution make up half of all college costs. This important legislation also expanded the definition of eligible institutions to include all schools, including certain proprietary schools, and defined the term "member of family" to allow rollover eligibility for cousins and step-siblings in the event that the original beneficiary does not attend college.

Last year, the Senate passed legislation, sponsored by Senator COVERDELL and Senator TORRICELLI, which would have allowed parents to place as much as \$2,000 per year, per child, in an education savings account for kindergarten through high school education. Included in this legislation was my proposal to make savings in state-sponsored tuition plans tax-free. Unfortunately, the bill was vetoed by President Clinton.

As a result of our actions over the last several years, more and more state plans have implemented tuition savings and prepaid plans for their residents. It is projected that there will be 43 states with tuition savings plans by the year 2000. I believe that we have a real opportunity to go even further toward making college affordable to American families. It is in our best interest as a nation to maintain a quality and affordable education system for everyone. By passing this legislation, we can help families help themselves by rewarding savings. This will reduce the cost of education and will not unnecessarily burden future generations with thousands of dollars in loans.

Mr. President, I ask unanimous consent that a copy of the bill and letters endorsing my legislation from the Kentucky Higher Education Assistance Authority and the National Association of State Treasurers be printed in the

RECORD, along with an article from Time magazine that discusses the popularity of state tuition saving programs.

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

S. 387

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

SECTION 1. EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED STATE TUITION PROGRAMS.

(a) IN GENERAL.—Section 529(c)(3)(B) of the Internal Revenue Code of 1986 (relating to distributions) is amended to read as follows:

“(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—

“(i) IN GENERAL.—No amount shall be includable in gross income under subparagraph (A) if the qualified higher education expenses of the designated beneficiary during the taxable year are not less than the aggregate distributions during the taxable year.

“(ii) DISTRIBUTIONS IN EXCESS OF EXPENSES.—If such aggregate distributions exceed such expenses during the taxable year, the amount otherwise includable in gross income under subparagraph (A) shall be reduced by the amount which bears the same ratio to the amount so includable (without regard to this subparagraph) as such expenses bear to such aggregate distributions.

“(iii) ELECTION TO WAIVE EXCLUSION.—A taxpayer may elect to waive the application of this subparagraph for any taxable year.

“(iv) IN-KIND DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified State tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

“(v) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any qualified higher education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph.”.

(b) COORDINATION WITH EDUCATION CREDITS.—Section 25A(e)(2) of the Internal Revenue Code of 1986 (relating to coordination with exclusions) is amended—

(1) by inserting “a qualified State tuition program or” before “an education individual retirement account”; and

(2) by striking “section 530(d)(2)” and inserting “section 529(c)(3)(B) or 530(d)(2)”.

(c) COORDINATION WITH EDUCATION SAVINGS BONDS.—Subparagraph (B) of section 135(d)(2) of the Internal Revenue Code of 1986 (relating to coordination with other higher education benefits) is amended by striking “section 530(d)(2)” and inserting “section 529(c)(3)(B) or 530(d)(2)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY,

Frankfort, KY, January 14, 1999.

Hon. MITCH MCCONNELL,

U.S. Senate, Russell Office Building,

Washington, DC.

DEAR SENATOR MCCONNELL: Your tremendous support of the Kentucky Educational Savings Plan Trust (Trust) has led to more favorable federal tax treatment of this program and other qualified state tuition programs (QSTPs) around the country. The success achieved through your work provides Kentucky families a greater opportunity to save for the higher education costs of their children.

I am writing to ask for your continued leadership on this issue by pushing forward to obtain tax-free treatment for amounts distributed from QSTPs to cover qualified higher education expenses. Significant progress has been made in this area during the past three years, and we believe your continued efforts will achieve the final goal of tax-free treatment.

Currently, over 2,800 Kentucky families have saved over \$7.5 million dollars through the Trust for their children's higher education. We greatly appreciate your efforts to help Kentucky families save for higher education and look forward to continuing to work with you and your staff on this important initiative.

Sincerely,

PAUL P. BORDEN,
Executive Director.

COLLEGE SAVINGS PLANS NETWORK,
February 4, 1999.

Re college savings legislation.

Hon. MITCH MCCONNELL,
U.S. Senate, Russell Office Building,
Washington, DC.

DEAR SENATOR MCCONNELL: On behalf of the College Savings Plans Network (“CSPN”), which represents the 44 states currently offering and managing college savings programs, I am writing to express our strong support for your legislation to provide tax-free treatment for contributions to the qualified state tuition programs. CSPN applauds your leadership on legislation to encourage savings for college. Currently, there are over 849,288 signed college tuition contracts. The estimated fair market value of these contracts is \$4.2 billion. The families participating in the programs appreciate your efforts on their behalf.

The College Savings Plans Network embraces and fully supports the intent of the College Savings Act of 1999. The public policy intent of this proposal is to enable and motivate families to save for college by providing clear and easily understood tax treatment of the qualified state tuition plans.

CSPN greatly appreciates and fully supports the legislation and your leadership on this proposal.

Sincerely,

MARSHALL BENNETT,
Chairman, College Savings Plans Network,
and Mississippi State Treasurer.

[From Time, Dec. 7, 1998]

NEW WAY TO SAVE FOR COLLEGE
(Online advice from Time finance columnist

Dan Kadlec)

The best college-savings program you never heard about keeps getting better. As you think about year-end tax moves, consider dropping some cash into a state-sponsored plan where money for college grows tax-deferred and may garner a fat state income tax exemption as well. This plan is relatively new and often gets confused with more common prepaid-tuition plans, in which you pay today and attend later—removing worries about higher tuition in the future. Savings plans are vastly different and in most cases superior because they are more flexible.

Prepaid plans offer tax advantages, and some are portable, but many still apply only to public colleges within the taxpayer's state. What if Junior gets accepted to Harvard? You can get your contributions back. But some states refund only principal, beating you out of years' worth of investment gains. And state prepaid plans make it tougher to get student aid because the money is held in the student's name. With savings plans the money is in a parent's name, where it counts less heavily in stu-

dent-aid formulas—and you can set aside as much as \$100,000 for expenses at any U.S. college.

Both the prepaid and the college-savings plans vary from state to state. Check out the website “collegesaving.org” for details. It's a fast-moving area. In the next few months, eight states will join the 15 that already have state college-savings programs. Those are mostly in addition to the 19 that have prepaid-tuition plans. Only Massachusetts will probably offer both.

Most of the newer savings plans make contributions deductible against state taxes. New York, for example, launched its plan two months ago. It permits couples to set aside up to \$10,000 a year per student and lets New York residents deduct the full amount from their income on their state return. Missouri will approve a tax-deductible savings plan in December. Minnesota is expected to adopt a plan in which the state matches 5% of your contributions. These college-savings plans are open to everyone, regardless of income—in contrast to the Roth IRA and other federal savings plans, in which eligibility begins to phase out for couples earning more than \$100,000.

If your state doesn't offer a college-savings plan, you can still participate through an out-of-state plan. You won't get the state tax deduction, but you will get tax-deferred investment growth; and when the money is tapped, it will be taxed at the student's rate (usually 15%). Fidelity Investments (800-544-1722), which runs the New Hampshire savings plan, and TIAA-CREF (877-697-2337; www.nysaves.org), which runs the New York plan, make it easy. If your state later offers a savings plan with a tax deduction, you can transfer your account penalty free.

Both plans invest mostly in stocks in the early years and slowly shift into bonds and money markets as your student nears college age. You get no say in this allocation. The impact of tax deferral is big. TIAA-CREF estimates that someone in the 28% tax bracket saving \$5,000 a year and mimicking its investments in a taxable account could expect to accumulate \$167,000 in 18 years.

Deferring taxes and then paying them at 15% brings the total to \$190,000. The state deduction, for those who qualify, pushes the nest egg to \$202,000.

Plan benefits:

Taxes are deferred and then paid at the child's lower rate;

Families are eligible regardless of income or state of residence; and

Tax deductions are increasingly available on state returns.●

● Mr. GRAHAM. Mr. President, I am proud to join Senator MCCONNELL and other colleagues in launching an initiative to increase Americans' access to college education. Today we are introducing the College Savings Act of 1999. This bill would allow states to offer prepaid college tuition and savings programs on a tax exempt basis.

These programs have flourished in the face of spiraling college costs. According to the College Board, between 1980 and 1997, tuition at public colleges increased 107 percent, while the median income increased just 12 percent. The cause of this dramatic increase in tuition is the subject of significant debate. But whether these increases are attributable to increased costs to the universities, reductions in state funding for public universities, or the increased value of a college degree, the fact remains that financing a college education has become increasingly difficult.

Although the federal government has increased its aid to college students over the years, it is the states who have engineered innovative ways to help its families afford college. Michigan implemented the first prepaid tuition plan in 1986. Florida followed in 1988. Today 43 states have either implemented or are in the process of implementing prepaid tuition plans or state savings plans.

Mr. President, prepaid college tuition plans allow parents to pay prospectively for their children's higher education at participating universities. States pool these funds and invest them in a manner that will match or exceed the pace of educational inflation. This "locks in" current tuition prices and guarantees financial access to a future college education.

Prior to 1996, the IRS had indicated that it would treat the state entity that held and invested the funds as a taxable corporation. In addition, the IRS stated its intent to tax families annually on earnings on amounts transferred to a state program. In the Small Business Jobs protection Act, The 104th Congress did two things: (1) it said that provided the program met certain standards, the state program would be tax exempt. (2) Congress also said that families could not be taxed on earnings on an account until a distribution is made from the state plan to the family or the applicable college. At that point, student beneficiary could be taxed on the earnings.

The following year, in the Taxpayer Relief Act, The 105th Congress clarified that this deferral of taxation applied not only to prepaid tuition but also to prospective payments for room and board.

Senator McCONNELL and I believe that The 106th Congress must go one step further. Distributions from these accounts should be 100 percent tax free. Students should be able to enroll in college without fear of them having to pay taxes on the money accrued.

We believe that these programs should be tax free for numerous reasons. First, for most families, they have in essence purchased a service to be provided in the future. The accounts are not liquid. The funds are transferred from the state directly to the college or university. Under current policy, the student is required to find other means of generating the funds to pay the tax. Second, Congress should make these programs tax free in order to encourage savings and college attendance. No longer is a student's question "Will I be able to go to college?" but instead "Where will I go to college?" Third, making these accounts tax free is good education fiscal policy. For states that do set up programs where they guarantee a tuition price by selling contracts, the existence of these programs puts downward pressure on education inflation.

Perhaps most importantly, prepaid tuition and savings programs help middle income families afford a college

education. Florida's experience shows that it is not higher income families who take most advantage of these plans. It is middle income families who want the discipline of monthly payments. They know that they would have a difficult time coming up with the funds necessary to pay for college if they waited until their child enrolled. In Florida, more than 70 percent of participants in the state tuition program have family incomes of less than \$50,000.

I am pleased to have this opportunity to join my colleagues in support of good tax policies which enhance our higher education goals. Prepaid tuition plans deserve our support through enactment of legislation that would make them tax-free for American families and students. •

By Mr. CLELAND (for himself, Mr. KERRY, Mr. HOLLINGS, Mr. CONRAD, Mrs. BOXER, Mr. DASCHLE, and Mr. HARKIN):

S. 388. A bill to authorize the establishment of a disaster mitigation pilot program in the Small Business Administration; to the Committee on Small Business.

DISASTER MITIGATION PILOT PROGRAM
LEGISLATION

• Mr. CLELAND. Mr. President, on behalf of my fellow original cosponsors, I am proud to introduce legislation which will provide a valuable protection for America's small businesses.

This initiative would permit the Small Business Administration to use up to \$15 million of existing disaster funds to establish a pilot program to provide small businesses with low-interest, long-term disaster loans to finance preventive measures before a disaster hits.

Across the nation, increasing costs and personal devastation associated with disasters continually plague communities. While it may be impossible to prevent disasters, we believe that this legislation makes it possible to limit the number of disaster victims.

In response to the financial and human toll caused by disasters, the administration launched an approach to emergency management that moves away from the current reliance on response and recovery to one that emphasizes preparedness and prevention. The Federal Emergency Management Agency established its Project Impact Program to assist disaster-prone communities in developing strategies to avoid the crippling effects of natural disasters.

Our legislation supports this approach by allowing the SBA to begin a pilot program that would be limited to small businesses within those communities that are eligible to receive disaster loans after a disaster has been declared.

Currently, SBA disaster loans may only be used to repair or replace existing protective devices that are destroyed or damaged by a disaster. The pilot program authorized by our pro-

posal would allow funds to also be used to install new mitigation devices that will prevent future damage. We believe that such a program would address two areas of need for small business—reducing the costs of recovery from a disaster and reducing the costs of future disasters. Furthermore, by cutting those future costs, the program presents an excellent investment for taxpayers by decreasing the Federal and State funding required to meet future disaster relief needs. The ability of a small business to borrow money through the Disaster Loan Program to help make their facility disaster resistant could mean the difference as to whether that small business owner is able to reopen or forced to go out of business altogether after a disaster hits.

On behalf of my fellow cosponsors, I urge my colleagues to support this effort to facilitate disaster prevention measures. Upon passage of this legislation, the costs in terms of property, taxpayer dollars, and lives will be reduced when nature strikes in the future.

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

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

S. 388

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

SECTION 1. DISASTER MITIGATION PILOT PROGRAM.

(a) IN GENERAL.—Section 7(b)(1) of the Small Business Act (15 U.S.C. 636(b)(1)) is amended—

(1) in subparagraph (B), by adding "and" at the end; and

(2) by adding at the end the following: "(C) during fiscal years 2000 through 2004, to establish a predisaster mitigation program to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis), as the Administrator may determine to be necessary or appropriate, to enable small businesses to use mitigation techniques in support of a formal mitigation program established by the Federal Emergency Management Agency, except that no loan or guarantee may be extended to a small business under this subparagraph unless the Administrator finds that the small business is otherwise unable to obtain credit for the purposes described in this subparagraph;".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding at the end the following:

(f) DISASTER MITIGATION PILOT PROGRAM.—The following program levels are authorized for loans under section 7(b)(1)(C):

"(1) \$15,000,000 for fiscal year 2000.

"(2) \$15,000,000 for fiscal year 2001.

"(3) \$15,000,000 for fiscal year 2002.

"(4) \$15,000,000 for fiscal year 2003.

"(5) \$15,000,000 for fiscal year 2004."

(c) EVALUATION.—On January 31, 2003, the Administrator of the Small Business Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of the pilot program authorized by section 7(b)(1)(C) of the Small Business Act

(15 U.S.C. 636(b)(1)(C)), as added by subsection (a) of this section, which report shall include—

(1) information relating to—

(A) the areas served under the pilot program;

(B) the number and dollar value of loans made under the pilot program; and

(C) the estimated savings to the Federal Government resulting from the pilot program; and

(2) such other information as the Administrator determines to be appropriate for evaluating the pilot program.●

Mr. KERRY. Mr. President, today I join my colleague, Senator MAX CLELAND, in introducing the Disaster Mitigation Coordination Act of 1999, a bill that helps our nation's small businesses save money and prepare for natural disasters.

We can't prevent disasters, but we can take measures to lessen and prevent the destruction that often hurts, and sometimes destroys, small businesses. Aside from avoiding inconveniences and disruptions, we know that there are cost-benefits to making meaningful improvements and changes to facilities before a disaster. According to the Federal Emergency Management Agency, which has a disaster mitigation program for communities, rather than businesses, we know that we save two dollars of disaster relief money for each dollar spent on disaster mitigation.

I see a great need for this type of assistance in the small business community. This bill establishes a five-year pilot program that would make low-interest, long-term loans available to small business owners financing preventive measures to protect their businesses against, and lessen the extent of, future disaster damage. This pilot program is designed to help those small businesses that can't get credit elsewhere and that are located in disaster-prone areas.

The small business pre-disaster mitigation loan pilot program would be run as part of the Small Business Administration's regular disaster loan program, testing the pros and cons of preparedness versus reaction. Up to \$15 million will be set aside for this pilot if enacted.

Only a portion of SBA's regular disaster loans, up to 20 percent, are available for mitigation after a recent natural disaster. In contrast, this legislation would allow 100 percent of an SBA disaster loan to be used for mitigation purposes within any area that the Federal Emergency Management Agency has designated as disaster-prone. In Massachusetts, that includes Marshfield and Quincy, two coastal communities that are prone to flooding, rainstorms and Nor'easters.

Nationwide, whether you're a business in Missouri or Massachusetts, this pilot would allow you to take out a loan to make the improvements to your building or office to protect against disasters. For floods it can mean elevating the foundation or relocating. For tornados it can mean in-

stalling storm windows and building a stronger roof. For hurricanes it can mean reinforcing walls. And for fires it can mean adding sprinklers and flame-retardant building materials.

The Administration supports this pilot program and included it in Clinton's budget request this fiscal year, and again for fiscal year 2000. The President requests that up to \$15 million of the total \$358 million proposed for disaster loans be used for disaster mitigation loans.

Senator CLELAND and I introduced this same legislation in the last Congress. And although it passed committee and the full Senate without opposition, the House did not have time to vote on its merits before the 105th Congress ended. I thank my colleagues, Senators HOLLINGS, CONRAD, BOXER, DASCHLE and HARKIN for sharing our concern to meet the needs of our small business owners while also working to find solutions that are smarter, more pro-active and more cost-effective. Mr. President, I am pleased to cosponsor this legislation and am hopeful it will again receive the full support it deserves when it comes before the Senate this Congress. —

By Mr. MCCAIN (for himself, Mr. ROBB, Mr. LIEBERMAN, Mr. DEWINE, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. CLELAND, Mrs. FEINSTEIN, Mr. HUTCHINSON, Mr. CONRAD, Mr. ALLARD, and Mr. SMITH of New Hampshire):

S. 389. A bill to amend title 10, United States Code, to improve and transfer the jurisdiction over the troops-to-teachers program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

TROOPS TO TEACHERS IMPROVEMENT ACT OF 1999

● Mr. MCCAIN. Mr. President, I rise today to introduce the Troops to Teachers Improvement Act of 1999. This legislation would help provide high-quality teachers to our nation's classrooms by assisting and counseling retired military personnel who are interested in beginning a new career as a teacher. I have worked hard with my colleagues, Senators ROBB and LIEBERMAN to develop a bill which strengthens, reforms and reauthorizes the current Troops to Teachers program in a manner which effectively addresses the educational needs of our nation's students.

One of the most important issues facing our nation is the education of our children. Providing a solid, quality education for each and every child in our nation is a critical component in their quest for personal success and fulfillment. A solid education for our children also plays a pivotal role in the success of our nation, economically, intellectually, civically and morally.

Unfortunately, our current education system is failing to provide many students with the academic skills they need. The Third International Math

and Science Study (TIMSS) ranked U.S. high school seniors last among 16 countries in physics and next to last in math. These disappointing results underscore the challenge we face in improving our public schools and providing our children with a competitive, world-class education.

A big part of that challenge will be funding, recruiting and retaining quality teachers to make America's children ready for tomorrow, particularly in the area of math and science. The Department of Education estimates that the nation's local school districts will need to hire more than two million teachers over the next decade to meet growing enrollment demands.

It is essential that we work together to develop and support innovative programs which help address this growing need for school teachers. Fortunately, an effective and innovative program for addressing this shortfall already exists, the Troops to Teachers program.

As many of my colleagues know, the Troops to Teachers program was initially created in 1993 to assist military personnel affected by defense downsizing but were interested in utilizing their knowledge, professional skills and expertise by becoming a teacher. Unfortunately, the authorization for this program is set to expire at the end of this fiscal year.

Senators ROBB, LIEBERMAN and I were disconcerted to learn that this successful program would soon be terminated. We joined together to develop a bipartisan bill which not only reauthorizes this program but strengthens and reforms it so that it more effectively meets the academic needs of our students and schools.

Our bill reforms this program so that it operates more efficiently and effectively targets the educational needs of our students. First, our bill transfers responsibility and funding for this program from the Department of Defense to the Department of Education. I and many other members of the Armed Services Committee believe that this is appropriate since it targets an educational need, rather than a military issue in our country and the Defense Department needs to use their limited resources to address a litany of problems impairing the readiness of our armed forces.

Another important concern we address in our bill is eligibility. Under the current program, military personnel are eligible for participation after serving only six years in the military. This eligibility policy is outdated and no longer appropriate while our military is facing a personnel retention crisis. Therefore, we have limited eligibility to military personnel who retire after at least twenty years of service, physically disabled personnel or individuals who have served a minimum of six years and can provide documentation they were affected by military downsizing.

Based on academic scores, particularly the TIMSS report it is evident

that a stronger emphasis needs to be placed on the academic preparation of our children in the areas of math and science. This is why we have made math, science, and special education teachers a priority for the Troops to Teachers program.

We also recognize the difficulties which face many of our schools, particularly those with a large proportion of at-risk students who pose a greater challenge to educators. Many schools are confronted with the difficult task of educating children who face a litany of personal obstacles, including poverty, broken homes, language barriers, learning disabilities and physical disabilities. We have attempted to help schools conquer these challenges by providing incentives for individuals who commit to teaching for a minimum of four years at a school with a large proportion of at-risk students and a significant shortage of teachers.

Finally, we have limited the cost of this program to the federal government by eliminating excessive, duplicative or unnecessary expenses. We have also limited administrative costs to operate this program to five percent, to ensure that federal funds being spent on this program are actually benefitting our children and education system, rather than being absorbed by Washington bureaucrats.

“A teacher affects eternity; they can never tell where their influence stops.” I share this sentiment of Henry Adams, and hope that each of my colleagues will work with us to continue providing high quality, experienced and effective teachers to our children through the Troops to Teachers program. It is important for our children, for our nation and for our future.●

• Mr. ROBB. Mr. President, I’m pleased to be joined today by several colleagues in introducing legislation that will help with one of the nation’s most pressing challenges for the twenty first century—recruiting teachers for our public schools.

The deterioration of our schools is evident. The Third International Math and Science Study (TIMSS) ranked U.S. high school seniors last among 16 countries in physics and next to last in math. We are failing to provide the quality of education that will not only ensure each individual student the skills needed for personal success and fulfillment, but also that the nation can maintain its economic—and intellectual—leadership into the next century.

Clearly there are many measures that must be taken to address this national dilemma. Our school infrastructure is literally crumbling. I was joined recently by Senator LAUTENBERG in introducing the Public School Modernization Act of 1999, which will support building new schools and repair and modernization of old schools to accommodate a growing school population and reduce class size.

Many schools have been left out of the information revolution. I have

worked hard to help Virginia schools get “wired” to the Internet—indeed I’ve helped physically wire several schools across the Commonwealth.

But ultimately, nothing matters more for the education of our youth than quality teachers. The Department of Education estimates that the nation’s local school districts must hire more than two million teachers over the next decade to meet growing enrollment demands.

This legislation builds on an existing program—the Troops-to-Teachers program established originally in 1993—to help bring experienced, well-disciplined role models with proven leadership skills into the public school system. Since its authorization, the Troops-to-Teachers program has assisted thousands of military personnel who leave the military to become public school teachers. Troops-to-Teachers offers counseling and assistance to help participants identify employment opportunities and receive teacher certification. It has been a great success, filling school vacancies in 48 states.

These professionals are providing what educators say they need the most: mature role models, most of them male and many minorities, often trained in math and science, highly motivated, and comfortable in tough working environments. In fact, over three quarters are men, compared with about 25 percent in the overall public school system. About half elect to teach in inner city or rural schools. A disproportionate share have science, engineering or technical backgrounds. Retention is much higher than the national average.

The authority for Troops-to-Teachers expires at the end of this fiscal year. The legislation we are introducing here today reauthorizes the program and makes many refinements to encourage even more of our soldiers, sailors, airmen and marines to enter the noble profession of teaching America’s youth. The legislation focuses more resources toward direct financial assistance to cover teacher certification costs for applicants, and creates a bonus for those opting to teach in certain high need schools. Fewer resources are made available for administrative and other overhead costs. The bonus, I believe, will be particularly effective in attracting larger numbers of applicants. A recent offering of a sign-up bonus of \$20,000 in Massachusetts public schools led to an explosion in applications from around the country.

Mr. President, I urge other Senators to support this important legislation and I look forward to it being brought forward for final passage this year.●

• Mr. LIEBERMAN. Mr. President, I am pleased to join with Senators MCCAIN and ROBB today in introducing legislation to extend and expand the Defense Department’s successful Troops to Teachers initiative, which helps to steer former military personnel into classroom teaching jobs.

To date Troops to Teachers has placed more than 3,000 retired or

downsized service members in public schools in 48 different states, providing participants with assistance in obtaining the proper certification or licensing and matching them up with prospective employers. In return, these new teachers bring to the classroom what educators say our schools need most: mature and disciplined role models, most of them male and many of them minorities, well-trained in math and science and high tech fields, highly motivated, and highly capable of working in challenging environments.

Our bill, the Troops to Teachers Improvement Act, aims to build on this success by encouraging more military retirees to move into teaching. It would do so by offering those departing troops new incentives to enter the teaching profession, particularly for those who are willing to serve in areas with large concentrations of at-risk children and severe shortages of qualified teaching candidates.

The reality is, Mr. President, that the nation as a whole is facing a serious teacher shortage. The Department of Education is projecting that local school districts will have to hire more than two million new teachers over the next decade due to surging enrollments and the aging of America’s teaching force. We were reminded again of this problem just this past Sunday by a front-page in the Washington Post, which described in some detail the challenge facing school systems across the country.

As the Post article pointed out, this is a critical challenge for the nation, because our hopes of raising academic standards and student achievement will hinge in large part on the capabilities and talents of the men and women who fill those two million places in the classroom. Studies show conclusively, and not surprisingly, that teacher quality is one of the greatest determinants of student achievement, and that low-performing students make dramatic gains when they study with the most knowledgeable teachers. The American public is very aware of this crucial link, as evidenced in a survey done last November, in which nine out of 10 people listed raising teacher quality as one of our top educational priorities.

The President began to address this critical challenge with his proposal to hire 100,000 new teachers, a plan I was proud to cosponsor. The Congress gave preliminary approval to this plan last fall through the Omnibus Appropriations bill we passed, which included funding for the first year of the program. I hope we will fully authorize this program this year to give local school districts full confidence that the funding for their efforts will be forthcoming.

But the question remains who is going to fill those new positions, and it is this question that most concerns me. Over the last few years, we have seen some troubling indications about the quality of teaching candidates being

produced by the nation's education schools. Most Americans would probably be surprised to learn that college students who choose to go into teaching today tend to fall near the bottom of their peer group academically—a survey of students in 21 different fields of study found that education majors ranked 17th in their performance on the SAT.

And most Americans would probably also be surprised to know that many of those would-be teachers are struggling to pass basic skills tests after graduating from their training programs. In Massachusetts, for example, 59 percent of the 1,800 candidates who took the state's first-ever certification exam flunked a literacy exam that the state board of education chairman rated as "about the eighth-grade level." In Long Island, to cite another example, only one in four teaching candidates in a pool of 758 could pass an English test normally given to 11th-graders.

These indicators are troubling in their own right, but they are even more so when we consider the pressures local school districts are under to fill holes in their teaching staffs. Many school systems around the country are already feeling the effects of the teacher shortage, and as a result administrators are being forced to grant large numbers of emergency waivers to certification or licensure rules. This is a troubling trend, because while certification is not a guarantee of quality, the fact that so many schools are lowering their standards to fill vacancies only heightens the chance that children in those schools will be struck with an unqualified instructor.

In light of all of these developments, I think it is imperative that we search for new ways to attract more of the nation's best and brightest to the classroom, and we look beyond our education schools to tap new pools of talent. That is why I am so enthusiastic about the creative approach taken by the Troops to Teachers program. I can't think of a better source of teaching candidates than the smart, disciplined and dedicated men and women who leave the military every year, or a better return on the investment we as taxpayers have made in their training.

A recent evaluation done by the non-partisan National Center for Education Information reveals that the troops who have participated so far have excelled in their new careers.

Our research shows that military people transition extremely well into teaching," said NCEI President Emily Feistritzers. "They are a rich source of teachers in all the areas where we need teachers—geographically and by subject area. There are more males among them than in normal recruiting, and they are very committed; they are going into teaching for all the right reasons.

The NCEI study found that 90 percent of program participants were male, in comparison to the current teaching force, which is three-quarters female; that more than 75 percent of the troops were teaching in inner cities or in small towns and rural areas, often

where shortages are most acute and where strong male role models are most needed; and that 85 percent of the troops who started teaching over the last four years are still on the job, a retention rate far higher than for other new educators.

One of the most important needs these troops are filling is in math and science classes. Several surveys have shown that a startling number of the men and women who are teaching math and science in middle and high schools today are not trained in these fields. This problem is especially severe in inner city school districts, where approximately half of all math and science teachers lack a major or minor in their field. The soldiers who are participating in Troops to Teachers often have advanced training in engineering and technology, and are well-equipped to prepare our children for the demands of the Information Age economy.

If there is one place where Troops to Teachers is falling short, it is in the number of participants. According to the Defense Department, less than 2 percent of the military personnel who have been eligible for the program have participated in the past five years. This is due in part, we believe, to the fact that Congress has not appropriated any money for the program in the last four years, and thereby stopped providing any financial support to troops who often incur thousands of dollars in costs for certification and relocations.

The central goal of our legislation—beyond renewing the program's authorization, which expires at the end of this fiscal—is to boost that participation rate, to persuade more troops to embrace a new way to serve their nation. Our bill would authorize \$25 million for each of the next five years, the bulk of which would go toward funding stipends of \$5,000 to participants who commit to teach four years, and a special "bonus" stipend of \$10,000 to troops who commit to teach in high-needs areas, which we hope will spur more former service members to consider teaching.

I particularly hope our legislation will increase participation in my state of Connecticut. According to the Defense Department, only six troops have been placed in teaching jobs in Connecticut to date, which is disappointing given the significant number of military personnel located in the state. The Connecticut Department of Education believes local school districts could substantially benefit from this untapped resource, and for that reason the department has strongly voiced its support for our legislation.

Even with the new incentives we are creating, which we hope will recruit as many as 3,000 new teachers each year, we recognize that Troops to Teachers will still only make a modest dent in solving the national shortage. But we will, with an extremely modest investment, make a substantial contribution to our common goals of raising teach-

ing standards and helping our children realize their potential. And we may well galvanize support for a recruitment method that, as Education Secretary Richard Riley has suggested, could serve as a model for bringing many more bright, talented people from different professions to serve in our public schools and raise teaching standards there.

The President has already expressed his strong support for our efforts to renew and revitalize Troops to Teachers, including new funding for it in his FY 2000 budget request. I hope my colleagues will join the impressive bipartisan coalition of cosponsors we have already assembled in supporting our legislation. We have a great opportunity here to harness a unique national resource to meet a pressing national need, and I hope we will seize it this year.

Mr. President, I ask unanimous consent that an article from the Washington Post be printed in the RECORD.

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

[From the Washington Post, Feb. 7, 1999]
TEACHER SHORTAGE STYMIES EFFORTS TO CUT CLASS SIZES

(By Amy Argetsinger)

In 1996, California enacted perhaps the most ambitious education initiative of the decade—a \$1 billion program to reduce the size of elementary school classes by hiring 20,000 extra teachers.

Parents cheered the plan, and other states—including Maryland and Virginia—have rushed to imitate it. President Clinton joined in, too, promising a national plan to help hire 100,000 teachers in the next several years.

But California's effort instantly posed a question that is likely to be echoed across the country as many schools embark on a historic hiring binge:

Where are all these new teachers supposed to come from?

California found enough teachers—but only by draining its substitute pools, raiding private schools, recruiting from other states and Mexico and hiring thousands without state teaching licenses. Today, about 10 percent of the state's teachers are working with "emergency" credentials.

It's a problem that could appear in many other school districts that are bracing for their worst teacher shortages in years, at the same time they are trying to fulfill the popular education reform goals of raising teacher standards and reducing class sizes.

Already, in Prince George's County, an early collision of these goals suggests that sometimes something has to give. When Gov. Parris N. Glendening (D) promised to hire 1,100 new teachers, he also warned that school districts must have at least 98 percent of their teachers with full state certification by 2002 or risk losing the new funds. But in counties such as Prince George's, which offers mid-range salaries and where only 87 percent of teachers are fully certified, officials complain they cannot possibly improve their numbers that fast.

This week, aides said the governor may consider giving some districts more time to reach the goal.

"It's a very delicate balancing act," warned Lawrence E. Leak, Maryland's assistant superintendent of schools. "Each one of those issues"—shortages, standards and class

sizes—"are compelling with respect to wanting quality teachers in the classroom."

Last fall, public school officials throughout the Washington area and across the country found themselves scrambling to fill last-minute teaching vacancies. Most were in science and math classes, where instructors can command much higher salaries in booming high-tech private industries. Many districts also reported shortages of special education teachers.

Yet a more serious and widespread shortage is looming. In the next decade, rising student enrollments and a wave of baby-boomer retirements will require 2 million new teachers, according to the U.S. Department of Education. Meanwhile, teacher colleges in many parts of the country are turning out fewer graduates—a phenomenon attributed to both the low birth rates of the mid-1970s and that generation's reluctance to enter such a demanding but low-paying field.

School districts have responded by cranking up recruitment efforts, setting off early across the country in search of top teacher candidates, forging ties with education schools, and piling on the incentives. Baltimore schools last year started offering job prospects \$5,000 toward closing costs on a new home in the city. Some North Carolina districts promise 6.5 percent annual raises. Massachusetts caused a sensation this month by offering top teaching-school graduates the chance to apply for competitive \$20,000 signing bonuses.

At the University of Virginia last week, a record 210 recruiters showed up at a job fair to woo a graduating class of only 150 teaching majors—20 of whom were already spoken for.

"It's unheard of," said Gigi Davis-White, a career-planning director at the university's Curry School of Education. "I had recruiters complaining . . . They'd never really had to work that fast."

The demand is not limited to students with an education degree, she said. "If you have a math, science or foreign language background, they'll provisionally certify you and get you in the classroom."

Deeply concerned about the looming shortages, Maryland legislators are weighing a passel of measures to lure more people into teaching.

Glendenning is promoting full scholarships for students who promise to teach in Maryland schools. And although a pitch by state Superintendent of Schools Nancy S. Grasmick to give teachers tax breaks found no sponsor, proposals now before the state General Assembly include \$3,000 signing bonuses for top graduates, tax credits to reward graduate studies, stipends for high-performing teachers, and pension protections to encourage retired teachers to return to the classroom. Sen. Gloria G. Lawlah (D-Prince George's) is proposing scholarships for students who promise to teach in Prince George's and property tax breaks for county teachers.

Yet some say such efforts fall short. Karl Pence, president of the Maryland State Teachers Association, said state officials need to focus less on quick fixes and cash bonuses than on making teaching a more desirable and respected profession.

"There are lots of teachers who would accept challenges of working in at-risk schools if they could have reasonable class size, the materials they need, clean and safe buildings, and technology right there in the classroom," he said.

But the best attempts to fight the teacher shortage may be complicated by efforts to reduce class size—which require hiring even more teachers.

It's one of the most politically popular issues of the day: Many parents and politi-

cians insist that with fewer students in a room, a teacher can provide more individual attention to each and thus enrich the learning experience. Clinton's proposal won funding for a first-stage hire of 30,000 teachers who will join the nation's classrooms this fall.

Meanwhile, both Glendenning and Virginia Gov. James S. Gilmore III (R) are touting their own class-size reduction plans, now under consideration in their state legislatures. And individual school districts—including Montgomery and Howard counties and Alexandria—are pouring money into similar programs. (D.C. officials have no plan to reduce their relatively small class sizes, although they agree that teachers are always at a premium.)

Most of the class-size reduction plans are aimed at kindergarten through third grade, where researchers believe children are best served by the extra attention. Some plans also would add more teachers in seventh- or ninth-grade math, another critical juncture for students.

Some analysts argue that smaller classes—though increasing the demand for teachers—may help solve the shortages by making teaching more appealing. In California, schools had little trouble finding teachers for the new first- and second-grade slots, which promised no more than 20 students a class.

The catch, however, was that many of them deserted posts in crowded middle school classrooms to take the new jobs—leaving a void in the upper-grade teaching ranks.

At the same time, politicians have increasingly made an issue about the quality of public school teachers. Virginia last year set the highest cutoff score in the nation on the standardized test for aspiring teachers. Maryland, meanwhile, has set several new hurdles for teachers, requiring them to take several more reading courses for certification and linking their license renewal to regular evaluations.

Lately in Maryland, state officials also have raised concerns about the large number of teachers lacking full certification, especially in Prince George's County and Baltimore. Fully certified teachers generally must pass a set of approved education courses, have some student teaching experience and pass a national teacher's exam.

Officials in these districts maintain that just because a teacher is uncertified doesn't mean he or she is a bad teacher—many of the "provisionally" certified teachers are close to completing the requirements for licensure.

But they also complain that their smaller budgets and larger enrollments make it hard to vie for the dwindling pool of qualified applicants. "The competition is intense," said Louise F. Waynant, Prince George's deputy superintendent of schools. "And we do find that school districts with higher teacher salaries have a bit of an advantage."

Gordon Ambach, the executive director of the Council of Chief State School Officers, argues that the teacher shortage will have little effect on affluent suburbs but will hit hard in school systems such as Prince George's and the District, which have greater pockets of poor and immigrant students.

But some education analysts—especially advocates for teaching—see opportunity in the teacher crunch. Linda Darling-Hammond, executive director of the National Commission on Teaching and America's Future, notes that some parts of the country produce more than enough teachers, but that those instructors cannot easily get licensed in other states. She said states should offer more reciprocity in teacher licensing.

She also said the real shortage problem stems from high rates of attrition—almost 30

percent of teachers drop out within five years. "We waste a lot of money and time and effort with the revolving door," Darling-Hammond said, "trying to recruit people, then treating them badly and watching them leave."

David Haselkorn, president of Recruiting New Teachers Inc., said school systems need to offer mentoring programs for struggling new teachers—such a plan has been proposed in the Maryland General Assembly. And he said he hopes the crunch will inspire local officials to consider raising salaries and otherwise improve teachers' working conditions.

"The opportunity is to use this moment in time—when we are going to be doing a substantial amount of hiring—to rethink significantly how we prepare and support teachers for the 21st century." •

By Mr. REID:

S. 390. A bill to amend title II of the Social Security Act to allow workers who attain age 65 after 1981 and before 1992 to choose either lump sum payments over four years totaling \$5,000 or an improved benefit computation formula under a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977, and for other purposes; to the Committee on Finance.

• Mr. REID. Mr. President, I rise today to introduce legislation that would correct a problem that plagues a special group of older Americans. I am speaking on behalf of those affected by the Social Security notch.

For my colleagues who may not be aware, the Social Security notch causes 11 million Americans born between the years 1917-1926 to receive less in Social Security benefits than Americans born outside the notch years due to changes made in the 1977 Social Security benefit formula.

I have felt compelled over the years to speak out about this issue and the injustice it imposes on millions of Americans. The notch issue has been debated and debated, studied and studied, yet to date, no solution to it has been found. Because of this, many older Americans born during this period must scrimp to afford the most basic of necessities.

Mr. President, I am the first to acknowledge that with any projected budget surplus we must save Social Security. In many ways, my legislation does just this. It restores confidence to the many notch victims around the country and will show them that we in Congress will accept responsibility for any error that was made. We should not ask them to accept less as a result of our mistake. While we must save Social Security for the future, we have an obligation to those, who through no fault of their own, receive less than those that were fortunate enough to be born just days before or after the notch period.

I believe we owe a debt to notch babies. Like any American family, we must first pay the bills before we invest in the future. We have the resources to make good on our debt to notch babies. We should come forward and honor our commitment.

Mr. President, the "notch" situation had its origins in 1972, when Congress decided to create automatic cost-of-living adjustments to help Social Security benefits keep pace with inflation. Previously, each adjustment had to await legislation, causing beneficiaries' monthly payments to lag behind inflation. When Congress took this action, it was acting under the best of intentions.

Unfortunately, this new benefit adjustment method was flawed. To function properly, it required that the economy behave in much the same fashion that it had in the 1950s and 1960s, with annual wage increases outpacing prices, and inflation remaining relatively low. As we all know, that did not happen. The rapid inflation and high unemployment of the 1970s generated increases in benefits. In an effort to end this problem, in 1977 Congress revised the way that benefits were computed. In making its revisions, Congress decided that it was not proper to reduce benefits for persons already receiving them; it did, however, decide that benefits for all future retirees should be reduced. As a result, those born after January 1, 1917 would, by design, receive benefits that were, in many cases, far less. In an attempt to ease the transition to the new, lower benefit levels, Congress designed a special 'transitional computation method' for use by beneficiaries born between 1917 and 1921.

Mr. President, we have an obligation to convey to our constituents that Social Security is a fair system. In town hall meetings back home in Nevada, I have a hard time trying to tell that to a notch victim. They feel slighted by their government and if I were in their situation, I would too. Through no fault of their own, they receive less, sometimes as much as \$200 less, than their neighbors.

The legislation I am offering today is my proposal to right the wrong. I propose using any projected budget surplus to pay the lump sum benefit to notch babies. While we have a surplus, let's fix the notch problem once and for all and restore the confidence of the ten million notch babies across this land.

Government has an obligation to be fair. I don't think we have been in the case of notch babies. My support of notch babies is longstanding. I introduced the only notch amendment in April 1991 that ever passed in Congress as part of the fiscal year 1992 Budget Resolution. Unfortunately, it did not become the law of the land as it was dropped in Conference with the House of Representatives. I have cosponsored numerous pieces of legislation over the years to address this issue. With this legislation, my effort continues.

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

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

S. 390

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Notch Fairness Act of 1999".

SEC. 2. NEW GUARANTEED MINIMUM PRIMARY INSURANCE AMOUNT WHERE ELIGIBILITY ARISES DURING TRANSITIONAL PERIOD.

(a) IN GENERAL.—Section 215(a) of the Social Security Act (42 U.S.C. 415(a)) is amended—

(1) in paragraph (4)(B)—

(A) by inserting "(with or without the application of paragraph (8))" after "would be made"; and

(B) in clause (i), by striking "1984" and inserting "1989"; and

(2) by adding at the end the following:

"(8)(A) In the case of an individual described in paragraph (4)(B) (subject to subparagraphs (F) and (G) of this paragraph), the amount of the individual's primary insurance amount as computed or recomputed under paragraph (1) shall be deemed equal to the sum of—

"(i) such amount, and

"(ii) the applicable transitional increase amount (if any).

"(B) For purposes of subparagraph (A)(ii), the term 'applicable transitional increase amount' means, in the case of any individual, the product derived by multiplying—

"(i) the excess under former law, by

"(ii) the applicable percentage in relation to the year in which the individual becomes eligible for old-age insurance benefits, as determined by the following table:

If the individual becomes eligible for such benefits in:	The applicable percentage is:
1979	55 percent
1980	45 percent
1981	35 percent
1982	32 percent
1983	25 percent
1984	20 percent
1985	16 percent
1986	10 percent
1987	3 percent
1988	5 percent.

"(C) For purposes of subparagraph (B), the term 'excess under former law' means, in the case of any individual, the excess of—

"(i) the applicable former law primary insurance amount, over

"(ii) the amount which would be such individual's primary insurance amount if computed or recomputed under this section without regard to this paragraph and paragraphs (4), (5), and (6).

"(D) For purposes of subparagraph (C)(i), the term 'applicable former law primary insurance amount' means, in the case of any individual, the amount which would be such individual's primary insurance amount if it were—

"(i) computed or recomputed (pursuant to paragraph (4)(B)(i)) under section 215(a) as in effect in December 1978, or

"(ii) computed or recomputed (pursuant to paragraph (4)(B)(ii)) as provided by subsection (d),

(as applicable) and modified as provided by subparagraph (E).

"(E) In determining the amount which would be an individual's primary insurance amount as provided in subparagraph (D)—

"(i) subsection (b)(4) shall not apply;

"(ii) section 215(b) as in effect in December 1978 shall apply, except that section 215(b)(2)(C) (as then in effect) shall be deemed to provide that an individual's 'computation base years' may include only calendar years in the period after 1950 (or 1936 if

applicable) and ending with the calendar year in which such individual attains age 61, plus the 3 calendar years after such period for which the total of such individual's wages and self-employment income is the largest; and

"(iii) subdivision (I) in the last sentence of paragraph (4) shall be applied as though the words 'without regard to any increases in that table' in such subdivision read 'including any increases in that table'.

"(F) This paragraph shall apply in the case of any individual only if such application results in a primary insurance amount for such individual that is greater than it would be if computed or recomputed under paragraph (4)(B) without regard to this paragraph.

"(G)(i) This paragraph shall apply in the case of any individual subject to any timely election to receive lump sum payments under this subparagraph.

"(ii) A written election to receive lump sum payments under this subparagraph, in lieu of the application of this paragraph to the computation of the primary insurance amount of an individual described in paragraph (4)(B), may be filed with the Commissioner of Social Security in such form and manner as shall be prescribed in regulations of the Commissioner. Any such election may be filed by such individual or, in the event of such individual's death before any such election is filed by such individual, by any other beneficiary entitled to benefits under section 202 on the basis of such individual's wages and self-employment income. Any such election filed after December 31, 1999, shall be null and void and of no effect.

"(iii) Upon receipt by the Commissioner of a timely election filed by the individual described in paragraph (4)(B) in accordance with clause (ii)—

"(I) the Commissioner shall certify receipt of such election to the Secretary of the Treasury, and the Secretary of the Treasury, after receipt of such certification, shall pay such individual, from amounts in the Federal Old-Age and Survivors Insurance Trust Fund, a total amount equal to \$5,000, in 4 annual lump sum installments of \$1,250, the first of which shall be made during fiscal year 2000 not later than July 1, 2000, and

"(II) subparagraph (A) shall not apply in determining such individual's primary insurance amount.

"(iv) Upon receipt by the Commissioner as of December 31, 1999, of a timely election filed in accordance with clause (ii) by at least one beneficiary entitled to benefits on the basis of the wages and self-employment income of a deceased individual described in paragraph (4)(B), if such deceased individual has filed no timely election in accordance with clause (ii)—

"(I) the Commissioner shall certify receipt of all such elections received as of such date to the Secretary of the Treasury, and the Secretary of the Treasury, after receipt of such certification, shall pay each beneficiary filing such a timely election, from amounts in the Federal Old-Age and Survivors Insurance Trust Fund, a total amount equal to \$5,000 (or, in the case of 2 or more such beneficiaries, such amount distributed evenly among such beneficiaries), in 4 equal annual lump sum installments, the first of which shall be made during fiscal year 2000 not later than July 1, 2000, and

"(II) solely for purposes of determining the amount of such beneficiary's benefits, subparagraph (A) shall be deemed not to apply in determining the deceased individual's primary insurance amount.".

(b) EFFECTIVE DATE AND RELATED RULES.—

(1) APPLICABILITY OF AMENDMENTS.—

(A) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this Act shall be effective as though they had

been included or reflected in section 201 of the Social Security Amendments of 1977.

(B) APPLICABILITY.—No monthly benefit or primary insurance amount under title II of the Social Security Act shall be increased by reason of such amendments for any month before July 2000. The amendments made this section shall apply with respect to benefits payable in months in any fiscal year after fiscal year 2003 only if the corresponding decrease in adjusted discretionary spending limits for budget authority and outlays under section 3 of this Act for fiscal years prior to fiscal year 2004 is extended by Federal law to such fiscal year after fiscal year 2003.

(2) RECOMPUTATION TO REFLECT BENEFIT INCREASES.—Notwithstanding section 215(f)(1) of the Social Security Act, the Commissioner of Social Security shall recompute the primary insurance amount so as to take into account the amendments made by this Act in any case in which—

(A) an individual is entitled to monthly insurance benefits under title II of such Act for June 2000; and

(B) such benefits are based on a primary insurance amount computed—

(i) under section 215 of such Act as in effect by reason of the Social Security Amendments of 1977) after December 1978, or

(ii) under section 215 of such Act as in effect prior to January 1979 by reason of subsection (a)(4)(B) of such section (as amended by the Social Security Amendments of 1977).

SEC. 3. OFFSET PROVIDED BY PROJECTED FEDERAL BUDGET SURPLUSES.

Amounts offset by this Act shall not be counted as direct spending for purposes of the budgetary limits provided in the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985. •

By Mr. KERREY (for himself, Mr. BOND, Mr. KENNEDY, Mr. GORTON, Mr. GRAHAM, Mr. DEWINE, Mr. MOYNIHAN, Mr. DURBIN, Mr. INOUE, Mr. MACK, and Mrs. MURRAY):

S. 391. A bill to provide for payments to children's hospitals that operate graduate medical education programs; to the Committee on Finance.

CHILDREN'S HOSPITALS EDUCATION AND RESEARCH ACT OF 1999

• Mr. KERREY. Mr. President, I am pleased to introduce this proposal to provide critical support to teaching programs at free-standing children's hospitals. I am also honored to be joined by Senators BOND, KENNEDY, DURBIN, DEWINE, MOYNIHAN, GRAHAM, GORTON, INOUE, MACK, and MURRAY as original cosponsors. And I am gratified to note that the President's budget submission for FY 2000 also includes funding for teaching programs at these hospitals.

Children's hospitals play an important role in our nation's health care system. They combine high-quality clinical care, a vibrant teaching mission and leading pediatric biomedical research within their walls. They provide specialized regional services, including complex care to chronically ill children, and serve as safety-net providers to low-income children.

Teaching is an inherent component of these hospitals' day-to-day operations. These hospitals train twenty-nine percent of the nation's pediatri-

cians, and the majority of America's pediatric specialists. Pediatric residents develop the skills they need to care for our nation's children at these institutions.

In addition, these hospitals effectively combine the joint missions of teaching and research. Scientific discovery depends on the strong academic focus of teaching hospitals. The teaching environment attracts academics devoted to research. It attracts the volume and spectrum of complex cases needed for clinical research. And the teaching mission creates the intellectual environment necessary to test the conventional wisdom of day-to-day health care and foster the questioning that leads to breakthroughs in research. Because these hospitals combine research and teaching in a clinical setting, these breakthroughs can be rapidly translated into patient care.

Children's hospitals have contributed to advances in virtually every aspect of pediatric medicine. Thanks to research efforts at these hospitals, children can survive once-fatal diseases such as polio, grow and thrive with disabilities such as cerebral palsy, and overcome juvenile diabetes to become self-supporting adults.

Through patient care, teaching and research, these hospitals contribute to our communities in many ways. However, their training programs—and their ability to fulfill their critical role in America's health care system—are being gradually undermined by dwindling financial support. Maintaining a vibrant teaching and research program is more expensive than simply providing patient care. The nation's teaching hospitals have historically relied on additional support—support beyond the cost of clinical care itself—in order to finance their teaching programs. Today, competitive market pressures provide little incentive for private payers to contribute towards teaching costs. At the same time, the increased use of managed care plans within the Medicaid program has decreased the availability of teaching dollars through Medicaid. Therefore, Medicare's support for graduate medical education is more important than ever.

Independent children's hospitals, however, serve an extremely small number of Medicare patients. Therefore, they do not receive Medicare graduate medical education payments to support their teaching activities. The most significant source of graduate medical education financing is, in large part, not available to these hospitals.

This proposal will address, for the short-term, this unintended consequence of current public policy. It will provide time-limited support to help children's hospitals train tomorrow's pediatricians, investigate new treatments and pursue pediatric biomedical research. It will establish a four-year fund, which will provide children's hospitals with Federal teaching payments that are based on their per-

resident costs and the complexity of their patient population. Total spending over four years will be less than a billion dollars.

This proposal does not solve the fundamental dilemma of how to cover the cost of training our nation's doctors. Congress has charged the Bipartisan Commission on the Future of Medicare with developing recommendations on this important question—and Congress has directed the Commission to examine teaching support for children's hospitals within these recommendations. I believe the Commission's recommendation will recognize the need to include children's hospitals within the framework of graduate medical education. But in the meantime, this proposal provides the support these hospitals need until these broader questions are answered and addressed.

All American families have great dreams for their children. These hopes include healthy, active, happy childhoods, so they seek the best possible health care for their children. And when these dreams are threatened by a critical illness, they seek the expertise of highly-trained pediatricians and pediatric specialists, and rely on the research discoveries fostered by children's hospitals. All families deserve a chance at the American dream. Through this legislation, we will help children's hospitals—hospitals such as Children's Hospital in Omaha, Boys' Town, St. Louis Children's Hospital, Children's Hospital in Boston, Children's Hospital in Seattle, and others—train the doctors and do the research necessary to fulfill this dream. Through this legislation, Congress will be doing its part to help American families work towards a successful future.

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

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

S. 391

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children's Hospitals Education and Research Act of 1999".

SEC. 2. PROGRAM OF PAYMENTS TO CHILDREN'S HOSPITALS THAT OPERATE GRADUATE MEDICAL EDUCATION PROGRAMS.

(a) PAYMENTS.—

(1) IN GENERAL.—The Secretary shall make payments under this section to each children's hospital for each hospital cost reporting period under the medicare program beginning in or after fiscal year 2000 and before fiscal year 2004 for the—

(A) direct expenses associated with operating approved medical residency training programs; and

(B) indirect expenses associated with the treatment of more severely ill patients and the additional costs related to the teaching of residents.

(2) PAYMENT AMOUNTS.—Subject to paragraph (3), the following amounts shall be payable under this section to a children's hospital for a cost reporting period described in paragraph (1):

(A) DIRECT EXPENSES.—The amount determined under subsection (b) for direct expenses described in paragraph (1)(A).

(B) INDIRECT EXPENSES.—The amount determined under subsection (c) for indirect expenses described in paragraph (1)(B).

(3) CAPPED AMOUNT.—

(A) IN GENERAL.—The payments to children's hospitals established in this subsection for cost reporting periods ending in any fiscal year shall not exceed the funds appropriated under subsection (e) for that fiscal year.

(B) PRO RATA REDUCTIONS OF PAYMENTS FOR DIRECT EXPENSES.—If the Secretary determines that the amount of funds appropriated under subsection (e)(1) for cost reporting periods ending in any fiscal year is insufficient to provide the total amount of payments otherwise due for such periods, the Secretary shall reduce each of the amounts payable under this section pursuant to paragraph (2)(A) for such period on a pro rata basis to reflect such shortfall.

(b) AMOUNT OF PAYMENT FOR DIRECT MEDICAL EDUCATION.—

(1) IN GENERAL.—The amount determined under this subsection for payments to a children's hospital for direct expenses relating to approved medical residency training programs for a cost reporting period beginning in or after fiscal year 2000 and before fiscal year 2004 is equal to the product of—

(A) the updated per resident amount for direct medical education, as determined under paragraph (2), for the cost reporting period; and

(B) the number of full-time equivalent residents in the hospital's approved medical residency training programs (as determined under section 1886(h)(4) of the Social Security Act (42 U.S.C. 1395ww(h)(4))) for the cost reporting period.

(2) UPDATED PER RESIDENT AMOUNT FOR DIRECT MEDICAL EDUCATION.—The updated per resident amount for direct medical education for a hospital for a cost reporting period ending in a fiscal year is an amount equal to the per resident amount for cost reporting periods ending during fiscal year 1999 for the hospital involved (as determined by the Secretary using the methodology described in section 1886(h)(2)(E) of such Act (42 U.S.C. 1395ww(h)(2)(E))) increased by the percentage increase in the Consumer Price Index for All Urban Consumers (United States city average) from fiscal year 1999 through the fiscal year involved.

(c) AMOUNT OF PAYMENT FOR INDIRECT MEDICAL EDUCATION.—

(1) IN GENERAL.—The amount determined under this subsection for payments to a children's hospital for indirect expenses associated with the treatment of more severely ill patients and the additional costs related to the teaching of residents for a cost reporting period beginning in or after fiscal year 2000 and before fiscal year 2004 is equal to an amount determined appropriate by the Secretary.

(2) FACTORS.—In determining the amount under paragraph (1), the Secretary shall—

(A) take into account variations in case mix among children's hospitals and the number of full-time equivalent residents in the hospitals' approved medical residency training programs for the cost reporting period; and

(B) assure that the aggregate of the payments for indirect expenses associated with the treatment of more severely ill patients and the additional costs related to the teaching of residents under this section in a fiscal year are equal to the amount appropriated for such expenses in such year under subsection (e)(2).

(d) MAKING OF PAYMENTS.—

(1) INTERIM PAYMENTS.—The Secretary shall estimate, before the beginning of each cost reporting period for a hospital for which the payments may be made under this section, the amounts of the payments for such period and shall (subject to paragraph (2)) make the payments of such amounts in 26 equal interim installments during such period.

(2) WITHHOLDING.—The Secretary shall withhold up to 25 percent from each interim installment paid under paragraph (1).

(3) RECONCILIATION.—At the end of each such period, the hospital shall submit to the Secretary such information as the Secretary determines to be necessary to determine the percent (if any) of the total amount withheld under paragraph (2) that is due under this section for the hospital for the period. Based on such determination, the Secretary shall recoup any overpayments made, or pay any balance due. The amount so determined shall be considered a final intermediary determination for purposes of applying section 1878 of the Social Security Act (42 U.S.C. 1395oo) and shall be subject to review under that section in the same manner as the amount of payment under section 1886(d) of such Act (42 U.S.C. 1395ww(d)) is subject to review under such section.

(e) LIMITATION ON EXPENDITURES.—

(1) DIRECT MEDICAL EDUCATION.—

(A) IN GENERAL.—Subject to subparagraph (B), there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for payments under this section for direct expenses relating to approved medical residency training programs for cost reporting periods beginning in—

(i) fiscal year 2000, \$35,000,000;
(ii) fiscal year 2001, \$95,000,000;
(iii) fiscal year 2002, \$95,000,000; and
(iv) fiscal year 2003, \$95,000,000.

(B) CARRYOVER OF EXCESS.—If the amount of payments under this section for cost reporting periods beginning in fiscal year 2000, 2001, or 2002 is less than the amount provided under this paragraph for such payments for such periods, then the amount available under this paragraph for cost reporting periods beginning in the following fiscal year shall be increased by the amount of such difference.

(2) INDIRECT MEDICAL EDUCATION.—There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for payments under this section for indirect expenses associated with the treatment of more severely ill patients and the additional costs related to the teaching of residents for cost reporting periods beginning in—

(A) fiscal year 2000, \$65,000,000;
(B) fiscal year 2001, \$190,000,000;
(C) fiscal year 2002, \$190,000,000; and
(D) fiscal year 2003, \$190,000,000.

(f) RELATION TO MEDICARE AND MEDICAID PAYMENTS.—Notwithstanding any other provision of law, payments under this section to a hospital for a cost reporting period—

(1) are in lieu of any amounts otherwise payable to the hospital under section 1886(h) or 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(h); 1395ww(d)(5)(B)) to the hospital for such cost reporting period, but

(2) shall not affect the amounts otherwise payable to such hospitals under a State medicaid plan under title XIX of such Act (42 U.S.C. 1396 et seq.).

(g) DEFINITIONS.—In this section:

(1) APPROVED MEDICAL RESIDENCY TRAINING PROGRAM.—The term "approved medical residency training program" has the meaning given such term in section 1886(h)(5)(A) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(A)).

(2) CHILDREN'S HOSPITAL.—The term "children's hospital" means a hospital described

in section 1886(d)(1)(B)(iii) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)(iii)).

(3) DIRECT GRADUATE MEDICAL EDUCATION COSTS.—The term "direct graduate medical education costs" has the meaning given such term in section 1886(h)(5)(C) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(C)).

(4) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.●

• Mr. KENNEDY. Mr. President, America's children—from the smallest premature baby to the tallest teenager—deserve access to doctors trained specifically in meeting their health needs. I commend Senator KERREY's leadership in this bipartisan legislation introduced today to provide greater support to children's hospitals, so that they can continue to train the kinds of doctors that children need.

In the United States, there are 53 freestanding pediatric hospitals—less than 1% of all the hospitals in the country. Yet they train more than a quarter of all pediatricians and more than half of all pediatric specialists. These hospitals also help train other doctors who need experience in taking care of children—including family doctors, neurologists, and surgeons.

Children's hospitals typically provide care for the sickest children—those whose medical needs are not easily met in the local and community hospitals. Patients in children's hospitals include a higher percentage of our nation's uninsured children and low-income children. These hospitals are the source of many new lifesaving strategies, such as treating childhood cancer and helping premature babies to breathe.

But the ability of children's hospitals to train doctors is in increasing jeopardy. Funds for training residents are declining as changes take place in the ways we pay for our health care. For most hospitals, support for graduate medical education is funded through Medicare. But since freestanding children's hospitals treat almost no Medicare patients, they receive almost no federal support or other support for training their residents.

Democrats and Republicans recognize that qualified children's physicians are needed as much as other types of physicians. Under this bill, the Department of Health and Human Services is authorized to provide support to freestanding children's hospitals for such training. It means that children's hospitals will receive the same level of support that this country gives to other teaching hospitals. Under this legislation funds will be distributed fairly, by using a formula that considers variations across the country in the cost of such training. Safeguards are included to guarantee that the dollars are spent only when residents are actually trained.

President Clinton's budget recognizes this high priority. It includes a \$40 million downpayment until this legislation is enacted.

I look forward to working with my colleagues and the administration to assure early passage of this needed legislation. I commend both the President

S. 135

At the request of Mr. DURBIN, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 135, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for the health insurance costs of self-employed individuals, and for other purposes.

S. 170

At the request of Mr. SMITH, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 170, a bill to permit revocation by members of the clergy of their exemption from Social Security coverage.

S. 223

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 223, a bill to help communities modernize public school facilities, and for other purposes.

S. 260

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 260, a bill to make chapter 12 of title 11, United States Code, permanent, and for other purposes.

S. 261

At the request of Mr. SPECTER, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 261, a bill to amend the Trade Act of 1974, and for other purposes.

S. 271

At the request of Mr. FRIST, the names of the Senator from Montana (Mr. BURNS) and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of S. 271, a bill to provide for education flexibility partnerships.

S. 280

At the request of Mr. FRIST, the names of the Senator from Montana (Mr. BURNS) and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of S. 280, a bill to provide for education flexibility partnerships.

S. 322

At the request of Mr. CAMPBELL, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Nevada (Mr. REID), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 322, a bill to amend title 4, United States Code, to add the Martin Luther King Jr. holiday to the list of days on which the flag should especially be displayed.

S. 331

At the request of Mr. JEFFORDS, the names of the Senator from Nevada (Mr. BRYAN), the Senator from Montana (Mr. BAUCUS), the Senator from Hawaii (Mr. AKAKA), the Senator from New York (Mr. SCHUMER), the Senator from Mississippi (Mr. COCHRAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from North Dakota (Mr. DORGAN), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 331, a bill to amend the Social Security Act to expand the availability of

and the First Lady for their strong commitment to children and for their indispensable leadership on this important issue. Action by Congress is needed now. We must work together to make a long-term commitment to enable children's hospitals to train the physicians of the future to care for children.●

By Mrs. MURRAY (for herself and Mr. GORTON):

S. 392. A bill to designate the Federal building and United States courthouse located at West 920 Riverside Avenue in Spokane, Washington, as the "Thomas S. Foley Federal Building and United States Courthouse," and the plaza at the south entrance of that building and courthouse as the "Walter F. Horan Plaza"; to the Committee on Environment and Public Works.

THOMAS S. FOLEY FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mrs. MURRAY. Mr. President, today I have introduced legislation designating the federal building located at West 920 Riverside Avenue, Spokane, Washington, as the "Thomas S. Foley Federal Building and United States Courthouse." The bill also designates the plaza located immediately in front of the building as the "Walter F. Horan Plaza."

Speaker Tom Foley had a long and distinguished career in the United States House of Representatives. He served for 30 years, concluding his service as Speaker of the House in the 103rd Congress. He was also Speaker in the 102nd Congress, and held positions as Majority Leader, Majority Whip, and Chairman of the House Agriculture Committee. Speaker Foley now serves as our nation's Ambassador to Japan.

Tom Foley is a native of Spokane, Washington, and earned his undergraduate and law degree from the University of Washington. His parents were highly respected citizens of Spokane.

Mr. Foley personified the high ideal to which all of us aspire as public servants and Members of Congress. First and foremost he was a gentleman who sought consensus, recognizing the value of maintaining a good working relationship among colleagues. He loved Congress, and believed it to be the best forum for democracy in the world.

Speaker Foley worked tirelessly to promote and strengthen the Northwest's economy. During my first two years as a Senator, I enjoyed working with him and I am proud of our joint efforts to help our constituents, especially in the successful promotion of Washington wheat and apples on both domestic and international markets. Without Mr. Foley, we would likely not be exporting our agricultural products to as many destinations across the globe as we do. Today, he continues to see that our goods are sold in places, such as Japan, that historically have had tightly controlled markets.

Today I also honor another Washington native, Walter F. Horan. He served

22 years, from 1943 to 1965, as the Congressman from eastern Washington. Representative Horan was raised in Wenatchee, served in the Navy during the First World War, graduated from Washington State University in Pullman, and raised apples on his family farm.

As a member of the Appropriations Committee, Representative Horan was an excellent advocate for western interests, especially those of his constituents in eastern Washington. As a farmer himself, he knew the needs of the people he served and urged the Congress to pass laws to ensure their economic prosperity. He died in 1966 and is buried in his beloved hometown of Wenatchee.

It is my honor to sponsor legislation that permanently recognizes the contributions these two Washingtonians have made to my state and our nation.

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

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

S. 392

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

SECTION 1. DESIGNATION OF THOMAS S. FOLEY FEDERAL BUILDING AND UNITED STATES COURTHOUSE.

(a) IN GENERAL.—The Federal building and United States courthouse located at West 920 Riverside Avenue in Spokane, Washington, shall be known and designated as the "Thomas S. Foley Federal Building and United States Courthouse".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in subsection (a) shall be deemed to be a reference to the "Thomas S. Foley Federal Building and United States Courthouse".

SEC. 2. DESIGNATION OF WALTER F. HORAN PLAZA.

(a) IN GENERAL.—The plaza located at the south entrance of the Federal building and United States courthouse referred to in section 1(a) shall be known and designated as the "Walter F. Horan Plaza".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the plaza referred to in subsection (a) shall be deemed to be a reference to the "Walter F. Horan Plaza".

SEC. 3. EFFECTIVE DATE.

This Act takes effect on March 6, 1999.●

ADDITIONAL COSPONSORS

S. 13

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

S. 61

At the request of Mr. DEWINE, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 61, a bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions.