

More and more, the world is able to see that President Musharraf has dedicated himself to continuing military rule in Pakistan and allowing terrorism to occur in Kashmir.

President Bush stressed in his address to Congress after September 11 that there would be no shades of gray. A country either supports us in our war against terrorism, or it does not. The Bush administration praises President Musharraf for joining the U.S. effort against the Taliban, but this support does not extend to countering terrorism in Kashmir.

There are more indications daily that the terrorist elements are regaining ground in Pakistan, and the Musharraf government is doing very little to condition constrain it. I believe the U.S. should rethink its support for Musharraf in light of these events.

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TWO HARMFUL FOOD STAMP PROVISIONS IN HOUSE WELFARE BILL

The SPEAKER pro tempore (Mr. SULLIVAN). Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, I spoke earlier and just want to expound again on the procedure that was engaged in, or the procedure that should have been engaged in, as we brought forth a major piece of legislation that involves several committees. To my surprise, in the welfare reauthorization bill, there were provisions in there that would have given the States, at least five States, the election of having a block grant and also in that bill were provisions that would allow for the super waiver. Giving the super waiver means that you are almost giving States an unlimited amount of flexibility and authority almost that they do not have to follow any rules and regulations. This super waiver really gives sweeping authority to the Governors of the States and the possibility of programs being diverted or the real incentive really as we look at this proposal, in requiring more work, requiring more day care, more transportation.

When you begin to understand that States are in fiscal constraint, you begin to know how that temptation becomes a real possibility if indeed you are giving pots of moneys in the block grant and say, You can do with it as you please, that gives some of us very much concern, particularly when we are concerned about the poor, concerned about those who need food; and it is food stamps which is indeed our Nation's greatest safety net, primarily to families, families who are working.

We have seen in the last 7 months the increase of a large number of people who are unemployed who are now eligible for food stamps and indeed receiving food stamps. More than 1.7 million individuals have now increased the

benefit for food stamps because they need it. If we block-grant food stamps, you do not have the ability to respond to this unanticipated need because you have essentially received a certain amount of money. Therefore, you do not have the ability to fluctuate and respond to uncertain needs.

The reason that, I guess, I am really upset or offended by this is the process. When you consider that the farm bill, which my colleagues have been trying to beat up on me for the farm bill, but the farm bill was a 2-year-and-several-months' process; and not one time did we hear this provision being mentioned. I serve on the Subcommittee on Nutrition of the Committee on Agriculture. We did not have any debate. We did not hear any proposal. We did not hear any public announcement at all about this. We went to the Committee on Rules and asked them that they should have had due process. In fact, because they did not have due process, the Committee on Rules should have made this amendment we offered to strike that provision so that we could go back to the appropriate committees and have a full deliberation which this bill so rightly needs.

Why is this important? Not only the procedure, it is important to understand the implication of this proposal. This proposal would be devastating for unemployment. It would be devastating indeed for its meeting the increased participation that we are trying to have for working families. It would be devastating for meeting our obligations that we have just passed in the farm bill, where we said we are restoring legal immigrants. If you are restoring them and they are not in your base budget and you are block-granting it, you cannot respond to that. You either respond to your legal immigrants or you have to cut funds.

This is really, Mr. Speaker, tantamount to taking food out of our babies' mouths and food out of our elderly. I think our Nation can do better than that. I think we are unworthy of that kind of action where we on Monday morning are signing into law, giving new benefits and new opportunities for people to be fed and responded to as they need. Yet here we are on Wednesday evening and tomorrow, indeed, taking this away.

Mr. Speaker, both of these provisions should be sufficient for us to have great pause and indeed to vote against that when it comes up again tomorrow.

EDUCATION TAX CREDITS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. SCHAFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHAFER. Mr. Speaker, this evening's discussion is on the topic of education. It is a topic which has occupied a lot of time here on the House floor during these Special Orders of the

last few weeks. For those who believe, as I do, that America's children warrant a profound amount of attention and resources from the country, I would invite those colleagues who might be monitoring tonight's proceedings to come join us here on the floor this evening.

I specifically want to discuss school choice, trying to create a market-driven education system in America, one where government-owned institutions, or public schools, have the opportunity to compete on an even playing field with other providers of academic services and America's schoolchildren become the beneficiaries through the market forces that ought to exist where education is concerned. We do not have that to a large degree in America today.

We have what is effectively a government-owned, unionized monopoly when it comes to the most important industry in America, that being education. There are pockets around the country where you have a competitive framework for delivery of education services. Those pockets exist in some States. They exist in some community schools and in some cities. They exist for the wealthy, certainly, because only the wealthy in America on any given day can afford to forgo the taxes they pay to the government schools and then pay tuition on top of that to send their child to a school where services are delivered by private professional institutions.

But what we really need to do today is try to eliminate this discrimination that exists in American education today between the extraordinarily wealthy and the extraordinarily poor. Because speaker after speaker after speaker who comes to these microphones or maybe testifies before any of our education committees, committees that deal with education, seem to have a unanimous agreement that we need to have a concerted effort in America involving the Federal Government and the States to elevate the achievement of underserved children, the poor, minority children, those who happen to live in school districts that are just not achieving that much on behalf of children, and they need our focus.

Too often in Washington, the conclusion from those kinds of concerns results in an agreement that we should just spend more money, that we should just take more cash from the American taxpayers and send it to the Department of Education, maybe wave a little magic wand and hope that the speech about poor children preceding the expenditure of cash will somehow help underserved kids in America. We have been doing that for years. Sometimes we get lucky. Sometimes we just manage to have the right combination of devoted teachers, committed school board members, a community that rallies around the poorest children in their neighborhoods and a Federal program or two that provides some of the resources. We see those examples of

success from time to time and we celebrate them when they are known to occur, but those are the exception rather than the rule.

In inner city after inner city after inner city, the children who are trapped in failing schools, without the opportunity to choose other options, are the children who are the victims. It is unfortunate because there are several States around the country that have really showed us how to reach down to the neighborhoods and empower families and empower children in a way that makes a meaningful difference in their academic futures.

There are six States that have really gone far above and beyond the rest of their peers among the 50 States in moving forward on a change in the State tax code to benefit children. That solution involves education tax credits. There are some great examples around the country. Some of the best examples include the State of Arizona, the State of Pennsylvania, the State of Illinois, the State of Florida, and a handful of others. It is important to understand that education tax credits allow for a revolutionary approach to public schooling and private schooling, American schooling, on a nondiscriminatory basis that results in a massive cash infusion into America's public education system. And it does so in a way that reaches the children who need it most, the very children that we all profess to care about more than all the rest. This tax credit proposal is really something to be excited about.

I am grateful tonight, Mr. Speaker, for the promise made by our Speaker of our House to move an education tax credit bill through this House, by the commitments from our President to support the education tax credit legislation that we are currently in the process of finalizing here in the House, and to make this concept of education tax credits a high national priority. It is significant from the President's standpoint because this really was the core of his education proposal last year. Not so much education tax credits, to be specific, but the concept of advancing the cause of academic choice, school choice.

When he sent up his proposal, Leave No Child Behind, the core element of that plan was school choice, the bill also entailed a component that dealt with flexibility for States, and a third component that dealt with accountability through a national testing strategy. But the core element of school choice, the most important provision that the President proposed and, in fact, campaigned on, was quickly abandoned by the Congress. I regret to say that, because everybody rallied around the President's proposal. When he took the ribbons off of it and announced he was going to send it up here to Capitol Hill, there was lots of fanfare and celebration, big press conferences, lots of pictures. We even brought all the kids that sat in front of the podium at that press conference

and tried to convey the message that school choice, flexibility for States, public accountability, were going to help those kids sitting in front of us.

But as I mentioned, even before that bill had its first full hearing in the education committee here in the House, that core element of the President's proposal, the school choice provisions, were jerked right out of the bill. The people did not want to vote on it. I want to explain why. I want to explain the politics of it for those who are unfamiliar with the rough and tumble nature of education politics. I also want to explain in doing so how dollars get to children in American schools today and why it seems that taxpayers pay and pay and pay and are promised over and over again that money they send to Washington for education is going to help children and yet it never does. It rarely does. And I want to contrast that bureaucratic model, that is, really the framework of American education today, with the new model of freedom and academic liberty that is represented through education tax credits, a model that has now been tried in six different States, has been proposed in almost 40 States, and continues to be debated this very day in the halls of State legislatures across the country.

First, let me start with the status of education funding today. This chart explains how a dollar gets to a child. At the top, we have the hard-working taxpayer that is emblematic of every wage-earning, tax-paying American today. They work hard to raise the money that is confiscated by the Federal Government, taken out of their paychecks and given to the U.S. Treasury and goes through this process till it gets to the child way down here at the bottom. The Treasury Department collects the cash, Members of Congress, politicians, me, others, all of our colleagues, redistribute the wealth that has been collected by the Nation's Treasury Department through the Internal Revenue Service. We distribute that wealth through programs that we have selected, the charities of our choice, in the Department of Education.

□ 2230

The Department and its several office buildings just a few blocks from here distribute those dollars to the States and tie strings to those dollars as well under the pretense of accountability. At the State level these dollars are considered in State legislatures and governors' offices by more politicians, and they redistribute those dollars at the State level, dispensing them through State Departments of Education. The State Departments distribute those dollars to school districts. School districts, of course, are political entities; they are managed by elected officials, school board members, more politicians, who distribute those dollars according to their values to the various schools within a school district. Once we get those dollars in a

school, we have a handful of managers, principals, business managers and program chairs who finally manage to get those dollars to teachers, and then to a child. By the time we go through this whole vortex of bureaucracy, the dollar that we work hard for every day to send to Washington to help children gets whittled down as each one of these bureaucracies, these agencies take their cut in order to run their various programs, and by the time these dollars actually reach a child, we only have maybe 60, 70 percent on a good day.

We want to bypass all of this. We are not going to get rid of this. The bureaucracy has lobbyists. All of these agencies hire lobbyists that come to Washington to preserve this system, and we will try to change it as time goes on, and we have for years, but the politics are tough to beat. So we are content to say that you have won. This bureaucracy has won. This empire continues to grow. It does not matter whether Republicans are in charge or Democrats are in charge, this system gets bigger and bigger every year. So we can confront reality. That is going to continue until there is a wave of change around the country that calls for mass reform of this system. It just is not going to happen, and there is not enough of us here. So we are going to leave this in place in exchange for a tax credit proposal that the gentleman from Michigan will describe, which is much more simple, and a proposal to which the gentleman from Michigan has been supremely devoted, and I yield the floor to him.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentleman for yielding. I would like to point out the contrast between the chart that he outlined, which is the money that flows through the Federal Government, where it comes to Washington, goes through this funnel, the dollar gets whittled down to 60 to 70 cents on the dollar, and then that 60 to 70 cents that is left that actually makes it to a child's classroom, not only is that dollar whittled down to 60 to 70 cents, but it also comes with strings attached, meaning that it comes for a reading program, it comes for a math program, it comes for a science program, it comes with a very specific set of requirements attached to it, and then the school has to report back to the Federal Government that they actually spent the money exactly the way that the Federal Government mandated that they use that dollar to help our kids.

The gentleman from Colorado is absolutely correct. That system is going to stay in place. We may reach the same point that we reached finally a few years ago in welfare reform where we found out that it was a failed system and that what we needed to do was to give States flexibility in how they dealt with the individuals who are on welfare to give them hope and to actually structure programs that would move them off of welfare, and that may

happen with that system. But what we want to do is we want to put in a system, that number one, takes the dollar from the taxpayer and moves the dollar directly into a classroom, so we do not see that whittling down, and what we also want to do is we want that dollar to get into the classroom, we want that dollar to get into the school and give local officials a great degree of discretion as to exactly how they will spend that money, whether they will use it for a math program, whether they need to use it for English as a second language program, whether they want to use it for a science program, whether they want to use it for class size reduction, or whether they want to use it for technology, but the local school district will have a tremendous amount of flexibility in terms of how they will spend that money.

Here is how it works. We have the one system that says, on April 15 your taxes are due, send in a check to Washington and eventually some of that money will get back to your local school districts. This is much simpler. Here is our taxpayer, a local parent, someone in the community who is passionate about education in their community, they are passionate about the kids in their community, a local business that is passionate about the kids in their community. They are approached by the local school and they say, hey, we have this need in our school district. We want to keep this school open. We want to develop this technology program. We have done an analysis of our kids and we are really weak in this area. We have a program that we want to design for this. Will you help us?

Joe Taxpayer, ABC Business, decides, man, I love this community. This community is built on values; this community is built on each of our kids getting a solid education. They have laid out, the school has laid out a great case for what they want to do for the kids in our community. I am going to write them a check for \$1,000 and they get a \$500 tax credit.

So instead of whittling that dollar down from a dollar to 60 to 70 cents, what an education tax credit does is it takes the taxpayers' dollar and it grows it. This person says, I am going to invest \$2 in education, but I am only going to get a reduction in my taxes of a dollar. That money then goes directly to that school and that school can spend that money on a program as they have identified it to the taxpayer.

If they do a great job, guess what? They can go back to Joe Taxpayer, they can go back to ABC Corporation the next year and say, wow, look at the kind of results and the kind of performance that we are getting. The accountability is directly back to the people in the community. They say, we really want to build on that program, or we have identified another need, and here we get the greatest accountability. Joe Taxpayer of ABC Corporation, they can make the decision as to whether they

are going to invest in that school district again.

We have structured this program in such a way that individuals and businesses can contribute to their local public school, a traditional public school, to a local public charter school; they could also contribute to an education scholarship fund, and this scholarship fund would enable parents to apply for scholarships for sending their kids to a nontraditional school, perhaps a private or parochial school.

But what the gentleman from Colorado and I and many others in our conference are trying to do is we are trying to get a significant new investment in education that grows the investment, that grows every dollar of investment into \$2 of education investment, make sure that it is under local control, and is available for all of our kids, is available for those kids that go to public schools, private, and parochial, so that these new dollars going into education are driven at the local level, the decisions are made at the local level as to how they will help our kids out, and it is going to be for all of our kids.

There are a lot of advantages to this system, and it has been, as my colleague may want to explain, this has been implemented in a number of States. What we have seen is that there is a significant inflow of new money into education, so that it is not a reallocation of the money that is already being paid into a State government. This is new money coming into education, and it is benefitting all of our kids and putting some local control back into our schools as they have seen local control being eroded by States taking more responsibility and now the Federal Government reaching back into a local school district, reaching back into the States, telling States and local schools exactly how they are supposed to run their local school districts.

Mr. Speaker, I yield back to the gentleman from Colorado.

Mr. SCHAFFER. Mr. Speaker, in the State of Arizona, between 1998 and the year 2000, in the first 3 years since Arizona passed their tax credit language for education, that State raised over \$30 million for schoolchildren in Arizona. These are new dollars. These were not dollars taken away from the existing public schools; these were new dollars that were infused into the education system, the overall system, the nondiscriminatory system of Arizona. Because today, when we talk about academic freedom and choice, these qualities of liberty are dispensed on a discriminatory basis. The wealthy get freedom, the children of the wealthy do. Those who happen to live in one of these unique States or neighborhoods where school choice is allowed to occur, they get freedom. But the vast majority of children, especially those who need it the most, are denied the freedom to go to the kinds of schools that they want. Not only that, but the

administrators of the public schools have their hands tied behind their back because their ability to access these new funds are limited, and the tax credit proposal puts more money into the education system for private and public schools. It does not discriminate against children. That is the beauty of it and the difference between the bureaucratic model that we have today that I described, and the tax credit liberty model of education that my colleague described.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, the other thing that is different between what we are proposing here in Washington versus what is happening in Arizona is Arizona is a 100 percent tax credit, so it is \$30 million of new money flowing into education, and it is a reduction in these individual's taxes of \$30 million.

What we are proposing here in Washington is if we get \$30 million of new money invested in education that is actually, or if we get \$30 million in tax credit, it is actually \$60 million of new money that is flowed into education and flowed into our schools at the local level. It is a significant difference in that it shows the power, the multiplier effect of this that says, I am going to put 2 bucks in, but it is only going to reduce the tax bite by \$1.

Mr. SCHAFFER. Mr. Speaker, we have done the research, we have done the analysis. Sure, it would be great to have a bigger tax credit and maybe some day we will, but initially we have to start out small. There is a cost to government, there is no doubt about that.

Again, referring to the chart on how money is spent today, this city, Washington, D.C., frankly lacks imagination when it comes to finding new ways to fund schools. The answer for years has always been the same, and that is to just spend more on this system whenever we find a problem. When test scores take a dip, we do not really go fix the problem in Washington; maybe some day we will. I think our new President is committed to changing the management style of schools. But over the last 10 years, we have gone to this model \$125 billion worth of times, and that is how much we spent over 10 years. We just keep spending more.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, we talk about the accountability. In fact, through the tax credit models, as we outlined, if the school district goes back to Joe Taxpayer or goes back to ABC Corporation a second year and asks for a tax credit, or asks for a donation, and they have mismanaged the funds, Joe Taxpayer at ABC Corporation says, are you kidding me? No. I gave last year, and you mismanaged it. Until you can demonstrate to me that you are going to use my money wisely, I am not going to give you any more. That is a great accountability measure.

On my colleague's chart here, the third line down we see the Department of Education. Now, I applaud what

President Bush is doing in the Department of Education. But as the gentleman and I know that from 1996 on, as he and I are on the Committee on Education and the Workforce, year after year after year we would call in the officials from the Department of Education and ask them where the money went, and that third layer where that \$120 billion or \$40 billion a year flows through could not even get a clean audit, and the price for not getting a clean audit was what? How much did we cut their spending? We did not cut their spending.

Mr. SCHAFFER. We did not cut it at all.

Mr. HOEKSTRA. The least we could have done is we probably froze it.

Mr. SCHAFFER. We increased their spending.

Mr. HOEKSTRA. We increased their spending each and every year, even though they could not get a clean audit, and that is the bureaucratic model that says, well, being able to go back to the American people and getting a clean audit, that is not an essential requirement and, as a matter of fact, even if we do not get a clean audit, they are going to give us more money. There is a whole list of scandals and fraud within the Department of Education, so it is not only that they could not get a clean audit, the systems that they had in place were actually an open invitation to theft and corruption between the Department of Education. Now, that is rapidly changing under this President and Under Secretary Paige. But it was accepted in the Clinton administration for 4 years, and it was a major disappointment, and the biggest disappointment was when they did not perform. Rather than having their spending frozen or their spending cut, the bureaucratic, the Washington model said, that is okay, we are going to give you more money.

□ 2245

That would never happen with the tax credit.

Mr. SCHAFFER. They might have thought to fix it too, but what they chose to do is ignore the problems, and that really gets back to the beauty of tax credits. So from our perspective, the politicians here, the Members of Congress who deal with these dollars that come to the Treasury, every dollar spent on education really does come out of our budget. Every dollar spent results in a dollar reduced from the Nation's budget and, therefore, the ability to spend those dollars somewhere else. But by the time those dollars get down to the child, there is just a fraction of those dollars left. So the dollars spent does not have as much buying power as a taxpayer would hope and certainly as taxpayers deserve, certainly as much as children deserve.

The education tax credit, it costs us money as well. We do have the budget for those dollars. The difference is we do not get a negative like you get here. In fact, you double it through the pro-

posal that we are proposing because for every dollar that we have to budget for an education tax credit, because it is a 50 percent tax credit, what that means is that the taxpayer is donating \$2 to the education charity of his or her choice. And, again, we have run the surveys. We have done the models, and we know Americans are eager to invest in schools when they know the money is really going to get there, and that is the beauty of tax credits because that is the promise that taxpayers get.

Mr. HOEKSTRA. If my colleague will hold the chart up for a minute, the contrast between the two charts is absolutely phenomenal. My colleague's chart is exactly the way the system here in Washington works. The total emphasis here is on the stuff in red: the Treasury Department, the Department of Education, the State, the politicians, the State Department of Education, the school district and politicians. That is where the whole focus is on the bureaucratic model. What is the process that the dollar is going to make it from Washington down through Lancing to Holland to Lincoln School? What is the process? What are the rules and the regulations that are going to follow it? What are the mandates that are going to follow it? And the child is kind of the footnote, the asterisk at the bottom, saying, oh, yeah, this is about kids; but most importantly this is first and foremost about process.

And what happens with the tax credit, it becomes very, very clear, the focus is on two people. The focus is on the person who has the ability and the desire to contribute to the schools and the focus is on the child. The middle people are cut out. And as soon as the school can demonstrate to the taxpayer that the child is going to benefit, the dollars will flow in because that is exactly what we have seen at the State, that States that have this, the school districts convince Joe Taxpayer that if you give money to this school for that purpose, that child is going to benefit, and this person sees the value, they write the check and that is exactly what we want to have. We want to build that connection between Joe Taxpayer, the local parents and people who are passionate about education in their community and they want to give more money, but they do not want to send it through that process. They want it sent directly to their school, directly for the purpose that that has outlined; and if that school blows it, they will not get a check the second year, but they will have the opportunity to come back in future years and say we have addressed those concerns and these issues. We will fix and improve the system.

Mr. SCHAFFER. I was at the mall this weekend with my family and someone stopped me and said they had seen us a couple of weeks ago having the same discussion on education tax credits. She remembered this chart because I was talking about the politics,

the nature of the tough politics that exists within these levels of bureaucracy and how it is played out here in Congress. She said, Oh, Congressman, is it really that bad? And it really is. There is no exaggeration.

Mr. HOEKSTRA. If my colleague will yield, it is not only that bad. It is probably worse than what people actually think.

Mr. SCHAFFER. Right. If we think of this from the administrator's perspective, the guy that runs this school, the principal, this principal, in order to get money for the child because the principals care about the kids. There is no doubt about that in my mind. But the principal who is trying to get money to help the child has to beg to these politicians at the school board to get the cash. In order for the school members to get the cash, they have to beg to the State Department of Education here to get the money. They have to apply for grants. They have to go down to the State capitals. And they have to learn the language of education finance.

Mr. HOEKSTRA. If my colleague will yield, at the bottom level here, if you do not believe the system as my colleague and I are describing it, all you need to do is go to your local school and go to the administration building and ask them if they have got a couple of people. Do you have a grants writer? I mean, the gentleman and I, when we went to I think 20, 21 States and we had the hearings around the country on what is wrong with this process, they all said we have to get grant writers. What is a grant writer? A grant writer works at the local school district level. They take a look at this whole arrangement, an assortment of Federal education programs, and they go through there and they figure out which one their school may qualify for, and they start filling out the grant applications.

Mr. SCHAFFER. The grant writer cares about the children too. All of these people who work in the school, they really do care about the kids. But unfortunately, the system we have created for them over the years, the system is a bunch of nonsense, and we have created it for them, because in order for them to get the money to help the child, they have to first learn almost a foreign language in school finance, and they have to become proficient beggars to all of these different levels of bureaucracy. And if they do not figure that out, if they do not hire the expert who speaks in the bureaucratic language and understands which forms to fill out, the timing of these forms, what to say in the forms, even if it is not true, what to put on the forms in order to get somebody's attention up here, if they do not learn all of these things, then the child suffers. So their motivation is very pure.

Mr. HOEKSTRA. The real question is where does accountability flow in that model? In that model the accountability flows from the school, to the politicians, to the school district, to

the State Department of Education. It flows away from the local community. And it flows away from the people who care most about the kids. It starts flowing to the Department of Education. We have always said, I am from Michigan, I wonder if we start with Secretary Paige and you start going down through the hierarchy when we will find the first person from Michigan and then when we will find the first person from the Second Congressional District who really knows my communities, who knows the difference between the needs in Muskegon and Muskegon Heights and Holland and Baldwin and Ludington and Cadillac, and says they are all a little bit different. But where is that person versus a tax credit? The accountability flows immediately from the child through the school to the taxpayer. So the accountability flows into the community, not away from the communities. It flows to the people who care most about the kids and they care most because they know the kids' names.

Mr. SCHAFFER. Just as the gentleman says in the chart, the taxpayer usually knows the children. They know the children in the school. They know the teachers, the administrators; they know the programs that seem to work and which ones fail. I wish I could map this out like a map of the country so we could see where their dollar goes. Let us use my State, for example. This dollar might go from Fort Collins, Colorado, my hometown, to Washington, D.C. From Washington, D.C. we will send it just a few blocks down here to the Department of Education buildings. They are massive. They are just a few blocks away. Those dollars would be shipped to Denver, Colorado. From Denver, Colorado, to another building in Denver, Colorado. From Denver, Colorado to Fort Collins, Colorado, to the office building on La Porte Avenue, and from there to my kid's school and ultimately to my child.

If these dollars got frequent flyer miles, it would be a great thing. But what the tax credit proposal allows to occur is it allows this taxpayer to give directly to the child, and it turns the leaders of the school from beggars of the government and bureaucracy into beggars of the community, people who can relate to taxpayers and speak the language that parents understand, that taxpayers understand, that communities understand, and ultimately the language the Nation needs to maintain its sovereignty as a free Republic.

Mr. HOEKSTRA. I think the language, they do not become beggars. This is a beggar system because it is a bureaucratic system. You have to fill the forms out right. You have to check the exact number of boxes. You have to dot the I's and cross the T's. If you do all that, that really is a beggar system.

Mr. SCHAFFER. This really changes the dynamic entirely to a partnership.

Mr. HOEKSTRA. This becomes a visionary system. That system does not understand vision. It says, no, I can

only write them a check if they have filled out this form correctly. And if they after they have spent the money, if they have sent the forms back in correctly telling me that they spent it exactly the way I have told them to, then they have done a good job. They do not ask whether children's performance has actually improved. This is a visionary system where the school board or a superintendent or a local principal or teacher can lay out a vision for their schools and for their kids, and if the community buys into that vision, they will embrace it and they will donate into this system because we have seen it happen at the State level. So they have become visionaries and cheerleaders for their kids and their local school district, and they know if they are successful it will continue.

Mr. SCHAFFER. Here is what it means for students and for States. In Philadelphia, the Philadelphia Inquirer just a few days ago published a story, the headline is "Nonprofit Foundations Ease Schools' Budget Pains," and it talks about the Cherry Hill Education Foundation. According to the Inquirer, this is an article by Kristen Graham, she says, "Across the nation a growing number of districts are relying on grassroots, independent, nonprofit foundations to fund programs and foster business relationships." Here is a quote from somebody named Howie Schaffer, who is the spokesman of the Public Education Network which is a national association of education funds. He says, "The growth is exponential around the country. There are quite a few in Pennsylvania and New Jersey." The article goes on: "An estimated 3,000 to 4,500 school foundations operate in the United States."

These foundation are the ones that benefit from a tax credit that we are proposing. Pennsylvania has really led the way. I am delighted the gentleman from Pennsylvania (Ms. HART) is here to tell us about her experiences in Pennsylvania and tell us a little bit about some of these kids, perhaps, that are benefiting from tax credits in her hometown.

Ms. HART. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I am pleased that the gentleman is doing this, bringing people's attention to the realities of how much we can do to help children learn more just by opening up some opportunities, different ideas, opportunities like Pennsylvania is now providing. I was a State senator there for 10 years. We did work long and hard to get somebody to get something to happen, and shortly after I came to Congress actually they passed a wonderful tax credit plan that allows for these foundations to collect money from corporations, money, every dollar of which will go to educational scholarships, every dollar. There is not money wasted in this plan.

So many different organizations have started foundations. They are not all for religious education. They are not all for nonreligious. It is just very dif-

ferent. It gives everybody an opportunity to have all kinds of different options for their children, and it is something we have worked on long and hard in Pennsylvania. We have tried the voucher system. The Senate passed the plan. The House did not. That happens over and over again. But the general theme of it has always been to bring a more dynamic atmosphere to education, to make sure that our students all have the opportunity to get the best education they can.

In Pennsylvania now, as was mentioned, there are, I do not know how many foundations, but there are a lot of folks taking advantage of this tax credit.

Mr. SCHAFFER. Just to name a few that were mentioned in this Philadelphia Inquirer article just a few days ago, in fiscal year 2000 the Chester Education Foundation listed revenue of \$1.2 million. The Philadelphia Education Fund had \$7.8 million in revenue in fiscal year 2000, collecting more than \$50 million since its founding in 1984.

There are more. There is the Pew Charitable Trusts, the William Penn Foundation, the Carnegie Corporation. In Bucks County you have the Centennial Foundation, which has raised about \$50,000 since 1997. These are funds that raised money even before the tax credit. When the tax credit in Pennsylvania took place making it easier for Pennsylvanians to contribute to education projects managed by these nonprofits, the revenue shot through the roof. These are dollars that were not taken from the Pennsylvania school budgets. These were new dollars that were added into the education system in a nondiscriminatory fashion.

Mr. HOEKSTRA. If the gentleman will yield, the beauty of this and the amazing part of this is in the States that have established this, these are voluntary contributions to your local public schools, to these education scholarship funds. And it is amazing to watch Americans willing to invest that kind of money in education. As long as they are willing to, as long as the opportunity is there for your local public schools and for all of our kids, different school districts and different schools have different constituencies, but to watch a potentially new massive infusion of dollars into the educational system that builds the linkage between that local school and their community again that they have just seen erode over the last few years.

□ 2300

So what is happening in Pennsylvania, what is happening in Minnesota, what is happening in Arizona, Illinois, Florida, this is one of those areas where Washington really ought to take heed. We are going to keep continuing to feed that beast, the bureaucratic beast, but let us complement it with this tax credit proposal that is working so well and has passed in a number of places on a bipartisan basis.

Mr. SCHAFFER. And how many times do we hear when we as political

figures are out campaigning or just in our communities from parents who say I care about the schools, I care about the kids? Even people who have no children in the schools, they are willing to invest and contribute and be part of an education community, but they are sick and tired of the wasted dollars in the programs that do not work. They are sick and tired of seeing the government shovel mountains of cash into schools that do not work and will not improve and the legacy of which is children who have a profound disadvantage in entering the workforce and becoming part of our economy.

These parents tell us all the time if we would just build them a system that works, they will be a part of it. The gentlewoman from Pennsylvania (Ms. HART), this is her first term, and she ran a pretty vigorous campaign and were in touch with thousands of people in her District. What do they say?

Ms. HART. Mr. Speaker, in general, people are not happy with one system, and I think the reality of the tax credit, the voucher, whatever we are talking about, changing the system as it is, we improve each sector of it, and I think that is one of the arguments that has always been made for either a tax credit or school choice.

What people tell me, and unfortunately too many people have told me, is that they cannot afford to send their kid to the school they want to. The individual tax credit that we consider here on the Federal level for parents who send their children to schools that require tuition is a wonderful thing, and it only makes sense for us to do that. Ultimately, a parent that chooses to send his or her child to a public school will end up getting a better education there as well.

I think this is one of the things for many, many years that has been sort of talked about by a lot of people involved in public education. I am not really sure why a lot of them oppose this, because it does give them a number of different things. One, it gives them more opportunity to ease overcrowding which has become a huge burden and, of course, comes to us here in the Congress in the form of requests for dollars for new school construction. We could avoid a lot of that if we would spend much fewer dollars on a tax credit. We would find that we would not need those new school buildings. We probably would not need a lot of things that we are convinced that we need because we are so wedded to a certain system.

Mr. SCHAFFER. Mr. Speaker, if I can interject, if the District really did need a new building and that was the education enrichment project that a school District chose to undertake, the way we have got the tax credit proposal written right now, that is a real priority in a community and the community buys into it, the tax credit can be used as a revenue stream to construct that facility or to buy the new computers or to establish the new curriculum for underserved children.

Ms. HART. If the gentleman would yield, in a community that is truly growing and that is a necessity, I think that is wonderful. However, there are a lot of communities that have convinced themselves that they do need new buildings when they actually do not.

One of the examples we always look at is the city of Philadelphia where they have had a spike in young children, which is going to drop again, and the question is do we need to build a whole bunch of new elementary schools or should we allow more options in education, and if we would allow more options in education and now we do, we will find that they do not have that pressure, and they can spend the money directly on the classroom, having the best quality teachers in that classroom and then ultimately having those children be served better.

The thing is, like the gentleman asked me, what parents say in my District, I am out in the District all the time as are my colleagues, and I think we probably hear a lot of the same things. All parents really want is to make sure that their child is going to be able to succeed down the road. That means he or she needs tools. How do they get those tools? The parents teach them as well as they can at home right from wrong and all the other kinds of things, but they need quality education.

How do they get that? We are part of the cog in the wheel providing it, but we need to provide more freedoms for them, especially on the State, to do what they want, and that has been I think our mantra for a long time in Pennsylvania. It took a long time to get to that point. I know Arizona has been doing a lot of creative things for a long time. What we will see in Pennsylvania, I think we will see results in other places, not just tax credits where it helps families to afford it, but the tax credits for businesses like we have in Pennsylvania where it helps more families to make a decision they were not even considering before because they just did not have the wherewithal to do it.

Then ultimately that competition in the system, where there are options, there is always a more dynamic system. That helps if we expect our kids to do better in a dynamic future and a dynamic economy in the United States and in the world. We certainly better get them adjusted to it all their lives, that way I think they will be comfortable with it. They will be more likely to succeed, and these kinds of programs certainly present to them more of a real world opportunity for them early, to get used to it, to like the competition, to strive harder, which is exactly what we want them to do.

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

Mr. SCHAFFER. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, I think what the gentlewoman from

Pennsylvania is pointing out, in Pennsylvania they have the tax credit and they have seen this kind of explosion of new funds moving into education. Even in the State of Michigan, where we do not have a tax credit, what we have seen is that some people will say that the tax credit, that money is only going to stay in the wealthier suburbs and those types of things but in education.

I think, again, one of the great things about America, we recognize the importance of education, that a child get a good education. The other thing that I think is happening in a State like Michigan where there is a potential of leaving too many kids behind, the community and really the State is stepping up and businesses are stepping up and saying it is not just okay for kids from this side of the State, to make sure that no child is left behind in this side of the State. We need to make sure that every child in Michigan has the opportunity for a good education.

So even without a tax credit, proposal or model in place in Michigan, there are dollars flowing into education in Michigan because people want to step up, and those dollars are going into Detroit. They are going into all different parts of the State, and what we want to do is we want to accelerate that, and we want to grow that number through a Federal tax credit, and I wish we could do it through a State tax credit so that we could get the same dynamics kind of going on as in Pennsylvania.

We know that when a State does it, we get an infusion of new dollars, and what we want to do is we want to accelerate that process and accelerate the number of dollars and new dollars, and I think that is also the difference between what we are talking about with a tax credit versus a voucher. Too often vouchers are viewed as being, rather than what they do is they say okay, here is the education pie, now if the State does vouchers, it means some people are going to win because they are now going to get a cracker and they did not get one before, and there are going to be certain people that lose because that education pie is going to be split more ways than what it was before.

What a tax credit does it takes this education pie and grows it so that there will be more dollars invested in it, and basically our public schools will win, our kids that go to public schools will win. Our private and parochial schoolers, home schoolers, just they will all now have an opportunity, and we have a much better probability that we will not leave a child behind than what we have under the current system.

Mr. SCHAFFER. Mr. Speaker, every system has these education scholarship foundations that exist but the requests for scholarships, the applications, are far exceeded by dollars available, and usually these foundations are started

by some philanthropist who wants to help them and make a difference in one neighborhood or another, but we just need more of them because the record is very clear. These foundations, these scholarship funds work.

I brought with me today some testimony from a little boy in Colorado who testified in the Colorado legislature, before the Colorado legislature as it considered an education tax credit in my State, and here I will just read a couple paragraphs. His name was Joe Ray Sierra, and this testimony was delivered just last February.

He says, "I am really glad that I do not have to go to my old school anymore. There are always people selling drugs there. I was afraid to go to school because I did not want to get beat up anymore at my old school. They gave me answers to the CSAP test," which is the State standardized test in my State. "They gave the kids the answers," and I will go on.

"They were not very helpful to me with math, reading and writing. I did not like my old school at all. I like my new school because they help me better. They teach me in a way that is right for me. The teacher is nice to me and so are the other school kids. I also like that I do not have to switch classes. I like Dove Christian Academy so much that I want to come back again. The new school I go to does help me a lot more. Dove Christian Academy does different things to help me learn. I read a lot better now and I think my math and writing are better, too. I am really thankful to ACE," and ACE is the name of the scholarship foundation, one of them, in Colorado.

"I am really thankful to ACE for the money they have given me. I am so glad I was able to come to the school and learn."

□ 2310

"Now I have that chance to get a good education and maybe even go to college. I never would have ever thought that before, if it weren't for ACE." And Joe's teacher also testified that "Joe Ray was designated learning disabled in the local public school. At the end of his fifth grade year he was reading between a second and third grade level. He hated writing anything. His distraction level was extremely high. And to complicate things more, he had some fine motor problems."

So he was basically doomed in the school that the government told him to attend. Some schools are great for kids. Most public schools are great for kids and kids who are just like Joe Ray. But in this case the school was not what he needed. He got the scholarship, and he is at the school that makes more sense for him now, an academy that better meets this child's needs, and the kid is back up to grade level and now he is even talking about going before the State legislature and talking about going to college.

It is kids like this that stand to gain from this tax credit debate. We are

going to have some opposition from people who think choice is a bad idea or that liberty tends to threaten the power of the bureaucracy. And that is true to a degree. And if we only care about the bureaucracy, then we are going to keep voting to give it exclusive monopoly status in running schools. But if we decide that kids like Joe Ray Sierra matter more than the government, matter more than the bureaucracy, matter more than programs and the internal language of education generally, then we will make the country better for lots of kids just like him.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, I think this really points out a couple of things. Number one, whatever we do in education, the focus has to be on the kids. It has to be focused on Joe Ray. It cannot be focused on the bureaucracy or the system. So we have to keep the focus on the kids.

The second thing is we have to keep the focus on every child. We cannot afford to leave a single child behind.

The third thing is we really have to drive for parental involvement, or adult involvement with every kid to enable them to learn. Somebody has to ask them at the end of the day how their day was at school, what they have to get done, and what they have to get ready for for tomorrow.

And the other thing we need to do is what Joe Ray pointed out here, is that every child has the right to go to a school where the only thing that they have to worry about and be afraid of is the test, the next test, the next exam, not about the drugs or the violence that is going on. Every child deserves and has a right to go to a safe and drug-free school, where the only thing they fear is the exam they are going to get in the afternoon and not walking from class to class or from their locker to their next classroom.

Mr. SCHAFFER. We hear all the time from the defenders of the bureaucracy that if we move forward with these simple choice mechanisms, and we found a way to move forward with a choice mechanism that does not even affect a single penny of the money appropriated to the bureaucratic model, they still tell us this is going to somehow harm education.

The gentlewoman from Pennsylvania has seen that choice makes a difference in the lives of Pennsylvania children.

Ms. HART. The whole situation of labeling a child has become, I think, a big problem in a lot of our government schools. If a child is told at a young age there is something wrong with him or her, then that child is going to believe it. I think the ultimate solution is, as the gentleman suggests and as Joe Ray pointed out, every child who is given an opportunity to excel and encouraged to excel will. They will to the degree that they are able, instead of to the degree someone told them they can.

One of the opportunities tax credits would also give us is the opportunity

for children who would not be able to afford some of the institutions that might believe specialize and be able to help them through a difficulty, whether it is a speech difficulty or some other kind of behavioral problem, that they will have access. I think it is important for their parents to be the ones who can make the choice of which type of educational institution is going to be best for the child.

Unfortunately, right now, cost prohibits them from doing that in a lot of cases and they only have one option. And sometimes that works for the student, but a lot of times it does not. We find some wonderful institutions closing their doors because the parents who would love to send their children there just cannot find the resources to do it. So this is another way to help those unique and diverse institutions that can help a lot of kids to continue to provide those services.

Mr. SCHAFFER. I want to point out again, Mr. Speaker, that the existing bureaucratic structure of education funding in America that is represented by this chart will not be affected by an education tax credit proposal. Now, that is a disappointment to some. I think this needs to be reformed. No doubt about that.

And I want to point out again for those who believe we are giving up, we are not giving up. We are going to continue to work on this at other committees and at other points in time. But the politics of this system is pretty brutal. All of these agencies that relate to one another fight very hard to make sure we here in Congress do not tamper with their line of work and their business. So fairness in the American education system of today is measured by the relationship between all of these agencies, the relationship between different programs within the Department, the relationship between all 50 States and districts.

Mr. HOEKSTRA. If the gentleman will yield for just a second. We had a great example today. The House was in recess for, what, 7 hours today, as we debated welfare reform, or certain people debated welfare reform. And the focus on the debate was not about what is good for the individual recipient at the end of the welfare stream, to give them a helping hand up, the whole debate was between the politicians as to who was going to control the spending and who was going to put the accountability measures in.

We spent a whole day waiting as politicians fought not about what was best, but who was going to be in control, whether it was going to be politicians in Washington or bureaucrats and politicians at the State level. The debate was in the red parts here, without any consideration to the people at the bottom and without any consideration to the people at the top, the taxpayers.

Mr. SCHAFFER. And it is not just about the bills being proposed in Congress. These groups, they have organizations, sometimes they unionize, they

raise money, and they spend money on campaigns. Talk about campaign finance reform. These organizations that represent employees of this bureaucratic structure of education are the most powerful political forces in American politics today, especially when you get down to the school level.

These schools are organized, and the employees of them constitute the largest union in America and spend more money on the political process than anyone else. So that is why we get the system we have. It is not by accident. This system was deliberately designed, if you can believe that, and it was because these people have such powerful political influence.

I would ask my colleague from Pennsylvania to tell us about the politics of education. Do people in this vortex of education bureaucracy get involved in your campaign?

Ms. HART. Unfortunately, yes. And I think a lot of us have sort of two different opinions of people involved in the education system. We all know that there are some fantastic educators out there. Some of them we would count probably as our best friends, spouses, family. But there is also this behemoth structure of sort of protecting the bureaucracy folks, and that is a big problem.

Obviously, they have gotten involved in a lot of races, and I am sure they have been involved in the gentleman's as well as they have been involved in mine. The concern I hear from parents has nothing to do with preservation of the education bureaucracy. I never hear them saying, oh, please, can you make sure we still have this very strong bureaucracy in my school district so that we spend more money on the administration than in the classroom. No one ever asks me that. They always say how can we get more dollars to go to directly help the kids.

Well, let us get that bureaucracy to work with us on that goal, and then we will all be on the same page.

Mr. SCHAFFER. And while everybody on this chart has lobbyists, the two people that do not have lobbyists are the taxpayer and the child. That is our job.

Mr. HOEKSTRA. When we went to the 20 States with the Education at a Crossroads, every time we brought in a parent or a local school principal or a teacher, they always focused on the child. And the parents would come in and say, please, do this because we have to help Johnny, we have to help Mary. They would come in with the names, or they would come in with their kids and say this is what it is all about.

When we have the hearings with the bureaucracy, it is all about forms, rules, regulations, mandates, and there is not a name or a face or a child attached to it. And that was the power of going around the country and spending the time. Because when you bring the parents in, our colleague from Pennsylvania is exactly right, parents and

teachers and local principals talk about that bureaucratic structure not very fondly. But they get passionate when they start talking about the kids in the classroom, because these principals and these teachers, that is why they went into education. They have got a passion for these kids. What they do not have a passion for is the paperwork, the rules, the mandates and the bureaucracy.

□ 2320

Mr. SCHAFFER. Mr. Speaker, fairness in education should not be measured by the relationship between all government agencies. It should be measured by the relationship of children.

What we have today is a system where some children win, and some children lose. For one reason or another, the children from the poorest households, who come from inner city areas, who come from communities that do not have a lot in terms of public resources, those are the children that suffer the most. What we have seen through education tax credits that have existed in States through scholarship foundations is that the vast majority of these dollars are distributed on the basis of need, and I know that is true in Pennsylvania as well.

Ms. HART. Mr. Speaker, I actually represent a school district that has been termed academically bankrupt. Any student who goes to that school district is sentenced to not learning anything, and it is not right. A lot of money is spent, and we are getting no results. We do need to change the system.

Mr. SCHAFFER. Mr. Speaker, I am grateful to the commitments from our President, who has given his promise to help us get this bill passed, the promise of the Speaker and our leadership here in the House to get this bill to the floor. It is because of their commitment to children and an education tax credit that we are having this debate now. I thank the gentleman from Michigan (Mr. HOEKSTRA) and the gentlewoman from Pennsylvania (Ms. HART) for participating in this Special Order. We will do it again next week to speak about solutions for our children.

COMMUNICATION FROM FIELD COORDINATOR OF THE HON. CHRIS CANNON, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. BOOZMAN) laid before the House the following communication from Russell Hillman, Field Coordinator of the Honorable CHRIS CANNON, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 6, 2002.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a deposition subpoena

issued by the Third District Court, Salt Lake Department, State of Utah, in a civil case pending there.

After consultation with the Office of General Counsel, I have determined that it is consistent with the precedents and privileges of the House to comply with the subpoena.

Sincerely,

RUSSELL HILLMAN,
Field Coordinator.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HALL of Ohio (at the request of Mr. GEPHARDT) for today on account of attending ambassador school.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mr. HINOJOSA, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

ADJOURNMENT

Mr. SCHAFFER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 23 minutes p.m.), the House adjourned until tomorrow, Thursday, May 16, 2002, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6829. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Limited Ports of Entry for Pet Birds, Performing or Theatrical Birds, and Poultry and Poultry Products [Docket No. 01-121-2] received April 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6830. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Nuclear Explosives Safety Study Process—received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

6831. A letter from the Director (FinCEN), Department of the Treasury, transmitting the Department's final rule—Financial Crimes Enforcement Network; Anti-Money Laundering Programs for Money Services Businesses (RIN: 1506-AA28) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6832. A letter from the Director (FinCEN), Department of the Treasury, transmitting