

TABLE 2.—ESTIMATED EFFECTS ON DIRECT SPENDING AND REVENUES FOR S. 1072—Continued

	By fiscal year, in millions of dollars—									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Emergency Relief:										
Estimated Budget Authority	200	200	200	200	200	200	200	200	200	200
Estimated Outlays	54	138	172	184	192	196	200	200	200	200
Spending of Fees:										
Estimated Budget Authority	0	5	5	5	5	5	5	5	5	5
Estimated Outlays	0	5	5	5	5	5	5	5	5	5
Spending of Judgments:										
Estimated Budget Authority	0	4	4	4	4	4	4	4	4	4
Estimated Outlays	0	4	4	4	4	4	4	4	4	4
Total Changes:										
Estimated Budget Authority	6,232	5,523	6,806	6,404	6,503	5,098	5,098	5,098	5,098	5,098
Estimated Outlays	-32	-161	-314	-376	-400	-415	-424	-430	-430	-430
Direct Spending Under S. 1072 for the Federal-Aid Highway Program:										
Estimated Budget Authority	32,496	36,156	37,439	37,037	37,136	35,731	35,731	35,731	35,731	35,731
Estimated Outlays	1,113	895	641	493	394	360	340	327	321	318
	CHANGES IN REVENUES									
Estimated Revenues ¹	-1	-3	-7	-10	-14	-17	-19	-20	-20	-20

¹ Estimate provided by Joint Committee on Taxation.

Spending of Certain Fees. Under current law, DOT collects fees from participants in classes held by the National Highway Institute and participants in the TIFIA program. These fees cover a portion of the administrative costs of the classes and the TIFIA program. S. 1072 would provide DOT the authority to spend the fees without further appropriation. Based on information from DOT, CBO estimates the department will collect—beginning in 2005—\$4 million each year from participants in classes held by the National Highway Institute and \$1 million each year from participants in the TIFIA program. CBO estimates that this provision would increase direct spending by about \$45 million over the 2005–2013 period.

Monetary Judgments. S. 1072 would provide DOT the authority to share monetary judgments pertaining to fraud in the federal highway and transit programs with state and local agencies. This provision would apply to judgments in criminal prosecutions as well as civil judgments. Under current law, monetary judgments that result from criminal prosecutions are deposited in the Crime Victims Fund and later spent. Civil judgments, however, are not spent under current law. The federal government received an average of \$18 million each year in monetary judgments from civil cases over the 1999–2003 period. Because the federal government pays most costs associated with fraud investigations and generally requires states to provide only 20 percent of the total cost for most surface transportation projects, we expect that DOT would share 20 percent of such judgments with the states. Hence, CBO estimates that this provision would increase direct spending by \$4 million each year, beginning in 2005, and by \$36 million over the 2005–2013 period.

Revenues. Enacting S. 1072 would lower revenue collections by expanding the State Infrastructure Banks (SIBS) and the TIFIA programs. JCT estimates that enhancing both provisions would lower revenues by \$52 million over the 2004–2009 period and \$130 million over the 2004–2013 period.

Under current law, five states can use grants from the Federal-Aid Highway program to fund a state infrastructure bank. States use infrastructure banks to finance transportation projects by providing loans to local governments or repaying bonds. S. 1072 would extend that authority to all states. JCT estimates that this provision would increase the use of tax-exempt bonds and therefore decrease federal revenues by \$73 million over the 2004–2013 period.

For a project to receive credit assistance under the TIFIA program, current law requires the projects' total cost to equal or exceed the lower of the following two amounts: \$100 million, or 50 percent of the states' grants from certain highway programs in the

previous fiscal year. S. 1072 would change those two amounts to \$50 million and 20 percent of the states' highway grants. Credit assistance under the TIFIA program can cover a portion of the remaining cost with tax-exempt bonds. JCT estimates that enacting S. 1072 would increase the number of projects that receive credit assistance under TIFIA and, therefore, increase the use of tax-exempt bonds, reducing revenue collections by \$57 million over the 2004–2013 period.

Intergovernmental and private-sector impact: S. 1072 contains no intergovernmental or private-sector mandates as defined in UMRA. Any additional costs to state or local governments to comply with grant conditions would be incurred voluntarily. In general, the bill would benefit states by reauthorizing federal highway programs for the next six years.

Subtitle E, Environmental Planning and Review, would clarify and expand existing conditions of aid by requiring Metropolitan Planning Organizations (MPOs) and states to consider additional environmental factors during the planning process and to update long-range transportation plans more frequently. MPOs and states have to comply with various transportation planning requirements in order to receive federal assistance. According to MPO representatives, the provisions of the bill may require smaller organizations to hire additional staff, however, CBO does not expect those costs to be significant. Furthermore, states and MPOs receive various forms of funding under title 23 and title 49 that would cover planning-related expenses. S. 1072 would increase the amount of title 23 funds set aside for MPOs.

States would benefit from other provisions of the bill, including funding to establish or update systems to report incidents more quickly, to develop intermodal passenger facilities, and to encourage the collection of tolls on certain interstate highways and high-occupancy-vehicle lanes.

Estimate prepared by: Federal Spending: Rachel Milberg and Deborah Reis. Federal Revenues: Mark Booth. Impact on State, Local, and Tribal Governments: Gregory Waring. Impact on the Private Sector: Jean Talarico and Cecil McPherson.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

**ANNOUNCING THE BIRTH OF
PRESTON CHARLES LUGAR**

Mr. LUGAR. Mr. President, during this past recess of the Senate, my wife, Charlene, and I received the joyous news that Preston Charles Lugar, the newborn son and first child of our son, John Hoereth Lugar and his wife, Kelly

Smith Lugar, had been born on February 20, 2004, at Sibley Hospital, in Washington, DC. Preston was a healthy 8 pounds, three and eight-tenths ounces at birth. Kelly's parents, Robert Lee Smith and Renee' Camille Smith, Charlene, and I were present to greet our new grandson and his parents as they returned to their Arlington, VA, residence on February 22.

Kelly and John were married on November 5, 2001, in the Washington Cathedral with Dr. Lloyd Ogilvie, former Chaplain of the Senate, presiding. They and their families and guests had enjoyed a rehearsal dinner in the Mansfield room of the Capitol on the night before the wedding. Kelly has worked with many of our colleagues during her current service to the administration of President George Bush and our former colleague, Secretary of Energy, Spencer Abraham, as Assistant Under Secretary with responsibilities for Congressional Relations. A graduate of the University of Texas, she was once a member of the staff of Congressman RALPH HALL of Texas. John Lugar came with us to Washington, along with his three brothers, 27 years ago. He graduated from Langley High School in McLean, VA, Indiana University, and received his Masters of Business Administration degree from Arizona State University. He has been active in the private equity industry in recent years.

We know that you will understand our excitement and our gratitude that they and we have been given divine blessing and responsibility for a glorious new chapter in our lives.

ADDITIONAL STATEMENTS

**THE STATE OF PUBLIC
EDUCATION**

• Mr. INOUE. Mr. President, the Hawaii State Legislature took a historic step on January 28, 2004, and invited education Superintendent Patricia Hamamoto to address a joint session of the house and senate, underscoring the priority public education will be accorded during their legislative session.

As a teacher first, then principal and now superintendent, her words were

progressive, and at times, provocative. She was honest about the system's shortcomings, clear on the improvements that need to be made, and focused on increasing student achievement by enhancing and supporting the relationship between teacher and student.

Hawaii Superintendent Hamamoto's words are worthy of both local action and national consideration. I ask that the full text of her statement be printed in the RECORD.

The statement follows.

SUPERINTENDENT PATRICIA HAMAMOTO
THE STATE OF PUBLIC EDUCATION
JANUARY 28, 2004

President Bunda, Speaker Say, members of the Legislature, Lieutenant Governor Aiona, Congressman Abercrombie, distinguished guests from our business, labor, military and education communities, fellow citizens of Hawai'i, good morning.

My name is Pat Hamamoto and I am a teacher, a principal, and an educator. I believe teaching is one of our greatest callings, and I spent 12 happy and productive years teaching at Ilima Intermediate, Highlands Intermediate and Pearl City High School.

As a classroom teacher, I was often frustrated with the DOE bureaucracy. My 7th graders at Ilima struggled with math. I wanted to make math "real" by relating it to something they cared about, namely, money. So I set up a little in-class economics lesson. When my students turned in work that was acceptable, they got tokens they could use to buy classroom supplies like pencils, rulers and notebooks. I'll tell you—the lesson worked. The students saw the connection between math and money and buying things, and they did enough good work to empty out my supply closet. Now technically, I was supposed to just give out those supplies, no strings attached. So before I embarked on this program, I asked my principal for permission. He said, "Don't tell me! If I don't know, I can't tell you no. Just do it." And so I learned to work around the system. But teachers shouldn't have to work around a system; the system should work for them.

As principal of McKinley High School, I thought things would get easier within the system. When we were renovating McKinley's historic administration building, the whole campus was dug up to put in new wiring. Since the trenches were dug anyway, I thought it would be a perfect time to put in conduit pipes to wire our campus for computer technology. I was told no. The reason? It wasn't on the blueprints. Finally, in frustration, I called the head of the Department of Accounting & General Services, and asked for help. And he helped. McKinley's students now have a school fully wired for fiber optics. But principals shouldn't have to work around a system or use personal connections; the system should work for them.

As Superintendent of Schools, I recognize that a lot of people consider me, and the people who work with me in the DOE offices nearby, to be symbolic of the problem and unwilling to change. Nothing could be further from the truth. We have been changing this bureaucracy since the day I was named Superintendent two years ago. Before I talk about how we have changed and will continue to change, let me talk for a moment about something that hasn't changed—our principals, teachers and students who represent the best of what we are.

Our teachers work long hours, and pay for classroom supplies out of their own pockets. Our principals are dedicated to "finding a way around the system" to make their

schools rich learning environments. Our students are excellent scholars, future scientists, inventors and CEOs, future legislators and perhaps a Governor or two. They have come from across the state to be here this morning, to remind us of why we are here, and why public education deserves every ounce of attention and support we can give it. Principals, teachers, and students of Hawaii's public school system, will you please rise and receive the acknowledgement you deserve!

Despite the many achievements of our public education system, I come before you today to report that Hawaii's public education is simply not working as it should. It is, in fact, obsolete. And in my view, this is the single biggest problem we face as a state. Why? Because we are not properly preparing Hawaii's citizens of the future, our workforce of the future, our business and civic leaders of the future.

Too many of our teenagers fail basic eighth grade English and math tests. They cannot qualify for journeyman apprenticeships in the building trades. They have little hope of decent-paying jobs that will allow them to raise and care for their families. We are failing them, the next generation. And that is not acceptable. I am not here to defend the status quo. I am here to tell you we must all work together, to transform public education in these Islands we call home.

I feel very fortunate to be standing here today because I have never seen so much focus on public education in the news media, on the fifth floor of this building and in these legislative chambers. That attention is an opportunity for all of us. It shows that the leaders in this state want the best possible education for the boys and girls of these islands. It shouts loud and clear that the opportunity for change is upon us, and we must embrace it!

In everything we do from this day forward as we go about the business of "reinventing" our education system, we need to focus not on school boards or superintendents or labor unions, not on Republicans or Democrats, but on the 184,000 students in our charge. The question isn't who is right, but what is right. I ask you to listen this morning with open minds and open hearts, so that collectively we can make informed decisions on what is best for our children.

Yes, the system of education governance is important. But it is a political decision, to be made by you. So I won't spend any of my time debating that issue. I will tell you that I believe education reform in Hawai'i is only going to happen at the most basic level—at the school and in the classroom. I am opposed to additional Boards of Education that add more layers of bureaucracy between our state school board and the schools. More school boards will not improve student achievement. I will forever champion the most direct and unfettered route from that state governing board to that individual school and ultimately the child in the classroom.

I couldn't agree more with Consultant William Ouchi's conclusion from his book, "Making Schools Work", page 17, which reads "If you focus only on decentralization, you'll get a decentralized district, but with low student achievement." That is, obviously, not our goal!

Differences over school board structure have received a lot of media and community attention, but it's encouraging to me that there is consensus on so many issues that will make more of a difference in the classroom.

Just look at areas where we already seem to be on the same page:

One: Empowering principals and school communities by providing more lump-sum

funding directly to the schools and giving them the authority and the flexibility to decide how school funds are spent.

Two: Adopting the "weighted student formula" funding plan. Hawai'i is known for equity in public education. Our statewide funding system has provided that. Keiki in the poorest communities are guaranteed the same level of resources as those in wealthy neighborhoods. That's not true in other states, where local property taxes finance education. Hawai'i should be proud of having equalized resources at the school level. But not all students are created equal. Some have physical or psychological needs that require special education. Others speak no English, come from broken families or live with foster parents, and go home to drugs and drug users. The "Weighted Student Formula" plan allocates money based on the unique needs of each student. That funding follows that student wherever he or she goes to school, and equalizes opportunity at the student level. I applaud everyone, from the Board, the Legislature, and the Governor's CARE group, for their general agreement to adopt this plan. It is the right thing to do, and I hope we do it this year!

Three: Giving principals more training in finance and administration so that they can, in fact, become true CEO-educators on their own campuses. The Board of Education has now made this a priority for DOE implementation.

Four: Providing parents a choice to send their children to any public school that has room for them. Along with that choice comes the responsibility to get your child to and from school safely. Therefore, I believe in the long run, most parents will go to the quality schools with quality programs in their neighborhoods precisely because they are in their neighborhoods, easy to get to, and part of the fabric of their community. A logical extension of that belief is that parents will do what they can to make their own neighborhood schools better.

The new Board of Education, its leadership and members who sit behind me on this dais, are to be commended for the many hours of unselfish service they give to Hawai'i's children. They have indicated by their words and their actions that they are committed to reinventing Hawai'i's Public Education System. This is an endeavor that must be undertaken jointly by the Board, which sets policy, and by the Superintendent and her team, who implement that policy. I am invigorated by the leadership and courage I have seen coming from this Board, and I look forward to working together in this challenging and noble pursuit.

So, the Board and the Department are calling for help as we reinvent our schools.

First: We must empower schools and principals in the way I spoke of earlier, and accountability must go with the power. That means requiring principals and teachers to make sure that students meet standards. For example, by the end of Grade 3, every student must read.

Second: Parents must know how their child is doing. We will give parents and children user-friendly feedback—report cards that parents and students can understand easily. Parents are responsible to get their kids to school ready to learn, and students need to be responsible for their own learning.

Third: We will overhaul SCBM—School/Community-Based Management. In its current form, it simply doesn't work the way the framers of this policy had originally intended and that was to improve student achievement. Therefore, as we empower individual schools, we must arm School-Community Councils with shared decision-making power, and give them meaningful responsibilities over spending, and through weighted student funding, insure student achievement. This will mean training participants

to make these important choices and then trusting them to do the right thing. A nameless worker in an office in Honolulu should not be telling a principal in Honoka'a how to spend his or her school's budget. Therefore, I envision a Board of Directors for each school, much like the models we see in the business world, in churches, or at our private schools. This Board would be made up of school and community members, elected by the parents, staff, teachers, principals, and even students in the older grades. They would have two main responsibilities: develop their academic plan for success which will get the educational results they desire for their children and decide how best to spend their own school's budgets! That, my friends, is local school governance at the most basic and important level—every school, with the parents, principals, teachers, staff and students making their own decisions!

Fourth: We expect quality, and we need to pay for performance. Principals should be put on performance contracts so we can reward the top performers with incentives, pay raises, time off, paid training or sabbaticals, and move non-performers to another line of work. Our professionals need to know that hard work and success pay off. We must do this while respecting collective bargaining and in cooperation with our partners in organized labor.

Fifth: As we empower principals, we need to have them on the job for 12 months and pay them for it. CEOs in private business don't work 10-month years. Every sector of our society operates on a year-round basis. If business, government, tourism, transportation, and utilities do it, then principals, as CEOs of their schools, need to be on the job year round. Teachers should be treated similarly and have a financial incentive for professional development. Teachers should be put on 11-month contracts—10 months of teaching, plus an additional month for 20 days of paid training.

Sixth: In order to make these ideas work, we need a common public school calendar. Our current calendar, which has long summer breaks, reflects a different age when parents needed their children free to harvest the crops and support the family. But we're in the technology and information age now. A common year-round school calendar would include more frequent breaks and vacation time for families and much-needed opportunities to train teachers so that they may serve your children better. And, it's more efficient.

Seventh and most important: If we are to truly reinvent our system and make deep structural changes, it is time to unshackle the DOE from other state departments that have so much control over the quality of life in our schools in the following ways:

In budgeting: Principals can never be sure how much appropriated money will be released for their use and when it comes, it comes too late. It's almost impossible to plan for educational excellence that way. We envision a law that requires that the Department of Budget and Finance release at least 80% of a fiscal year's appropriation to the schools, once that law is passed and signed by the governor, and early enough for school councils to have the time to plan.

In the area of hiring: If the State Department of Human Resources Development doesn't have a specific job description in its civil service system that meets our needs, we cannot hire for that job, even if we have identified the need and have the money to do so. That makes no sense whatsoever, and it's wrong. We want the authority and resources to set up our own employment system to meet the unique needs of education. The State Judiciary can do it now. Why not the Department of Education?

With regard to construction and repairs: The current process for school construction, repair and maintenance is obsolete—just like the toilets, windows and doors in so many public schools. The system, if you call something that dysfunctional a "system", makes our kids wait too long for decent basic facilities. We are at the mercy of the Department of Accounting & General Services and Budget & Finance for capital improvement projects and to repair bathrooms. That's not right. Give us both the money and the authority to do the capital projects, and the repair and maintenance we know we need for better, safer and more efficient campuses.

Finally, a word about centralized services: The DOE spends 1.7 billion tax dollars each year and we need to be managed. If teachers are to be free to teach, and principals free to lead that teaching, a lot of support work has to be done by somebody—bus routes, custodial service, school lunch programs, textbook purchases, compliance with the law and union contracts. Services like this do lend themselves to the efficiency of centralization. Schools will always need a central administration to take care of these necessities, or else the educators on campus will have to take time away to do it. Our pledge to you is that we will continue to aggressively look for ways of managing our needs cost-effectively and responsibly.

The CARE committee's report rightly stated: "So long as responsibility is diffused, no one can be held accountable." That's true. Hold me accountable and expect results.

But first, you must give me the tools and the space to do the job. And you must give the Board the authority it needs to do its job as well. While we need the help of the Legislature and Governor Lingle and her Administration to empower the schools so they can prepare our children for success, we also need to be able to do the job without interference or being told what our job is and how to do our job. Don't tie our hands!

Now let's talk about what these changes I've proposed could mean for the future. I see greater involvement in our public school system by every sector of our economy. Not every child is suited for or wants to attend college. We could benefit greatly from smaller schools within schools dedicated to teaching our young people trades and professions they can pursue after graduation. I invite our partners in organized labor unions, with their fine apprenticeship programs, to expand their role in preparing our youth at the high school level. I invite our business and professional communities to allow us to place more students in their businesses, to be "learning labs" for the future.

The private school system in the state can help us, too. Our gifted and talented teachers, the finest we have, would love to have the opportunity to exchange ideas with some of your finest minds. I know there are other partnerships toward which we could work.

We are already partnering in several ways with one of the most valuable and influential educational organizations in our state . . . The Kamehameha Schools. Our State Department of Education is proud of our own Hawaiian Language Immersion Program—the Kula Kaiapuni, along with the Aha Punana Leo and the many Hawaiian Immersion Charter schools. These schools are known around the world as the model for indigenous education. A partnership between Kamehameha Schools, Aha Punana Leo and the DOE in sustaining this program seems a natural extension to improve this important and unique aspect of life in Hawai'i.

And think for a moment. In every one of the instances I just mentioned, when you partner with the Department of Education, you free up resources and funding that can go to those who are truly the most needy in

our system which allows for the flexibility for us to do our job. I ask you as you leave here to think about how you can support your neighborhood public school.

I said at the beginning of my remarks that public education is the concern of all of us; that one person cannot find all the solutions to all our problems. Therefore I ask every one of you here today, and every one of you listening from your homes or your places of work, to link arms with us, to help us along the road of change to our destiny of a free, first-class public education for every child of Hawai'i. I am announcing today that on March 27, 2004, less than two months from now, the Board of Education and the Superintendent will convene the first-ever statewide Education Summit to be held here in Honolulu. It will consist of representatives from every walk of life, from business and labor, from public and private sectors, from the early education/pre-school community, the University System and from our distinguished private schools. I invite representatives from the Hawaiian Community to join us in this effort. I invite teachers, parents, principals, students, graduates, members of our military community, whose children attend our public schools. We will come together, we will come with our own ideas and we will come prepared to listen to others' ideas. And we—we will collectively decide what we need to do to reinvent our public school system.

Let me conclude by saying the initiatives I've proposed here, and the ones that will come out of the Education Summit in March, will require new thinking, courage, a willingness to take risk, and it will require change in the entire government system, not just the Department of Education. I challenge you to stand with me, to take the risk, to embrace the change that is coming our way, and above all, to live up to our obligation to the young people of our islands. We CAN do it . . . and WE WILL!

Thank you and aloha.●

LOCAL LAW ENFORCEMENT ACT OF 2003

● Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

In January 1999, Frank Breton, age 47, was convicted of hate crime assault for assaulting his neighbor in March because he believed the man was gay.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.●

TRIBUTE TO DUANE HALVERSON

● Mr. GRASSLEY. Mr. President, is my great honor and pleasure to be acquainted with Duane Halverson. In his 33-year career with Land O'Lakes, he has helped sustain agriculture, independent producers, and local economies through his dedication and commitment to rural America and the cooperative way of doing business.