

hold it at that. I have a bill that would do something similar. It says premiums for Part B and Part D of Medicare cannot exceed 25 percent of the cost-of-living allowance provided to Social Security beneficiaries. Both of these bills would help keep costs down for seniors.

So we do not lack ways in which to address the cost issue. What we lack is will, a commitment, a determination to bring the issue to the floor.

We all lament the dramatic increase in the cost of health care, but we are not going to solve it unless we are willing to take some action. We can go through more hearings, we can go through a lot more reports, but reports and hearings are not going to get the job done. This Senate needs to act.

I am amazed at the degree to which the finger-pointing continues to go on and on, with the tired and lame excuse that it is somehow the Democrats' fault that we have not addressed reimportation, that we have not addressed any of the other pending issues. We have had specific commitments on mental health parity and that bill is now unlikely to be addressed, even though we have had very specific commitments to take up mental health parity in the Senate. That has not happened because there is a lack of commitment and energy on the other side.

We have not been able to deal with the FSC bill, the welfare reform bill, the tax bill, the highway bill, in large measure because our Republican friends have not been able to agree among themselves. So all of these and other issues continue to languish. This is a do-nothing Congress and in large measure it is do-nothing because they have done nothing to bring themselves together and force these issues on to the Senate floor to allow us the opportunity to vote and to do the right thing.

Senior citizens deserve better than that. Those who are in this country looking to the Senate for answers on all of these and other issues deserve better than that. I hope we can make the most of what limited time we have remaining so we can do better than that.

THE FEDERAL GOVERNMENT MUST KEEP ITS EDUCATION PROMISES

Mr. DASCHLE. Mr. President, throughout America, another new school year is beginning. As children settle into new classes and parents meet their children's new teachers, we are reminded once again of the importance of public education to America's future.

Good, strong public schools are not a Democratic or a Republican concern; they are a cornerstone of American democracy. They are what has helped America create the most innovative, powerful economy the world has ever known and they are essential to the survival of the middle class in this country.

Nearly 3 years ago, Congress passed the No Child Left Behind Act containing the most far-reaching changes in Federal education policy in nearly 40 years. Recently, States released their second annual No Child Left Behind report cards, showing how their schools are measuring up under the new law. This afternoon, I would like to talk briefly about how the Federal Government is measuring up—whether we are keeping the promises we made under No Child Left Behind and other important education laws.

All of us know that, if we mention No Child Left Behind at a town hall meeting, we are just as likely to hear boos as we are to hear applause. Why is that?

One reason is because of some basic design flaws. What seemed to work well on paper, we are discovering, may not work as well in practice. Parts of No Child Left Behind need fine-tuning.

There were also some problems, early on, with the way the administration was implementing the new law. Fortunately, some of those problems are starting to be addressed. Yesterday, Senator KENNEDY introduced legislation to make sure the No Child Left Behind Act is implemented correctly. No one understands the No Child Left Behind Act better, and no one worked harder with President Bush to pass it. We ought to have a serious debate—and a vote—on Senator KENNEDY's bill this year.

Unfortunately, the administration and Congressional Republicans remain unwilling to acknowledge one of the biggest impediments to the success of the No Child Left Behind Act: inadequate resources.

Our Republican colleagues cite numbers to show that education funding is increasing. With all due respect, their numbers miss the point. The question isn't: Is the Federal Government spending more on education? The question is: Is the Federal Government providing States with the resources they need to make the No Child Left Behind Act, and other Federal education mandates, work? The answer is no. The President's budget for this year provides the smallest increase in education in nearly a decade. Over the last 3 years, the President's budgets have shortchanged No Child Left Behind by \$26 billion.

We all know that more money alone won't make schools better. But we also know that money does matter. It costs money to make the changes the No Child Left Behind Act requires. It costs money to put a highly trained teacher in every classroom. It costs money to test every student, every year, in grades 3 through 8. It costs money to produce and distribute the school report cards that are required under the new law, and to collect and analyze all the data that go into those report cards.

The No Child Left Behind Act aims to close the achievement gap by raising the educational achievement of poor

and minority students and students with disabilities. This is a noble and necessary goal. Yet, year after year, the programs that actually help close that achievement gap are the very programs that are the most seriously underfunded. In the President's budget this year, 80 percent of the total shortfall in the No Child Left Behind Act is in Title I programs. The children and schools that need the most help are instead targeted for the biggest funding shortfalls.

Shortchanging Title I and other parts of the No Child Left Behind Act means denying schools the resources they need to succeed—then punishing them for not measuring up.

Refusing to fund No Child Left Behind adequately also undermines local control of schools. Rapid City, SD, is a good example. Parents and educators in Rapid City have come up with an innovative plan for a new, year-round school that would provide extra help to low-income children. It would also work with the children's parents so they can be better partners in their children's education. It is exactly the kind of intensive help that is needed to close the achievement gap. But Rapid City doesn't have the Title I resources to make it a reality.

The underfunding of the No Child Left Behind Act is a major reason that legislators in 17 States—many of them Republican-controlled States—have endorsed bills protesting the law.

The President's budget also provides less than half of what Congress agreed nearly 40 years ago was Washington's fair share of special education costs.

The National Council of State Legislatures estimates the cost of unfunded Federal mandates will hit an unprecedented \$34 billion this year. The two most expensive unfunded Federal mandates? No Child Left Behind, and special education. In South Dakota, the shortfall this year just in these two programs is \$61 million; \$30 million for No Child Left Behind, and \$31 million for special education.

Accountability is critical. But accountability has to work both ways. If the Federal Government passes a law, we ought to fund it adequately—not push the cost off on State and local taxpayers.

In South Dakota, we have a State law that allows school districts to "opt out" of the State freeze on local property taxes if they can't provide basic educational programs and still balance their budgets. These are not cases where communities choose to pay higher taxes in order to pay for extras. Before districts can even seek an opt out agreement they have to have already made significant budget cuts.

The number of districts seeking such agreements has increased dramatically since No Child Left Behind was passed. Today, 46 percent of South Dakota school districts are operating under opt out agreements. Think about that: Nearly half the school districts in South Dakota are raising local property taxes, in part to make up for the

Federal Government's failure to keep its education promises.

Custer is one those communities. It is a small ranching town in western South Dakota. Last year, Custer went to a 4-day school-week to balance its budget—and it still ended the year with a deficit. This year, Custer has to find an extra \$300,000 to replace the 70-year-old boiler in its elementary school. It has no idea where the money will come from.

In Faith, SD, the town's only school building was condemned in June. The people of Faith have no idea how they will replace their school. The local tax base can produce only a fraction of the cost. For now, the children of Faith are attending classes in double-wide trailers.

During the debate on No Child Left Behind, I fought to include a Rural Education Assistance Program to address the unique circumstances of schools in small towns like Custer and Faith. That program, too, is underfunded in the President's budget. In South Dakota alone, the shortfall in rural education this year is \$700,000.

Nearly every district in our State has laid off teachers in the last few years. They have cut advanced placement courses, art programs, foreign languages, vocational education programs—you name it. Wall, SD, has eliminated its entire middle-school staff. High school teachers in Wall now teach high school and middle school. Rural districts are forming consortia to share administrators and education specialists.

Across the country, schools are laying off teachers and other employees, and cutting programs, bus routes, textbook purchases, and other expenses. Many communities are rationing Title I funds—limiting them to elementary schools only—because, they say, if they had to include high schools, there wouldn't be enough left for elementary schools to make a difference.

The refusal by Republicans in Washington to adequately fund Federal education programs is not the only reason many public schools are having a difficult time balancing their budgets. But, at a time when many State and local governments are still struggling, these Republican unfunded education mandates are making a difficult situation worse in many places.

And it is going to get much worse. That is not speculation. The Bush administration's own internal budget documents project more than \$5.5 billion in cuts for elementary and secondary education in fiscal years 2005 through 2009. Those cuts are more than six times larger than the education increases they are calling for in this election year. That is from the President's own Office of Management and Budget.

If we really couldn't do any better, that would be one thing. But this is a matter of choice, not necessity. At the same time the President and Congressional Republicans are telling us that we can't afford—or don't need—to keep

the education promises the Federal Government makes, they insist that Congress needs to create tens of billions of dollars in new tax breaks for millionaires and wealthy corporations. That is the wrong choice for America. Real reform requires real resources, otherwise it is just an empty slogan, or worse—a set-up for failure.

As they start this new school year, most children probably aren't paying any attention to what goes on in Washington. But what we decide here about education will have a profound effect on their future. During the education appropriations debate, Democrats are going to fight to keep the education promises our Government has made. We hope our Republican colleagues will join us—for our children's future, and for the future of our democracy.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of morning business for debate only for up to 60 minutes, with the first 30 minutes under the control of the Democratic leader or his designee and the second 30 minutes under the control of the majority leader or his designee.

Mr. REID. On behalf of Senator DASCHLE, I yield 10 minutes to the Senator from Illinois, and following him 15 minutes to the Senator from Massachusetts, Mr. KENNEDY.

The PRESIDING OFFICER. The Senator from Illinois.

HEALTH CARE IN AMERICA

Mr. DURBIN. Mr. President, yesterday President Bush went to Battle Creek, MI. The purpose of his visit, of course, was in preparation for the election but also to raise a critical issue, and the issue is the same one we have discussed this morning: health care in America. President Bush was outspoken in attacking Senator JOHN KERRY for having the nerve to suggest we need to change health care in America.

In criticizing JOHN KERRY, President Bush, quoting from the morning newspaper, said JOHN KERRY's proposal would be ultimately a Government takeover of medicine. It would be a massive, complicated blueprint to have our Government take over decision-making in health care. Bureaucrats would become the decisionmakers.

Once again, the Republican Party and President Bush wave the bloody shirt that if anyone suggests a change in the health care system in America today that they are calling for socialism and more bureaucracy.

What the President refuses to acknowledge and what the leadership on the Republican side of the Senate refuses to acknowledge is the health care system in America is in crisis. Since this President took office, census figures show 3.8 million more Americans are uninsured. In addition, the Kaiser Family Foundation study released last week said families are paying on average \$1,000 more out of pocket for health coverage this year than in the year before the President was elected.

It tells us that health care is becoming more expensive, more exclusive, and, frankly, that the average working family doesn't have a fighting chance under this system. What is the response on the Republican side of the aisle? What is the response from President Bush? More of the same. Don't rock the boat. We cannot say anything negative when it comes to the enormous profits that are being garnered by the drug companies and the HMOs.

But families and businesses across America understand the reality of health care today. When the Republican leader comes to the floor of the Senate and announces that we don't have time in the remaining weeks of the session to consider the issue of re-importing drugs from Canada or other countries, what he has basically said to thousands of seniors and families across America is that we are going to protect American drug companies and their profits at any cost. That is what has happened with our own prescription drug plan for seniors, and it is what is happening for the agenda for the Senate.

Look at what happened to premiums across America. On this chart is a trendline. I don't have to go year by year. Ask any employer in America what has happened to health insurance premiums and they will tell you that every year it is more expensive. I go around Illinois and meet with good, solid, God-fearing Republican businessmen who tell me: Senator, we cannot take it anymore. There is no way we can deal with these annual increases in health insurance. What are you doing in Washington about this? The honest answer is, under the Bush administration and the Republican-controlled Congress, absolutely nothing. So what do these businesses do? They will tell you over and over again they have no choice. How big an obstacle is health care cost in hiring new employees? And 78 percent say it is an obstacle. They cannot hire a new person because the cost of health insurance is so high.

What about the health insurance companies, the HMOs? How are they faring as these health insurance premiums go up? Do the premium increases just reflect the fact that it costs more to provide health care? Look at their profit margins. HMO profits from 2002 to 2003 went from \$5.5 billion to almost double that amount, \$10.2 billion.

You ask yourself, why is the President criticizing JOHN KERRY for bringing up meaningful health care reform