

S. 1753. A bill to amend the Internal Revenue Code of 1986 to encourage school construction and rehabilitation through the creation of a new class of bond, and for other purposes; to the Committee on Finance.

By Mr. FRIST (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. BINGAMAN, Mr. COCHRAN, and Mr. INOUE):

S. 1754. A bill to amend the Public Health Service Act to consolidate and reauthorize health professions and minority and disadvantaged health professions and disadvantaged health education programs, and for other purposes; to the Committee on Labor and Human Resources.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MACK (for himself, Mr. BREAU, Mr. TORRICELLI, Mr. LOTT, Mr. HATCH, Mr. MURKOWSKI, Mr. DEWINE, Mr. HAGEL, Mr. KYL, Mr. ABRAHAM, Mr. ASHCROFT, Mr. COCHRAN, and Mr. HELMS):

S. 1748. A bill to amend the Internal Revenue Code of 1986 to provide that the reduced capital gains tax rates apply to long-term capital gain from property with at least a 1-year holding period; to the Committee on Finance.

#### THE CAPITAL GAINS SIMPLIFICATION ACT OF 1998

Mr. MACK. Mr. President, today I am introducing the Capital Gains Simplification Act of 1998. This legislation will significantly improve the tax treatment of capital gains and would benefit all Americans. It would restore the one-year holding period (from the current 18 month requirement) to qualify for the lower capital gains tax rates the Republican Congress enacted last year. This simple change would dramatically reduce tax compliance costs, lessen the punitive lock-in effect on capital, and yield additional federal revenue in the first two years.

Capital investment is the key to economic growth and our future standard of living. That's why we successfully fought to give the American people significant tax relief on their savings and investments last year. We reduced the top rate on capital gains from 28 percent to 20 percent. Typical taxpayers in the 15 percent tax bracket had their capital gains tax rate lowered even more—to 10 percent.

Unfortunately, in order for taxpayers to qualify for lower capital gains tax rates, the Clinton Administration dictated an increase in the holding period from one year to 18 months when the Taxpayer Relief Act of 1997 was in conference. This arbitrary new holding period creates an awkward rate structure in which gains held between 12 and 18 months are taxed at higher rates. This dramatically and unnecessarily complicates tax calculations and compliance costs for taxpayers, investment firms, and the IRS.

For most Americans, their tax accounting and investment changes are timed on a one year basis, thus making the new 18-month holding period out of sync with investment and tax filing standards. This longer holding period

also reduces economic efficiency and the flow of capital by artificially locking-in investments for longer durations. Additionally, Americans who may need to sell an investment before holding it 18 months—for instance, to pay a tuition bill or medical expense—are punished with higher tax rates under current law. This makes little sense and must be corrected.

My bill would restore a straightforward one-year holding period for capital gains. It would greatly simplify the tax compliance burden, reduce punitive taxation, and improve economic efficiency. Simply stated, it would make it easier and more rewarding for Americans to save and invest for their futures.

New entrepreneurial activity that boosts economic growth takes money, and the demands for capital are the greatest they have been in decades. New technologies are opening the door to greater productivity gains and new products. We must ensure that the adequate savings and investment needed to fuel new technologies and productivity gains are available.

Any tax on capital gains represents punitive double taxation, and often taxes illusory gains due simply to inflation. And capital gains are not just for the "rich." According to IRS tax return data, 54 percent of taxpayers reporting capital gains have incomes below \$50,000—meaning more than 8 million households earning less than \$50,000 can benefit from the capital gains tax relief Congress provided last year. Many senior citizens depend on cashing in their capital gains as their major source of income during retirement. More than 80 percent of capital gains are reported by households with less than \$100,000 in income.

It's no secret that a large and growing number of ordinary middle-income Americans are directly or indirectly invested in the stock market. They invest directly by buying shares themselves or indirectly through savings in mutual funds, IRA accounts, or pension plans at work. The proportion of families who own stocks has increased dramatically. By simplifying the tax treatment of capital gains, this legislation would encourage families to save even more and would make it easier for them to buy a home, prepare for retirement, or pay for their children's education.

Let's not forget that capital gains taxes are largely a voluntary tax, since investors decide when they sell their assets. Investors should be allowed to freely move their money into new investments without paying punitive tax rates due to arbitrary holding periods. Locking up capital with longer holding periods can only diminish our chances of achieving our greatest growth potential.

By returning the capital gains holding period to one year, the Capital Gains Simplification Act would cut tax compliance costs, but more importantly, it would help unleash greater

investment opportunities, create jobs, and boost growth to the benefit of all Americans.

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

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

S. 1748

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Capital Gains Simplification Act of 1998".

#### SEC. 2. 1-YEAR HOLDING PERIOD FOR ANY LONG-TERM CAPITAL GAIN.

(a) IN GENERAL.—Section 1(h)(4) of the Internal Revenue Code of 1986 (defining adjusted net capital gain) is amended by adding "and" at the end of subparagraph (B), by striking "and" at the end of subparagraph (C) and inserting a period, and by striking subparagraph (D).

(b) CONFORMING AMENDMENTS.—Section 1(h) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (6), by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—The term 'unrecaptured section 1250 gain' means the amount of long-term capital gain which would be treated as ordinary income if section 1250(b)(1) included all depreciation and the applicable percentage under section 1250(a) were 100 percent."

(2) by striking paragraphs (8), (10), and (11),

(3) in paragraph (9), by striking "section 1202 gain, or mid-term gain" and inserting "or section 1202 gain",

(4) by redesignating paragraph (9) as paragraph (8), and

(5) by adding at the end the following:

"(8) TREATMENT OF PASS-THRU ENTITIES.—

"(A) IN GENERAL.—The Secretary may prescribe such regulations as are appropriate (including regulations requiring reporting) to apply this subsection in the case of sales and exchanges by pass-thru entities and of interests in such entities.

"(B) PASS-THRU ENTITY DEFINED.—For purposes of subparagraph (A), the term 'pass-thru entity' means—

"(i) a regulated investment company,

"(ii) a real estate investment trust,

"(iii) an S corporation,

"(iv) a partnership,

"(v) an estate or trust, and

"(vi) a common trust fund."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

By Mr. ALLARD (by request):

S. 1749. A bill to authorize the Secretary of the Interior to provide funding for the implementation of the endangered fish recovery implementation programs for the Upper Colorado and San Juan River Basins; to the Committee on Environment and Public Works.

#### THE UPPER COLORADO RIVER AND SAN JUAN RIVER ENDANGERED FISH RECOVERY ACT OF 1998

Mr. ALLARD. Mr. President, today I am introducing the Upper Colorado River and San Juan River Endangered Fish Recovery Act of 1998, legislation that is designed to authorize activities taking place on the Upper Colorado River Basin and the San Juan River Basins to protect various endangered fish species.

The legislation is the product of meetings between water districts,

power users, state and federal governments, and environmental groups and by no means reflects consensus. What it does reflect is a bargaining point that all agree is the proper place to begin. At the request of these groups I am introducing this legislation. I would also like to include in the RECORD letters requesting that I introduce this legislation.

I want my position to be clear, it is my view that authorizing legislation should provide certainty to water users in Colorado under the Endangered Species Act and should also allow Coloradans a greater ability to develop their full allotment of the Colorado River. It's also my view that the Fish & Wildlife Service, who are preparing a biological opinion on the program, should reach the conclusion that the program meets the criteria necessary to reach that goal.

So while at this point I am only introducing this legislation upon request, I hope that after further negotiations among all parties and the biological opinion issued by the FWS all parties involved will support this, or subsequent, legislation.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

SOUTHEASTERN COLORADO  
WATER CONSERVANCY DISTRICT,  
*Pueblo CO, February 24, 1998.*

Re Upper Colorado River Endangered Fish Recovery Program—Authorizing Legislation.

Hon. WAYNE ALLARD,  
*U.S. Senate, Hart Senate Office Building,  
Washington, DC.*

DEAR SENATOR ALLARD: As we discussed during your visit to Pueblo last week (February 19th), the Southeastern District did not join other water users in signing the Upper Colorado River Basin Water Users February 13th letter supporting the introduction of authorizing legislation for the long-term funding of the Colorado River Endangered Fish Recovery Program. We now wish to voice our support for introduction of the proposed legislation, but ask that you consider the Southeastern District's concerns while moving the bill through the process.

While we are supporting introduction at this time, we do so with some measure of concern. Prior to our February 19th meeting, the Board of the District has held the position that before authorizing legislation is introduced the fish and Wildlife Service should first issue a favorable biological opinion (BO) stating that the Recovery Program does indeed serve as the reasonable and prudent alternative for all water projects diverting above the upper Colorado River 15-mile reach. That BO is not yet complete, so uncertainty still exists. In addition, the District has been cautious in our support for the Recovery Program because one of the key elements of the Program requires a commitment of water from Ruedi Reservoir, which is a component of the Fryingpan-Arkansas Project.

The commitment of water from Ruedi Reservoir to augment flows in the 15-mile reach for endangered fish has not yet been positively resolved, which is the major reason why the Southeastern District has resisted

the introduction of Recovery Program legislation. The Fish & Wildlife Service has made it clear that they want a permanent allocation of Ruedi Water, or water from another source, to meet the objectives under the Recovery Program. Such a re-allocation of water may mean that the original authorizing legislation from the Fry-Ark Project (Public Law 87-590, August 16, 1962) would need to be reopened in order to forgive the costs of construction associated with the Ruedi water, and possibly to authorize the transfer of the water from the intended irrigation and M&I use to endangered fish use.

As you will understand, the Southeastern District is concerned with re-opening our Fry-Ark Project authorizing legislation without some guarantee that our full entitlements for irrigation and M&I water deliveries, and other benefits under the Project, will be protected.

Given these concerns, the District had heretofore withheld our support for the introduction of Recovery Program long-term funding authorization legislation. We now ask that the legislation move forward under your leadership. However, our continued support for the legislation in the months to come will in part be contingent upon the positive resolution of the Ruedi Reservoir water commitment element of the Recovery Program, and the issuance of a favorable programmatic biological opinion.

Thank you for considering our concerns as a part of your work on this important piece of legislation.

Sincerely,

STEVEN ARYESCHOUG,  
*General Manager.*

STATE OF COLORADO,  
OFFICE OF THE EXECUTIVE DIRECTOR,  
DEPARTMENT OF NATURAL RESOURCES,  
*Denver, CO, February 25, 1998.*

Hon. WAYNE ALLARD,  
*Hart Building, Washington, DC.*

DEAR SEN. ALLARD: I am writing to ask you to introduce legislation to statutorily authorize the federal government's participation in the Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin and the San Juan River Recovery Implementation Program (Recovery Programs).

These programs allow water development to proceed while states, water users, environmental groups and Indian tribes work with federal agencies to recover four endangered fish species. However, if the recovery programs are really to achieve their intended purposes, clear statutory authority is needed to help ensure that funds will continue to be requested by the Department of the Interior and appropriated by Congress.

Water users have assisted officials from Colorado, New Mexico, Utah and Wyoming to draft legislation that will provide the needed authority.

However, Colorado water users recognize that statutory authority alone will not make the programs successful. As a result, they have been working with me to clarify how the Upper Colorado River program and the U.S. Fish and Wildlife Service will address future depletions in the 15-mile reach of the Colorado River near Grand Junction.

It is my understanding that water users support the introduction of legislation while these negotiations continue and may withdraw their support at any time. Introducing legislation now would also allow Congress to exercise some programmatic oversight and tailor the legislation to reflect agreements reached through the 15-mile reach discussions.

I hope that you will introduce this legislation and continue to support the efforts of water users to ensure the recovery program

continues to offer the best opportunity to address water needs and environmental obligations to the arid West.

Very truly yours,

JAMES. S. LOCHHEAD,  
*Executive Director.*

UPPER COLORADO RIVER  
BASIN WATER USERS,  
*Loveland, CO, February 13, 1998.*

Hon. WAYNE ALLARD,  
*U.S. Senate, Washington, DC.*

DEAR SENATOR ALLARD: Thank you for circulating a draft legislation that would authorize long-term funding for the Colorado River Endangered Fish Recovery Program. We have reviewed the draft that was attached to your letter of November 14, 1997, and believe that this legislation should receive further consideration by all interested parties. As is often the case with legislation, of this nature, none of the organizations that we represent are prepared to endorse this particular draft, and all of the interested parties have served their right to suggest amendments to or withdraw support for legislation. However, we support the introduction of this legislation at this time, as we believe that the hearing and markup process will provide the best way to resolve the remaining issues.

Thank you for taking the time to work on this important issue.

Sincerely,

H.J. Barry, Denver Water Department;  
Eric W. Wilkinson, Northern Colorado Water Conservancy, Resources District; Larry W. Clever, Ute Water Conservancy District; Cliff Inbau, City of Aurora Utilities; Gregory Trainor, Utility Manager, City of Grand Junction; Dale Tooker, Manager, Clifton Water District; Richard E. Kuhn, Colorado River Conservation District; Philip Saletta, Colorado Springs Utilities, Water Department; Richard Proctor, Manager, Grand Valley Water Users' Association; James D. Rooks, Orchard Mesa Irrigation District; John R. Fetcher, Upper Yampa Water Conservation District; and Alan C. Hamel, Board of Water Works of Pueblo.

By Mrs. HUTCHISON (for herself  
and Mr. DOMENICI):

S. 1750. A bill to amend section 490 of the Foreign Assistance Act of 1961 to establish an additional certification with respect to major drug-producing and drug-transit countries, and for other purposes; to the Committee on Foreign Relations.

MEXICO AND THE DRUG CERTIFICATION PROCESS  
LEGISLATION

Mr. DOMENICI. Mr. President, I am pleased to rise today with the distinguished junior Senator from Texas (Mrs. HUTCHISON) to introduce a bill to bring some much needed credibility and flexibility to the drug certification process.

As my colleagues are aware, the President recently announced his annual decision regarding which countries would be certified as "fully cooperating" with the United States in the drug war. Once again, in the face of overwhelming evidence that full certification was unwarranted, the President found that Mexico has fully cooperated. This decision essentially means that the President has announced to the American people and

the world that Mexico is a full partner in our anti-narcotics efforts.

Mr. President, I understand that Mexico has made some progress in recent years in combating the drug cartels. And for that, the Mexican government deserves some credit. But, I simply cannot accept the Administration's flawed decision that Mexico has fully cooperated with the United States. There were too many instances of drug-related corruption and violence in the past year which support the opposite conclusion—that Mexico deserves something less than full certification.

Mr. President, I could take all day to explain to my colleagues in the Senate why I believe that Mexico does not deserve full certification this year. Instead, I would like to point out a just few facts which lead me to that conclusion.

First, I would direct my colleagues to a Washington Post article dated March 9th—just this week—entitled "2,000 Miles of Disarray in the Drug War—U.S./Mexico Border Effort 'A Shambles.'" The article points out what I think everyone, including the President of the United States, knows about our border drug effort with Mexico: it simply has been a failure.

The article notes that despite the official rhetoric from Washington praising Mexico's cooperation, U.S. law enforcement officials on the ground are saying that the joint U.S.-Mexico effort to establish Bilateral Border Task Forces to combat the drug cartels has been a disaster. I think the time has come for Congress and the President to pay more attention to what our law enforcement officials at the front lines of the drug war are saying about Mexico and its level of cooperation. It's clear the views of law enforcement are far different than those of the diplomats at the State Department and the embassies.

According to the news article, for the past 14 months, DEA, FBI and Customs agents have refused to cross the border into Mexico because Mexico will not allow them to carry weapons to protect themselves. These agents were supposed to be the front line in the U.S. contribution to the joint border effort, but Mexico's unwillingness to allow them even the most basic protections has rendered our agreement to work together meaningless.

The news story also states that corruption has almost completely eroded the trust and confidence of U.S. officials in the integrity of Mexican law enforcement. The report notes that at least five senior Mexican officers involved in the Border Task Force program have been arrested on suspicion of taking bribes from the drug cartels, participating in the kidnaping of key witnesses or stealing confiscated cocaine.

One former Mexican federal police commander in charge of intelligence gathering for the Border Task Forces was fired last year for taking bribes from the cartels. U.S. and Mexican law

enforcement officials now have identified this individual as a suspected drug trafficker in Arizona, but U.S. requests for information from Mexico about his activities have gone unanswered. How is that "full cooperation?" I can tell you that U.S. law enforcement officials do not think this is full cooperation—Tom Constantine, the head of the DEA said as much in a recent Senate hearing.

Mexico also has failed to cooperate in another key area: extradition. Once again, the Administration claims that Mexico has increased its willingness to cooperate with the United States on extradition. Yet, once again, there is no evidence that Mexico has made efforts to capture and extradite to the U.S. for trial any high-ranking Mexican national drug lords. Our law enforcement officials risk their lives gathering information to obtain indictments against Mexican drug traffickers, yet very few are ever captured and sent here for trial. In fact, the President's own 1998 International Narcotics Control Strategy Report, which is full of information which is supposed to justify the President's decision, states that "to date, no major Mexican drug traffickers have been extradited to the United States." To this Senator, that is unacceptable.

Mr. President, I realize that drug related violence has become an epidemic in Mexico. The recent death of Amado Carillo Fuentes, the cartel kingpin known as "the Lord of the Skies," has led to increased violence as the other cartels work to realign themselves in an attempt to take over Carillo's turf. In fact, recent reports are that two of the largest remaining Mexican cartels (the Caro Quintero and Arellano Felix organizations) have joined together to form "The Federation"—the largest drug cartel in Mexico. This presents new and more difficult law enforcement questions for the United States and Mexico.

But until recently, I did not realize how deeply the drug cartels have become embedded in Mexican and even parts of U.S. popular culture. Then I read a March story in the Washington Post about "narcocorridos," Mexican folk ballads which tell stories about the violent exploits of drug smugglers. Narcocorridos glamorize drug-related shootouts with the police, betrayals, paid executions and the wealth associated with narcotics trafficking. There apparently are hundreds of music groups recording and singing these songs, which are wildly popular in Mexico and parts of southern California. That is a disturbing comment on the power the drug cartels possess.

Mr. President, I have not sought recognition today simply to talk about Mexico's shortcomings and what I believe are the flaws in the President's certification decision. I realize that the certification statute itself is flawed. It's too inflexible and is written in a way which leads to the absurd results we have seen with respect to Mexico in

the last several years. We in Congress have a duty to take a look at this law and figure out a way to fix it.

So today with my colleagues from other border states, we have introduced a bill which I believe is a good starting point in the debate about the certification process. Our bill would take what I think are two important steps in improving the certification statute. The bill: (1) provides the President with a new option, called "qualified certification"; and (2) emphasizes the important contribution our drug-fighting U.S. law enforcement agencies make by giving them a greater role in the certification process.

Under our bill, the President would no longer be forced to make the decision between "full certification" or de-certification, as is the case under current law. The fatal flaw of the certification statute is that it rigidly requires the President to make a choice between "full cooperation" and "no cooperation", when in reality many countries fall somewhere in between.

Our bill allows the President to make a "qualified certification" of countries which have cooperated with the United States, but have failed to make adequate progress in certain areas. Countries which receive a designation of qualified certification would continue to be eligible for the full spectrum of multilateral and bilateral assistance—they would not be penalized as they are if they are de-certified.

Instead, qualified certification would trigger the creation of a high-level contact group headed by the Attorney General and consisting of the Secretary of State, the heads of the DEA and FBI, the Drug Czar and others. The members of the contact group would be tasked with meeting with their high ranking counterparts in other countries to set measurable goals relating to law enforcement matters like extradition, eradication, money laundering or other appropriate counter-narcotics concerns.

The President then would consult with the Attorney General and issue a report to Congress setting forth the goals established by the high-level contact group and report back the following year on the progress made in meeting those goals. The President also would be required to take a country's progress into consideration when making the certification decision the following year.

Mr. President, I have long believed that law enforcement agencies are capable of providing the most accurate picture of whether a country has fully cooperated with our anti-drug efforts. I also have felt that the certification statute is too rigid, too punitive and fails to recognize the critical role U.S. law enforcement plays in our counter-narcotics strategy. I think this bill is a step in the right direction, a step towards fixing the certification process. I thank my colleague from Texas.

By Mr. KYL:

S. 1752. A bill to authorize the Secretary of Agriculture to convey certain administrative sites and use the proceeds for the acquisition of office sites and the acquisition, construction, or improvement of offices and support buildings for the Coconino National Forest, Kaibab National Forest, Prescott National Forest, and Tonto National Forest in the State of Arizona; to the Committee on Energy and Natural Resources.

FOREST SERVICES LEGISLATION

MR. KYL. Mr. President, the U.S. Forest Service is interested in exchanging or selling six unmanageable, undesirable and/or excess parcels of land in the Prescott, Tonto, Kaibab and Coconino National Forests. If the parcels are sold, the Forest Service wants to use the proceeds from five of these sales to either fund new construction or upgrade current administrative facilities at these national forests. Funds generated from the sale of the sixth parcel could be used to fund acquisition of sites, or construction of administrative facilities at any national forest in Arizona. Transfers of land completed under this bill will be done in accordance with all other applicable laws, including environmental laws.

Mr. President, this bill will enhance customer and administrative services by allowing the Forest Service to consolidate and update facilities and/or relocate facilities to more convenient locations. It offers a simple and common-sense way to enhance services for national forest users in Arizona, and to facilitate the disposal of unmanageable, undesirable and/or excess parcels of national forest lands.

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

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

S. 1752

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

**SECTION 1. DEFINITIONS.**

In this Act, the term "Secretary" means the Secretary of Agriculture.

**SEC. 2. SALE OR EXCHANGE OF ADMINISTRATIVE SITES.**

(a) IN GENERAL.—The Secretary, under such terms and conditions as the Secretary may prescribe, may sell or exchange any or all right, title, and interest of the United States in and to the following National Forest System administrative sites:

(1) The Camp Verde Administrative Site, comprising approximately 213.60 acres, as depicted on the map entitled "Camp Verde Administrative Site", dated April 12, 1997.

(2) A portion of the Cave Creek Administrative Site, comprising approximately 16 acres, as depicted on the map entitled "Cave Creek Administrative Site", dated May 1, 1997.

(3) The Fredonia Duplex Housing Site, comprising approximately 1.40 acres and the Fredonia Dwelling Site, comprising approximately 1.58 acres, as depicted on the map entitled "Fredonia Duplex Dwelling, Fredonia Ranger Dwelling", dated August 28, 1997.

(4) The Groom Creek Administrative Site, comprising approximately 7.88 acres, as depicted on the map entitled "Groom Creek Administrative Site", dated April 29, 1997.

(5) The Payson Administrative Site, comprising approximately 296.43 acres, as depicted on the map entitled "Payson Ranger Station Administrative Site", dated May 1, 1997.

(6) The Sedona Administrative Site, comprising approximately 21.41 acres, as depicted on the map entitled "Sedona Ranger Station Administrative Site", dated April 12, 1997.

(b) EXCHANGE ACQUISITIONS.—The Secretary may acquire land and existing or future administrative improvements in exchange for a conveyance of an administrative site under subsection (a).

(c) APPLICABLE AUTHORITIES.—A sale or exchange of an administrative site shall be subject to the laws (including regulations) applicable to the conveyance and acquisition of land for National Forest System purposes.

(d) CASH EQUALIZATION.—Notwithstanding any other provision of law, the Secretary may accept a cash equalization payment in excess of 25 percent of the value of an administrative site in an exchange under subsection (a).

(e) SOLICITATIONS OF OFFERS.—In carrying out this Act, the Secretary may—

(1) use public or private solicitations of offers for sale or exchange on such terms and conditions as the Secretary may prescribe; and

(2) reject any offer if the Secretary determines that the offer is not adequate or not in the public interest.

**SEC. 3. DISPOSITION OF FUNDS.**

The proceeds of a sale or exchange under section 2 shall be deposited in the fund established under Public Law 90-171 (16 U.S.C. 484a) (commonly known as the "Sisk Act") and shall be available for expenditure, until expended, for—

(1) the acquisition of land and interests in land for administrative sites; and

(2) the acquisition, construction, or improvement of offices and support buildings for the Coconino National Forest, Kaibab National Forest, Prescott National Forest, and Tonto National Forest.

**SEC. 4. REVOCATIONS.**

(a) PUBLIC LAND ORDERS.—Notwithstanding any other provision of law, to facilitate the sale or exchange of the administrative sites, public land orders withdrawing the administrative sites from all forms of appropriation under the public land laws (including the mining laws but not the mineral leasing laws) are revoked for any portion of the administrative sites conveyed by the Secretary.

(b) EFFECTIVE DATE.—The effective date of a revocation made by this section shall be the date of the patent or deed conveying the administrative site.

By Mrs. FEINSTEIN:

S. 1173. A bill to amend the Internal Revenue Code of 1986 to encourage school construction and rehabilitation through the creation of a new class of bond, and for other purposes; to the Committee on Finance.

THE EXPAND AND REBUILD AMERICA'S SCHOOLS ACT OF 1998

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill to help our public schools reduce overcrowding. The bill is the companion of H.R. 2695, a bill introduced by my California colleague, Representative LORETTA SANCHEZ, a member of the House Education and Workforce Committee.

THE LEGISLATION

This legislation has several major provisions:

It provides a tax credit for the bond holders of school construction bonds. Under the 1997 Taxpayer Relief Act, schools which meet specific criteria

can issue "qualified zone academy bonds." The bonds generate a tax credit, rather than interest, for the bond holder, but can only be used to rehabilitate existing schools, not construct new facilities. Our bill allows the credit for school construction, as well.

It revises the criteria to address high growth areas and increase the number of schools who qualify. Under current law, only school districts with a poverty rate of 35 percent or more (as measured by participation in the school lunch program) and can demonstrate public support by raising at least 10 percent of the bond amount from private individuals or companies could take advantage of the credit. State education officials indicate schools, particularly small districts who need federal assistance, have difficulty reaching the private support requirement. This bill deletes the private support requirement of current law.

To qualify to use the bonds, the bill requires schools to meet state academic achievement standards and to have an average student-teacher ratio of 28 to one. Clear student achievement standards are essential to make schools accountable for learning and many states are developing those standards. California, for example, has adopted math and language content standards. Research shows that smaller classes improve learning and teaching and California is now implementing a class size reduction program in grades K-3.

Under the bill, bonds may be used if school districts meet one of three criteria:

The school is over 30 years old or the bonds will be used to install advanced or improved telecommunications equipment;

The student growth rate will be at least 10 percent over the next 5 years; and

The construction or rehabilitation is needed to meet natural disaster requirements.

The legislation focuses the tax credit assistance on our most serious construction needs. In my State, for example, 60 percent of our schools are over 30 years old and our schools must be built to withstand earthquakes, floods, El Nino and other natural disasters. California's State earthquake building standards can add 3 to 4 percent to construction costs.

The bond program will provide important assistance for school districts across America. Because the bonds provide a tax credit to the bond holder, the bond is supported by the Federal treasury, not the local school district. This helps small and low-income area school districts, because low-income communities with the highest school rehabilitation/construction needs may have to pay the highest interest rates in order to issue the bonds, if they can be issued at all.

## SCHOOL ENROLLMENT IS SOARING

Our public schools face a daunting challenge for the 21st century. This year, a record 52.2 million children will attend America's schools, a growth trend that will continue, reaching more than 54 million by 2007.

Growth over the next decade will be most severe at the secondary school level, with enrollment growth expected to grow by 1.7 million or more than 13 percent.

Nearly one-half of all states will experience a 15 percent growth in the number of public high school graduates by 2007.

More than one-third of the nation's existing schools are currently over 50 or more years old and need to be repaired or replaced.

Unlike the previous baby boom, there will be no sharp decline in enrollment after 2007; enrollment will maintain a stable level afterwards. Thus, school districts face escalating long-term needs.

Schools are costly. Modern schools are a significant investment for even the wealthiest of communities. Average elementary school construction costs are \$6.3 million, while average high school construction costs exceed \$15 million. School facilities can be well beyond the reach of many local communities. The federal government should become a partner by providing targeted assistance for high growth areas.

## THE CALIFORNIA CHALLENGE

In California, construction needs are soaring. My state will have the nation's largest enrollment increases of all states during the next ten years.

California's 18.3 percent school enrollment rate will triple the U.S. rate of 5.7 percent between 1996 and 2006.

Each year between 160,000 and 190,000 new students enter California classrooms.

California's high school enrollment is projected to increase by 35.3 percent by 2007. Approximately 920,000 students are expected to be admitted to schools in the State during that period, boosting total enrollment from 5.6 million to 6.8 million.

California needs to build 12 new classrooms a day until 2001 just to keep up with the growth in student population.

The California Department of Finance forecasts that the State must spend \$22 billion on schools during the next decade to keep pace with growth and to modernize and repair schools that have been allowed to deteriorate.

Based on growth forecasts, California would need to add about 327 schools over the next three years just to keep pace with the projected growth. Yet these phenomenal construction rates would only maintain current use and would not even begin to relieve current overcrowding.

In addition to new facilities, existing education facilities need to be renovated to meet today's learning needs. Today's schools require a modern infra-

structure, with wiring capable of meeting today's computer needs. However, more than 60 percent of California's schools were built over 30 years ago. According to the General Accounting Office, 87 percent of the public schools in California indicate they need to upgrade and repair buildings.

The burden on local school districts is overwhelming school districts and local taxpayers. As an example, in order to build its way out of overcrowding, Oceanside School District in San Diego, would need to build four elementary schools, two middle schools, and a high school at an estimated cost of \$110 to \$140 million.

In addition to these pressures, our state, commendably, is reducing class sizes in grades K through 3 because smaller classes improve teaching and learning. We have the largest pupil-teacher ratios on the country and fortunately, are beginning to address what is a most serious education problem. But smaller classes mean more classrooms.

In short, California's needs are immense and States and local communities need the federal partner.

## IMPORTANT TO EDUCATION

School overcrowding places a heavy burden on teachers and students. Studies show that the test scores of students in schools in poor condition can fall as much as 11 percentage points behind scores of students in good buildings. Other studies show improvements of up to 20 percent in test scores when students move to a new facility.

Here are several examples of the toll that crowding is taking in my State.

At Horace Mann Year-round School in Oakland, increasing enrollment and class size reductions require some teachers and students to pack up and move to a new classroom every month.

At John Muir Elementary School in San Bruno, one class spent much of the year on the stage of the school's multipurpose room as it waited for portables to arrive.

Anaheim City School District has a 6% enrollment growth rate, double the state average and recently approved the purchase of 10 portable buildings, at a cost of \$235,000 to relieve overcrowding.

This bill will concentrate tax benefits on high growth areas across the country and improve education. Teachers and students must be free to concentrate on learning, yet school overcrowding undermines the health and morale of students and teachers, disrupting the education process. Overcrowded schools prevent both teachers and students from reaching their full potential.

## DIFFERENCES FROM THE SANCHEZ BILL

This legislation builds upon existing law, as well as H.R. 2695, legislation proposed by Representative LORETTA SANCHEZ in the House. The legislation differs from H.R. 2695 in the following respects:

(1) It expands the type of school construction for which the bonds can be

used. In addition to construction to relieve overcrowding in the Sanchez bill, under this bill bonds may be used to rehabilitate schools over 30 years old, improve the communications infrastructure, make repairs following a natural disaster and retrofit to meet potential disasters.

(2) This bill does not include the requirement of the Sanchez bill that at least 10 percent of the bond proceeds be raised from the private sector. I believe this would be a burdensome hurdle for most school districts.

(3) Under H.R. 2695, bonds could be used only by school districts with 35 percent or more of their students eligible for food stamps. Under this bill, bonds would be available to any district meeting the high growth, aging facilities, telecommunications or disaster criteria.

(4) Representative SANCHEZ's bill allows only financial institutions to claim the tax benefit. Under this bill, any taxpayer as a bond holder could claim the credit.

I believe these changes strengthen the bill and create more financing options for school districts.

## CONCLUSION

Our Nation's school districts face huge challenges as we move toward the 21st century, with a record 52.2 million children this year and a growing school population forecast well into the next century. The legislation proposes modest, targeted Federal support for school bonds in growth areas, offering important assistance to school districts, teachers, parents and students. I ask unanimous consent to place the legislation and a legislative summary in the RECORD.

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

S. 1753

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

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Expand and Rebuild America's Schools Act of 1998".

## SEC. 2. FINDINGS.

The Congress finds the following:

(1) Many States and school districts will need to build new schools to accommodate increasing student enrollments; the Department of Education has predicted that the Nation will need 6,000 more schools by the year 2006.

(2) In response to reduced class mandates enforced by State governments and increased enrollment, many school districts have been forced to utilize temporary classrooms and other structures to accommodate increased school populations, along with resorting to year-round schedules for students.

(3) Research has proven a direct correlation between the condition of school facilities and student achievement. Recently, researchers found that the test scores of students assigned to schools in poor condition can be expected to fall 10.9 percentage points behind the test scores of students in buildings in excellent condition. Similar studies have demonstrated up to a 20 percent improvement in test scores when students were moved from a school with poor facilities to a new facility.

(4) While school construction and maintenance are primarily a State and local concern, States and communities have not, on their own, met the increasing burden of providing acceptable school facilities, and the poorest communities have had the greatest difficulty meeting this need.

(5) Many local educational agencies have difficulties securing financing for school facility construction and renovation, especially in States that require a 2/3 majority of voter approval for the passage of local bond initiatives.

(6) The Federal Government, by providing interest subsidies and similar types of support, can lower the costs of State and local school infrastructure investment, creating an incentive for businesses to support local school infrastructure improvement efforts.

(7) The United States competitive position within the world economy is vulnerable if America's future workforce continues to be educated in schools not equipped for the 21st century. America must do everything in its power to properly educate its people to compete in the global marketplace.

### SEC. 3. PURPOSE.

The purpose of this Act is to help local educational agencies bring all public school facilities up to an acceptable standard and build the additional classrooms needed to educate the growing number of students who will enroll in the next decade.

### SEC. 4. CREDIT TO HOLDERS OF SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following new section:

#### “SEC. 45D. CREDIT TO HOLDERS OF SCHOOL CONSTRUCTION BONDS.

“(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a school construction bond on the credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year the amount determined under subsection (b).

“(b) AMOUNT OF CREDIT.—The amount of the credit determined under this subsection with respect to any school construction bond is the amount equal to the product of—

“(1) the credit rate determined by the Secretary under section 1397E(b)(2) for the month in which such bond was issued, multiplied by

“(2) the face amount of the bond held by the taxpayer on the credit allowance date.

“(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(2) the sum of the credits allowable under this part (other than under this section and subpart C thereof, relating to refundable credits) and section 1397E.

“(d) SCHOOL CONSTRUCTION BOND.—For purposes of this section—

“(1) IN GENERAL.—The term ‘school construction bond’ means any bond issued as part of an issue if—

“(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified school established by an eligible local education agency,

“(B) the bond is issued by a State or local government within the jurisdiction of which such school is located,

“(C) the issuer—

“(i) designates such bond for purposes of this section, and

“(ii) certifies that it has the written approval of the eligible local education agency for such bond issuance, and

“(D) the term of each bond which is part of such issue does not exceed the maximum term permitted under section 1397E(d)(3).

“(3) QUALIFIED SCHOOL.—

“(A) IN GENERAL.—The term ‘qualified school’ means any public school which is established by and operated under the supervision of an eligible local education agency to provide education or training below the postsecondary level if—

“(i) such public school is designed to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for postsecondary education and the workforce,

“(ii) students in such public school will be subject to the academic achievement standards and assessments established by the State,

“(iii) a program to alleviate overcrowding and to improve students' education has been constructed,

“(iv) the average student-teacher ratio for the school district in which such school is located as of the date of the issuance of the bonds is at least 28 to 1, and

“(v) at least 1 of the following requirements is met:

“(I) The proceeds from the issuance of the bonds will be used for new school construction, the rehabilitation of school facilities which are more than 30 years old as of the date of such issuance, or the provision of advanced or improved communications infrastructure.

“(II) There is a reasonable expectation (as of the date of issuance of the bonds) that the student growth rate over the next 5 years for the school district in which such public school is to be located will be at least 10 percent.

“(III) Construction or rehabilitation activities are needed as the result of natural disasters or to mitigate the cost of potential disasters.

“(B) ELIGIBLE LOCAL EDUCATION AGENCY.—The term ‘eligible local education agency’ means any local educational agency as defined in section 14101 of the Elementary and Secondary Education Act of 1965.

“(4) QUALIFIED PURPOSE.—

“(A) IN GENERAL.—The term ‘qualified purpose’ means, with respect to any qualified school, constructing or rehabilitating a school facility.

“(B) SCHOOL FACILITY.—The term ‘school facility’ means a public structure suitable for use as a classroom, laboratory, library, media center, or related facility whose primary purpose is the instruction of public elementary or secondary students. Such term does not include an athletic stadium, or any other structure or facility intended primarily for athletic exhibitions, contests, games, or events for which admission is charged to the general public.

“(e) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

“(1) NATIONAL LIMITATION.—There is a national school construction bond limitation for each calendar year. Such limitation is \$1,400,000,000 for 1999 and 2000, and, except for carryovers as provided under the rules applicable under paragraph (2), zero thereafter.

“(2) ALLOCATION OF LIMITATION.—

“(A) STATE ALLOCATION.—The national school construction bond limitation for a calendar year shall be allocated by the Secretary among the States on the combined basis of the following factors:

“(i) The respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

“(ii) The respective projected growth rates in the number of students over the next 5

years and 10 years (as determined by the Secretary of Education).

“(B) SCHOOL ALLOCATION.—The limitation amount allocated to a State under the subparagraph (A) shall be allocated by the Secretary of Education to qualified schools within such State.

“(3) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (d)(1) with respect to any qualified school shall not exceed the limitation amount allocated to such school under paragraph (2)(B) for such calendar year.

“(4) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

“(A) the limitation amount for any State, exceeds

“(B) the amount of bonds issued during such year which are designated under subsection (d)(1) with respect to qualified schools within such State,

the limitation amount for such State for the following calendar year shall be increased by the amount of such excess.

“(f) OTHER DEFINITIONS.—The definitions in subsections (d)(6) and (f) of section 1397E shall apply for purposes of this section.

“(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section.”

(b) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

“Sec. 45D. Credit to holders of school construction bonds.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 1998.

### FEINSTEIN LEGISLATION TO PROVIDE TAX CREDITS FOR SCHOOL CONSTRUCTION BONDS

#### PROPOSED LEGISLATION

Provides a tax credit for school construction and rehabilitation bonds. Similar to the “Qualified Zone Academy Bonds” created by the 1997 Taxpayer Relief Act, bondholders would receive a tax credit, rather than interest.

To qualify to use the bonds, schools must meet state academic achievement standards and have an average student-teacher ratio of 28 to 1.

Bonds may be used if school districts meet one of three criteria:

(1) The school is over 30 years old or the bonds are used to provide advanced or improved telecommunications infrastructure;

(2) Student growth rate will be at least 10 percent over the next 5 years;

(3) School construction or rehabilitation is needed to meet natural disaster requirements.

Bond proceeds could be used for both new construction and rehabilitation of existing school facilities, unlike the QZAB law, which could be used only to rehabilitate existing schools.

Bonds could be used to rebuild following a natural disaster or mitigate the potential cost of future natural disasters. The school bonds can help communities rebuild following a tornado or earthquake, as well as retrofit buildings to reduce the potentially devastating cost of future disasters.

Any bond holder is eligible to claim the credit. While only banks could claim the QZAB bond tax credit, the new bond credit would be available to any purchaser, including other businesses or private citizens.

## EDUCATION BACKGROUND

School overcrowding, the challenge for the 21st century: This year, a record 52.2 million children will attend America's schools, rising to more than 54 million by 2007. Secondary school enrollment is expected to grow by 1.7 million, or 13%.

A National Problem: Nearly one-half of all states will experience a 15% growth in the number of public high school graduates by 2007.

Facilities for Today's Needs: More than 1/3 of the nation's existing schools are at least 50 years old and need to be repaired or replaced. The GAO reports fewer than half of the public schools have sufficient technology infrastructure, including phone lines, and wiring for networks.

Addressing a Long Term Need: Unlike the previous "baby boom," school enrollment is not expected to decline after 2007. Communities will face a long-term funding challenge for school construction and rehabilitation.

By Mr. FRIST (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. BINGAMAN, Mr. COCHRAN, and Mr. INOUE):

S. 1754. A bill to amend the Public Health Service Act to consolidate and reauthorize health professions and minority and disadvantaged health professions and disadvantaged health education programs, and for other purposes; to the Committee on Labor and Human Resources.

Mr. FRIST. Mr. President, I rise to introduce the Health Professions Reauthorization Act. First, I would like to tell you a story illustrating the importance of this legislation, which strives to increase the numbers of health practitioners in rural, underserved areas, to increase the number of underrepresented minorities and focus on primary care. My story is about a young man who dreamed of a career in medicine. Keith Junior, grew up in Nashville. During his high school years, he often visited the Meharry Medical College campus where he was warmly received and encouraged by the health care professionals and staff. Meharry's Health Careers Opportunity Program, (HCOP) helped him develop his academic skills and supplement his undergraduate experiences, in a supportive environment with a rich history and caring spirit.

After completing college, Mr. Junior pursued an application to medical school. However, his undergraduate grades and MCAT scores were considered low. The HCOP program helped him to improve those scores. Because Meharry has a commitment to students who demonstrate a potential for success which might be otherwise overlooked by other institutions he applied there, was accepted and graduated.

Dr. Junior recalls his experiences in helping him to realize his dream of a career in medicine. He is now an internist and Interim Director of the Matthew Walker Health Center in Nashville, Tennessee. More important, he serves as a role model of success for younger generations to emulate.

Mr. President, this story illustrates the many real life successes for indi-

viduals who benefit from the Title VII and Title VIII programs, of the Public Health Service Act. I rise today to introduce the Health Professions Reauthorization Act of 1998 which funds those programs. For many years this legislation has helped our nation's schools of health to serve the health needs of their communities better and to prepare the practitioners of the future.

A critical component of the Title VII and VIII programs has been the goal to help students in need. These programs have often represented the assistance of last resort for many disadvantaged students seeking careers in health. I believe several schools in Tennessee tell this story well: in the East Tennessee State University Schools of Medicine, Nursing, Public and Allied Health approximately 89% of their students are deemed disadvantaged by the Free Application for Federal Student Aid. Both East Tennessee State University's College of Nursing and the James Quillen College of Medicine are featured in the "1998 Best Graduate Schools," published by U.S. News and World Report. These schools were praised for their programs in rural medicine. I am extremely proud of these programs because they have been given national recognition for their mission which is to train primary health care professionals and to encourage an interest in serving rural areas.

Equally important is this legislation's goal to fill the health care needs of many underserved communities, often in rural or inner city areas. With the assistance of Title VIII programs, the Vanderbilt School of Nursing reports that 72 percent of its 1997 graduating class is working in medically underserved areas. East Tennessee State University was also able to open the first nurse-managed primary care clinic in rural Appalachia with pretty impressive results: 7,663 primary care visits, 25% of which were preventive services; 51% of the patients were covered by Tennessee's Medicaid Program (TennCare) and 16% of the patients were uninsured; 54% of the visits were care for children under the age of 18.

The examples from my medical colleagues in Tennessee are representative of the needs and results elsewhere in the nation due to the Health Professions Act, and I believe the revisions made in this bill continue to strengthen these programs and prepare us for the next century.

This bill reauthorizes the programs funded through Titles VII and VIII of the Public Health Service Act. They are intended: to improve the distribution of health professions workers to underserved areas; to strengthen the infrastructures of organizations which facilitate their training and performance; to improve accountability for federal dollars used in these processes; and to improve the representation of minorities and disadvantaged individuals in the health professions, better

reflecting the communities which they serve.

However, more importantly, this bill represents an opportunity to improve the quality of, and access to, health care for millions of Americans. Why?

It is the only measure to counter the maldistributions caused by current Graduate Medical Education programs and market forces. Patients in underserved areas depend on programs funded by this bill in order to receive their health care. Training providers in these areas greatly increases the likelihood they will work in these areas when they complete their education.

It is an example of our government's ability to act as a catalyst. Too often we, as legislators, are forced to step in and micro manage such health care issues as hospital lengths of stay in order to preserve quality of care.

I believe we are far better served to develop programs that stimulate the types of efforts which create innovative solutions for these problems, and give practitioners/clinicians the tools necessary to make needed changes.

It fosters collaboration. Although foundations are still being laid, the many interest groups involved in this bill are learning to work together. They have discovered that they do have areas of common interest and they are learning to build on those incentives. Within many institutions new interdisciplinary programs are being developed and this legislation further stimulates those activities.

Finally, over time, this bill will streamline care and improve cost-effectiveness.

Although its costs are quite small when compared to other health care measures, we still see it as an opportunity to set an example of efficient, high quality care.

Over the years, there have been many successes among the more than 300 programs funded through this legislation. Thus, clarification of the goals and objectives of these programs is a priority. We had to find ways to function within our budgetary constraints as well.

In 1995, Senators KASSEBAUM, KENNEDY and I attempted to take the 44 programs involved and consolidate them into 6 groups or clusters. Performance outcomes were added. This approach was used to streamline the granting process, and to allow HHS to use budgetary factors: to leverage areas of development; and to align with community workforce needs.

It also provided flexibility for strategic planning of the workforce supply, and insured a greater percentage of program dollars would go directly to grantees versus federal administration. Further, the FY98 Appropriations bill passed by the Senate, also clustered these programs.

After the Act passed in the Senate in 1996 but failed to pass in the House, I re-examined it to identify areas of disagreement. Over the past year, I made a concerted effort to overcome those obstacles. Another hearing was held on

April 25, 1997 because I wanted to be sure that I listened to all parties and that all possibilities for compromise were addressed. My staff has worked very hard to maintain that level of input. We sought to involve the many constituency groups in the preparation of this legislation. The 1998 Health Professions Reauthorization Act accomplishes the goals passed by the Senate last year in several ways:

It still uses only 7 clusters, but has 15 lines of authority as well. This approach, while more complex is also more reflective of both existing and potential alliances. It gives security about funding to groups within these clusters, and in turn, allows them to plan longer range.

Flexibility is built into the bill over time. As funding lines change, the Secretary's authority to move funds across program lines increases. Thus, programs can grow into the cluster concept. This revision will better reflect the constantly changing healthcare needs of communities and more rapidly changing health care delivery system.

Since so much of the Act's flexibility is based on the discretion of the Secretary, we have added advisory councils to insure that the view points of those on the front lines are heard. This will restore confidence among the grantees and encourage positive collaboration between agency officers and the programs they manage. In addition, these councils will report back to Congress to assure oversight of these programs.

To encourage independence from federal funding, matching requirements for non-federal funds are required wherever appropriate. Federal dollars provide the seed money necessary for many health clinics to get on their feet, and in turn secure other financing mechanisms.

Programs which attempt to resolve cultural barriers, especially those related to language, are restored.

Community-based organizations are empowered so that the patient's voice can be heard.

Geriatric initiatives have been strengthened and expanded to train health care personnel as we promote and integrate geriatrics into American medicine. Today there are 33 million older Americans, and by 2030 it is expected that the elderly population will reach 66 million strong, when 1 of every 5 Americans will be 65 years of age or older.

Mr. President, I am proud of our work. In fact, I would like to take this opportunity to specifically thank, Senators KENNEDY, JEFFORDS, BINGAMAN, Representative BECERRA, the Hispanic Caucus and all their staffs for their efforts to work with us on this bill. I would also like to thank the interest groups which gave so generously of their time and support to help us address the issues involved. In particular, I would like to mention several organizations which have sent me letters of

support. I have heard from the Area Health Education Centers, American Psychological Association, American Mental Health Counselors, The Association of Minority Health Professions Schools, The Working Group on Hispanic Health-Education, American Nurse Association, American Organization of Nurse Executives, The American Geriatric Society, National Association of Geriatric Education Centers, and the National Association of Social Workers. Mr. President, I ask unanimous consent that a list of organizations supporting this legislation and their comments, be included in the RECORD. Mr. President, I especially thank Dr. Debra Nichols and Dr. Mary Moseley of my staff for their dedication and hard work toward the reauthorization of these programs.

Mr. President, this bill encourages collaboration without forcing it. It creates new partnerships while supporting existing ones. It fosters new opportunities for change. It represents the best example of team work among interest groups, agencies and legislators. The 1998 Health Professions Reauthorization Act will prepare underserved areas to meet the future.

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

There being no objection, the items were ordered to be printed in the RECORD, as follows:

(The bill was not available at time of printing.)

#### LETTERS OF SUPPORT

"We are especially appreciative of having had the opportunity in April 1997 to testify before your subcommittee. Thus seeing the nation's 43 Geriatric Education Centers (GECs) in this bill (as Sec. 753 within a grouping of "interdisciplinary, Community Based Linkages") is indeed gratifying, as this signifies your commitment to better health care for older Americans."—National Association of Geriatric Education Centers.

"It is our pleasure to write in support of your legislation reauthorizing federal health professions training programs. We believe that our institutions, and our students who become health professionals, will be able to help solve the national crisis of disproportionately low health status among minorities."—The Association of Minority Health Professions Schools.

"... the Working Group on Hispanic Health Education has worked in partnership with your office on this Health Professions Bill. Moreover, we have worked with the Congressional Hispanic Caucus, the Association of Minority Health Professions Schools, the Office of Minority Health, and HRSA Bureau of Health Professions in development of the Bill to amend the Public Health Service Act to consolidate and reauthorize health professions and minority and disadvantaged health education programs."—Working Group on Hispanic Health—Education.

"I certainly want to thank you for the careful work and the relevant content of your draft Bill. Your staff carefully considered each of the issues of importance to the Area Health Education Centers across the nation, the 36 programs supporting 157 community based centers."—Kentucky Area Health Education Center (AHEC) Program.

"Your bill, which proposes to continue support for HRSA's health professions education

and training programs, was drafted in consultation with all concerned parties, and that, Mr. Chairman, is appreciated."—Association Of Schools Of Public Health.

"We are pleased that Congress has continued to appropriate adequate levels of funding for Title VII programs, but we know that these programs are particularly vulnerable as long as the health professions training programs remain unauthorized. NASW believes the proposed legislation will help increase access by minorities and disadvantaged people to graduate programs in behavioral and mental health practice, including social work."—National Association Of Social Workers.

"This legislation would make graduate students in mental health counseling programs eligible to receive National Institute of Mental Health (NIMH) training grants. The bill allows for mental health counselors to serve in designated underserved health professional areas."—American Mental Health Counselors Association.

"Your legislation will accomplish a much needed streamlining and updating of current federal programs in this area. Its enactment will reaffirm the importance of federal health professional education and training support programs in the effort to make sure that all Americans have access to the health care services."—American Counseling Association.

"The bill provides for a structure that will permit a comprehensive, flexible, and effective approach to federal support for nursing workforce development. It is a pleasure to endorse this bill."—American Nurses Association.

"This legislation is of critical importance in ensuring a federal role in nursing education and this bill will foster programs to prepare nurses to meet the healthcare system's need for nursing professionals to: address sicker patients in tertiary care sites; deal with life expectancy for people with chronic conditions; and care for the complex health care needs of an increasingly elderly population."—American Organization of Nurse Executives.

Mr. KENNEDY, Mr. President, I commend Senator FRIST, Senator BINGAMAN, and Senator JEFFORDS for their leadership on the bill we are introducing today to reauthorize the health professions and nursing training and education programs—Titles VII and VIII of the Public Health Service Act. This bill is a bipartisan effort to revise and strengthen these education and training programs and achieve a more effective workforce to meet the health needs of the nation.

The ongoing national debate on health care has focused largely on the problems of access, cost and quality. These issues, however, cannot be addressed without also dealing with the need to train qualified health providers. No insurance policy can assure good health care without good doctors, nurses and other health professionals. No system of quality improvement, no matter how sophisticated, can assure good care for hospital patients if there are not good doctors and nurses at the bedside. Too often, inadequate priority is given to the workforce which staffs our health care system.

As we know, that system is undergoing rapid and dramatic change. Today, nearly 60 percent of Americans receive their care through managed

care arrangements. More and more, health care is moving out of hospitals and into out-patient or community-based settings. Fewer people are being admitted to hospitals and hospital stays are becoming shorter. It is essential for the health workforce to adapt to these changes. New graduates of health professions schools and practicing health providers need the right skills to provide effective patient care.

In addition to these issues, the health care system continues to face by nationwide shortages of certain health personnel, serious geographical imbalances in the types of health professionals, and under-representation of providers from minority and disadvantaged backgrounds.

Many types of health professionals are in short supply, including geriatricians, pediatric dentists, and allied health, public health, and behavioral and mental health professionals. Shortages of physicians persist in inner-city and rural areas, leaving many Americans unserved or underserved.

Since 1986, the number of federally designated shortage areas for primary care health professionals has climbed by 40 percent—from 1,944 to 2,597. The Health Resources and Services Administration estimates that over 26 million underserved persons live in these areas and that, at a minimum, 5,200 additional general practitioners are needed to eliminate these shortage areas.

In addition, most experts agree that there is an imbalance between primary care physicians and specialists. In 1931, about 87 percent of U.S. physicians were practicing primary care, compared to 33 percent in 1996. The Council on Graduate Medical Education recommends that the physician workforce should consist of 50 percent generalists and 50 percent specialists. The persistent current imbalance contributes to problems of access and cost in our health care system. Primary care practitioners are more likely to locate in underserved areas and help underserved populations, and they tend to provide care in a more comprehensive, appropriate, and cost-effective manner than specialists.

Across the nation, African Americans, Hispanic Americans, and Native Americans are seriously underrepresented in the health professions workforce. Their underrepresentation has reduced access to care among many of the nation's neediest citizens. African Americans represent approximately 12 percent of the U.S. population, but only 2-3 percent of the nation's health professions workforce. Hispanics make up nine percent of the population but represent only 5 percent of physicians, and 3 percent of dentists and pharmacists. This underrepresentation is of particular concern because studies show that minority health care providers are more likely to locate in underserved communities and provide health services to needy populations.

The health professions and nursing training and education programs we

seek to reauthorize in this legislation are designed to respond to each these concerns.

The bill reauthorizes programs which provide educational opportunities in the health professions for individuals from minority and disadvantaged backgrounds. This strategy has been effective in increasing the availability and accessibility of health care providers to populations who have difficulty obtaining adequate health care, especially those from low-income and minority populations. Historically black colleges and universities have been particularly successful in this effort, training more than 50 percent of the nation's African American physicians, dentists, and pharmacists. Our bill will continue to support these basic efforts. It will also strengthen opportunities for Hispanic-serving institutions and institutions with high rates of enrollment of Native Americans.

In addition, the bill will provide continued support for primary care practice through ambulatory care training, curriculum improvement, faculty development, data analysis and quality assurance. Among physicians, this support will address the continued imbalance between primary care physicians and specialists. It recognizes the unique gaps general internists, general pediatricians, and family physicians fill in meeting the needs of the underserved. In other instances, funding will be used to improve the supply of other disciplines suffering shortages, such as pediatric dentists.

The bill reauthorizes model community-based, interdisciplinary programs to train individuals for practice in underserved settings, including remote and border areas. These programs encourage active partnerships between community-based programs and medical schools, nursing schools, and other health profession schools in their effort to provide greater educational opportunities to students, faculty, and practitioners in community-based settings to improve the delivery of health care.

Doctors, nurses, and other health professionals can be trained together in teams in the community to address the needs of the medically underserved. In this way, their training is more in step with what they will encounter in the practice world while meeting critical needs in the community. These programs include the area health education centers, geriatric education centers, the rural interdisciplinary training, and allied health training.

The bill also recognizes the increase in the elderly population and establishes a new junior geriatric faculty fellowship program. This program will help to address the large shortage in geriatric faculty members. Without an appropriate supply of teachers in geriatrics, we cannot seriously address the issue of the geriatrician shortage. I want to commend Senator FRIST and the Administration for working closely with us and with the academic community on this issue.

Finally, the legislation will provide new flexibility in targeting resources to meet the current and emerging needs of the nursing workforce. The emphasis is on meeting the needs of the underserved. Nurse anesthetists, clinical nurse specialists, nurse practitioners, and certified nurse midwives play a vital role in providing quality care to medically underserved and rural communities, and they deserve our support.

As the health care system continues to change, so too must the federal programs intended to assure that America has an appropriate health care workforce to staff the health care delivery system. These programs are overdue for consolidation and better targeting. The bill we are introducing will consolidate more than 40 health professions programs into 7 broader authorities more directly focused on key goals. This greater flexibility will enable programs to respond more quickly to emerging workforce issues in our changing health care system. Specific workforce goals will be established and outcomes measured, in order to achieve accountability for the funds invested in these programs.

The health professions and nursing education programs under the Public Health Service Act are the key mechanisms of the federal government has to meet national priorities for the nation's health care workforce. The bipartisan sponsors of this bill have worked closely with the Administration, the health professions education and practice community, and other groups to achieve these goals responsibly and to maintain adequate resources. We have worked to advance the central goal of these two important titles of the Public Health Service Act—to train a health care workforce that can meet the needs of the American people, and I look forward to the enactment of this necessary legislation.

Mr. JEFFORDS. Mr. President, today, I am pleased to announce my co-sponsorship of "The Health Professions Education Partnerships Act of 1998." My colleague Senator FRIST, the Chair of the Labor and Human Resources Committee's Subcommittee on Public Health and Safety, has drafted this legislation reauthorizing the important programs contained in Titles VII and VIII of the Public Health Service Act. This legislation provides comprehensive, flexible, and effective authority for the support of health professions training programs and the related community-based educational partnerships. The enactment of this Act will improve health workforce quality, diversity, and the distribution of funds while requiring greater accountability of both the grant recipients of federal funds and the agency that administers them.

Titles VII and VIII of the Public Health Service Act have provided programs of support to health professions schools and their students, for the past

thirty-five years. As these programs have evolved, there has been a continuing need to address the specific concerns of rural and inner-city communities that experience shortages of health professionals and a lack of primary care providers. This reauthorization will allow the Title VII and VIII programs to set improved goals and outcomes measures and it also provides them with greater flexibility in establishing priorities to target emerging workforce issues.

In my own State of Vermont, the students of the University of Vermont's College of Medicine have benefited from a number of these programs and scholarships, including those relating to family medicine, professional nurse and nurse practitioner training.

The newest Title VII program in Vermont is the Area Health Education Center (AHEC) which opened its first site in April 1997 in the Northeast Kingdom of Vermont. The AHEC will decentralize health professions education by having portions of the training provided in primary medical personnel shortage areas and by improving the coordination and use of existing health resources. Over the next two years, two additional sites are planned in other underserved areas of the state. These efforts have contributed to making Vermont a better place to obtain health care services and improved the quality of life for its residents.

Again, I want to thank Senator FRIST and his excellent staff for their dedication and hard work in drafting the "Health Professions Education Partnership Act of 1998." Enactment of this legislation will improve health professions training programs across America and, as the Chair of the Labor and Human Resources Committee, I intend to make its passage one of our highest priorities.

Mr. BINGAMAN. Mr. President, I rise today to join Senators FRIST and KENNEDY and JEFFORDS in the introduction of legislation to reauthorize Titles VII and VIII of the Public Health Service Act. I am pleased to be part of this bipartisan effort to reauthorize the programs that help shape the pool of qualified health care professionals for the United States.

Titles VII and VIII were originally enacted to address a critical health manpower shortage and successfully served to increase the overall supply of providers. The mission of Title VII and VIII has evolved as the delivery system and needs of the population have shifted. Today, the focus of the various programs rests within three main areas. The programs are aimed to solve the shortages in rural and inner city communities. They strive to address the shortage of primary care providers and finally must correct the disparity in minority representation in the health professions. Indeed, the various programs in this legislation serve to provide a base for strengthening the health resources for this country.

In my home state of New Mexico, 28 out of 33 counties are designated as

health professional shortage areas by the federal government. I am acutely aware of how a maldistribution of health care providers can impact our citizens. Geographic access to the appropriate health care provider is an important factor in our debates on the health care system. Titles VII and VIII are noteworthy avenues to address the needs in this area. Studies have shown that if we recruit individuals from the shortage area, the likelihood is much greater that they will return to practice in the area. Additionally, if clinical training is community based in rural and underserved areas, the likelihood is also increased that upon graduation, the provider will serve in the locality in which they trained.

Equally important for a state such as mine is the commitment to address the persistent and unmet health care need along the border between the United States and Mexico. The health education and training centers in the legislation address the community health needs and the training and educational needs of health professionals serving in these areas. The legislation also has the capacity to expand and improve the public health workforce which is a major component of addressing border health concerns.

Mr. President, this legislation restructures the act to address the health workforce needs of our nation in a flexible, but more accountable manner. We have provided for data collection and analysis of the health workforce so that decision making for the future can be well founded and be an accurate reflection of societal needs. Additionally, this legislation affords us the opportunity to provide education and training that reflect changes in an evolving health care system. As managed care and other forces shift the delivery system from inpatient hospital care to outpatient facilities, it is necessary to respond to the shifts that this causes in the workforce. To this end, the legislation addresses the curriculum development in the areas of health promotion and disease prevention as well as long term care, home health and hospice.

As the demographics of our population shift to an older population, we must ensure we have qualified individuals to treat the specific nature of chronic diseases associated with geriatrics. As we deal with an aging population, establishing interdisciplinary training programs that promote the role of nutritionists, physical therapists, occupational therapists and speech therapists in geriatrics are critical. The legislation provides an avenue to address these necessary components.

Finally, the reauthorization provides a framework to better monitor the outcomes of our efforts. It continues to afford us the opportunity to assure an appropriate number and mix of health professionals for the health needs of the country. It strengthens our commitment to address the supply, dis-

tribution, and minority representation of health professionals through both Native American and Hispanic centers of excellence. I have been committed to seeing the needs of these two populations addressed. I commend Senators FRIST and KENNEDY for their hard work and the work of their staff to address the various concerns raised during our hearings on this important issue. I appreciate the work done by the Hispanic caucus in the House and by the minority health profession schools as well.

Mr. President, in closing I want to thank Senators FRIST and KENNEDY and JEFFORDS for their determination to address the need to reauthorize Title VII and VIII of the Public Health Service Act. I appreciate that they have worked closely with our colleagues in the House to develop companion legislation. I am committed to working with my colleagues toward expeditious consideration and passage of this bill.

#### ADDITIONAL COSPONSORS

S. 10

At the request of Mr. THOMAS, his name was withdrawn as a cosponsor of S. 10, a bill to reduce violent juvenile crime, promote accountability by juvenile criminals, punish and deter violent gang crime, and for other purposes.

S. 230

At the request of Mr. THURMOND, the name of the Senator from Indiana (Mr. COATS) was added as a cosponsor of S. 230, a bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes.

S. 1194

At the request of Mr. HATCH, his name was withdrawn as a cosponsor of S. 1194, a bill to amend title XVIII of the Social Security Act to clarify the right of medicare beneficiaries to enter into private contracts with physicians and other health care professionals for the provision of health services for which no payment is sought under the medicare program.

S. 1215

At the request of Mr. ASHCROFT, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1215, a bill to prohibit spending Federal education funds on national testing.

S. 1325

At the request of Mr. FRIST, the names of the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Michigan (Mr. LEVIN), and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1325, a bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 1998 and 1999, and for other purposes.

S. 1421

At the request of Mr. KENNEDY, the name of the Senator from New York