we decide an opportunity to have their say. We know the business community, for example, seems to be comfortable with the 301 process, because they know what to expect and when to expect it. We look forward to hearing from them. There are others out in our country who feel the United States is, after all, the beacon of freedom in the world and we should express ourselves about policies in other countries with which we disagree, and we want to hear from them, Mr. President, as well.

It is the intention of Senator BIDEN and myself to meet the September 1 deadline that the leadership has given us. I want to say that we welcome the thoughts and comments of our colleagues both on and off the task force.

Mr. President, I understand that time has expired.

The PRESIDING OFFICER. All time has expired. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MCCONNELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—98

Abraham	Faircloth	Lugar
Akaka	Feingold	Mack
Allard	Feinstein	McCain
Ashcroft	Ford	McConnell
Baucus	Frist	Mikulski
Bennett	Glenn	Moseley-Braun
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Gramm	Murray
Boxer	Grams	Nickles
Breaux	Grassley	Reed
Brownback	Gregg	Reid
Bryan	Hagel	Robb
Bumpers	Harkin	Roberts
Burns	Hatch	Rockefeller
Byrd	Helms	Roth
Campbell	Hollings	Santorum
Chafee	Hutchinson	Sarbanes
Cleland	Inhofe	Sessions
Coats	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
D'Amato	Kerry	Thomas
Daschle	Kohl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Durbin	Lieberman	Wyden
Enzi	Lott	

NOT VOTING—2

Hutchison	Kyl

The bill (S. 2282), as amended, was passed, as follows:

S. 2282

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 ''Agriculture Export Relief Act of 1998''.

SEC. 2. SANCTIONS EXEMPTIONS.

(a) Section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)(D)) is amended as follows:

(1) In clause (ii) by striking the period and inserting in lieu thereof '', or''.

(2) By inserting after clause (ii) the following new clause—

''(iii) any credit, credit guarantee or financial assistance provided by the Department of Agriculture to support the purchase of food or other agriculture commodity.''.

(b) Section 102(b)(2)(F) is amended by striking the period at the end and inserting ''which includes fertilizer.''.

(c) Section 102(b)(2)(D) of the Arms Export Control Act is further amended in clause (ii) by inserting after the word ''to'' the following words: ''medicines, medical equipment, and,''.

(d) Amounts which may be made available by this section 102(b)(2)(D)(iii) are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided*, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

(e) Any sanction imposed under section 102(b)(2)(D) of the Arms Export Control Act before the date of this Act with respect only to the activity described in section 2(a)(2) of this Act shall cease to apply upon the enactment of this Act.

Mr. CRAIG. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay it on the table.

The motion to lay on the table was agreed to.

HIGHER EDUCATION AMENDMENTS OF 1998

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senate will resume consideration of S. 1882.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 1882) to reauthorize the Higher Education Act of 1965.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I appreciate the fact that the Senate took up this very important issue of agricultural sanctions and has acted on it.

Now, of course, we return to the Higher Education Act. The managers of the legislation have been making progress. We have at least a couple of amendments that will still take some more time. I encourage Senators to speak briefly and just go ahead and get a vote on the issues that are involved. The plan is to stay on the Higher Education Act until we complete it tonight, so we will need cooperation of all Senators. I understand some Senators may have other events they would like to go to, but you can't say, ''I want to offer amendments, but, by the way, I have an event I have to go to.''

Please work with the Senator from Vermont and the Senator from Massachusetts. This is important legislation that expired July 1. We need to get it completed so we can get it in conference and get it done before we go out at the end of the year. I believe with a little cooperation, we can complete this very important Higher Education Act tonight. It is my intent for us to stay in until we get it done tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I ask unanimous consent the pending Wellstone amendment be set aside for a period not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. It is my understanding that an amendment will be offered by Senator SANTORUM. He believes he will take 10 minutes or less. I know of no one that wants to speak on the other side.

I ask that Senator SANTORUM be recognized.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I thank the chairman of the committee and also the ranking member, Senator KENNEDY, and other members of the working group, including Senator COATS and Senator DODD, for working with me on this amendment. It is a very important amendment to proprietary schools, career schools, who are doing the real lion's share of the work in educating in the poor communities, with disadvantaged people in our society. They are doing a great job in some of the toughest settings to try to make up the skills deficit that we have heard so much talk about in this country for the working poor and for those, in many cases, coming off of welfare.

We are moving from welfare to work, and we are going to have to have educational institutions in poor communities, in the cities, to be able to educate the poor. As a result, I have worked with the working group. And I will send the amendment to the desk I am offering with Senators DEWINE and COVERDELL.

AMENDMENT NO. 3114

(Purpose: To amend the Higher Education Act of 1965 to improve accountability and reform certain programs)

Mr. SANTORUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for himself, Mr. DEWINE and Mr. COVERDELL, proposes an amendment numbered 3114.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 466, between lines 19 and 20, insert the following:

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''proof that reasonable attempts were made'' and inserting ''proof that the institution was contacted and other reasonable attempts were made''; and

(B) in subparagraph (G), by striking ''certifies to the Secretary that diligent attempts have been made'' and inserting ''certifies to the Secretary that diligent attempts, including contact with the institution, have been made''.

On page 494, between lines 20 and 21, insert the following:

SEC. 434. NOTICE TO SECRETARY AND PAYMENT OF LOSS.

The third sentence of section 430(a) (20 U.S.C. 1080(a)) is amended by inserting ''the institution was contacted and other'' after ''submit proof that''.

On page 501, between lines 14 and 15, insert the following:

(d) PUBLICATION DATE.—Section 435(m)(4) (20 U.S.C. 1085(m)(4)) is amended by adding at the end the following:

''(D) The Secretary shall publish the report described in subparagraph (C) by September 30 of each year.''.

At the end, add the following:

SEC. ___. LIAISON FOR PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.

Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following:

''SEC. 219. LIAISON FOR PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.

''(a) ESTABLISHMENT.—There shall be in the Department a Liaison for Proprietary Institutions of Higher Education, who shall be an officer of the Department appointed by the Secretary.

''(b) APPOINTMENT.—The Secretary shall appoint, not later than 6 months after the date of enactment of the Higher Education Amendments of 1998 a Liaison for Proprietary Institutions of Higher Education who shall be a person who—

''(1) has attained a certificate or degree from a proprietary institution of higher education; or

''(2) has been employed in a proprietary institution setting for not less than 5 years.

''(c) DUTIES.—The Liaison for Proprietary Institutions of Higher Education shall—

''(1) serve as the principal advisor to the Secretary on matters affecting proprietary institutions of higher education;

''(2) provide guidance to programs within the Department that involve functions affecting proprietary institutions of higher education; and

''(3) work with the Federal Interagency Committee on Education to improve the coordination of—

''(A) the outreach programs in the numerous Federal departments and agencies that administer education and job training programs;

''(B) collaborative business and education partnerships; and

''(C) education programs located in, and involving, rural areas.''.

Mr. SANTORUM. Mr. President, this amendment does three things, all of which will, I believe, aid career colleges in proprietary skills and in their ability to hold down at-risk default rates. They are serving populations who, as a result of being at risk, have a tendency to have higher default rates. They want to work with the system to be able to help hold down those default rates because, obviously, they want to stay in business and continue to educate.

So the first provision that we put in this amendment is to require the guaranty agencies and lenders to contact institutions when they are doing skip-tracing of borrowers who have gone into default. In other words, this will allow the schools to be notified when former students of theirs are going into default because, in many cases, through their placement offices they know where to locate these people and can, in fact, aid the lending institutions and guaranty agencies in bringing these people back on to a payment schedule, to avoid default, and to keep the default rate low, but also to help the young people who are out now in the working environment avoid a bad thing on their credit. And, obviously, it will save the Federal Government some money.

Secondly, it sets September 30 of each year as the deadline for the Department of Education to release its annual default rate for schools. This will help schools in their planning process, giving more certainty in how to deal with potential problems they may have with the default rate down the road.

Third, it creates a liaison position at the Department of Education for proprietary schools, similar to the liaison position created several years ago for community colleges. Community colleges and proprietary schools, in many cases, serve similar populations. There have been problems in communicating, in getting information, and having a voice at the Department of Education. This is a mechanism for those who are sometimes considered somewhat of a ''stepchild'' in the higher education community to get some real responsiveness from the Department to their needs and to their concerns.

That is the sum total of the amendment. I believe it will help these career and proprietary schools better serve an at-risk population that is in desperate need of making up a skills deficit. It will put them in a better position to keep the default rates down and improve the program overall.

Again, I thank the chairman, the ranking member, Senator COATS, and Senator DODD for working with me and my staff in coming up with this amendment.

I yield the floor.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that we have an immediate vote.

Mr. KENNEDY. Well, I just need 30 seconds, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I think these are very good suggestions and recommendations. I think they will improve the accountability in the important areas of recovery of debt, and also give better information on these default rates, and will help to assist some of the proprietary schools. I think they are all very solid, good management recommendations that can make the programs more efficient. I thank the Senator for those initiatives.

I urge that we accept the amendment.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 3114) was agreed to.

AMENDMENT NO. 3111

Mr. JEFFORDS. Mr. President, the pending amendment, I believe, is the Wellstone amendment.

I move that we return immediately to the Wellstone amendment and relinquish any time that was available.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I think my colleague, Senator DODD from Connecticut, wants to speak on this amendment, and Senator FORD and Senator MOYNIHAN are going to come down. I believe my colleague from Delaware also is going to speak.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Matthew Tourville, an intern in my office, be allowed to be on the floor while we debate the higher education bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I will yield time to the Senator from Connecticut.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Rena Subotnik, a fellow in my office, be allowed floor privileges during the pendency of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I commend our colleague from Minnesota for this amendment. I think it is a very thoughtful amendment, one that I think most Americans would feel very comfortable in backing and supporting.

There was a significant debate, as we all recall, in this Chamber not that many months ago on the issue of welfare reform, and the desire to have people who collect public assistance find meaningful work. All of us supported the underlying principle of that concept. There were disagreements on how it should be achieved and on final passage of the bill. But the underlying desire to move people from welfare to work was certainly a laudable goal.

What our colleague is suggesting here is that a person on welfare who enters an educational program to learn skills and training—that education experience ought to be considered on a par with a work experience. For persons acquiring skills and trying to improve the quality of their life, to enhance their opportunities, I think that ought to be applauded and encouraged. If a person is engaged in that effort here, certainly that individual deserves our support and backing. A person who acquires skills is going to be a person who will earn that income that will make him or herself independent, a good provider at home, a better citizen. All of us know of the vital importance of education.

I made note earlier in the day that we now know factually that a person who earns a college degree today earns twice the income of a person with only a high school diploma. That was not the case only a few short years ago. A few short years ago, with a high school diploma, a set of good hands and a good heart, you could provide for your family, you could earn a good salary, a good wage, buy a home, educate your children, provide for their health needs. But today that is no longer the case. You have to have more education.

In my view, if a person who has been on welfare, on public assistance, is entering an educational opportunity, as I said a moment ago, then that ought to be supported. So I strongly urge our colleagues here to support the Wellstone amendment. If there is one thing that we know works to end the cycle of poverty, it is education. A person who has those tools will be in a far better position to not only gain employment, but to remain employed and to understand and support democracy.

I have often cited this quote, and I can't resist because sitting next to me is our dear friend and colleague from West Virginia. I have often used it and said to my audiences in my home State of Connecticut that Thomas Jefferson understood this concept 200 years ago when he said in a speech—I think I have the quote pretty close—''Any nation that expects to be ignorant and free expects what never was and never can be.'' He made those comments at the beginning of the 19th century. We are just a few short days from the end of the 20th century. Certainly, if it was true then, it is true today—that ''Any nation that expects to be ignorant and free expects what never was and never can be.''

As expensive as education is, ignorance is far more costly. We certainly know that people who are dependent on public assistance in most cases are people who lack educational skills.

To strengthen our country, to create opportunity to improve an individual's chance to succeed in this country, I think the idea should be equating a person who is entering an educational process on the same footing as someone who is entering into a work experience. For those reasons, I support the amendment of our colleagues from Minnesota, and urge adoption of it by a strong vote in this body.

Mr. President, I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise in support of the Wellstone amendment and am an enthusiastic cosponsor of it.

I come to the Senate floor as a professionally trained social worker. I have been through seven welfare reforms in my career, both as a social worker in the streets and neighborhoods, and now in the corridors of the U.S. Senate. When we talk about reforming welfare, we want to make sure that welfare is not a way of life but that it is a tool to move to a better life.

Over the break I sat in a room in Baltimore meeting with welfare mothers who wanted exactly to move to a better life and who were practicing self-help. But the very cruel rules of government are going to derail their hopes, dreams, and practical opportunities. And what is that? They were enrolled in a community college program—one in business, one as an addiction counselor, and one doing prenursing courses to make sure they could get back to society and be able to give an income to their family. But they were told they had to leave the program. They had to leave the program and look for work rather than complete the program so that they could have jobs that were truly self-supporting and sustaining. Why were they told that? Not because of a callous social worker. We are not callous. But the rules of government said you can get some kind of temp training. You can get into a training program where you can get some type of training that might or might not take you to a livable wage.

That is not what welfare reform is all about. Welfare reform is to end the culture of poverty. And yet the very rules that we now have reinforce the culture of poverty. We are not giving help to those who want to practice self-help—meaning those who want to go to school, stay in school, and learn the skills for the new global economy, whether it is in the service field, the nonprofit, or the private sector.

The Wellstone amendment allows States, if they so choose—I happen to have the type of Governor who would be eager to have this—to allow these women to be able to go into a job training program or have 2 years of higher education.

There are people—there are women now on welfare who because of a bad choice in marriage actually dropped out of college. They might be 18 credits away. If we could help them finish, they would be able to have a job with benefits and be able to lead, indeed, a better life.

The Wellstone amendment is not about new rules. It is about opportunity. The other side of the aisle, and this side of the aisle, has said one of the most important functions of government is to create an opportunity ladder. This is what the Wellstone amendment does. It creates an opportunity ladder that doesn't necessarily take you to the top but gets you over the top.

I support the Wellstone amendment. I want to compliment the Senator from Minnesota for his steadfast commitment to children, but to know that for the children, they need a parent who has the best social program, which is a job that pays a living wage. And this is the best way to get one.

I look forward to voting for the amendment, supporting the amendment, and I look forward to seeing to it that those women I talked to are able to get on with their life while we get on with doing our job.

Mr. WELLSTONE. Mr. President, let me thank my colleague from Maryland. She always kind of takes these issues from the abstract and connects them to people. I really thank her for her statement. I am very proud to have her support. I hope we really get a strong vote for this.

Mr. President, I think my colleague from Kentucky is on the floor and wishes to speak.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I thank the Chair.

Mr. President, I rise today to speak in support of the Wellstone amendment. I am honored to be able to add my name as an original cosponsor to this important amendment.

Booker T. Washington wrote that ''success is to be measured not so much by the position one has reached in life as by the obstacles which one has overcome while trying to succeed.''

He might well have been talking about the single, uneducated parents in this country trying to turn their lives around, while ensuring their children grow up in a healthy, safe environment.

Things like child care, transportation, and education, become obstacles of insurmountable proportions for these struggling parents, putting jobs that can build secure futures further and further out of reach.

As many of my colleagues know, I supported and voted for welfare reform. It's been almost two years since Congress rewrote our welfare laws in hopes of breaking the cycle of dependency that was trapping too many Americans in poverty and despair. Much good has come of that law, including substantial drops in the welfare rolls, saving states like Kentucky $14 million.

But despite its good intentions, the new welfare law is penalizing parents trying to improve their chances at getting good jobs. Under the new law, a parent must work 20 hours to continue receiving aid.

That might not seem particularly onerous, but the law also limits these single parents to just one year of education before requiring them to find work.

Let me just repeat that. But the law also limits these single parents to just 1 year of education before requiring them to find work.

As one of Kentucky community college wrote me, ''for even the best prepared traditional students, our community college programs require two years with a full load of course work. The best prepared traditional student, however, doesn't represent our average student. With over 70 percent of our students testing into developmental English, reading or math courses, the extra time needed to prepare for actual college course work is critical to their success. Twelve months is inadequate time for a person to move from a life of dependence upon government assistance to a life of independence and self-sufficiency.''

For most single parents, the burden of going to school full-time, holding down a part-time job, all while trying to raise healthy children, will simply become too much, forcing them to choose a low-paying job with no future over the path to skilled, high-paying work.

Leaders in my home state of Kentucky, like Representative Tom Burch, recognized this problem. But their efforts to change the policy have been hampered by fears that the state will lose critical federal funds, further short-changing those who need the aid most.

That is why I am pleased to join in offering this amendment which will stop penalizing parents trying to improve their situation.

This amendment allows up to 24 months of post-secondary or vocational education, removes the 30 percent limitation on education as a work activity for teen parents, and clarifies that participation in a federal work-study program is a permissible work activity.

In my state, nearly 4,000 parents could benefit directly from these changes. But the truth is, they're not the only ones who stand to benefit. With the economy growing in Kentucky, employers are having a harder time finding qualified employees. With good-paying jobs, these parents can provide a much better quality of life for their children, and that adds up to success no matter how you measure it.

I urge my colleagues to vote for this worthwhile amendment.

Mr. President, I ask unanimous consent that letters of support for the Wellstone amendment from Kentucky's Secretary for Families and Children, Viola Miller; the Honorable Tom Burch; Kentuckians for the Commonwealth; and President Deborah Floyd of the University of Kentucky's Prestonburg Community College be printed in the RECORD.

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

THE SECRETARY FOR FAMILIES AND CHILDREN, COMMONWEALTH OF KENTUCKY,

March 25, 1998.

Hon. WENDELL H. FORD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FORD: This is to express my support for the amendment you and Senator Wellstone have proposed for S. 1133 to support education for welfare recipients. While we understand that the goal of welfare reform is for recipients to obtain employment, and fully support that goal, we need to acknowledge that some recipients must acquire skills to be employable.

Approximately one-half of our recipients do not have a high school diploma or GED and less than one percent have any postsecondary education. We want to provide assistance that will not only help recipients get jobs, but also allow them to keep jobs and to advance. Thus, we support this initiative whether as an amendment to S. 1133 or through some future action.

Sincerely,

VIOLA P. MILLER,
Secretary.

COMMONWEALTH OF KENTUCKY,
HOUSE OF REPRESENTATIVES,

March 19, 1998.

Senator WENDELL FORD,
173A Russell Building,
Washington, DC.

DEAR SENATOR FORD. We appreciate your continuing interest and support of education for Kentucky's low-income parents. The General Assembly, the Kentucky Welfare Reform Coalition, and Kentucky's low-income parents are working hard to maintain access to educational opportunities. With the cooperation of the Kentucky Cabinet for Families and Children, progress has been made. Nonetheless, legislative attempts to expand educational opportunities are being stymied by the Cabinet's fear of incurring federal penalties under TAN–F work requirements. Clearly, the Commonwealth of Kentucky does not want to risk losing federal funds to assist those most in need.

Getting off and staying off public assistance are directly linked to educational attainment. The Urban Studies Institute at the University of Louisville recently reported that 51% of a sample of discontinued K–TAP recipients (Kentucky's version of TAN–F) have less than a 12th grade education. The University of Kentucky reports that 1996 average weekly earnings of women with less than 12 years of education are $176.00, far below the federal poverty level. With some college, weekly earnings for Kentucky women more than double to $371.00

This session we introduced 98 HB 434 to increase access to educational opportunities for Kentucky's low-income parents. The seed for this bill grew from K–TAP recipients struggling to stay in school. We could only make small strides with this legislation given the Cabinet's desire to comply with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Your proposed amendment to S. 1133 to allow up to 24 months of post-secondary education or vocational education, to remove the 30% limitation on education for teen parents, and to clarify that education counts as a work activity will potentially help nearly 3,700 low-income parents annually continue on the road to economic independence. We strongly endorse your support of this legislation for the people of the Commonwealth of Kentucky and the United States of America. Thank-you for the opportunity to support this legislation.

Sincerely,

TOM BURCH.

KENTUCKIANS FOR THE COMMONWEALTH,

Prestonsburg, KY, March 20, 1998.

DEAR SENATOR FORD, We were thrilled to learn that you will co-sponsor an amendment to SR 1133 to expand educational opportunities for welfare recipients.

As you know, Kentuckians For The Commonwealth has been organizing to build support for state legislation addressing this issue. In fact, several members of our organization met with you in October 1995 to express concerns about access to education and training in the welfare reform plans being discussed by the Republican Congress. We haven't stopped working ever since.

We applaud your efforts and look forward to lending our support to this cause.

KFTC and Kentucky Youth Advocates co-sponsored a series of public forums last fall in five locations across Kentucky. During these events, hundreds of low-income Kentuckians, teachers, social workers and concerned citizens shared their concerns about the impacts of welfare reform on their families and communities. Federal restrictions on educational opportunities were mentioned more than any other issue at these events. (Enclosed is a short video with excerpts from people who spoke first-hand about the importance of education in getting a living wage job and leaving welfare.)

Led by a remarkable group of low-income parents, KFTC worked with a coalition of groups to develop legislation which was eventually sponsored by Representative Tom Burch in the Kentucky General Assembly. HB 434 sought to prevent recipients from being pushed out of education and training due to punishing federal work requirements and lack of supportive services. The bill would have used state dollars, not federal TANF money, to support students in post-secondary education. We hoped this would allow student-parents some relief from the time clock and 20-hour work requirements while they got the training necessary to earn a living wage.

We found a great deal of support among legislators, community college presidents, low-income Kentuckians and others for our effort. In fact, the original version of the bill was co-sponsored by 15 law-makers, including both Democrats and Republicans. However, the administration strongly opposed the bill because they feared that federal penalties would harm Kentucky if we made such a commitment to education and training. The ''flexibility'' states were promised under federal welfare reform wasn't there.

Our bill (HB 434) was weakened and now simply requires the Cabinet for Families and Children to fully inform recipients of their rights to education and to convene an advisory board to examine the issues further. We also won a commitment from the administration to provide child care assistance to TANF-eligible students who decline cash assistance. This may allow some Kentuckians to leave welfare and get the supportive services they need to stay in school. We've come a long way, but not far enough for the 3,700 Kentucky parents who must, starting July 1, 1998, work twenty or more hours in addition to raising their families and attending school full time.

Clearly, a lasting and comprehensive solution to this problem lies at the federal level. Thank you for your leadership. We look forward to working with you to win passage of this amendment. Please let us know how we can be actively involved in support of your efforts.

Sincerely,

SHERRI BARKER,
Floyd County.
DAISY JOHNSON,
Union County.

On behalf of Kentuckians For The Commonwealth.

PRESTONSBURG COMMUNITY COLLEGE,
Prestonsburg, KY, March 20, 1998.

Senator WENDELL H. FORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR FORD: It is with great optimism that I write this letter in support of the Wellstone Amendment to S. 1133 on Education as a Work Activity in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

For many people of our region, education and training present them their only way to escape a lifetime of poverty and/or dependence on public assistance. As you know, Prestonsburg Community College has long been committed to providing education opportunities to all citizens in the Big Sandy region. In our 35-year history, this commitment has often meant removing obstacles from the paths our students take to success.

Rather than removing obstacles, the Personal Responsibility and Work Opportunity Reconciliation Act actually presents a serious obstacle.

For students at PCC and other post-secondary and vocational educational institutions in the Commonwealth, this meant that after the twelve months had expired, each student had to find time in the day (1) to attend classes, (2) work a minimum of 20 hours per week to meet the countable work activity and (3) raise the families that are the driving motivation behind attending school.

For even the best-prepared traditional students, our community college programs require two years (full load). The best prepared traditional student, however, does not represent our average student. With over 70 percent of our students testing into developmental English, reading or mathematics courses, the extra time needed to prepare for actual college course work is critical to their success. Twelve months is inadequate time for a person to move from a life of dependence upon government assistance to a life of independence and self-sufficiency.

The Wellstone Amendment—with its provision for up to 24 months of post-secondary or vocational educational opportunities—is the chance our students have needed since the passage of the original 1996 legislation. If our students are able to remain actively engaged in the educational process for a full 24 months, they will be able to concentrate on their elected course of study without the heavy burden of meeting an additional, sometimes unrealistic, work requirement. With the completion of that course work, these students are far more likely to move into meaningful employment with opportunities for advancement and success throughout their careers.

Thank you so much for your support of the Wellstone Amendment. Despite the detriments of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Prestonsburg Community College has remained committed to helping all of our students successfully continue in school. The Amendment is an opportunity for the Senate to remove a roadblock that hinders the progress of institutions and students alike in their effort to produce a society of self-sustaining citizens. This is an opportunity to help not only our students, but students across the Commonwealth and the nation.

Sincerely,

DEBORAH L. FLOYD,
President.

Mr. FORD. Mr. President, I have one other item I would like to put in the RECORD. It is an editorial from the Lexington Herald-Leader dated July 1, 1998. I only quote a couple of paragraphs from that editorial. It says:

We urge Congress to endorse such a change in a welfare policy that right now insists on work first, education later. It makes sense that work be the priority but not at the expense of forcing the most motivated to choose an entry-level job over a career track.

It is a shame we have to pass laws to mandate what is common sense. A better education leads to career opportunities and long-term self-sufficiency.

And they end that editorial with this paragraph:

One thing we do know. In this country, education is the surest route out of poverty. And we shouldn't close off that option by forcing people out of college into any old kind of job just so we can proclaim that we made the transition from welfare to work.

I ask unanimous consent that this editorial be printed in the RECORD.

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

END WELFARE'S CATCH–22

FORD-WELLSTONE BILL WOULD ALLOW MORE TIME FOR EDUCATION

To address a problem, politicians often prefer the grand gesture or the new proclamation rather than the less glamorous work of just fixing what's wrong.

That approach was evident in the massive overhaul of nation's welfare policies. Instead of changing the rules that actually kept families dependent on monthly checks, Congress imposed deadlines and ordered folks to either get jobs or work for their benefits.

Spurred by this tough-love message and aided by a strong economy, the welfare rolls have shrunk considerably in the last two years. Now, Congress can finally look at changing the rules that prevent folks from getting a leg up.

Proposals by Kentucky Sen. Wendell Ford and Minnesota Sen. Paul Wellstone are a step in that direction. Their legislation would increase from one to two years the time a recipient can spend in vocational school or college and allow participation in a federal work-study program to count toward work requirements.

We urge Congress to endorse such a change in a welfare policy that right now insists on work first, education later. It makes sense that work be the priority, but not at the expense of forcing the most motivated to choose an entry-level job over a career track.

Kentucky is one of the few states that have agreed to count some work study toward work requirements. But changing the federal law would help ensure that the state would not lose federal money for doing the right thing.

It's a shame we have to pass laws to mandate what is common sense: A better education leads to career opportunities and long-term self-sufficiency.

Yet, our national welfare policy has long snared poor families in a Catch-22. For example, we bemoan single-parent families yet force fathers out of the homes before giving the families aid. We push folks to take low-pay, no-benefit jobs, then cut medical benefits and food subsidies before they can get on their feet, forcing them back on the rolls.

Over the last two years, those on welfare have proven that they either want to work or will go to work if required. Now, we may be ready to focus on what's needed to help them become truly self-sufficient.

One thing we do know: In this country, education is the surest route out of poverty. And we shouldn't close off that option by forcing people out of college into any old kind of job just so we can proclaim that they made the transition from welfare to work.

Mr. FORD. I don't know how many of my colleagues have been to junior colleges in the last year. I don't know how many of my colleagues have been to universities and colleges that have these types of individuals who have started. I go to my community college, and I talk to them. And this young lady with tears in her eyes says, ''I finally am on the edge of opportunity, and that edge is being sharpened by 1 year, and I have to leave education and go to work.'' She said, ''I cannot handle a job, I cannot handle education, I cannot handle my children, unless you give me this opportunity.''

I have looked into the eyes of those who want to do better, who can do better, and we must give them that opportunity so they can have that better life. I hope that the 4,000 in my State have that opportunity for that second year of education, that opportunity to find that job, and that opportunity to make a better life for their children.

Mr. President, I yield the floor and I thank the chairman.

Mr. LEVIN. Mr. President, I support the Wellstone amendment which increases from 12 to 24 months the limit on the amount of post-secondary education training that a state can count towards meeting its work requirement under the new Temporary Assistance for Needy Families program. Under the old Aid to Families with Dependent Children program, recipients could attend post-secondary education training for up to 24 months. I support the new law's emphasis on moving recipients more quickly into jobs, but I am troubled by the law's restriction on post secondary education training, limiting it to 12 months. The limitation on such advanced training raises a number of concerns, not the least of which is whether persons may be forced into low-paying, short term employment that will lead them back onto public assistance because they are unable to support their families.

Mr. President, a majority of my colleagues in the Senate has previously cast their vote in support of making 24 months of post secondary education a permissible work activity under the Temporary Assistance for Needy Families program. A year ago, on June 25, 1997, a Levin-Jeffords amendment to the Senate Reconciliation bill, permitting up to 24 months of post-secondary education, received 55 votes—falling five votes short of the required procedural vote of 60. I would also like to make note of the fact that the amendment had the support of the National Governors Association.

Study after study indicates that short-term training programs raise the income of workers only marginally, while completion of at least a two-year associate degree has greater potential of breaking the cycle of poverty for recipients of public assistance. According to the U.S. Census Bureau, the median earnings of adults with an associate degree is 30 percent higher than adults with only a high school diploma or its recognized equivalent.

Mr. President, I would like to share with my colleagues some examples of

jobs that an individual could prepare for in a two-year vocational or community college program and the salary range generally applicable to the positions. One very productive specialty area is information technology. Graduates in this area are generally hired immediately following or in some cases prior to completing their program.

According to a recent survey of the American Association of Community Colleges, information technology programs that have exhibited the most industry and labor force growth, with an average starting salary of $25,500 are as follows:

(1) Computer Technology/Computer Information Systems.

(2) Computer Applications and Software.

(3) Computer Programming.

(4) Microsoft Operating Systems.

Other important two-year training programs that present opportunity for growth and self-sufficiency include:

Accounting	$14,000–$28,000
Law enforcement	13,500–25,000
Dental hygiene	18,000–60,000
Resipiratory therapy/tech	21,000–32,000
Radiology technician	22,235–32,425
Legal assistant	28,630–30,000
Child care development	23,590–29,724
Registered nurse	24,400–38,135

Additionally, Mr. President, in an effort to further improve the success of welfare reform, this amendment would remove teens from being calculated in the 30% cap of those involved with work/education activities, ensuring that teens complete high school while giving states more flexibility in designing a welfare program that meets the needs of welfare recipients.

I urge my colleagues to support this amendment because it will help us reach the new law's intended goal of getting families permanently off of welfare and on to self-sufficiency.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, just very briefly, I hope this amendment will be accepted. I think in the study of welfare reform there are a number of items which are necessary to help move people into meaningful jobs. They have to have, one, by and large some help and assistance with child care; secondly, they have to have the health care needs of their children attended to. One of the reasons people are on welfare is the fact that health care costs have depleted their resources and they have ended up on welfare. Third, there has to be a job available; and, fourth, there has to be some training or education. That is the key element in terms of a successful movement. And taking all of those elements with an expanding economy, they have the real opportunity of promise for, I think, meaningful health care reform.

I did not believe in the last welfare reform bill we were really addressing those kinds of issues and questions, and therefore I voted in opposition to that particular program. The Senator from Minnesota has offered, I think, a very important and significant amendment that will really help to assist in terms of the medium- and long-term interests of those individuals who have the ability to gain entrance into educational institutions, obviously the commitment and the dedication to be able to do so, and I think it will make a major difference in terms of their lives.

I think it is very commendable. I hope the Senate will accept it.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. COATS). The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in opposition to the Wellstone amendment as it will halt the momentum of welfare reform which has gained bipartisan acclaim for reducing the welfare rolls by 34 percent from the peak level in 1994. This amendment is a step backwards, and it will surely invite additional means of thwarting welfare reform.

The Wellstone amendment has little to do with education. It will weaken the work participation requirements under welfare reform for which the States are to be held accountable. The Wellstone amendment will create three new loopholes through which States will be tempted to avoid their responsibility for helping families gain the work experience they need to achieve self-sufficiency.

First, the Wellstone amendment will double the amount of time in vocational education from 12 months to 24 months that can be counted as meeting the work requirement. Second, it allows postsecondary education to be counted as work in the same manner as vocational education. And, finally, it removes parents up to age 20 from the 30 percent cap on the number of individuals who can be counted in educational activity. In other words, it will expand the number of people who can be in educational activities rather than in the workplace. This amendment will significantly weaken the work requirements which deserve some of the credit for the decline in the welfare rolls. And the effect of this amendment is to keep individuals on welfare for a longer period of time.

If this amendment passes, many more variations on this theme will follow, and without restrictions on the number of individuals counted in nonwork activities, there will be no meaningful work participation rates. Raising these limits is another way of unraveling welfare reform.

The grave injustice of weakening the work requirement is that it takes the pressure off the States to assist the hardest to serve, and it also requires an inequity among welfare recipients. A person who does not have a high school degree must work first. Only after such a person has worked 20 hours a week does any education count toward his or her work requirement. But a person who is in postsecondary education will not be required to work. Under this amendment, college will count from the very beginning of the work requirement but reading, writing, and arithmetic will not. One of the harshest indictments of the former welfare system is that it shrugged its shoulders at the indifference to welfare dependency. It did nothing to help those with little skills and education to find the path to independence.

The key to forcing the States to serve this most needy population is the work participation rate. Every time the work participation rate is weakened, it simply makes it easier for the States to do nothing for those who are hardest to serve, and that is the effect of this amendment. And this we should not do.

The work participation requirement on the States is an issue which the Senate has now acted upon four times in the past 3 years. The Senate has debated this issue at length, and there is no demonstrated need to reopen the bipartisan welfare reform agreement. The Wellstone amendment simply does not belong on the higher education bill. Make no mistake about this amendment, its purpose is not about providing education to welfare recipients; it will begin to unravel welfare reform.

The picture emerging from the states is crystal clear: welfare reform is working and work is the key reason. In March 1994, a record 5.1 million families were on the old AFDC program. There are now 3.4 million families receiving welfare assistance, a decline of 34 percent.

As the General Accounting Office found in its recent report to Congress on welfare implementation, the ''work first'' strategy has been a central feature of states' efforts to shift the emphasis from entitlement to self-sufficiency.

This strategy is working. States and counties which found the education and training model to be unsuccessful in moving recipients into work and self-sufficiency in the past are now helping more families find employment.

GAO reports that more families are participating in work activities than under the old JOBS programs and are able to keep more of their earnings while maintaining eligibility.

Another sign of success is in growth in wages. Oregon is among the states which are following the progress of families that have left the welfare rolls.

By matching job placements with data on employer-related wages, Oregon found that between 1993 and 1996, those former recipients who remained employed experienced a wage growth averaging 14 percent per year.

The states and the families are making progress. This is no time to change direction.

This amendment is not about helping individuals get off welfare.

The Wellstone amendment is about keeping people on welfare, even people who are seeking college degrees.

Let us make it clear that federal law allows a person to receive welfare

while she is in vocational school or even in college. Under current law, welfare recipients can participate in vocational education training, job skills training, education directly related to employment, or attend school to earn a high school diploma or GED. All of these count as work activities.

Indeed, the new welfare law allows states to use welfare funds to pay for expenses related to a person's education if they so choose.

There is plenty of flexibility already built into the new welfare system if the states choose to make accommodations for individuals pursuing post-secondary education. A number of states have already created special programs to provide assistance to students while in college, so models are available. And, because of the decline in the welfare caseload, sanctions for failure to meet the work participation rate is not really an issue for all but a couple of states.

From a very practical standpoint, the Wellstone amendment is not really needed. But it sends the wrong message at the wrong time.

The Wellstone amendment is simply not needed to allow someone to pursue her educational training she chooses to advance.

The evidence of this comes from the ''National Evaluation of Welfare to Work Strategies'' which was recently released by the U.S. Department of Health and Human Services and the U.S. Department of Education.

This study, as conducted by the Manpower Demonstration Research Corporation, tracks over 55,000 individuals in seven sites across the country.

The first report examines the outcomes of welfare recipients in Atlanta, Georgia, Grand Rapids, Michigan, and Riverside County, California.

The studies include both individuals who are directed toward a ''work first'' approach and those who are assigned to educational activities.

MDRC found that many individuals pursued their educational interests outside of the welfare programs which were offered. In Grand Rapids, Michigan, for example, MDRC found that about 34 percent of those in Grand Rapids ''work first'' approach reported they were already enrolled in an education or training program at the point they were randomly assigned to a research group.

Moreover, MDRC found individuals were almost as likely, or more likely, to participate in basic education or college outside of the JOBS program as they were as part of JOBS.

In other words, participation in basic education and college, was self-initiated. People are going to pursue educational opportunities if they believe that is in their best interest.

Mr. President, the Wellstone amendment is simply another attempt to weaken the work participation requirements by excluding people from being counted under the cap on educational activities.

Under the existing cap, no more than 30 percent of individuals engaged in work may be included in the calculation of work participation rates because they are in vocational training or in educational activities.

The Wellstone amendment contains another feature which is troubling. It sends a very mixed message among those on welfare who are the hardest to serve.

In general, if an individual is going to college or is in a two-year vocational educational program, that individual already has two advantages many welfare recipients do not—academic success and some means to support the pursuit of higher education. For these individuals, school alone meets the obligation to work 20 hours per week.

But if you do not have a high school degree, you go to work first.

For these individuals, the state receives credit for their basic education only after they work 20 hours per week.

Mr. President, we have encouraging studies coming in which demonstrate that work requirements work.

The ''National Evaluation of Welfare-to-Work Strategies'' has found that in terms of comparing a labor force attachment strategy to an education and training strategy, work wins.

This study shows that an emphasis on employment leads to higher earnings for the welfare family, is less expensive to operate, and produces higher savings to the taxpayers.

So, there is evidence to suggest while the education approach is good, work is better. But just as I do not believe that we should re-open welfare reform to impose even tougher work requirements on the states, neither should we adopt the Wellstone amendment. I simply do not believe the rules should be changed at this point in time.

More importantly, by weakening the work requirements, we risk falling back into the same trap of the old welfare system in which it was all too easy for the states to do nothing for those who need the most assistance in finding the pathway to independence. The Wellstone amendment turns its back on the hardest to serve and should be rejected.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I am surprised at the distinguished chairman of the Finance Committee for objecting to an individual having the opportunity to get an education. He ought to understand better than anybody in this Senate Chamber that education is power, education levels the playing field, education gives people an opportunity to do things that they have always wanted to do. The employers will be able to reach out to get individuals who are educated and trained. These people we are trying to help here want to get out of welfare. They want to be educated. They want better jobs. They want to take care of their children. If education does not belong on a higher education bill, I don't understand where it belongs.

The employers want better employees. Where do you get better employees but educated employees? Where do you find them today? Those who are on welfare, trying to get out of welfare, get out of Catch–22.

We have the American Association of Community Colleges that endorses this amendment, the State Directors of Vocational Technical Education Consortium, Career College Association, the Children's Defense Fund, Center for Women Policy Studies, American Association of University Women, the National Coalition for Women and Girls in Education, the American Council on Education. I could go on and on, of the associations that endorse this amendment.

So we are saying here this is going to destroy the welfare program? How in the world are they going to buy a Roth IRA, if they don't have a better job and have more money so they can save?

Mr. President, I hope the distinguished Senator would understand we are trying to get them out of poverty, give them a good job, help the employers—and higher education is where this amendment belongs. I hope this doesn't destroy welfare. We have a bipartisan effort here. These people are Democrats and Republicans who have endorsed this amendment.

So I am hopeful we would not look at this amendment as destroying the welfare reform bill that I voted for and that I supported. I think this is one place, now that it is in place, soon to be a 2-year anniversary, that we would have an opportunity to correct those things that we made a mistake on. This is one we made a mistake on. It belongs in the higher education bill.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the amendment and, from the perspective, if I may, of someone who has been involved with welfare dependency for a third of a century and more, and to make two points, not each of which will give complete comfort to either side of the debate.

First, to say that when we began to recognize that a different sort of person was finding herself on welfare—which is to say the program which began for widows, and was a temporary bridge program until survivors insurance matured, as old-age insurance matured; and Francis Perkins, who presided over the creation of the Social Security Act, would describe the AFDC program, the typical recipient, as a West Virginia miner's widow, someone who wasn't going to work in the mines, this was a time of depression—this was a person who was left with children and no other source of support. We began to recognize that, more and more, we were getting younger mothers who had never been married, who had never had,

either themselves or through a spouse, a relationship to the workforce; and we began to think in terms of vocational education.

Vocational education was a Federal program. It began in World War I with the idea of training persons for the elementary purposes of providing the skills needed at the time in war industries. That has turned out to be a problematic experiment. Too often it became a way of providing jobs for teachers in vocational education programs, and with no real cumulative effect upon the recipients it was designed to help. However, in that interval I have been engaged in this, 33 years, we have seen something quite remarkable in our educational system, the development of a new level of education called the community college, 2 years after high school, to acquire some specific training, often in complicated tasks for which there is a direct job relationship. That is the way the community colleges have learned to work. They train you at things for which there are jobs.

Last evening on the Jim Lehrer show we had a quarter hour segment of a community college in Austin, TX, where they are running short of high-tech computer producers and they are taking people in the community college there and they are teaching them about as advanced a degree of production skills as you could imagine—people who work with masks over their mouths lest their breath contaminate the infinitely complex circuitry of the computer chips they are making. This is done with the support of local industries who want those people to be employed and are in need of them and in a hurry for them.

This is exactly the sort of work program, training program, that takes people off welfare permanently, as much as you can speak so of any individual. It puts them, not just in jobs, but in jobs that require high levels of training for which there is real demand in this economy. To deny that opportunity to young women because they have been on welfare is a form of injustice as well as a self-inflicted wound on the society.

This is good sense. These are good training programs. These are people who, as the Senator from Kentucky has observed—let them get these 2 years behind them, get into the workforce, and buy Roth IRAs—Roth IRAs. The more the better for the people and the more people with this kind of education the more such purchases there will be.

Mr. President, I do hope in the interests of good common sense and experience, that this amendment be accepted.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I shall be brief. I am just going to summarize.

I thank my colleague. I think Senator FORD and Senator MOYNIHAN said it well. Mr. President, I think this is eminently reasonable. I want to be clear one more time, this just gives the States the flexibility to allow a mother who is in college or wants to go to college for 2 years, to be able to do that and not be penalized for it. No State has to adopt this amendment. It is entirely up to the judgment of the States. But right now we have a situation where States face penalties and they are put in a position of having to drive some of these women out of school where they could do so much better in terms of employment, so much better in terms of jobs. There is a wealth of evidence that I could go into, but I think we want to go to a vote.

This is the right thing to do. This is a terribly important initiative supported by many Senators who supported the welfare bill, and I hope there will be a very strong vote for it.

I ask unanimous consent that a letter from the Center for Women Policy Studies, that has over 100 signatures representing children, women and education organizations in support of this amendment, along with a letter from the National Urban League be printed in the RECORD. Since I don't have time to go into other organizations of support I ask that a list of these organizations from all around the country also be printed in the RECORD. I would also like to include in the RECORD that I have received letters in support for this amendment from the American Vocational Association, the American Association of Community Colleges, the Association of Community College Trustees, and letters from a number of different legislators.

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

DEAR SENATOR: The undersigned organizations from the women's, children's civil rights, education, and human needs advocacy communities urge your support for an amendment to be offered by Senator Paul Wellstone (D–MN) to S. 1882, the Higher Education Amendments of 1998. The amendment would expand educational opportunities and encourage economic self-sufficiency for welfare recipients by doing the following:

Increase from 12 to 24 months the limit on vocational education;

Allow 24 months of postsecondary education to count as a ''work activity'';

Remove teen parents from the vocational education cap so more adults can; Pursue education.

Postsecondary education allows welfare recipients to pursue careers beyond the low wage, short-term jobs usually available to them.

Without an education, most women who leave welfare for work will earn wages far below the federal poverty line, even after five years of working (Weisbrot, 1997).

Nationally, the economy is projected to create only half as many new low skill jobs as there are welfare recipients targeted to enter the labor market (Weisbrot, 1997).

At least half of all new jobs by the year 2000 will require a college-educated workforce (Kates, 1993).

Postsecondary education is a cost-effective strategy for permanently moving welfare recipients from welfare to work at a decent wage.

African American women holding bachelor's degrees earn $2,002 a month, compared with $1,204 for those with only some college education (Gittell, Vandersall, Holdaway, and Newman, 1996).

Among families headed by African American women, the poverty rate for heads of households with at least one year of postsecondary education is 21 percent, compared to 51 percent for those with only a high school education (Gittell, Vandersall, Holdaway, and Newman, 1996).

Among families headed by Latinos, the poverty rate drops from 41 percent to 18.6 percent with at least one year of postsecondary education (Census Population Survey, as cited in Sherman, 1990).

For white women, the poverty rate drops from 22 percent to 13 percent (Census Population Survey, as cited in Sherman, 1990).

On average, women with a college degree earn an additional $3.65/hour (1997 dollars) over the wages of women with only a high school diploma (Spalter-Roth and Hartmann, as cited in Institute for Women's Policy Research, 1998).

Postsecondary education breaks the cycle of poverty for women and their children.

Benefits extend to the children of educated parents, as they are more likely to take education seriously and aspire to go to college themselves (Gittell, Gross, and Holdaway, 1993).

There is a strong association between parental income and the income of their children in future years (Gittell, Gross, and Holdaway, 1993).

We urge you to support Senator Wellstone's amendment to give TANF recipients the opportunity to pursue postsecondary education and become economically self-sufficient.

If you have any questions, please contact Tanya Chin or Kathleen Stoll at the Center for Women Policy Studies, 202/872–1770, or Mikki Holmes in Senator Wellstone's office, 202/224–5641. References cited above are available from the Center for Women Policy Studies.

Sincerely,

ACES: The Association for Children for Enforcement of Support.

ACORN: Association of Community organizations for Reform Now.

African-American Women's Clergy Association.

All Families Deserve a Change (AFDC) Coalition.

American Association for Adult and Continuing Education.

American Association of Community Colleges.

American Association of State Colleges and Universities.

American Association of University Women (AAUW).

American College of Nurse-Midwives.

American Council on Education.

American Counseling Association.

American Friends Service Committee.

American Psychological Association.

American Speech-Language-Hearing Association.

Applied Research Center, Oakland, CA.

The Arc.

Association of Community College Trustees.

Big Brothers, Big Sisters, KY.

Blue Grass Community Action.

Bread for the World.

Business and Professional Women/USA.

The California State University.

Campaign for Budget Fairness/Community Action Board of Santa Cruz County, Inc., CA.

Catholic Social Service Bureau.

Center for Advancement of Public Policy.

Center for the Child Care Workforce.

Center for Civil Justice.

Center for Community Change.
Center for Economic Options, Inc.
Center for Law and Social Policy.
Center for Policy Alternatives.
Center for Women & Enterprise.
Center for Women Policy Studies.
Central Conference of American Rabbis.
Child Care Council.
Children's Defense Fund.
Church Women United.
Clearinghouse on Women's Issues.
Coalition for Ethical Welfare Reform (CEWR).
Coalition of Labor Union Women (CLUW).
Coalition on Human Needs.
Department of Vocational Rehabilitation, KY.
Elizabeth Coalition to House the Homeless.
Elkhorn Middle School Youth Services Center, KY.
Family & Children's Service.
Florida Legal Services, Inc.
Frankfort/Franklin County Community Education, KY.
Franklin County Health Department, KY.
Franklin County Health Department (Home Health), KY.
Friends Committee on National Legislation (Quakers).
Harry J. Cowherd Family Resource Center.
Housing Comes First.
J.E.D.I. for Women (Justice, Economic Dignity & Independence).
Jewish Labor Committee.
Judge David L. Bazelon Center for Mental Health Law.
Justice for Women Working Group, National Council of Churches.
Kentuckians for the Commonwealth.
Kentucky State District Council of Carpenters, AFL–CIO.
Kentucky Youth Advocates.
LDA, The Learning Disabilities Association of America.
Legal Action Center.
Legal Aid Society of San Francisco, Employment Law Center.
LIFEtimE: Low-Income Families' Empowerment through Education.
Lutheran Office for Governmental Affairs, ELCA.
MANA, A National Latina Organization.
McAuley Institute.
Mennonite Central Committee, Washington Office.
Metro Human Needs Alliance/Jefferson County Welfare Reform Coalition, KY.
Mexican American Legal Defense and Educational Fund (MALDEF).
Minnesota State University Student Association (MSUSA).
Mothers Mobilized for Economic & Social Justice.
National Alliance to End Homelessness.
National Association for Equal Opportunity in Higher Education.
National Association of Child Advocates.
National Association of Community Action Agencies.
National Association of Developmental Disabilities Councils.
National Association of Independent Colleges and Universities.
National Association of Private Schools for Exceptional Children (NAPSEC).
National Association of Protection & Advocacy Systems.
National Association of Social Workers.
National Association of Social Workers, Nevada.
National Association of State Directors of Special Education.
National Association of State Directors of Vocational Technical Education Consortium.
National Association of State Universities and Land-Grant Colleges.
National Black Women's Health Project.
National Coalition for the Homeless.
National Council of Jewish Women.
National Council of La Raza.
National Council of Senior Citizens.
National Council of State Directors of Adult Education.
National Council of Women of the US, Inc.
National Easter Seal Society.
National Education Association.
National Law Center on Homelessness & Poverty.
National Low Income Housing Coalition.
National Network to End Domestic Violence.
National Organization for Women.
National Parent Network on Disabilities.
National Partnership for Women & Families.
National Puerto Rican Coalition.
National Therapeutic Recreation Society.
National Women's Conference Committee.
National Women's Law Center.
NAWE.
NETWORK, A National Catholic Social Justice Lobby.
Nevada Empowered Women's Project.
New Ways to Work.
New York State Education Department.
Northeast Missouri Client Council for Human Needs, Inc.
NOW Legal Defense and Education Fund.
Oakland County Welfare Rights Organization, MI.
PUSH Early Childhood Development Center.
Resource Office for Social Ministries (R.O.S.M.).
San Luis Valley Welfare Advocates, CO.
SEIU 660.
Simon House, Inc.
Spina Bifida Association of American.
Union of American Hebrew Congregations.
Unitarian Universalist Association.
United Cerebral Palsy Associations.
United States Student Association.
Utah Issues.
VAW Local 2320, NY.
VOICES (Voices for Opportunity, Income, Child Care, Education, & Support).
Volunteers of America.
Washington Welfare Reform Coalition.
Welfare Law Center.
Welfare Rights Initiative.
WeLISN (Welfare & Low-Income Support Network).
Wider Opportunities for Women.
The Woman Activist Fund, Inc.
Woman's National Democratic Club, Jewish Women's Caucus.
Women Employed.
Women and Poverty Public Education Initiative.
Women Work!
Women's Business Development Center.
Women's Resource Center, University of Nevada, Reno.
YWCA of the U.S.A.

NATIONAL URBAN LEAGUE,
POLICY AND GOVERNMENT,
Washington, DC, May 20, 1998.

DEAR SENATOR: The National Urban League stands in strong support of an amendment by Senator Paul Wellstone (D–MN) that would expand the educational opportunities for welfare recipients. Senator Wellstone will be offering his amendment to the Higher Education Amendments of 1998 (S. 1882).

The Wellstone Amendment would address a critical flaw in the 1996 welfare reform law (The Personal Responsibility and Work Opportunity Reconciliation Act) that places unrealistic limits on welfare recipients who seek economic self-sufficiency through education. The Amendment would:

Make 24 months of postsecondary and vocational education a permissible work activity under TANF (Temporary Assistance for Needy Families). Under current law, states can only count 12 months of vocational education as a work activity.

Remove teen parents from the 30% limitation in the educational cap so that more adults can pursue education.

If the goal of welfare reform is to place welfare recipients into permanent employment, and we know from studies that people with more education and training have higher earnings and a greater likelihood of being employed, then common sense dictates that access to quality higher education is the key to an effective reform of our welfare system. According to the 1996 Economic Report of the President, by the early 1990s, the earnings differences between high school and college graduates had nearly doubled from 49% in 1979 to 89% in 1993. And presently, each additional year of schooling after high school is worth about 5 to 15 percent in additional earnings.

Welfare recipients face the same changing economic conditions as any other person seeking employment today. According to a recent report, Education and Training for America's Future (Anthony P. Carnevale, 1998), more skill is not only necessary to get a job, but also to keep one as well. The report notes that education and training increasingly have separated the economic winners from the losers in a global economy where economic and technological change has been increasingly biased in favor of skill. Therefore, our national welfare policy must not be responsible for relegating welfare recipients into the ''economic losers'' category, when we know what it takes to make them winners. If they join the ranks of ''economic winners,'' then their children win and so does society at large.

We should do no less for welfare recipients who seek to make themselves permanently employable than what we seek for all others in our quest for improving our national workforce development system. We urge your support for the Wellstone Amendment when it is offered.

Sincerely,

MILTON J. LITTLE, JR.,
Executive Vice President and COO.

GROUPS IN SUPPORT OF THE WELLSTONE AMENDMENT TO THE COVERDELL BILL

COSPONSORS: RICHARD DURBIN (D–IL), WENDELL FORD (D–KY), TIM JOHNSON (D–SD), CARL LEVIN (D–MI)

American Association of Community Colleges; American Association for Adult and Continuing Education; American Association of State Colleges and Universities; American Vocational Association; Association of Community College Trustees; Center for Women's Policy Studies; Hispanic Association of Colleges and Universities; National Association for Equal Opportunity in Higher Education; National Association of State Universities and Land Grant Colleges; National Council of State Directors of Adult Education; New York State Education Department; United Negro College Fund; United States Student Association.

Mr. WELLSTONE. I ask for the yeas and nays.

Mr. JEFFORDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has asked for the yeas and nays. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. JEFFORDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, may I inquire as to how long it will be before the vote? I can use this time that is being used in a quorum call; I can use it in making some remarks. But I will be glad to withhold my remarks.

Mr. JEFFORDS. If I can inquire, if the information required to go to a vote is obtained, will the Senator mind being interrupted?

Mr. BYRD. Well, I am not accustomed to that, may I say. Washingtonian magazine says when I start speaking, it is hard to stop me.

Mr. JEFFORDS. That may have prompted my question.

Mr. BYRD. Well, you got a courteous answer, but an answer that was to the point, I guess. I saw this conversation going on over here, and I thought I might as well be speaking.

Mr. WELLSTONE. Mr. President, I ask my colleague from West Virginia to see if this can be resolved briefly. If not, maybe we will want to change course. I think we might be able to move to a vote briefly. Can we wait for a few moments?

Mr. BYRD. How long is a moment?

Mr. WELLSTONE. How long is a moment? Sixty seconds. I prefer, since the arguments are fresh in everybody's mind, to vote.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BYRD. I have the floor.

Mr. JEFFORDS. There is no point of order, so we are ready to go to a vote.

Mr. BYRD. You are ready to go to a vote?

Mr. JEFFORDS. Yes.

Mr. BYRD. I yield.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I have no other speakers on this side. It is my understanding the yeas and nays have been ordered, and I believe we are ready to vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—56

Akaka	Biden	Breaux
Allard	Bingaman	Bryan
Baucus	Boxer	Bumpers
Byrd	Hatch	Moynihan
Chafee	Hollings	Murray
Cleland	Inouye	Reed
Collins	Jeffords	Reid
Conrad	Johnson	Robb
D'Amato	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Snowe
Dorgan	Kohl	Specter
Durbin	Landrieu	Stevens
Feingold	Lautenberg	Thomas
Feinstein	Leahy	Torricelli
Ford	Levin	Warner
Glenn	Lieberman	Wellstone
Graham	Mikulski	Wyden
Harkin	Moseley-Braun	

NAYS—42

Abraham	Faircloth	Mack
Ashcroft	Frist	McCain
Bennett	Gorton	McConnell
Bond	Gramm	Murkowski
Brownback	Grams	Nickles
Burns	Grassley	Roberts
Campbell	Gregg	Roth
Coats	Hagel	Santorum
Cochran	Helms	Sessions
Coverdell	Hutchinson	Shelby
Craig	Inhofe	Smith (NH)
DeWine	Kempthorne	Smith (OR)
Domenici	Lott	Thompson
Enzi	Lugar	Thurmond

NOT VOTING—2

Hutchison	Kyl

The amendment (No. 3111) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

CHANGE OF VOTE

Mr. JEFFORDS. Mr. President, on rollcall vote No. 191, Senator WARNER voted ''nay,'' which was not his intention. He meant to be recorded as ''aye.'' I ask unanimous consent that he be recorded as an ''aye.'' This would in no way affect the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Senator SESSIONS now be recognized for up to 10 minutes on his amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, just for the information of Senators, following that, I know our friend and colleague from West Virginia has been here for some period of time and is prepared to speak on an amendment, which he has talked with us about. We are prepared to accept the amendment, but he wants to comment about it.

In terms of our side, we have one more amendment by the Senator from Minnesota, Senator WELLSTONE, and then an amendment by Senator BINGAMAN, and an amendment by Senator HARKIN. That is where we are. We haven't been able to get time agreements, but it gives you some idea about the amendments. And then I expect we will have one or two other Senators that want to speak on the measure. I think that gives us some idea about the work that remains for the evening—at least from our side. Is that your understanding?

Mr. JEFFORDS. Yes. It is our intention to finish tonight and to have the vote on final passage tomorrow morning at 9:30.

I just urge everybody to take Senator SESSIONS' example by getting a time limit and disposing of the amendments. I think this side is nearing completion. I don't believe we have any controversial amendments that will take a great deal of time. So I am really expecting that we can finish tonight, with the cooperation of all Members. Certainly, I look forward to Senator BYRD's comments.

Mr. KENNEDY. Mr. President, I wanted to mention, as well, that I have an amendment on a market-based study on interest rates, which we may or may not be able to get to. I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized.

AMENDMENT NO. 3115

(Purpose: To amend the Internal Revenue Code of 1986 to provide additional tax incentives for education, and for other purposes)

Mr. SESSIONS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for himself, Mr. GRAHAM, Mr. MCCONNELL, and Mr. COVERDELL, proposes an amendment numbered 3115.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end add the following:

SEC. ___. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Section 529(b)(1) of the Internal Revenue Code of 1986 (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions or any organization exempt from taxation under this subtitle that consists solely of eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(b) CONFORMING AMENDMENTS.—

(1) The text and headings of each of the sections 72(e)(9), 135(c)(2(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(c) of the Internal Revenue Code of 1986 is amended by striking ''qualified State tuition'' each place it appears and inserting ''qualified tuition''.

(2)(A) The section heading of section 529 of such Code is amended to read as follows:

''SEC. 529. QUALIFIED TUITION PROGRAMS.''.

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 of such Code is amended by striking ''State''.

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

SEC. ___. EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED STATE TUITION PROGRAMS.

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

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

''(i) IN GENERAL.—If a distributee elects the application of this clause for any taxable year—

''(I) no amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense, and

''(II) the amount which (but for the election) would be includible in gross income under subparagraph (A) by reason of any other distribution shall not be so includible in an amount which bears the same ratio to the amount which would be so includible as such expenses bear to such aggregate distributions.

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

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

(b) ADDITIONAL TAX ON AMOUNTS NOT USED FOR HIGHER EDUCATION EXPENSES.—Section 529(c)(3) of the Internal Revenue Code of 1986 (relating to distributions) is amended by adding at the end the following:

''(E) ADDITIONAL TAX ON AMOUNTS NOT USED FOR HIGHER EDUCATION EXPENSES.—The tax imposed by section 530(d)(4) shall apply to payments and distributions from qualified tuition programs in the same manner as such tax applies to education individual retirement accounts.''.

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

(1) by inserting ''a qualified tuition program or'' before ''an education individual retirement account'', and

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

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2003, for education furnished in academic periods beginning after such date.

SEC. ___. QUALIFIED TUITION PROGRAMS INCLUDED IN SECURITIES EXEMPTION.

(a) EXEMPTED SECURITIES.—Section 3(a)(4) of the Securities Act of 1933 (15 U.S.C. 77c(a)(4)) is amended by striking ''individual;'' and inserting ''individual or any security issued by a prepaid tuition program described in section 529 of the Internal Revenue Code of 1986;''.

(b) QUALIFIED TUITION PROGRAMS NOT INVESTMENT COMPANIES.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended by adding at the end the following:

''(15) Any prepaid tuition program described in section 529 of the Internal Revenue Code of 1986.''.

Mr. SESSIONS. Mr. President, I intended to come to the floor today, along with Senators BOB GRAHAM, MITCH MCCONNELL and PAUL COVERDELL, to offer an amendment to the Higher Education Act that would have helped more than 2.5 million students afford a college education.

I would like to particularly recognize the outstanding efforts of my good friend from Kentucky, Senator MCCONNELL. He has been a true champion of this issue for quite a number of years. Senator BOB GRAHAM of Florida has done an outstanding job of guiding and helping us work on this amendment and handle it in the proper way. His advice and leadership have been crucial in gaining the support for this amendment that we think is necessary for its passage. Let me take a few minutes to discuss the concept of prepaid tuition plans and why they are critically important to help America's families.

As a parent myself, who has put two children through college—I just had my second one graduate in May, and another one is currently in college—I know firsthand that America's families are struggling to meet the rising cost of higher education. In fact, American families have already accrued more college debt in the 1990s than during the previous three decades combined. The reason is twofold: The Federal Government subsidizes student debt with interest breaks and deferred payments and penalizes educational savings by taxing the interest that accrues on those savings accounts for college.

In recent years, however, many families have tackled rising tuition costs by taking advantage of prepaid college tuition plans. These plans allow families to purchase tuition credits years in advance. Thanks to innovative programs already established by at least 17 States, like my home State of Alabama, parents can actually lock in today's college tuition rates for tomorrow's education.

Congress has supported participating families in this effort by expanding the scope of prepaid tuition plans and by deferring taxes on the interest earned when students go off to college.

Recently, thanks to the hard work of Senator COVERDELL and several Members of the House of Representatives, including Chairman BILL ARCHER, a provision was included in the Coverdell A+ Educational Accounts bill, which would make all earnings in all prepaid tuition plans tax free. That is, interest that accumulated on the savings would accumulate without having to be taxed.

Unfortunately, President Clinton has promised to veto that bill on his opposition to several other unrelated provisions—provisions that I think are excellent, but the President has made clear his intention in that regard.

Due to his anticipated veto, more than 2.5 million students and their families planning to take advantage of prepaid tuition and savings programs over the next decade will be denied the ability to invest in their children's education using tax-free interest income.

Our amendment, modeled after Chairman ARCHER's and Senator COVERDELL's efforts during the A+ Educational Accounts conference committee, would have made earnings in State and private prepaid plans completely tax free.

Currently, most of the interest earned by families saving for college is taxed twice. The parent is paying taxes on it when he earns it. Then they set it aside in the college account—even the prepaid tuition accounts—and they have to pay taxes on the interest that it earns. On the other hand, the Federal Government subsidizes student loans by deferring interest payments until after graduation and sometimes giving low-interest rate loans. So it is no wonder that American families are having a hard time saving for college and instead are having to go heavily into debt to finance college at a later time. This trend must not continue. As a matter of fact, it is not good public policy.

Mr. President, let me take a few minutes to make a very critical point. I had an opportunity this morning to review a standard student education loan agreement, which belongs to one of my staff members. The loan, which was used to pay for the final 2 years of his college education, was $13,674.02. My young staffer is currently 25 years old. After the roughly 15 years it will take to pay off his loan, at which time he will be 40 years of age, he will have paid a total of $13,171.64 in interest alone. Mr. President, that will bring his total payment for his 2 years in college to $26,845.65; that is nearly double the original loan balance. This is the Federal Government's only option, the only way it provides help to families to pay for their children's education.

So in order to provide families a new alternative, the Sessions-Graham-McConnell-Coverdell amendment would provide tax-free treatment to all prepaid plans for public and private colleges and universities. This would place all savings plans and all schools on an equal playing field.

This bipartisan amendment would not only provide American families with more than $1 billion in much-needed tax relief over the next decade, but would also help control the cost of college for all students. In fact, the track record of existing State prepaid plans indicates that working, middle-income families benefit the most from these prepaid plans.

Prepaid tuition plans must become law. The Federal Government can no longer subsidize student debt with interest rate breaks and penalize educational savings by taxing the interest earned by families who are trying to save for college. Both public and private prepaid tuition plans should be held equal by the Federal Government and must be completely tax free.

If these goals are achieved, the Federal Government would be providing families with the help they need to meet the cost of college through savings rather than through debt. Indeed,

as a nation we ought to be reviewing all of our laws and all of our public tax policies to make sure we are encouraging savings rather than encouraging debt. Too often our policies have been just the opposite.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks several items in support of my amendment.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

(See Exhibit 1.)

AMENDMENT NO. 3115, WITHDRAWN

Mr. SESSIONS. Mr. President, unfortunately at this point I will be having to withdraw this amendment due to the fact that it appears it may be in violation of existing rules governing the revenue proposals which have to originate in the House of Representatives.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Mr. SESSIONS. Mr. President, I simply say with regard to the letters that have been introduced, those are letters to me from the Independent College Association and from the several other groups, such as the American Council on Education, that say the steps referred to in this amendment ''would make prepaid tuition plans more widely available and more attractive for families. By doing this, families will have a strong incentive to begin to save money for college when their children are young. And, as with any investment, saving early is vitally important.''

That is the American Council on Education, dated July 9, referring to this amendment.

The National Association of Independent Colleges and Universities is likewise supporting this amendment. They say, ''On behalf of the over 900 independent colleges and universities that make up the National Association of Independent Colleges and Universities, I want to express our appreciation of your efforts.

''We agree that students and families who want to utilize prepaid tuition plans should be allowed to dedicate those funds to the institution of their choice'' to be able to compete on a level playing field.

The College Savings Plans Network has likewise supported this proposal in a letter to Congressman ARCHER dated July 2, 1998.

The National Association of State Treasurers has adopted this resolution. Many State treasurers have formulated this legislation in the State—in fact, the Alabama State Treasury, and former State Treasurer George Wallace, Jr., is the one who passed the legislation in Alabama for the prepaid tuition plan.

Also, The Heritage Foundation has supported this effort.

EXHIBIT ONE

AMERICAN COUNCIL ON EDUCATION,
GOVERNMENT AND PUBLIC AFFAIRS,
Washington, DC, July 9, 1998.

Hon. JEFF SESSIONS,
U.S. Senate, Washington, DC.

DEAR SENATOR SESSIONS: I am writing with respect to the amendment on prepaid tuition plans that you hope to offer when the Senate considers S. 1882, The Higher Education Amendments of 1998.

In recent years, states and private sector organizations have begun to offer prepaid tuition plans designed to encourage families to save money for higher education. The American Council on Education supports these efforts. We believe that your amendment would enhance these plans in two important ways. First, it would exclude from federal income tax the value of the plan when the student enrolls in higher education. Second, the amendment would allow private colleges and universities to establish these initiatives.

These steps would make prepaid tuition plans more widely available and more attractive for families. By doing this, families will have a strong incentive to begin to save money for college when their children are young. And, as with any investment, saving early is vitally important.

We understand that there may be a jurisdictional problem with your amendment and we hope that this can be satisfactorily worked out. If it proves impossible to fix the jurisdictional issue, we will work with you to ensure that your plan is enacted this year.

We are enormously grateful for your leadership on this issue of such importance to families and colleges and universities. We look forward to working on it with you.

Sincerely,

TERRY W. HARTLE,
Senior Vice President.

NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES
Washington, DC, July 9, 1998.

Hon. JEFF SESSIONS,
U.S. Senate, Washington, DC.

DEAR SENATOR SESSIONS: On behalf of the over 900 independent colleges and universities that make up the National Association of Independent Colleges and Universities, I want to express our appreciation of your efforts to allow private colleges and universities to establish prepaid tuition plans that would enjoy the same tax treatment and preferences as state sponsored plans. We agree that students and families who want to utilize prepared tuition plans should be allowed to dedicate the funds to the institution of their choice. Allowing private colleges and universities to compete on a level playing field in the tax arena is absolutely necessary and fair.

We appreciate the parliamentary restrictions of including this language in the Higher Education Reauthorization Act, S. 1882, and look forward to working with you to see that this issue is addressed in a manner that will be enacted into law in the very near future.

Again, thank you for your efforts. Please do not hesitate to contact me if and when I can be further assistance on this or any issue of importance to independent higher education.

Sincerely,

DAVID L. WARREN,
President.

COLLEGE SAVINGS PLANS NETWORK,
Lexington, KY, July 2, 1998.

Hon. BILL ARCHER,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the College Savings Plans Network, I am writing in support of the proposed amendment by Senator Jeff Sessions to S. 1882, The Higher Education Amendments of 1998. The amendment is designed to increase the nation's saving rate and to improve access to higher education. The College Savings Plans Network (CSPN), the association of the state-sponsored college tuition programs, strongly supports Senator Session's amendment which would establish an exclusion from gross income for amounts distributed from qualified tuition programs to cover qualified higher education expenses. The enactment of this provision would further the public policy of encouraging parents to save for their children's college education, which would provide long-term benefits to the U.S. economy. CSPN urges you to support the amendment to S. 1882.

CSPN believes that the tax treatment of the qualified state programs should be carefully crafted to account for the unique design and circumstances in which the state programs operate. The Network supports the amendment because it provides clearer tax treatment for contributions to and distributions from the state-sponsored plans. Clearer tax treatment would encourage college savings, and would reduce the need to borrow, which would provide long-term benefits to over 700,000 families who participate in the state-sponsored qualified tuition programs.

Thank you for your strong leadership on this proposal and commitment to expanding the educational opportunities of American families.

Very truly yours,

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

RESOLUTION

FEDERAL TAX-EXEMPTION FOR COLLEGE TUITION PROGRAMS

Urging the Congress and the President to enact bipartisan legislation that will provide for the tax-free treatment of qualified state-sponsored college tuition programs, including both prepaid and savings programs.

Whereas, over the last several years, the constantly increasing costs of higher education and decreases in state and Federal funding of higher education have made an affordable, high quality college education increasingly difficult to obtain for everyday Americans; and

Whereas, in response, State legislatures created state-sponsored college savings programs to help families afford postsecondary education for their children; and

Whereas, the State sponsored programs are designed and operated in a manner to account for the unique nature of each state's educational system; and

Whereas, the programs are primarily directed to middle-income working families and encourage and permit these families to save for and send their children to college, where otherwise they may not be able to access postsecondary education without relying on significant borrowing to afford spiraling tuition costs; and

Whereas, over the past five years borrowing for higher education expenses has increased more than in the previous three decades; and

Whereas, the State sponsored programs are accountable to State-level policymakers, and are subject to close public scrutiny and multiple levels of accountability, which provides strong safeguards to the public's interest in these programs; and

Whereas, the Congress, recognizing the unique role states play in providing access to higher education for their citizens, in 1996, passed legislation to improve the tax treatment of State sponsored programs; and

Whereas, the Congress, further recognizing the unique role states play in providing access to higher education for their citizens,

has included provisions in the Revenue Reconciliation Act that would further clarify and enhance the tax advantages offered to families through qualified state tuition plans, and

Whereas, under the proposed legislation, parents will be given greater incentive to save for or prepay a major portion of higher education costs in advance, in increments as little as $15 or $25 a month, which fit easily within their budgets; and

Whereas, this legislation is truly bipartisan and has been widely supported by Democratic and Republican members of the House and Senate.

Now, Therefore Be It Resolved, That the National Association of State Treasurers does hereby call upon the Congress and the President of the United States to promptly enact legislation providing for tax-free treatment of distributions from qualified state-sponsored college tuition programs.

THE HERITAGE FOUNDATION,
Washington, DC.

ANOTHER CHANCE TO HELP FAMILIES AFFORD COLLEGE

Last year, Congress took a big step to help American families save for the huge cost of their children's education. Thanks to the Taxpayers' Relief Act of 1997 (Public Law 105–34) families are now able to establish Education Individual Retirement Accounts (Education IRAs) and deposit up to $500 annually for use later to pay for higher education expenses without having taxes levied on the accrued interest. But in passing this measure, Congress placed undue restrictions on the amount of money families could place in such accounts, and it favored public colleges over private institutions.

Now, as the Senate moves to re-authorize the Higher Education Act, and as Congress considers a tax bill, there is another opportunity to help those families with college-bound students while dealing with the deficiencies in current law. An effective policy would:

1. Extend to all private tuition savings and prepaid plans the same tax treatment public plans receive. Currently, 28 states have established special programs that allow resident families to save for college costs. Federal income tax on the accrued interest in these state-sponsored accounts is deferred until the account is cashed in to pay for college. However, there are drawbacks to these plans, including the fact that they do not effectively meet the needs of families interested in sending their children to private colleges and universities since the plans are designed specifically to benefit public institutions. Nearly 25 percent of families choose to send their children to a private college or university, yet few state plans serve the needs of this population. Nor do state plans provide a nationwide network of institutions from which participating families may choose, yet 20 percent of students decide to attend an institution outside of their home state. Congress can help fix these deficiencies by giving the same tax treatment to private colleges and universities—or nationwide consortia of these institutions—that establish plans similar to those of the states as it does to the state-sponsored accounts for public colleges.

2. Make all interest earned through tuition savings and prepaid plans tax-free. Not only should all tuition savings and prepaid plans receive equal tax treatment, they also should be relieved of the double taxation that currently exists within the tax code (the money being saved is taxed when earned, and the interest on the savings also is taxed). In the case of Individual Retirement Accounts (IRAs), Roth IRAs and similar retirement plans, Congress has ended double taxation, but not on money placed in education accounts. Ending the double taxation of money in education accounts would both encourage savings for college and be consistent with long term tax reform.

Although these two provisions would provide significant relief to the more than two and a half million students and their families who plan to take advantage of tuition savings and prepaid plans, there would not be a significant revenue loss to the federal government. The Joint Committee on Taxation has estimated that granting state tuition savings and prepaid plans tax-free withdrawals would result in a loss to the federal government of just $339 million over the next five years. Since even the most enthusiastic industry estimates of the private market do not anticipate greater participation than is anticipated in the state plans, the total impact on federal revenues for both of the above proposals would be well below $800 million over five years. And even if it is assumed that families saving in private plans were, on average, in a higher tax bracket than those participating in state plans, the total revenue loss would not exceed $1.2 billion over the next five years.

But it is in any case erroneous to assume that tuition savings and prepaid plans benefit mainly the wealthy. In fact, the experience of existing state plans indicates that it is working, middle-income families who benefit most. For example, families with an annual income of less than $35,000 purchased 62 percent of the prepaid tuition contracts sold by the state of Pennsylvania in 1996. The average monthly contribution to a family's college savings account during 1995 in the state of Kentucky was $43.

Several Members of Congress have proposed tax-free savings for college. Senator PAUL COVERDELL (R–GA), House Ways and Means Chairman BILL ARCHER (R–TX) and Representatives DICK ARMEY (R–TX) and KAY GRANGER (R–TX), gained inclusion of a provision in the Education Savings Act for Public and Private Schools (H.R. 2646), also known as the ''A+ Education Accounts Act,'' that would not only accomplish the above two goals for good tax policy but would also make interest earned on family savings for primary and secondary education tax-free. However, H.R. 2646 would place a $5,000 annual contribution limit on private tuition savings and prepaid plans.

Recently, Senators JEFF SESSIONS (R–AL), BOB GRAHAM (D–FL), and MITCH MCCONNELL (R–KY) have proposed an amendment to the reauthorization of the Higher Education Act (S. 1882) that would accomplish the two goals without any annual contribution limit. The result of these tax measures would be in line with the over-arching goal of the bill, to make attainment of a college diploma a reality for more American students.

American families accumulated more college debt during the first five years of the 1990s than the previous three decades combined. Recognizing that this trend cannot continue, several states have established tuition savings and prepaid plans. Now, a nation-wide consortium of more than 50 private schools, with more than 1 million alumni, has launched a similar plan for private institutions. These plans are extremely popular with parents, students, and alumni. They make it easier for families to save for college, and the pre-paid tuition plans also take the uncertainty out of the future cost of college. It is time for Congress and the President to recognize the value of such plans and eliminate the double taxation that exists on interest earned through the programs and to end the disparity that currently exists between public and private colleges.

STUART M. BUTLER, PH.D.,
Vice President, Domestic and Economic Policy Studies.

Mr. SESSIONS. Mr. President, we believe we have a good plan. I want to again say how much I appreciate the leadership, advice, and support given by Senator BOB GRAHAM of Florida. He is an outstanding Senator and has been a great aid to this effort. I see him on the floor at this time and would be glad to yield such time as I have remaining to Senator GRAHAM.

Mr. BYRD. Mr. President, will the Senator yield? Has time been allotted to the Senator?

Mr. SESSIONS. I asked for 10 minutes.

The PRESIDING OFFICER. The Senator has 47 seconds left.

Mr. BYRD. He has yielded that to the Senator from Florida.

The PRESIDING OFFICER. That is correct. The Senator from Florida has 47 seconds.

Mr. GRAHAM. To my friend from Alabama, I express my appreciation for the kind remarks in bringing this matter to the attention of the Senate, even though, because of the rules of the two bodies, we cannot consider it tonight. But I believe what he has essentially done has put all of us on alert that we are going to be looking for another opportunity to remedy this remaining tax issue with the State college tuition plans and thus give to the families of America the assurance that every dollar they invest in a prepaid college tuition contract will go to the education of their children and thus encourage more families to participate.

Mr. President, I hope that with the message the Senator from Alabama has issued tonight we will soon be able to follow his clarion call.

Thank you.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, does the distinguished Senator from Florida need an additional 2 or 3 minutes or so? I will be glad to wait.

Mr. GRAHAM. I appreciate, as always, the Senator's graciousness. I anticipate that we will have an opportunity to discuss this issue again, I hope soon, and at that time we can actually be making movement toward legislative enactment. I will withhold any further comments until then. But I express my appreciation to the Senator.

Mr. BYRD. Mr. President, I thank the very distinguished Senator from Florida.

A TREND WORTH STOPPING

Mr. BYRD. Mr. President, I recently learned of an extremely alarming riot which occurred on the campus of Michigan State University. On May 2, 1998, nearly three thousand students abandoned their dorm rooms and various other corners of the university's massive campus to protest a university

decision to end drinking at Munn Field, a popular campus spot where students gather before and after football games. Outraged students tore through a fence surrounding the field, thereafter charging into downtown East Lansing, home to the university, to set ablaze one of the area's busiest intersections. Police officers were pelted with flying bottles, rocks, and bricks, and were only able to quell the scores of protesting students with shots of tear gas.

Michigan State University does not stand alone. Both Washington State University and Plymouth State College in New Hampshire have experienced similar protests. Mr. President, our Nation has a serious problem, which only continues to worsen with each passing day, yet, we in Congress have all but ignored this epidemic plaguing our nation's young people. Rather, we have stood on this floor ranting about the pernicious effects of tobacco, while its evil twin continues to rampage across college campuses throughout the country. I support the efforts we have undertaken to crack down on youth use of tobacco, but is it not time, I ask, to broaden the equally staggering problem of alcohol abuse among our young people?

I hope that the President and the administration will engage in a similar crusade against alcohol abuse—similar to that which they have led with respect to the use of tobacco.

I hear nothing said about alcohol—not a word. The country seems to be silent. It seems to have lost its voice when it comes to alcohol abuse.

Alcohol, Mr. President, is the drug of choice—the drug of choice among teenagers and college students—not tobacco, not marijuana, not heroin, but alcohol. Surveys show that over 85 percent of all college students imbibe alcohol. That is a disgrace.

Let me read that again. Over 85 percent of all college students imbibe alcohol, whether it be a beer, wine, or some other potent concoction tossed together at a fraternity party. More than 40 percent consume five or more drinks at one sitting within a 2-week period, otherwise defined as ''binge drinking.'' It really isn't the ''in thing,'' Mr. President, and I hope that young people will learn that.

In the past year, the media have reported several incidents in which college students have tragically died due to alcohol poisoning or excessive inebriation, including deaths at Louisiana State University and the prestigious Massachusetts Institute of Technology. In Virginia alone, five students died within a one-month timespan in alcohol-related accidents.

If this were some new plague that was being visited upon the country, people would be asking for a remedy.

The amendment I have included in the managers' package recognizes ten universities, colleges, or community colleges across the nation that have responded to this crisis with innovative and effective alcohol prevention policies. Under my amendment, each institution receives a grant of $50,000 in recognition of its efforts, subsequently to be used to help maintain and improve each respective program. In addition, my amendment requires the Department of Education to distribute a publication identifying these schools and their policies to high school counselors for the information of prospective college-going students and their parents. It is my hope that parents and responsible students—I should say responsible parents and responsible students—will use this information to select schools that are most active in helping students to be students, not drunks—students.

Mr. President, over the years, the culture of college has gradually changed from one of academics and concentrated study to one consumed with partying—partying, and nobody benefits from it. Gathering at the library with classmates to prepare for an exam has taken a backseat to sitting around swilling beers at keg parties or ordering a round of shots at the closest bar.

Sadly, the process does not always begin in college. Often times, experimentation with alcohol begins in high school, or even earlier in the homes. That is where it begins many times. The examples are set by parents.

According to the 1995 ''Monitoring the Future'' study conducted by the National Institute on Drug Abuse, 55 percent of 8th graders have experimented with alcohol—55 percent of 8th graders have experimented with alcohol. When I was attending a little two-room school back in the mountains of West Virginia, it would never have been thought of, nobody would think of a student's going to school experimenting with alcohol. According to the study, 71 percent of 10th graders and 81 percent of high school seniors have experimented with alcohol. What are they doing in school? What do their parents think about that? What are their parents doing about it? Are the parents doing the same at home?

Even more alarming, perhaps, is the widespread occurrence of binge drinking—measured by five or more drinks in a row at least once in the prior 2-week period. As indicated by the Monitoring the Future study, binge drinking stands at 15 percent for 8th graders, 24 percent for 10th graders, and 30 percent for high school seniors. What a shame.

Today, alcohol is infesting the lives of vulnerable young children at the hands of irresponsible parents and schools, and students are not just walking away from the empty beer bottle with a so-called ''buzz.'' In 1996, approximately 2,315 drivers between the ages of fifteen and twenty lost their lives in alcohol-related traffic deaths.

Yet, all the rage is about tobacco. I don't have any criticism of that rage, but why not alcohol also? Nobody hears a peep, not even a peep, about alcohol abuse.

More than 40 percent of all 16- to 20-year-old deaths result from motor vehicle crashes, about half of whom die in alcohol-related crashes. Nobody reads about tobacco-related crashes. These are alcohol-related crashes. Where are the administration speakers? Why don't they speak out about alcohol as well? Where are the churches? Where is the great moral force of the churches in this country anymore?

Alcohol is a factor in the three leading causes of death for 15- to 24-year-olds—accidents, homicides and suicides. There you have it. In approximately 50 to 60 percent of youth suicides, alcohol is involved—not tobacco, but alcohol—booze. That is stuff that inflames one's mind. Furthermore, links have been shown between alcohol use and teen pregnancies and sexually transmitted diseases.

So, Mr. President, with the drinking onset age becoming younger and younger, colleges each year face an influx of students who already know this drug all too well. Students walk on to college campuses today with booze on the brain—we have heard of water on the knee or water on the brain; these students have booze on the brain—completely apathetic to curriculum, major requirements, and freshman seminar choices.

Fraternity parties run amuck with students hankering to get their hands on a beer or whatever may be the alcoholic beverage of the night. According to a national survey recently released by researchers at Cornell and Southern Illinois universities, nearly three of every four fraternity leaders engage in binge drinking, averaging approximately fourteen drinks per week. Fourteen drinks per week!

Student alcohol abuse is the number one problem on college campuses across the nation, yet, precious little is being done to combat this destructive trend. In 1989, as part of the amendments to the Drug-Free Schools and Communities Act, Congress passed a minimum set of requirements for college substance abuse policies as a condition of receiving funds or any other form of financial assistance under any Federal Program. These regulations require institutions of higher education to certify to the Department of Education that they have implemented a policy that prohibits the unlawful possession, use, or distribution of drugs or alcohol on college property, or as part of a college activity, and to distribute to college students a document describing campus policy on alcohol and other drugs.

While many schools reluctantly meet these minimum federal requirements, there are a select few that go far beyond the call of duty to combat alcohol abuse on campus. It is these schools, these candles that are glowing in the darkness, that deserve recognition for their efforts. I have read articles highlighting a northeastern school which has implemented substance-free housing on campus, reducing binge drinking

by as much as 30 percent in the past few years as a result of the program. It is this kind of progress which must be sought by parents and educators. However, such significant headway does not happen overnight, and certainly requires much work and dedication.

Again, my amendment names ten institutions of higher education each year with proven effective alcohol prevention policies and awards each a grant of $50,000 to help get at the root of the problem. These awards would not be conferred haphazardly to schools that craft a pretty brochure on alcohol abuse, but do virtually nothing to enforce what has been put down on paper. Vacuous words do not have much meaning, but action does. There are some terrific programs out there, such as the one at the aforementioned northeastern school, which should serve as models for other schools still grappling with alcohol abuse problems. My amendment awards those schools that make a difference.

Accordingly, my amendment lays forth explicit criteria which schools must meet in order to be eligible to receive a National Recognition award. Applicant colleges must have specific policies implemented on campus, including restrictions on alcohol advertising in campus publications and at sporting events, the establishment or expansion of alcohol-free living arrangements for all students, and the development of partnerships with community members and organizations to further alcohol prevention efforts on campus. In addition, my amendment creates a review board, with members to be appointed by the Secretary of Education, to review and evaluate the applicant's implementation of these policies on campus.

Earlier this year, Secretary Shalala urged members of the National Collegiate Athletic Association (NCAA) to sever their ties with the alcoholic beverage industry, and called on colleges to eliminate alcohol advertising from sporting events. I second that motion. After all, this is simple common sense. It is unequivocally evident that alcohol and sports do not mix, yet colleges continue to endorse alcoholic beverage sponsorship of athletic events. One particular school, until recently, actually herded basketball players from the locker room onto the home court by way of an inflatable silver tunnel resembling a can of beer!

My amendment included in the Higher Education Act begins to touch upon some of the fundamental areas which must be addressed in halting this deadly substance from further permeating college campuses. As we have learned this year from the tragic deaths of several promising young students at some of our finest universities just this past year, the decision to drink alcohol can sometimes mean life or death, even when an automobile is not involved.

Mr. President, I would like to acknowledge Senator WELLSTONE, and thank him for his work on the Labor and Human Resources Committee in addressing the issue of college drinking prior to S. 1882 coming to the floor. Senator WELLSTONE was successful in including an extremely important counterpart to my amendment which creates a grant program for colleges to establish alcohol and drug treatment, counseling, as well as alcohol and drug education. I want to commend Senator WELLSTONE for his efforts and dedication to fighting alcohol abuse on college campuses.

Mr. President, when I was a member of the West Virginia State Senate, 48 years ago, I was a witness to the execution of a young man named James Hewlett at the West Virginia State Penitentiary, in Moundsville. I asked to be a witness because the law at that time required a certain number of witnesses, to an execution. I asked to be a witness and the warden accepted me as a witness. Before the execution, I told the warden that I wanted to talk with this young man who was going to be executed at 9 p.m. He had shot a cabdriver in the back and left the cabdriver to die by the side of the road after robbing him and then drove off with the cab. This young man was later apprehended in a theater at Montgomery, WV, and was convicted and sentenced to die in the electric chair.

He did not wish to have a Chaplain in his cell. He scoffed at the idea of religion. But, as the days and weeks wore on, he asked for a Chaplain, because the Governor did not commute his sentence. And, so, the young man knew that he was going to die.

I went into the doomed man's cell that evening and shook his hand. He was perspiring. I said, ''I often speak to young people, 4–H groups, Boy Scout groups and Girl Scout groups, and I thought that you might have a message that I could pass on to these young people.''

He said, ''Well, tell them to go to Sunday school and church. If I had gone to Sunday school and church, I probably wouldn't be here tonight.''

I turned to go after a few more words. He said, ''Wait a minute. Tell them something else. Tell them not to drink the stuff that I drank.'' Those were his very words. That was almost 50 years ago, but I have told that story over and over to young audiences. ''Tell them not to drink the stuff that I drank.''

I said, ''Why do you say that?''

The chaplain in his cell spoke up and said, ''Do you see that little crack in the wall up there?''

I looked up at the wall and said, ''Yes.''

He said, ''If he were to take a couple of drinks, he would try to get through that little crack in the wall. That's what alcohol does to him.''

I said goodbye and left, went back over to the warden's office and, at the stroke of 9, we were back in the death house where we watched the execution. That was the story of Jim Hewlett, ''Tell them not to drink the stuff that I drank.''

About 30 years later, I was visiting in the northern panhandle of West Virginia and someone said to me, ''Why don't you pay a visit to the home of Father so-and-so. He's very ill, and it might help if you just stopped by and said hello.'' I personally did not know the clergyman.

I said, ''Well, tell me where to go,'' and I went. And the priest was there. He was very ill. I don't know how the subject matter arose, how I came to tell this story to him, but I told this same story of having talked with Jim Hewlett just before the execution.

I told it in greater detail than I am now telling my colleagues, and the priest just sat and listened. He never said anything. When I finished, he said, ''Yes. That's the way it was. You see, I was the chaplain in that cell that night when you came to visit Jim Hewlett.''

That young man said to me—those words I will never forget —''Tell them not to drink the stuff I drank.''

So I plead to our young people, those young pages who are here in this great Chamber and those who are listening and watching on television: Avoid alcohol. Stay away from it. There is nothing good in it. And the point is, you may get into an automobile and kill an innocent person—a woman taking her children to school, to the library, to the hospital or to church. You may kill them. Smoking tobacco is bad, but tobacco won't cause you to drive while drunk.

I am not upholding tobacco, but what I am saying is, in this country, we have been engaged in a great crusade against tobacco, but nobody lifts a finger, nobody says a word, there is not a peep said about alcohol abuse.

I implore the young people in this country to stop, look and listen before you ''drink the stuff'' that Jim Hewlett drank.

I thank the managers for accepting my amendment, and I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Chair. Let me just say to my colleague from West Virginia that it was an honor to work with him on this amendment. I thank him for his eloquence and for all that he does in the Senate.

Mr. President, other colleagues are here—two colleagues. I am going to be quite brief. I am going to speak briefly about an amendment I was going to offer, and then I was going to ask unanimous consent my slot be eliminated. I wonder if that will be in order.

Mr. JEFFORDS. That is fine.

Mr. WELLSTONE. While I have the floor, I ask unanimous consent that my slot be eliminated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I will be very brief, because there are amendments that we

have in the evening ahead of us. Let me simply talk about a conversation I had with Nils Hasselmo, who was president of the University of Minnesota and dropped by my office yesterday. He works with the American Association of Universities. He said, ''Look, Paul, I rather you not do this amendment. We in the higher education community want to work with you.'' If so, fine.

I want to refer for a moment to a report. This was the Boyer Commission on Educating Undergraduates titled ''Reinventing Undergraduate Education: A Blueprint for America's Research Universities.'' This was dedicated in memory of Ernest Boyer, who had been president of the Carnegie Foundation. Many of us knew Ernest Boyer as a visionary concerning education.

What concerns me about this report that came out a few months ago—and there were quite a few front-page stories about it—is the findings.

To be very brief, the findings go as follows: That in all too many of our large research universities, undergraduates go to these schools and their tuition is applied, of course, to the finances of these universities. They go in part because they hear about some of the university professors who have excellent reputations, but they never see them as teachers in their classes. It is not uncommon for undergraduates, first-year students—basically in their first year—to hardly have any professors—associate or full professors. It does seem to me if our universities and colleges are going to say they have a teaching mission, then there has to be some way that they live up to that mission.

I could go on for hours and hours, but let me simply say that as an undergraduate many years ago, I experienced this. I have been a rebel about this forever. I think it is just simply unacceptable that in so many of our large research institutions, the graduate students are the priority, and the truth of the matter is, the undergraduates are not. I think when parents send their children—women and men—to go to higher education institutions, they have every right to expect that there will be a real emphasis on teaching to go along with that emphasis on research and that, indeed, in their first year, these students will have a chance to have some of these professors as teachers. That is what is wrong.

I was going to speak to this in an amendment. When I talked with Nils Hasselmo and talked with others in the higher education community, we agreed to bring some presidents together, bring some higher education people together and go through this and see what kind of changes can be made.

I know that Mark Yudof at the University of Minnesota is doing some very good work to try and put more of an emphasis on what happens to first-year students, and I think some of that is coming from the higher education community.

I have to say, I didn't offer the amendment tonight, but I really want to see some changes take place here, and I believe there are many other Senators who will as well. The higher education community has to be accountable. There is a whole lot of Federal grant money that goes to these institutions. With all due respect, I think we have a right to say, ''Look, we want to make sure that you don't just give lip service to teaching.''

By way of conclusion, I want to mention what was in this Carnegie report as a kind of, if you will, bill of rights for students which gives us some direction, some sense of direction that I think the universities can go on:

(1) By admitting a student, an institution of higher education commits to providing the student maximal opportunities for . . . including—

(A) opportunities to learn through inquiry rather than simple transmission of knowledge;

(B) training in the skills necessary for oral and written communication at a level that will serve the student both within the institution of higher education and in post-graduate, professional and personal life;

(C) appreciation of arts, humanities, sciences, and social sciences, and the opportunity to experience the arts, humanities, sciences, and social sciences at any intensity and depth the student can accommodate; and

(D) careful and comprehensive preparation for whatever may lie beyond graduation, whether it be graduate school, professional school, or a first professional position.

(2) A student in a research university has the right—

(A) to expect to, and to have an opportunity for, work with talented senior researchers to help and guide the student's efforts;

(B) to have access to first-class facilities in which to pursue research, including laboratories, libraries, studios, computer systems, and concert halls;

(C) to have many options among fields of study, and among directions to move within those fields, including areas and choices not found in other kinds of institutions; and

(D) to have opportunities to interact with people of backgrounds, cultures, and experiences different from the student's own background, culture, and experience, and with pursuers of knowledge at every level of accomplishment, from freshmen students to senior research faculty.

Mr. President, I say to President Hasselmo and others, I look forward to having discussions with the higher education communities. I see several colleagues who are ''education'' Senators—the Senator from Maine, the Senator from Vermont. I am going to get a letter out to Senators saying if you want to be involved in a roundtable discussion, let's do so. The Chair, the Senator from Utah, has a fierce interest in education. I think he is one of the intellectuals in the U.S. Senate.

I hope that we can work with the higher education community. Tonight won't be the debate on the amendment, but I say to my colleagues in higher education, this was my background. I was a teacher, a professor for 20 years. The fact of the matter is, it is time to be more accountable. The fact of the matter is, you keep saying that teaching is your mission, but with all due respect, there is plenty of evidence that is not so much the case, and we ought to give these first-year students and these undergraduates a fair shake.

I conclude by asking unanimous consent that a series of statements and very powerful statements from students around the country in relation to the higher education bill be printed in the RECORD.

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

STUDENT PROFILES FOR HIGHER EDUCATION FLOOR STATEMENT

DISTANCE LEARNING

Amy Saeland: Amy is a 23-year old student at Northwest Technical College in Bemidji, MN. The distance learning program provides the flexibility she needs to schedule classes around work. However, the current federal student financial assistance restrictions prevent her from fully benefiting from the advantages of distance education.

Sue Listerud: (Inver Hills Community College) ''Distance learning is an ideal way for adults to go back to college. Making time to come to campus is extremely difficult. Education and development of new skills allows students to enhance their employability. The non-traditional student needs non-traditional instructing methods.''

Lu Schmidtke: (Inver Hills Community College) ''Distance learning allows me to receive credit for knowledge I already have in addition to teaching me a great deal more about the subject. I can do this on my own time at my own pace with a minimum amount of time in class.''

Gwen Borgen: ''I am a Dean of Students at Badger School in Badger Minnesota. I am currently pursuing my Masters in Educational Administration through Bemidji State University. Working full-time and trying to obtain this degree is quite a challenge. I am approximately 150 miles from Bemdiji so the convenience of distance learning is phenomenal. I am able to work full-time, raise a family, be involved in community and church and still work on my degree.''

Jane Klaers: ''I live in the town of Wabasso, MN. We have about 750 people in our town. I have been taking ITV classes off and on for about 3 or 4 years now through West Community College-Worthington campus. What I like most about these type of classes is that I don't have to travel to a college to take college level classes. To me that is a tremendous advantage. I have 2 small children and having these types of classes has allowed me to continue my college studies. This system is a tremendous service to people such as myself that can't go to the 'traditional' classes.''

Karen Affinito: Karen was admitted to the Master's program in Education in April 1997. Ms. Affinito works as an Early Intervention Specialist with infants who are at high risk for cognitive and physical developmental problems. She has attempted to continue her education at local traditional educational institutions but found the time constraints of full-time employment and a family to be real barriers to her education. TGSA's distance learning program is making her education possible.

Keitha Hatfield: Keitha is an office manager for the Texas Conference of Churches, entered the Graduate School of America's Master's program in Organization and Management in October 1997. Through faculty-guided, self-directed study and the interactive capabilities of telecommunications and computer technology, The Graduate

School of America is able to deliver an educational experience that is personal, convenient and of the highest quality. Her goal for her academic program is to develop the skills and knowledge which will enable her to establish a nonprofit foundation devoted to research on social innovation, the public sector, and current social systems. About her studies, Ms. Hatfield writes ''ideas are the most important social force in history'' and ''all these ideas started with one individual, one visionary, one dreamer who knew how to say ''Why?''

Susan Arakawa: Susan was admitted to the Graduate School of America's Master's program in Interdisciplinary Studies in February 1996. Ms. Arakawa had worked as an English as a Second Language (ESL) instructor for 10 year prior to beginning her academic work with TGSA; for three of those 10 years, Ms. Arakawa lived, worked and studied in mainland China. Ms. Arakawa has structured her academic program to accomplish the research necessary to write and publish a book about the relations (historic as well as current) between China and the United States. Ms. Arakawa has made excellent progress in her program and has begun work on the final project for her degree.

Francis Jock: Francis is a Native American, admitted to the Graduate School of America's Ph.D. program in Organization and Management in June 1994. Previously, he had spent 22 years in military service, achieving the rank of Command Master Chief Petty Officer and managing over 300 enlisted personnel. It was very clear from Mr. Jock's application that he was highly motivated to be a lifelong learner, he listed as one of his personal goals ''to continuously improve my personal growth through continuing education.'' Mr. Jock withdrew from The Graduate School of America in March 1995 due to lack of funding.

WORKING MANY HOURS WHILE GOING TO COLLEGE

Eric Alleckson: (1997) Eric Alleckson, a junior and President of the student government at Concordia College. Eric works two part time jobs, received financial assistance from his family, and will graduate with still large loans to repay. ''Some money from loans is quite acceptable, if it is a reasonable amount,'' Eric said, ''[But] the burden of student debt can be as restrictive as no education at all.'' Despite his two jobs and the sacrifice his parents are making financially, Eric says that his education would not be possible if there was no external financial assistance.

Abbie Weiss: Abbie will be a junior at Concordia University in St. Paul. She is in a one-parent, middle-class family. With the help of her father and the federal grant program she is able to attend college. She still needs to work three on campus jobs and one off-campus job (25–30 hrs/wk) to pursue her education. Without the help of financial aid, finishing at Concordia will be threatened. ''Financial aid allows students to attend the college of their choice and to excel in their situation. My experience does not stand alone. Many other students are in the same situation that I am in and without help they may not be able to fulfill their dreams.''

HIGH STUDENT LOAN DEBT

Sonja Lenk: (1997) Sonja Lenk, a junior at Moorhead State, was attending college with financial help from MSU work study and her parents' contributions, but will still graduate with approximately $11,000 in student loan debt.

Michael Kurowski: Michael, a senior at Winona State University and the MSUSA vice chair elect, received the unsubsidized Stafford loan. He worked three jobs equaling close to 50 hours per week. Michael will have a loan debt of approximately $20,000. (PHOTO)

Mario Hernandez: Mario, a senior at Southwest State University, in Marshall, MN, and the MSUSA MVP, received the Pell grant, state grants, the subsidized and unsubsidized Stafford loans. He worked approximately 30 hours per week. Hernandez received scholarships to help dampen the costs. His loan debt is $4500. (PHOTO)

Tony Fragnito: Tony, a senior at Bemidji State University, in Bemidji, MN, received the Pell grant all four years of college. He also worked between 35–40 hours per week. Although Tony received one scholarship, most of his financial funding is from loans. His loan debt will be $12,000.

Michael V. Nesdahl: Michael, a fifth year senior at Southwest State University, in Marshall, MN, didn't receive any financial aid throughout his five years of college. He worked approximately 40 hours per week and was in the National Guard. Most of his funding was from the military. Nesdahl will have a loan debt of $7300.

Tony Rust: Tony, a senior at Southwest State University, and the Minnesota State University Student Association state chair elect, received the Pell grant his freshman year only, the Perkins loan his first three years and the Stafford loan all four years. During his four years of college, Rust has worked at least 20 hours per week in order to pay for tuition and other expenses. His parents have not helped him financially, but he did receive scholarships during his sophomore year. His loan debt will be approximately $20,000.

Kay Wendling: Kay, a senior at Winona State, received no financial aid this year. However, in the past three years, Kay received a subsidized Stafford loan. She worked at least 16 hours per week off campus and 10 hours per week on campus. She will have a debt of $13,000.

Heidi deRuyter: Hedi, a senior at Moorhead State, and MSUSA treasurer and operations officer, received federal loans only. During her four years of college, deRuyter worked at least 20 hours per week. She received some scholarships the first year and her parents usually paid the interest on the loans. She will have a debt of $18,000.

Francis Klinkner; Francis, a fifth year senior at Mankato State, and the MSUSA state chair, received no financial aid this year. However, he did receive the Pell and state grants and the Stafford loans during his first four years in college. Francis worked at least 40 per week throughout his four years. His parents paid for his books, otherwise most of his funds came from loans. His debts will be $23,000.

IMPACT OF WELFARE REFORM

Crys Hans: Crys Hans, 28 years old, is transferring to the University of Minnesota from the Hibbing Community College and has maintained a GPA above a 3.8 while raising her 3-year-old daughter and working part time. Crys is determined to achieve financial independence for her and her daughter. However, under the new Welfare Reform legislation, Crys will have ''even greater challenges.'' In six months, her one year of approved education will expire; she will have to work a minimum of 30 hours a week; and, she has to begin paying for child care. Crys is concerned about the impact the new welfare reform guidelines will have on her ability to finish school, secure a good paying job, and support and spend time with her daughter Tiana.

Colleen: Colleen, a divorced mother of two, dropped out of high school when she became pregnant. She obtained her GED; worked on a limited basis at a low wage office job; and decided that she needed a college degree to be able to support her family over the long term. She is enrolled in liberal arts classes at Minneapolis Community and Technical College and is doing very well. However, she would like to enroll in the Registered Nursing program to earn an A.S. degree. Because it takes 3 years to complete this degree (due to prerequisites needed), Colleen has had to put her dream on hold because of the welfare reform guidelines. The nursing degree would help Colleen achieve economic self-sufficiency, which office worker positions would not.

Camille Martinson: Camile is a single mother of 2 children. She is currently on the Minnesota Family Investment Program (state's new welfare reform program) and receiving AFDC, MA, and food stamps, while attending North Hennepin Technical College. New welfare reform requirements are pressuring her to go to work now for $5.15 an hour, rather than finish her education and be qualified to earn up to $20 an hour as a nurse.

Jonia Stanfel: Jonia, a single mother majoring in computer programming at the Minneapolis Community and Technical College, will be finished with her A.S. degree in less than a year. She is getting A's and should be able to support herself and her 3 young children after she graduates. However, last summer she was told by her Stride caseworker that ''we are not supporting education programs.'' She was then told her child care would be discontinued and she must work 20 hours per week to receive her MFIP grant. Because the computer curriculum is rigorous, she knew she could not work, raise her kids and put in the time needed to get her computer degree. So . . . she has taken out a $2,600 loan and is funding her education on her own for the next 9 months. Her question is, ''why wasn't funding available to someone who wanted to earn a two-year degree in a field with guaranteed jobs at high salaries?'' Jonia feels fortunate that her college went to bat for her on the child care funding issue. But what happens to those people who don't have such an advocate?

Beth Frenette: Beth, a single mother of a two-year-old, has a clear cut career path in place when the new MFIP guidelines hit. Her plan was to earn a two-year degree and transfer to finish a B.A. degree in Elementary Education. To offset expenses, she was planning to get a job in Human Resources while in school. She began her plan by appealing for MFIP funding for her B.A. degree, but her appeal was denied. The reason: ''if she can get a job now in Human Resources, she doesn't need funding for additional education.'' She then enrolled at Minneapolis Community and Technical College to begin taking her general education requirements, and appealed again for MFIP funding. Her second appeal was also denied, for the same reason stated before. She had submitted a clear education plan at each appeal. With help from our Career Placement Director, Beth's funding has been reinstated, although now she must squeeze 30 hours of work per week into her busy school and family schedule. She will graduate from MCTC in 9 months.

Crystal Visneski: Crystal, a single mother of two, is a human services major at Minneapolis Community and Technical College. She is juggling her studies, her children, a part time job, and responsibilities as an MCTC student ambassador. The new work requirement that came with the MFIP guidelines has drastically reduced the amount of time she can spend on her studies, as well as the time she can spend with her children, ages 4½ and 20 months. She will have to miss her son's graduation from preschool in June because she's taking an extra class this summer to ensure that she will finish her degree before the MFIP one-year clock runs out.

Taking extra classes each quarter and satisfying the work requirement have created stress that has affected her patience with her children and her ability to focus on her studies. In addition, in the transition between her Stride program and MFIP, she lost her bus passes, her mileage reimbursement, and finally, her child care funding. She is now paying $1,000 a month for the cheapest child care available downtown, which is at the college's child Care Center. She is not eligible for a sliding fee scale because she receives welfare. Crystal is caught in the middle.

Latashie Brown: Latashsie, a single mother in her 30's, decided to return to college to enhance her nursing skills and improve her earning power. (PHOTO)

Troyce Williams: Troyce is a single mother of four children who is working hard to complete her studies at Minneapolis Community and Technical College within the one-year education requirement. Affordable housing and child care are critical to her graduating. (PHOTO)

HOW CAN MY FAMILY AFFORD COLLEGE?

Jacqueline Maddox: Jacqueline is a single parent who is concerned about how to pay for her daughter Bree's college education next year. Her daughter was on the honor roll in high school and is involved in extracurricular activities. Bree's father passed away when she was 13 years old and did not provide for her until he became terminally ill. Still, she will lose Social Security benefits when she turns 18. There is no money left after the rent, utilities and food. It seems the only option is a student loan, but Jacqueline is till paying back her own student loans.

NON TRADITIONAL STUDENTS

Paula Heinonen: After working for years in a rural hospital and raising four children, Paula Heinonen decided to return to school to enhance her skills. A non-traditional student, Paula is a junior at the Center for Extending Learning at Bemidji State University in Bemidji, Minnesota. Paula is a wife, mother, worker, and student.

Karen Ackland: Karen Ackland is a non-traditional student at Bemidji State University. Federal student financial aid and the TRIO program helped Karen return to school so that she could earn her baccalaureate degree.

Carla Barbeau: Carla started college at the age of 33 as a single parent with three children ages 9, 11, and 12. It was very difficult to support her family earning only $6 an hour and no benefits so decided to attend college. She wanted to enhance her skills in order to get a better job that paid well and had good benefits. Not being able to attend summer school because of financial aid restrictions is only delaying her graduation with a computer science degree. The longer it will take to finish school, the longer it will take to get a better job. She has received support from financial aid and federal TRIO programs.

TRIO

Mai Lor Yang: Mai Lor, (pronounced ''My Low''), who is an immigrant from Laos, is graduating from high school in Duluth this year, participated in the TRIO Upward Bound Program, and plans to attend college in the Twin Cities next fall. (PHOTO)

Jeanie Kopf: 20 years ago, Jeanie, attended the U. of Superior with the intention of obtaining a BA in Political Science. This dream was brought to a close when, after the second semester, her state grant was cut off and the only way she could continue would be to take out student loans. Being that she was a single parent with a new baby the idea of compiling new amounts of financial debt was overwhelming. She could see no way out and chose to drop out of school and raise her child. She fully intended coming back to school when her son was in school himself. When her son was 9, he was diagnosed with Attention Deficit Disorder and she needed to care for him full-time. Her second son was born and was diagnosed with Tourette Syndrome in 1993 and is a strong advocate for his proper education services to address his needs. She was diagnosed with Multiple Sclerosis in 1988 and was injured in a car accident in 1995. It wasn't until the accident before anyone mentioned the possibility of getting financial aid through DRS. This program ran out of funds and she then turned to the TRIO program. This program provided her with the support she needed to compete with the updated education field of today. The TRIO programs tutoring and study skills have proved to be indispensable to her.

Shannon Ament-Yellowbird: Shannon Ament-Yellowbird, who is a graduate of the University of Minnesota-Duluth, is pursuing her dream of a career in medicine with the support from TRIO Upward Bound and the McNair Post-baccalaureate Achievement program. While student financial aid programs help students overcome financial barriers to higher education, TRIO programs helps students overcome class, social academic and cultural barriers to higher education. Shannon, a Lakota Indian, is a registered member of the Pine Ridge Reservation of South Dakota.

Celena Hopp: Celena ia single parent, a Mexican-American female, welfare recipient and first-generation college student. She joined the STRIDE program in 1995 and became an active participant. She relies on financial aid, child care, and transportation assistance from STRIDE in order to come to school She also works part-time as a student worker in the college library. This year the STRIDE caseworker told her the new welfare requirements meant she could no longer pursue her bachelor's degree and that she had enough education and should immediately go to work. After three years of hard work in college, she had to fight to get approved just to stay in school for even one more year. STRIDE agreed to let her stay in school to complete an associate degree, provided she finished by spring of 1999. This was an extremely painful blow to her, especially since she was clearly on the road to transfer and a bachelor's degree.

BINGE DRINKING

Janice Rabideaux: On November 1, 1997 Janice, a 16-year-old high school student, died from alcohol poisoning at a sleep over party. She apparently drank a large amount of alcohol in a short period of time. There were no adults present when the police arrived, but an adult provided the alcohol and the State District Court was looking into charges against her.

Scott Krueger: On September 29, 1997, Scott Krueger became a victim of ''binge drinking.'' Scott was a freshman, fraternity member at MIT. He went to a fraternity party on September 25 where drinking was required in order to fit in. He died with a blood alcohol level of .41—five times the drunken-driving standard in Massachusetts. After Darlen Krueger's comatose son left his frat house in a ambulance, one of the brothers told her, 'You have to understand—this was a very big night at our fraternity house.' (Source: Newsweek June 15, 1998)

Anonymous: A few years ago, an 18 year old freshman woman at a college in Minnesota went with 4 girlfriends to a ''house party'' at the home of several male students. All of the women engaged in binge drinking with a number of men at the party. They all became intoxicated. The young woman remembers the room spinning and she and one of her girl friends were escorted to a bedroom by 2 men who lived in the house. She recalls coming in and out of consciousness while a number of men had sex with her and her friend. She recalls seeing four different men, none of whom she knew. Her friend remembers nothing.

Five die in car wreck in Winona: In 1997, five young people who died when their vehicle plunged into the icy Mississippi River in Winona, Minnesota were legally drunk. The drowning victims were students and alumni at St. Mary's University in Winona.

Anonymous: In 1995, a sophomore student at a college in Iowa and other pledges of a fraternity were required to attend a formal ceremony called the ''Big Brother/Little Brother Ceremony.'' The ceremony is a required meeting all pledges must attend in order to become an initiated member of the fraternity. The pledges were taken downstairs together, and after stating an oath, they left with their new ''Big Brothers.'' The sophomore and other pledges were given a variety of beverages which they were expected to drink. The sophomore consumed a 40-ounce bottle of beer and a flask of Southern Comfort liquor. As a result, he became intoxicated, unconscious and unable to properly care for himself sometime near 11 p.m. Then, he was taken upstairs by active members of the fraternity. During various times in the night and the next day, members of the fraternity observed the sophomore student lying unconscious, and members of the Fraternity drew on his skin including drawing a beard on his face. No one could wake up the student as he lay snoring loudly and gurgling. No one called for an ambulance either. After 12 hours of being left alone, another fraternity member went upstairs to check on the sophomore and discovered he was not moving or breathing. Paramedics were called to the scene. He was pronounced dead immediately. The medical examiner estimated his death at 7:00 a.m. He died of pulmonary edema, caused by acute alcohol intoxication. His blood alcohol level was measured to be .250 to .300 at its peak (Iowa law considers a person to be intoxicated at an alcohol level of .1 and .001 for under-aged drinkers. Most of the active members and pledges at the ''Big Brother/Little Brother Ceremony'' were under the age of 21.

OTHER

Mary Brklich: Mary Brklich, a sophomore at Hibbing Community College and single mother of three, will transfer to Winona State College after the spring semester to complete her bachelor's degree. The Student Support Services and faculty at Hibbing Community College have assisted Mary and other non-traditional students to set their academic and professional goals, and the Support Services provide the encouragement and resources to reach them.

Holly Spinks. Holly Spinks was a second year student at Century Community and Technical College in White Bear Lake, MN in 1997. She planned to transfer to the University of Minnesota to finish a degree in psychology so that she may become a counselor for diabetic children. Holly is diabetic, and annually spends approximately $3,000 for medical expenses. From two years of study as a full time student, Holly has already accumulated $10,000 in debt, and her mother is unable to help with the cost of school. She receives a annual $420 Pell Grant award and about $5,000 in loans, as well. The cost of school for Holly is roughly twice that amount. Holly affirms that the Pell Grant program must be fully funded and the minimum age for declaring independence must be dropped from 24 to 21. ''I am not asking for a hand-out,'' Holly said. ''I am actively working to take my place in society as a producer and taxpayer.''

Rick Harvala: In 1997, Rich Harvala, a student in the Marketing Program at Northwest Technical College in Moorhead, MN, lives independently of his parents and works full time at Pizza Hut to finance his education. Even though Eric receives the Pell Grant and Minnesota Grant awards, he has already accumulated $5,000 in debt. Eric is 19 years old. He worries that he is not devoting enough time to his studies because of his full time employment. Eric has managed to maintain a 3.87 GPA, but wishes he could focus on school more seriously and wonders how the rising costs will affect him in the future. ''If financial aid increases do not keep pace with the ever climbing costs of a college education,'' Eric explains, ''students will be forced out of college and the pool of educated employees will dwindle.''

WRESTLING

Steve King: Steve was a national wrestling champion at a small Minnesota high school. he decided to attend Notre Dame for the academies. But then the school eliminated the wrestling program just before finals week at the end of King's junior year. ''It was devastating,'' said King. Student athletes were not consulted about the decision, he added. ''We're informed, boom, the program's dropped,'' he said. He transferred to the University of Michigan, but he lost so many credits in the move that he had to go to summer school on his own money to be eligible. (Source: AP and Steve King)

Mr. WELLSTONE. I say to my colleague from Indiana, who is on the floor, my understanding is that we reached an accommodation or compromise when it comes to higher education and ''minor sports.'' We will have the GAO study that will go forward. And, in addition, we already have language in the bill that does call for a disclosure of financial information as to what is spent on different sports on the campuses. I think that is really important to a lot of us who were involved in some of these ''minor sports.'' And I see those sports being cut right now in our institutions of higher learning.

I thank my colleagues for their accommodation. They seem ready to speak. I said I would be brief. I am done, I say to the Senator from Maine.

I yield the floor.

Mrs. FEINSTEIN. I would like to engage in a colloquy with the bill's manager, Senator JEFFORDS.

In Title II, Improving Teacher Quality, the bill authorizes the Secretary of Education to award grants to states to reform teacher preparation and, on page 363, lines 13–15, ''to ensure that current and future teachers posses the necessary teaching skills and academic content knowledge in the subject areas in which the teachers are assigned to teach.''

In (1) beginning on lines 18, the bill includes as an authorized activity that can be funded by a grant, ''reforms that hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which teachers plan to teach, which may include the use of rigorous subject matter competency tests and the requirement that a teacher have an academic major in the subject area, or related discipline, in which the teacher plans to teach.''

I commend the committee for these provisions and believe they will be very helpful in training good teachers.

Could the gentleman clarify a point for me?

Mr. JEFFORDS. I would be pleased to.

Mrs. FEINSTEIN. The bill uses the language, ''academic content areas in which the teachers plan to teach.'' I am concerned that this would limit grants to programs that train teachers pursuing certain academic majors, such as biology or history or French.

My concern is that individuals in teacher preparation courses preparing to teach in the elementary grades might be excluded. Students in preparation to teach at the elementary level would not have an academic major, in the traditional sense that is directly related to the subject that they plan to teach, in part because elementary teachers teach all subjects.

Yet, I'm sure we all agree that strong teaching, particularly the teaching of reading and math at the elementary level, in the primary grades, is critical. It is fundamental to a student's educational success in the subsequent grades.

Do you not agree?

Mr. JEFFORDS. Absolutely. I agree.

Mrs. FEINSTEIN. And so, could you clarify that these funds could be used for teacher preparation programs preparing teachers to teach in elementary and secondary schools, in particular elementary reading and mathematics?

Mr. JEFFORDS. Yes, clearly, that is the intent. We do not intend to exclude the preparation of teachers for teaching at the elementary and secondary level and we agree that good instruction in how to teach reading and elementary mathematics should be a major emphasis because giving students a strong foundation in reading and math in the early years is critical to giving them a solid foundation for learning throughout their entire lives.

Mr. ASHCROFT. Mr. President, I would like to take this opportunity to speak about a provision that has been included in the managers' amendment of the higher education legislation that we are considering. Specifically, I have some reservations about a provision, offered by Senator CRAIG of Idaho, which expresses a sense of Congress regarding the protection of student speech and association rights.

I value highly the protections guaranteed to our nation's citizens under the First Amendment to the United States Constitution. Freedom of speech and association are cherished rights. They are foundational rights, in that the ability to speak freely and criticize the government are necessary to ensure that other constitutional rights are guaranteed and that the system of government erected in the Constitution functions well.

However, it must be remembered that the First Amendment was targeted against government oppression and designed to protect against censorship by the government—not by private individuals or institutions. The Bill of Rights was adopted to address the concern that the new federal government would not accord sufficient respect for the rights of individual citizens. It protects the citizens from the government, not from other citizens. As Thomas Jefferson wrote in a December 20, 1787 letter to James Madison, ''a bill of rights is what the people are entitled to against every government on earth.'' The protections of the Bill of Rights were designed to check specific abuses that can flow from government power; they were neither designed nor intended to be a general code of conduct applicable to all citizens. Indeed, a wholesale application of the Bill of Rights to all private citizens would turn these key protections on their head—provisions designed to safeguard individual liberty would become the instrument for limiting individual liberty.

The United States Supreme Court has long recognized the unique role of the Bill of Rights as a limitation on government action through the state action doctrine. With the exception of limited circumstances in which some heavily regulated quasi-private entities are deemed state actors for limited purposes, the Supreme Court has refused to treat private entities as state actors to which the Bill of Rights apply. Two cases, Flagg Brothers, Inc. v. Brooks from 1978, and Jackson v. Metropolitan Edison Co., from 1974, articulate the Court's position in this area.

The notion that the Bill of Rights is directed exclusively at government action is implicit in the First Amendment itself. The First Amendment protects citizens not only from government regulation of speech, but also limits the government's ability to interfere with the right of individuals to join together to form private associations and organizations, including private educational institutions. A private college or university may choose to remain private in nature so that it can maintain control over its educational mission and policies. Wholesale application of the First Amendment protections to private institutions does not vindicate the First Amendment right to speech, but rather ends up restricting the First Amendment freedom of association.

None of this is meant to suggest that the federal government should never impose conditions on private institutions that receive federal funds. Although there has been an excessive tendency toward applying such mandatory conditions, there are situations in which Congress can properly insist that organizations receiving federal funds maintain certain minimum standards or not use the funds for questionable purposes. Even in the specific context of federal funds directed to private institutions of higher learning, it

may be appropriate for Congress to insist that beneficiaries afford some rights to their students.

My concern is not that the Craig provision favors imposing some conditions on these institutions, but that it imports wholesale the limitations and restrictions developed over two centuries of cases interpreting the First Amendment. There is no reason to think that liberties designed to protect private individuals and entities from the government will strike the appropriate balance in the very different relationship between a student and a private college or university. Fortunately, the measure before the Senate today is not legislation that would impose the First Amendment directly on private educational institutions, but rather a sense of the Congress resolution that these constitutional limitations should apply to private institutions. I do not share that sense, and if the measure before the Senate were binding legislation, I would exercise my rights in an effort to change the legislation. However, in light of the non-binding nature of the Craig provision, I am content to note my views and concerns for the record.

Mr. KERREY. Mr. President, I rise today in support of S. 1882, the Higher Education Reauthorization Act, which is perhaps the most important piece of legislation Congress will pass this year to ensure that more Americans have a shot at the American Dream.

This legislation makes important strides both in improving the education students receive within colleges and universities and in increasing access to higher education.

For example, the bill makes significant improvements in teacher training. It authorizes $300 million for competitive grants to states improve teaching, and it also authorizes $37 million for grants to institutions with teacher education programs working in partnership with school districts in underserved areas in an effort to recruit teachers to communities that are most in need of assistance.

It also provides support for institutions that serve large numbers of low-income students. In particular it creates a new authorization for tribal colleges, which play an important role in educating students in my state of Nebraska.

But most importantly, this legislation is important because it opens the doors of higher education to more individuals. It helps more individuals acquire the knowledge and skills that will help them make better lives for themselves and their families.

Approximately $45 billion in this bill is devoted to postsecondary grants and loans for students. This is wise investment for all Americans because this financial assistance to obtain higher education helps individuals increase their earning power once they graduate. When we increase the income of Americans, we reduce spending and in turn reduce the tax burden on our citizens.

According to the U.S. Census, college graduates make an average of $600,000 more over their lifetime than do individuals without a college degree. That differential has doubled in the last 15 years.

An individual with a bachelors degree can expect to earn $1.4 million over the course of a lifetime. With a professional degree, that person can earn over $3 million in a lifetime.

But currently, on 60% of high school graduates go on to college, and by the time they are 25 years old, only about 25% have a college degree. Many young people have the intellectual ability to succeed in college, but they do not have the financial ability.

We still have much work to do as we try to figure out how to make higher education more affordable.

Nationwide we have about 10 million students enrolled in four-year and two-year public colleges and universities. About 83,000 of those students are in school in Nebraska.

We have about 2.5 million in private institutions—19,000 in Nebraska. About 36% of students nationwide receive some form of Title IV assistance: 22% receive Pell Grants; 22% receive subsidized loans; 10% receive unsubsidized loans; not to mention a smaller percentage who receive PLUS loans, Federal Work Study, Supplemental Educational Opportunity Grants, and Perkins loans.

In public institutions in Nebraska, the number of Pell grants is about 20,000. The dollar volume is $27.4 million. And the number of loans made to Nebraska students in public institutions is about 40,000. That dollar volume is $137 million.

This $137 million is a substantial increase over the 1990–91 loan dollar volume, which was $43.5 million. We must figure out how to bring student loan debt under control.

At the same time, we must remember that Title IV assistance goes to those most in need. 91% of Pell recipients have incomes of $30,000 or less. 65% of all recipients of subsidized loans have incomes of $30,000 or less.

This bill is a step in the right direction. It increases the authorization for maximum Pell Grants to $5,000 for 1999–2000. But it also calls for more reporting by institutions on college costs.

Reducing college costs and increasing access to higher education must be a joint effort. I am pleased to be a part of this effort.

I am also pleased to contribute to this legislation in a number of other ways. The bill includes a Web-based education commission to determine the Federal role in helping parents, students, and teachers identify high-quality educational software.

With Senator WELLSTONE and others, I encouraged the expansion of distance-learning opportunities through the Learn Anytime Anywhere partnerships.

We must also continue to stress the need for substantive partnerships between higher education institutions, K–12 institutions, and business communities.

Mr. President, I urge the Senate to pass S. 1882 so that all Americans will have a shot at achieving the American Dream.

Ms. SNOWE. Mr. President, we have before us the important task of reauthorizing the Higher Education Act for the next five years. I rise today in support of reauthorization, and I want to congratulate my friend, the Chairman, Senator JEFFORDS, for his efforts to bring the Senate a bill that makes a higher education more affordable to all Americans.

The Higher Education Act of 1998 continues a vital component of our nation's commitment to providing the very best education possible to our citizens. In particular, it is the programs reauthorized in this bill that to a great degree determine the shape of our federal presence in postsecondary education. In fact, nearly all of the available federal student aid, and about 70 percent of all financial aid awarded to postsecondary students, comes as a result of this act. And overall, Higher Education Act programs are responsible for an estimated $35 billion in grant, loan, or work-study assistance.

As we all know, the principal objective of the HEA is to expand postsecondary education opportunities, particularly for low income individuals, as well as increasing the affordability of postsecondary education for moderate income families. Since 1966, the Guaranteed Student Loans Program within the Higher Education Act—now called the Federal Family Education Loan (FFEL)—has provided over $143 billion to students. In 1993, the program reached an all time high of $16.5 billion in new loans.

Today, at a time when 71 percent of Americans—71 percent—think a college education is not affordable for most families, building on these successes is all the more pressing. That is why, throughout the reauthorization process, I have expressed the belief that it is critical we ensure the student loan program is strengthened in ways that will increase access.

I have always said that there is more to balancing the budget than making our debits equal our credits. Rather, it's about leadership, fiscal responsibility and being visionary in our investments. In order to survive the many multi-faceted challenges of the 21st century, we will have to invest heavily —more than ever before—in giving the essential tools to our country's greatest natural resource: today's students who are tomorrow's workforce.

That's why, as a member of the Senate Budget Committee, I have continuously fought to make education a priority during the balanced budget debate, and—specifically—have fought to preserve funding for the Student Loan program. In a world of increasing global competition, now is NOT the time to be reducing the Federal commitment to higher education!

The fact is, education is the great equalizer in our society that can give every citizen of our nation—regardless of race, income, or geographic background—the same opportunity to succeed in the global economy of the 21st century. This point is especially important when one considers that of the new jobs that are being created—and will be created—more than half of the new jobs that are being created will require education beyond high school.

Education is also the biggest single factor in the so-called ''income gap''. Consider these statistics from the Census Bureau: In 1990, for example, the average income for high school graduates was almost $18,000. But those who had 1 to 3 years of a college education, earned on the average $24,000. And those who graduated from college and received a college diploma received an average salary of $31,000. We simply must ensure that our young people have access to our system of higher education if they are to succeed in the changing global environment and maximize their earnings potential.

That's why the bill we're considering is so important. It maintains and improves the various grant, loan, and work study assistance programs already available under the Higher Education Act. It reduces the interest rate on student loans. It increases the maximum Pell Grant award by $200 per year, up to $5,800 by 2004. It removes various barriers for independent students seeking financial assistance. And it cancels loans for students who agree to teach for at least three years in high-need areas.

This is a significant step forward in our commitment to building a brighter future for the generations that will succeed us. I want to thank the members of the Senate Committee on Labor and Human Resources for their work on this bill, and in particular the Committee Chairman, Senator JEFFORDS, for accommodating some of my concerns in his manager's amendment. Because the federal role in higher education extends beyond loans, I believe that the changes which were incorporated have made for a stronger bill, and I appreciate his willingness to work with me on their inclusion.

The first provision increases the personal liability and responsibility of owners of proprietary schools to ensure their students receive the education that they were promised and purchased. This is important when you consider what happened to students at the Maine Academy of Hair Design, where the school was closed and the students left without recourse—or the education they paid for. I am pleased that the House bill already contains this provision, and its inclusion in the Senate version will ensure that it will be adopted in the upcoming House-Senate conference.

The second provision requires the General Accounting Office in consultation with the Inspector General at the Department of Education to issue a report to Congress outlining changes in federal law, and changes in administrative procedures at the Department, that would ensure property transfers, such as the recent one involving Nasson College and its former owner in my home state of Maine—could be prevented in the future. In the case of Nasson, the Department of Education conducted an auction in which purchaser and seller represented the same individual—the person ultimately responsible for paying on the mortgage, who for ten years had failed to make payments toward the $600,000 he owned to the Department, or to pay $28,500 in back property taxes to the community. It is an outrage—but, according to the Department of Education, perfectly legal. The language in the bill will help us in rewriting the law to prevent this from happening again.

And finally, I am pleased that the Committee, during markup, included a provision I authored along with Senator DODD to address the needs of low-income students who are parents. The ''Child Care Access Means Parents in Schools'' provision, or ''CAMPUS'', authorizes three-year grants to institutions of higher education to support or help establish a campus-based child care program serving the needs to low-income student parents. The Secretary will award grants based on applications submitted by the institution, and the grant amount will be linked to the institution's funding level for Pell Grants, in order to assure that the program reaches low-income students.

Senator DODD and I have worked together before on child care issues and I want to thank him for his leadership on the CAMPUS Act.

The bottom line is, students are more likely to remain in school, and to graduate sooner and at a higher rate, if they have CAMPUS-based child care. These services are particularly critical for older students who go back to school to get their degree or to improve their skills through advanced education. This is especially important in today's economy, where people need to continuously train and retrain in order to meet the demands of high-tech jobs.

Mr. President, this has been a carefully crafted bill that fulfills one of America's most important needs as we close out this century and look to the next. I wholeheartedly support this reauthorization of the Higher Education Act, and I urge my colleagues to do the same.

Mrs. FEINSTEIN. Mr. President, I am pleased today to support S. 1882, the Higher Education Act reauthorization bill.

The bill has several important features:

It authorizes $300 million for reforming and strengthening teacher training so that teachers will be better prepared to teach elementary and secondary students.

It continues student loans and increases the maximum authorized Pell grant from $4,500 to $5,800 in 1999 to help students regardless of income level get a college education.

It continues federal support for colleges and universities, such as science and engineering programs and graduate fellowships.

Education, particularly a college education, can open many doors in our society.

Today, approximately 22 percent of all jobs in the U.S. require at least a bachelor's degree, up from 15.8 percent in 1996, according to Occupational Outlook Quarterly. People with bachelor degrees have median incomes about 60 percent higher than for those with only a high school education.

In California, shifts in the economy make higher education more important than ever. Service-related jobs, such as those in high technology, have displaced many traditional manufacturing jobs. These new jobs require a level of knowledge and skill that can for the most part only be gained by a college education.

There are at least three specific factors that make this bill important to my state:

First, California has 21,000 teachers on emergency credentials and will need up to 300,000 in the next decade.

Second, California has many first generation, bilingual and ''nontraditional'' students, that this bill will assist.

Three, the bill provides for increases in several student assistance programs. Californians receive $1.7 billion in federal student financial aid. Over 400,000 Pell grants go to California students.

5th year Pell grant. The Senate today unanimously accepted my amendment to authorize the Secretary of Education to award on a case-by-case basis Pell grants for disadvantaged students for the fifth year of teacher education required in California to get a teaching credential. This will enable many disadvantaged students to become teachers, at a time when we are facing a severe teacher shortage and have 21,000 teachers in the classroom on emergency credentials.

Distance learning. I am also grateful that the managers have accepted two of my amendments to the distance learning demonstration (teaching away from the traditional campus via a computer, teleconferencing or other technologies). The manager's amendment includes a clarification that university ''systems'' (e.g., UC system, CSU system) would be eligible and the bill now authorizes 15 sites, up from 5 authorized in the committee bill.

Limited English Proficient Students/School Districts: The bill authorizes state grants for innovative ways to reduce teacher shortages in high poverty areas. At my suggestion, the bill includes as eligible or target areas, school districts with disproportionate numbers of limited English speaking children. This is especially important in California, where 1.3 million students have limited English proficiency,

a tripling since 1986, and where 87 languages are spoken.

Study of Few Borrowers: The bill provides that schools whose student loan default rate exceeds 25% for three years will be ineligible to participate in the student loan program. For schools like California's community colleges, that have just a few borrowers, this method gives the appearance of having a very high default rate. For example, if the school has only four borrowers but two defaulters, they would have a 50 percent default rate. The manager's amendment includes my suggestion of a study of the effectiveness of this measurement method by September 30, 1999.

Enrollment in California's public schools, the college generation of the future, is growing at three times the national rate. Enrollment in the three major segments of higher education will increase by 28.9 percent, or by 549,144 students, between 1996 and 2006, according to the state's Department of Finance.

California will have this surge in college applicants because (1) the number of high school graduates has increased by 22 percent since 1993; (2) many adult workers are changing careers by choice because of organization restructuring, or to enhance their employment skills; (3) migration to California from other states and countries is continuing; and (4) more Californians over 40 are pursuing lifelong learning.

California's higher educational system has four components: the University of California system, the California State University system, the community system, and private colleges and universities.

The University of California (UC) consists of nine campuses that served 129,257 undergraduate students and 40,605 graduate students in fall 1997. UC educates approximately one in twelve of all postsecondary students in California, and includes the top one-eighth of high school graduates. Total enrollment at UC is projected to grow by about 36,500 students by fall 2006.

In addition to providing instruction in liberal arts and the sciences, UC has exclusive public responsibility for doctorate, law, medicine, dentistry, and veterinary medicine degrees. The UC campuses, especially Berkeley and UCLA, are some of the most prestigious public or private institutions in the nation and the world.

The California State University System (CSU) consists of 22 regional campuses with 276,054 undergraduate students, and 67,725 postbaccalaureate and graduate students enrolled in fall 1997. This was one in six of every student enrolled in higher education in California. Enrollment is expected to grow by 31.4 percent or 105,809 students by year 2006.

Another characteristic of the CSU system is its large number of ''nontraditional'' students, students who are older than the usual college age. This is because many community college graduates transfer to CSU and many CSU students are working people seeking to progress professionally or maintain technical proficiency.

CSU's primary function is to provide instruction in the liberal arts and sciences and CSU prepares 60 percent of the state's teaching force with 21 teacher preparation programs.

The need for new teachers in my state is especially critical because there are currently 31,000 elementary and secondary classrooms being taught by men and women without full teaching credentials.

A major emphasis of the bill to which I give my full and enthusiastic support is to increase support for teacher education and to emphasize reform, accountability, and competency. Funds are provided to both states and postsecondary institutions for strengthening teacher training.

Another important element of higher education in California is the California Community system, the largest community college system in the world. Its 106 campuses provided vocational, academic, and community service programs to over 1.4 million students of varying ages, income levels and educational backgrounds in 1997. Roughly three of four public postsecondary students were enrolled in community colleges. The system is expected to increase by 28.9 percent as its attendance is projected to be over 1.8 million by fall 2006. A notable increase between 1990 and 1997 has been in the age group 50 and older, which grew by 21 percent.

Students at community colleges are older and tend to be employed full-time, many supporting families. Approximately 41 percent of community college students are in the 20–29 age group. Older students, particularly those over 40, are seeking postsecondary education for several reasons, including career enhancement, job displacement, divorce (especially for women), personal growth, and reforms in government assistance programs.

The student aid provisions of the bill will be particularly helpful to these students.

The bill also helps three specific types of institutions: Hispanic-serving institutions, tribal colleges and universities, and historically Black colleges and universities. Although California does not have any historically Black universities, more than 2,000 students do attend Hispanic-serving institutions and tribal colleges and universities. DQ University in Davis serves Native Americans from California and other states; and the National Hispanic University is a California higher education institution with a 25 percent or more Hispanic enrollment. This reauthorization bill strengthens these institutions by providing special grant awards to help them serve these populations and to become financially stable.

Student financial aid is a critical component of higher education in California. Expenses for tuition and supplies at California's postsecondary institutions, public and private, averaged $19,500 during the 1997–98 school year. The California Postsecondary Education Commission estimates that 50–55 percent of students at California's public and private institutions are receiving some form of state, federal or institutional financial assistance.

Federal student grant and loan programs since 1973 have enabled people to go to college. Tuition at higher education institutions throughout the United States is increasing at rates higher than the consumer price index (CPI) and the growth in family incomes. This is particularly troubling for California, a high cost state. In 1993 the CPI was 2.7 percent and average undergraduate fees for the University of California system was $3,044.00. The CPI in 1997 was 1.7 percent while the UC fees rose to $4,166, an increase of 136.9 percent!

Total expenses during the 1997–1998 school year to attend the University of California at Berkeley were $13,169 a year; at UC San Diego, $13,400; at California State University, Chico, $10,000. For private schools, the costs are more than $20,000 a year—at Occidental, $26,000; University of the Pacific, $25,000; and Stanford, $30,000. College affordability is becoming more difficult.

By continuing federal grant and loan programs, this bill will be a big help to many California families.

I strongly support S. 1882, the Higher Education Act Reauthorization of 1998 because it continues the federal commitment to an important endeavor of our society, the pursuit of a college education, increasingly the gateway to economic self-sufficiency. It will also revamp and toughen federal support for teacher training, a dire need in my and most states.

I hope my colleagues will join me in supporting this bill.

Mr. LIEBERMAN. Mr. President, I rise today to express my strong support for the teacher training amendment that Senator BINGAMAN has offered. I am proud to be his prime cosponsor, and I want to thank the Committee leadership for agreeing to accept this provision as part of the managers' amendment.

The proposal we have put forward addresses an issue critical not just to the future of our public schools but to our nation as a whole—the quality of teachers who will be preparing our children to be productive 21st century citizens and to compete in the Information Age economy.

There is growing evidence that many of the education schools charged with developing the next generation of teachers are failing at their fundamental mission. Our amendment seeks to focus attention on this problem, to push these seedbeds of teaching to set higher standards for their graduates, to hold them accountable when they don't, and ultimately to raise up the quality of the next generation of American teachers.

To understand the importance of this problem, it is important to first put it into the context of today's education debate. We all recognize that we have many outstanding public schools and many outstanding teachers working in them, men and women who are heroes in every sense of the word, for their dedication to helping America's students to fulfill their potential and realize their dreams. But it is becoming readily apparent that there are also many schools that are not meeting our expectations, that are failing to provide many students with the academic skills they need to succeed in an increasingly knowledge-based labor market, and that in particular are denying a distressing number of inner city children any chance of escaping the poverty and hopelessness that surrounds them.

We hear this over and over from parents, who tell us that they are deeply concerned about the health of our education system and who list improving our schools as their top priority. And we see this over and over in the mounting number of alarming studies and surveys that have been released recently, which taken collectively indicate that we remain a nation at risk even 15 years after that landmark report was issued.

One of the most publicized and compelling warning signs came from the latest results of the TIMSS test, which showed that our 12th-graders ranked near the bottom of the world in their knowledge of math (19th out of 21 nations) and science (16th out of 21). Our advanced students did even worse, scoring dead last in physics.

Another troubling indicator came from a broad Public Agenda survey of employers and college professors, the prime consumers of K–12 education in this country, which found profound dissatisfaction with the way public schools are preparing students. More than 60 percent of employers and three quarters of professors said they believe that a high school diploma is no guarantee a student has learned the basics, and nearly 7 out of 10 employers said the high school graduates they see are not ready to succeed in the workplace.

With this heightened scrutiny, it is becoming clear that a big part of the problem is the caliber and performance of many of the teachers we count on to help our children meet the increasingly high standards we are setting for them. The fact is that many college students who choose to go into teaching today fall near the bottom of their peer group academically—a survey of students in 21 different fields of study found that education majors ranked 17th in their performance on the SAT. For those that go on to become secondary school teachers, a stunning member lack any expertise in their core field of instruction—one national survey found 36 percent did not major or even minor in their main teaching subject.

Also alarming is the dismal performance of many teaching candidates on state licensing and certification exams and other assessments of their qualifications. In Hawaii, for example, more than half of the 986 hires made in this past school year either failed to pass or complete certification tests that by all accounts have generous cut-off scores. In Long Island, only one in four teaching candidates in a pool of 758 could pass an English test normally given to 11th-graders. And most recently in Massachusetts, in a case that has received national media attention, 59 percent of the 1,800 candidates who took the state's first-ever certification exam flunked a literacy exam that the state board of education chairman rated as at ''about the eighth-grade level.''

The situation in Massachusetts has generated real outrage, and for good reason. Studies have shown conclusively that the quality of teaching is one of the greatest determinants of student achievement, and also that low-performing students make dramatic gains when they study with the most knowledgeable teachers. So we should be deeply troubled by the trends we are seeing, especially when we consider that the surge in student enrollment we're expected to face over the next decade will necessitate the hiring of up to 2 million new teachers. If we do not confront this problem now, we could be facing an incompetence boom in our schools that would doom our hopes of true education reform.

A number of states have begun to respond to the crisis in teacher quality and reevaluate their standards for certification and the tests they use to judge subject knowledge. Texas in particular has been at the forefront of this movement, implementing a comprehensive teacher quality and accountability plan that among other things will crack down on education schools that continually churn out unqualified graduates.

But this is truly a national problem that demands a national response, and the legislation we are considering today offers us a valuable opportunity to do something concrete to fix this problem. The underlying bill makes an important step in that direction through the new teacher training title it creates, which will encourage states and local school districts to: set tougher standards for their certification exams; expand efforts to recruit top-notch teachers in high-need content areas like math and science; improve their professional development programs for veteran teachers and mentoring programs for newcomers; and to create new partnerships that will draw on the expertise and resources of the business and higher education communities to produce better, more knowledgeable teachers.

The amendment that Senator BINGAMAN and I have proposed, and that the Committee leadership graciously accepted, is meant to be a complement to that new title, in that it targets the problem of teacher quality at its source, the nation's education schools. While there are many excellent training programs interspersed throughout the country, there are also a surprising number of schools that are routinely graduating inept teaching candidates. Many of these aspiring instructors are incapable of passing even the most watered down certification or licensing exams—in fact, the pass rate at more than a few schools is below 50 percent. This situation is simply unacceptable, given the children's lives involved, and we believe our amendment will go a long way toward fixing it.

Among other things, our proposal would force the states, local school districts and the general public to confront the severity of this problem. The truth is that most people don't know how poor some of these teacher training programs are, in large part because most ed schools do not disclose their pass rates as other professional schools generally do. Our amendment would change that by requiring education schools to widely publicize the results of their graduate's performance on state certification and licensing exams. It would also require each state to collect a broad array of data to produce a report card on teacher quality, which in turn would be forwarded to the Department of Education to compile a national report card, allowing us to measure for the first time the caliber of America's teaching force.

But this amendment, which is comparable to a provision the House passed overwhelmingly, is not just about opening our eyes to bad programs. It's about closing the door on the worst of them, and holding those chronic underperformers accountable. Under our plan, states that receive funding under the Higher Education Act would be required to identify those teacher training programs that are failing and to then take action against them if they do not improve, including withdrawing state approval and terminating financial support. To show that we mean business at the Federal level, our amendment would disqualify any education school from participating in the Federal student aid programs if a state goes so far as to sever its ties with that program.

Mr. President, we recognize that this legislation on its own will not magically turn every new teacher into Socrates. It is going to take a lot of hard work in each school district and each individual state to change the way we have been operating for many years. We are convinced that this plan will help to lay the groundwork for a new national effort to improve teacher quality, and will thereby make a significant contribution to our broader goal of lasting education reform. Our optimism has been reaffirmed by the broad bipartisan support this amendment has received here in the Senate and the House and by the welcome endorsement we received from both major teachers unions.

Again, I want to express my appreciation to the bill managers for their

willingness to accept our amendment, and I look forward to its passage. Thank you.

Mr. SMITH of Oregon. Mr. President, before I begin, I would like to thank my colleague, Senator JEFFORDS, for his leadership on this bill.

Mr. President, I believe the reauthorization of the Higher Education Act reestablishes our commitment to the young people of our Nation by focusing on one of our Nation's founding principles—opportunity.

By improving the quality of teacher training and recruitment, increasing the purchasing power of students through Pell grants and other forms of student assistance, and by improving access to higher education for students with disabilities, this legislation provides opportunity for the young people of our Nation to seek a higher education.

While I could continue to talk about the many merits of this bill, there is one issue that has been of great concern to me and to the students and parents of my State, and that is the rapidly rising cost of tuition. Even as we battle—successfully-every year to give more and more of our Nation's children an opportunity to seek a higher education by expanding Federal financial assistance, the cost of tuition continues to increase far beyond the Consumer Price Index—thus offsetting out efforts to expand education opportunities. We are winning the yearly battle but faring not nearly so well in the war.

In the 1997–98 school year, average undergraduate yearly tuition and fees for public 4-year institutions of higher education were $3.111, representing a 97-percent increase from the 1988—89 school year. For private 4-year institutions, tuition and fees that same year were $13,664, representing an increase of 71 percent. As a result, students and families have become increasingly dependent on Federal financial aid in the form of grants and loans. In the 1996–97 academic year, Federal loan programs provided over $30 billion in financial aid to students.

Even as we have continued to provide assistance to our students over the last 10 years, a troubled trend has developed. Student financial aid in the form of loans is disproportionate to the amount of financial aid received through grants. In the 1996–97 academic school year, 60 percent of Federal, State and institutional students financial aid was distributed through loans.

The combination of a decline in Federal grants and an increase in tuition cost for both public and private institutions has forced many students and families to seek Federal loans to pay for a higher education. I believe our goal in expanding the availability of student loans can't be simply to replace disappearing grants and subsidize vast tuition increases. Our goal is to expand opportunity. And so, providing money is not enough; we must control costs. Some have suggested that Federal incentives may be one way to control rising tuition rates. While this may not be a popular suggestion, we cannot afford to continue this cycle and this game of cat and mouse with our Federal education dollars.

Earlier this morning, my colleague from Connecticut, Senator DODD, addressed this issue in great detail and made some excellent points with respect to access and affordability. Basically, we're pricing parents and students out of the education marketplace by limiting the number of Federal grants. It is my hope that we can work together to change this disparity in the ratio of loans to grants and to find ways to streamline the existing student financial assistance structure so that the good we do here on a bill like this isn't undermined by tuition rates which increase even more quickly than our ability to adequately meet the financial needs of our students.

However, in the meantime, I am pleased that the chairman, Senator JEFFORDS, has included a sense-of-the-Senate provision in this bill on behalf of myself and Senator WYDEN that expresses these concerns.

Mr. President, it was once said that ''education is a social process. Education is growth. Education is not preparation for life; education is life itself.'' I believe this bill represents our commitment to our students by providing them with the access, assistance, and the opportunity for a higher education. Education—the process of learning—is what drives us, fulfills us, and inspires us to achieve, and I believe it is our collective responsibility as legislators, and as citizens of this country, to sustain it. Again, I thank my colleague, Senator JEFFORDS, the members of the committee and their staff for their work on this important legislation.

Mr. TORRICELLI. Mr. President, I rise today in support of the Higher Education Reauthorization Act of 1998 (S. 1882). I commend my colleagues, Chairman JEFFORDS and Senator KENNEDY, for their hard work and leadership on this most important legislation. There are few pieces of legislation in this Congress that are as important to American families.

I would also like to express my gratitude to Senators JEFFORDS and KENNEDY for including in this bill two amendments I authored and which I think are critically important for students across the nation.

The first, the Torricelli Campus Hate Crimes Right to Know Act, would expand the campus security information available to the over 14 million students and their parents who apply to college every year.

In 1990, the Crime Awareness and Campus Security Act, was enacted in response to a steady rise in violent crime on some college campuses. This legislation paved the way for families to obtain vital security information about their college campuses. However, it is clear the law needs strengthening. Currently, the Campus Security Act requires colleges to report only those hate crimes motivated by race, religions, national origin, sexual orientation, or ethnicity, and those that result in murder, rape, or aggravated assault. This dual reporting requirement severely limits the ability of prospective students to gain information about the safety of a campus.

Our nation's college campuses should be a refuge from crime, particularly heinous attacks motivated by hatred and bigotry. The disturbing truth, however, is that college campuses are often fertile ground for bigotry. Twenty-five percent of minority college students attending predominantly white colleges have been victims of a hate crime. In 1996, 90 incidents of anti-Semitic activity occurred on college campuses.

Students and their parents have the right to know about any crimes, particularly those involving hatred and bigotry, that were committed on a college campus they will call home for four or more years. My legislation, which is now part of the Higher Education Act, will ensure they get that information.

The Torricelli Campus Hate Crimes Right to Know Act lists hate crimes as one of the reportable offenses and expands the definition of a hate crime to include those that result in robbery, burglary, arson, motor vehicle theft, vandalism and simple assault. The legislation also expands the definition of a hate crime to include gender and disability.

I am grateful to my colleagues, Senators JEFFORDS and KENNEDY for including this language in the Higher Education Act to provide students and their parents with vital information so that they may better protect themselves against such crimes.

Mr. President, I would also like to express my gratitude to the managers of this bill for including another piece of legislation I introduced.

This legislation undoes a travesty. We are inadvertently penalizing student reservists who are called to active duty and deployed overseas in places like Bosnia. While these courageous individuals are enduring great personal sacrifice in the service of their country, we are putting them at a financial disadvantage by starting the clock on the six month grace period for paying back their federal student loans.

Since the average call-up for a student reservist now lasts for 270 days, the grace period on their loans expires. Instead of returning home to a hero's welcome, they are coming home to a mailbox full of default notices. Although the Department of Education can grant deferments to these students upon their return, federal law prohibits reinstating the six month grace period, so interest continues to accrue whenever they are not attending classes. It is unfair and inconsistent with our increased reliance on the Reserve forces to call up these students to serve in

harm's way, and, at the same time, to keep the clock running on their six month grace period for paying back their student loans.

This amendment, which is based on legislation I have introduced with Senators SESSIONS, HUTCHISON, DEWINE, CLELAND, D'AMATO and BINGAMAN, will not provide these veterans with any special treatment or benefit. It will simply guarantee that the repayment status on their student loans will be the same when they return as when they left.

These selfless Americans are helping to maintain a tradition that is over 350 years old, and extends back in time to before the founding of our Republic. Historically, militia and National Guard units have fought with honor in all major U.S. military operations from 1637 to the present. Today, these dedicated individuals represent all fifty states and four territories, and truly embody our forefather's vision of the American citizen-soldier. Reservists are active participants in the full spectrum of U.S. military operations, from the smallest of contingencies to full-scale theater war, and no major operation can be successful without them.

Since the start of operation Joint Endeavor almost 1,000 New Jerseyans have served with the New Jersey Air National Guard in Bosnia, and right now there are New Jerseyans on the ground in the Balkans fulfilling the requirements of the Dayton Accords. It is important for us to acknowledge their sacrifice so that we never forget what it means to be truly selfless.

In closing, Mr. President, I would like to thank Senators JEFFORDS and KENNEDY and their staffs for all of their hard work on the Higher Education Reauthorization Act and for their assistance with these two amendments.

Mr. MCCAIN. Mr. President, I rise today to express my support for S. 1882, the ''Higher Education Reauthorization Act of 1998. This important piece of legislation provides the authority for a litany of education programs which are intended to provide low and moderate income families with opportunities for postsecondary education.

It is my firm belief that our nation's colleges, universities, and post-secondary institutions have been and will continue to be the key to equal opportunity and economic advancement in our society. Each year, enrollment increases in postsecondary institutions around the country as more and more people realize the important role education plays in their economic future as well as the personal fulfillment and growth which can be achieved through higher education. It is imperative that we continue to encourage students of all ages to continue their studies and take advantage of the opportunities available for them at our nation's colleges, universities and postsecondary institutions, which are the finest in the world.

The rising cost of college and higher education continues to be a major concern for American families. Tuition for college continues to skyrocket, making it harder and harder for working families to save and pay for their childrens' education. Over the last twenty years the average tuition at public 4 and 2 year educational institutions has increased by 400% while tuition at private 4 year institutions has increased more than 440%. These are unnerving statistics for parents just starting their families, but terrifying to families with college-bound children.

This bill addresses these financial concerns of American families by increasing the availability of grants and loans to students and their families. It also provides students with the lowest loan interest rates in nearly two decades. These programs work together to help make college affordable for millions of Americans and alleviate their anxieties about incurring excessive debts.

In addition to making college more affordable for all Americans, this piece of legislation includes many programs which help strengthen educational opportunities for millions of low income or high risk students. This bill expands early intervention programs such as TRIO. As many of my colleagues know, the TRIO program reaches out to high risk students in high school and provides them with the encouragement, tools and personal training necessary to succeed in college. Personally, I have seen the success of the TRIO program in my home state of Arizona where this program has played an important role in encouraging Native American and Hispanic children to finish high school and to go on to receive their college degree and often their masters degree.

Another important component of this bill is the establishment of a comprehensive program promoting statewide reforms to enhance the performance of teachers in the classroom by improving the quality of teacher training. Having professional, well-trained teachers is an essential component for ensuring that our children achieve high educational standards. These new teacher training programs will be held to high standards and accountability to ensure that meaningful training is occurring. Finally, in our concerted effort to increase the number of students entering the teaching profession and serving our nation's underserved urban and rural areas this bill provides financial incentives for individuals who enter the teaching profession.

By passing this piece of legislation, Congress is strengthening our nation's education system while helping students get a college education, which is an important and essential investment for our country. This is why I am proud to support this bill and commend my colleagues on the Labor Committee for their dedication to this important matter.

Mr. GRAMM. Mr. President, I would like to thank Senator JEFFORDS for his leadership in bringing the important Higher Education Act Amendments bill to the floor of the Senate. The bill reflects a great deal of hard work and difficult compromises on a number of issues, particularly with regard to the FFELP, the Federal Family Education Loan Program.

However, there remains an issue of importance to my home state of Texas regarding state secondary markets that I and my colleague from Texas, Senator HUTCHISON, are concerned about. While I understand that you did not include a provision in the bill addressing this issue, I would nevertheless ask that you and the other members of the Committee continue to review the matter and seek an acceptable provision to address it.

As you know, each state is authorized to designate one state secondary market that may also act as an eligible lender under the FFELP. For most states, which have only one state secondary market, this is not a concern. However, Texas and several other states have multiple state secondary markets. The multiple secondary markets in these states are the only state secondary markets in the country that are not considered under the law to be either eligible lenders or eligible holders of student loans. Rather, these secondary markets must go through the costly and burdensome exercise of utilizing an eligible lender bank trustee in order to effectively hold and originate loans.

This is inconsistent with the intent of the FFELP—to ensure maximum access to student loan capital, and does not appear to meet any significant policy objective of the FFELP. Particularly at a time when lender yields and the number of lenders under the FFELP are declining, it is becoming increasingly important that these multiple secondary markets have the same ability to add capital to the student loan system as the secondary markets in single-market states now have.

Moreover, if the multiple secondary markets in Texas and other states were granted eligible lender status, it is my understanding that there would be virtually no change in the level or type of government regulation and oversight that these multiple secondary markets would be subject to. In Texas, this regulatory oversight includes a variety of state and federal agencies, including the Internal Revenue Service, the Securities and Exchange Commission, the state guarantee agency, the state attorney general, the state bond review agency, state auditors, private bond rating companies, private auditors, municipal governments, and individual boards of directors and corporate officers. While the exact type of regulation of multiple secondary markets varies somewhat from state-to-state, my understanding is that the granting of eligible lender status would again not reduce or otherwise change that oversight.

Thank you very much for your willingness to continue to consider this

issue, and I look forward to working with you in this regard.

Mr. JEFFORDS. I thank the Senator, and I appreciate your support for higher education in Texas and your interest in this particular issue. I certainly understand your concern and your desire to ensure that all state secondary markets are treated equitably and that they are able to fully participate in the FFEL Program. I, too, want to see this important program and all its participants succeed so that students continue to have adequate access to affordable loans for their post-secondary education goals.

While this specific issue is one that we have not yet held hearings on in the Labor and Human Resources Committee, I am interested in doing so in order to thoroughly review the merits of granting eligible lender status to all state secondary markets. As this process continues, I will certainly seek the input and suggestions of you as well as Senator HUTCHISON.

Mr. GRAMM. I thank the Senator and I thank the Chair. I yield the floor.

Mr. COATS. Mr. President, this bill represents a strong bi-partisan consensus on the Labor Committee to ensure that students maintain access to post-secondary education through vital student opportunity programs, such as TRIO; healthy, stable, and streamlined loan programs; and a simplified student aid process. I am pleased to have contributed to this important bill and look forward to its quick passage today and on the floor.

This bill was developed using several guiding principles. First, we strove to maintain the primary focus of the Higher Education Act since its inception in 1965, which is to ensure that students have access and opportunity to pursue higher education. We have strengthened the major student opportunity programs in the Act by focusing more on the needs of low-income students through an expanded Pell Grant program, and making needed reforms to the TRIO programs.

In an effort to ensure continued access to higher education programs for all students, these amendments also include a new, low interest rate for student loans. This legislation sets a student loan repayment rate of 7.43 percent which represents a significant reduction in the interest rate for students. The interest rate that was scheduled to take effect on July 1, 1998 would have destabilized the successful Federal Family Loan Program by causing thousands of lenders to stop making student loans which would have left students without loans for the school year. The interest rate included in these amendments provides a significant reduction to students while maintaining the long-term viability of the student loan programs and ensuring that students will continue to have access to private loans at the lowest interest rate in 17 years.

Another vital principle for these amendments was the improvement and modernization of the student aid delivery system. This legislation creates a Performance-Based Organization (PBO) within the Department of Education aimed at providing quality service to students and parents. The utilization of this PBO which will incorporate the best and most successful practices in the private financial sector, coupled with other reforms aimed at streamlining the student aid regulatory requirements will result in a better managed and higher quality federal student aid system.

A third principle which guided these amendments was the need for much-needed reform of teacher preparation programs. A recent report found that 36 percent of teachers in the core subjects, such as math and science, neither majored nor minored in those subjects. Annually, more than 50,000 under-prepared teachers enter the field, which means about 1 in 4 new teachers are not prepared to meet the enormous responsibilities of teaching. This shortage of qualified teachers is the only real shortage of teachers in this country, and it most seriously impacted inner-city students who are often taught by teachers who lack a degree in their subject matter. This problem is growing—between 1987 and 1991, the proportion of well-qualified new teachers entering the field declined from 74% to 67%.

I am very pleased that these amendments include a new initiative for teacher training and professional development aimed at addressing the shortage of qualified teachers in this country which replaces most of the existing teacher preparation programs with a two-pronged approach. This initiative encourages state level reforms intended to produce well trained and highly competent teachers, and local level partnerships intended to improve under-performing teacher education programs.

States will compete to receive some of these teacher training dollars and can use the grants to strengthen their teacher certification requirements, create or expand alternative certification programs to attract highly qualified people from other occupations to the teaching profession, to decrease the shortage of highly qualified teachers in high need areas, or to develop programs which reward excellent teachers and remove unqualified teachers.

This reauthorization was also guided by a strong desire to streamline and consolidate the many programs and activities which are found in the Higher Education Act. This Act has become increasingly complex over the years and these amendments make great strides in simplifying the Act and better targeting its programs and activities.

I would like to thank the staff who have worked on this important legislation for the last year: on Senator JEFFORD's staff, Susan Hattan, Jenny Smulson, Scott Giles, Cory Heyman, and Pam Moran have done excellent work on this bill. In addition, Marianna Pierce with Senator KENNEDY and Suzanne Day with Senator DODD have worked diligently to ensure that this bill represents a strong bipartisan consensus. Thank you all so much for your long hours and excellent work.

Again, I am pleased to have been a part of crafting this important legislation.

OLYMPIC EDUCATION SCHOLARSHIP

Mr. LEVIN. Mr. President, I would like to engage the chairman of the Committee on Labor and Human Resources, Senator JEFFORDS, in a colloquy on an important measure which will be a subject of discussion during the House-Senate conference on the Higher Education reauthorization Act.

It has been observed that America does not send its athletes to the Olympic Games, Americans do. Indeed, the U.S. Olympic Committee, whose responsibilities include the support for training and selecting athletes to represent the United States in the Olympic and Pan America Games, is the only major national Olympic Committee from among the 197 participating nations that receives no funding whatsoever from its federal or state governments. All funds for training U.S. athletes must come from private sources, including an individual's personal resources.

In September 2000 more than 800 young American men and women will gather in Sydney, Australia to represent their countrymen in the XXVII Olympiad. They will join more than 10,000 other athletes from nearly 200 nations to engage in friendly competition. Many will have spent more than a decade preparing for what Jesse Owens once referred to as ''fifteen seconds of glory.''

As they have since the modern Olympic Games were instituted in 1896, Americans back home will follow with great pride the accomplishments of the U.S. athletes, and will vicariously share in each triumph. But when the Olympic flame is extinguished and our American heroes return home most will leave forever the athletic careers to which they have devoted so much of their lives.

The greatest homecoming we can prepare for our U.S. athletes is assistance in obtaining the educational foundation that will enable them to pursue productive lives outside of their athletic arenas. We can achieve this by reauthorizing the Olympic Education Scholarship program. Originally authorized in 1992, this important program recently expired; however, reauthorization language has been included in the House version of the Higher Education Act and it is my hope that our Senate conferees will support the House reauthorization of this important Olympic Education Scholarship program. The $5 million authorization level for this program would be an important step toward allowing these

young men and women to simultaneously advance themselves on the training field and in the classroom.

Mr. JEFFORDS. Mr. President, I would like to say to the Senator from Michigan that I am tremendously impressed with the dedication, determination, and work ethic of our Olympic hopefuls. Given the opportunity, the same ethic suggests that they would apply similar dedication to academic endeavors. Balancing a schedule of rigorous training and education is very difficult for any person. Our Olympic athletes should be in the position to acquire post-secondary education after representing our country in the Olympic games. For these reasons, I pledge to the Senator from Michigan my efforts in the conference to consider the House language which reauthorizes the Olympic Education Scholarship.

Mr. LEVIN. Mr. President, I ask unanimous consent that two letters to the Chairman and Ranking Member of the Labor Committee, signed by myself, Senator BEN NIGHTHORSE CAMPBELL, Senator WAYNE ALLARD, Senator DANIEL PATRICK MOYNIHAN, Senator SPENCER ABRAHAM, Senator ALFONSE D'AMATO, Senator DIANNE FEINSTEIN, and Senator BARBARA BOXER, be included in the RECORD following this colloquy.

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

WASHINGTON, DC,
June 26, 1998.

Hon. JAMES M. JEFFORDS, Chairman,
Hon. EDWARD KENNEDY, Ranking Member,
Labor and Human Resources Committee, Washington, DC.

DEAR JIM AND TED: We write to request your support for an amendment reauthorizing the Olympic Education Scholarship (OES) program which we wish to have included in your manager's amendment to the Higher Education Reauthorization Act of 1998 (HEA). Originally authorized in 1992, this important program recently expired. Reauthorization language has been included in the House version of HEA. A copy of our proposed amendment is attached.

The OES program will help America's athletes advance their education while training at U.S. Olympic Training Centers through a targeted educational scholarship program. Without such a program, many American athletes have been forced to put aside higher education as they deal with the extraordinary demands of Olympic training. Sadly, once their Olympic careers are over, many of these athletes find themselves without the educational tools necessary to move forward. The $5 million authorization level for this program would be an important step toward allowing these young men and women to simultaneously advance themselves on the training field and in the classroom. This is particularly true for the Olympic athletes who train at the USOC training centers in Lake Placid, New York; Colorado Springs, Colorado, San Diego, California; and Marquette, Michigan.

Sincerely,

CARL LEVIN.
DANIEL PATRICK MOYNIHAN.
SPENCER ABRAHAM.
BEN NIGHTHORSE CAMPBELL.
WAYNE ALLARD.
ALFONSE D'AMATO.

WASHINGTON, DC,
July 8, 1998.

Hon. EDWARD KENNEDY,
Ranking Member, Committee on Labor and Human Resources, Dirksen Office Building, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: I am writing to request that you include in your manager's amendment to S. 1882, the Higher Education Act of 1965, support for the Olympic Training Scholarship Program.

The program provides financial support for American athletes with their education while they train for the Olympics. Many of our Olympic athletes have had to either postpone their education while they train or forego opportunities to participate in the Olympics. Unfortunately, many who postpone their education often find themselves without sufficient education to establish professional careers. The $5 million authorization level for this program would allow these young men and women to simultaneously study and train for the Olympics.

I appreciate the support of the committee and look forward to working with you to address California's needs. Please do not hesitate to call on me if I can be of further assistance.

Sincerely yours,

DIANNE FEINSTEIN,
U.S. Senator.

WASHINGTON, DC,
July 9, 1998.

Hon. JAMES M. JEFFORDS,
Chairman,
Committee on Labor and Human Resources.

DEAR MR. CHAIRMAN: I am writing to request your support for including a reauthorization of the Olympic Education Scholarship (OES) program in the manager's amendment to the Higher Education Reauthorization Act of 1998.

The OES program helps America's athletes advance their education while training at U.S. Olympic Training Centers through a targeted educational scholarship program. Without this program, many American athletes may be forced to postpone higher education due to fiscal restraints. Once their Olympic careers are over, many of these athletes are without the educational background necessary to move into professional careers. The $5 million authorization level for the Olympic Education Scholarship program would be an important step toward allowing these young men and women to advance themselves both on the training field and in the classroom.

Sincerely,

BARBARA BOXER,
U.S. Senator.

FACULTY RETIREMENT INCENTIVE PROVISION

Mr. ASHCROFT. Mr. President, I rise today along with my friend and colleague, Senator MOYNIHAN, to address the faculty retirement incentive provisions contained in the House-passed version of the Reauthorization of the Higher Education Act. This provision amends the Age Discrimination in Employment Act of 1967 (ADEA) to allow the use of age-based incentives for the voluntary retirement of faculty at colleges and universities.

In the House, Congressman FAWELL worked to include this provision in the Higher Education Act, and we thank him for his leadership on this issue. Here in the Senate, Senator MOYNIHAN and I have introduced an similar provision in the last two Congresses. I am please that Congress and the President will have an opportunity this year to pass this important legislation.

This legislation, called the Faculty Retirement Incentive Act, will clarify that institutions may establish plans that give faculty who wish to retire early financial assistance in doing so. Further it would help to ensure that academic institutions will be able to make necessary new hires, particularly in expanding disciplines and new fields. For those who are concerned about potential recrimination if a faculty member would choose not to retire early, the double protections of the ADEA and the tenure system provide effective safeguards against coercion. It is also important to note that current law expressly permits the type of age-based benefit for employees participating in defined-benefit plans. Most colleges and universities, however, maintain defined-contribution retirement plans for tenured faculty.

In January, the bipartisan National Commission on the Cost of Higher Education included this legislation initiative in its recommendations to check the skyrocketing cost of a college education. The Commission recommended that ''Congress enact a clarification to the Age Discrimination in Employment Act to ensure that institutions offering defined contribution retirement programs are able to offer early retirement incentives to tenured faculty members.''

The Faculty Retirement Incentive Act has the active support of a number of organizations, including the American Association of University Professors, the American Council on Education, the American Association of Community Colleges, the American Association of State Colleges and Universities, the Association of American Universities, the Association of Catholic Colleges and Universities, the Association of Community College Trustees, the Association of Jesuit Colleges and Universities, the University Personnel Association, the Council of Independent Colleges, the National Association of Independent Colleges and Universities, the National Association of State Universities and Land Grant Colleges, and the National Association of Student Personnel Administrators.

I feel it is important that Congress enact this important legislation and I know my colleague from New York shares this same belief.

Mr. MOYNIHAN. It has been a pleasure to work with my colleague from Missouri on the Faculty Retirement Incentive Act. Before I discuss the specifics of our bill, however, I would just like to commend the Chairman, Senator JEFFORDS; the Ranking Minority Member, Senator KENNEDY; and the other Committee members for the bipartisan way they have gone about the business of reauthorizing the Higher Education Act. I think they have done an outstanding job.

It has taken us several years to address the need of institutions of higher education to offer age-based incentives for the voluntary retirement of faculty. In 1990, Congress passed the Older

Workers Benefit Protection Act (OWBRA) which made early retirement incentives permissible in the context of defined-benefit retirement plans, but did not address the status of such incentives in the context of defined-contribution retirement plans. Defined-contribution retirement plans are most popular with tenured faculty due to their pension portability. The OWBRA did not preclude defined-contribution retirement plans, but by not addressing them at all, it added to the ambiguity surrounding the matter. Functionally, early retirement incentives operate in the same manner for both types of plans. There is continued uncertainty, however, whether early retirement incentives with an upper-age limit that are offered to tenured faculty conflict with the purpose of the ADEA of prohibiting arbitrary age discrimination.

Inclusion of the Faculty Retirement Incentive Act in the Reauthorization of the Higher Education Act will provide a safe harbor for colleges and universities by clarifying that the early retirement incentives are permitted by the ADEA. Senator ASHCROFT and I believe that the faculty retirement incentive provision will benefit colleges and universities, as well as those faculty who choose to participate. As officials for the American Association of University Professors have stated, this provision will ''provide greater flexibility in faculty retirement planning, offer a substantial retirement benefit to those professors who choose to retire under the terms of an incentive plan, and leave other professors whole in their choice to continue their careers.''

Senator ASHCROFT and I intended to offer our bill as an amendment to the reauthorization of the Higher Education Act, but the Chairman informed us that there is broad support among Committee members for the House-passed provision, and that this issue can be resolved in the Conference Committee.

Mr. JEFFORDS. I would like to thank both Senators MOYNIHAN and Senator ASHCROFT for their diligent work on tenured faculty retirement incentives, and for their cooperation. I want to assure my two colleagues that there is, indeed, broad support for the measure and that I am confident that Senate conferees will give the House-passed provision the consideration it is due.

Mr. BIDEN. Mr. President, included in the manager's package of amendments to the higher education bill is a resolution I introduced last March on binge drinking on college campuses.

This was the same resolution that was introduced in the other body by Representative JOE KENNEDY—and virtually the same as what was adopted by the other body in its version of the Higher Education Act.

I want to take a few minutes to talk about my resolution—and why this issue is so important. But, first, let me thank Senators KENNEDY, DODD, JEFFORDS, and COATS for accepting the resolution.

Let me also thank Representative JOE KENNEDY, who came up with the idea for this resolution and has long been trying to bring alcohol-related problems to the attention of Members of Congress.

And, finally, let me thank the Center for Science in the Public Interest, which endorsed the resolution early on and has worked tirelessly to get it passed.

Mr. President, I think every one of my colleagues has heard or read about college students across the country—from Louisiana to Massachusetts to Virginia—who fell drunk out of dorm room windows or consumed so much alcohol, so fast that it literally poisoned them.

There were at least 18 such deaths this last academic year.

And, Mr. President, I think every one of my colleagues saw the news reports from this past spring on the riots—yes, riots—on several college campuses across the country—from Washington to Michigan to Ohio.

We saw police wearing riot gear; carrying shields; and firing tear gas into throngs of drunk college students.

These riots were either alcohol-induced—parties that got out of control—or were based on a peculiar notion—that underage college students should have a right to get drunk.

That's what binge drinking is. There is a technical definition for the academics who study this problem—and I'll talk about that in a minute. But, in layman's terms, binge drinking is simply the idea that you drink to get drunk, or, as a recent article in the Washington Post magazine put it, it is where ''drinking isn't part of the party; it is the party.''

And, binge drinking is, according to many university presidents, the biggest problem facing America's colleges today.

Let me repeat that. The biggest issue facing America's colleges—according to many college president's themselves—is not raising money for the university. Not ensuring high academic standards. Not finding top quality faculty. No, it's binge drinking.

There is a reason for that. And, it has to do with more than just the 18 college students who died this last year—tragic as that is.

According to a study by Harvard University, 44 percent of college students are binge drinkers—that is, technically, for men, consuming five drinks in one sitting during a 2-week period, and for women, consuming four drinks in one sitting.

Again, 44 percent of college students are binge drinkers.

Nearly one in every five college students is a frequent binge drinker—that is, binge drinking three or more times in a 2-week period.

And, almost half of all freshmen—18 year olds—binge in their first week at school.

But, it even goes deeper than that—deeper than the 18 deaths; deeper than the 44 percent of students who are binge drinkers.

The reason that binge drinking is the most important issue facing colleges today is because binge drinking affects everyone on campus—even those college students who do not during—and even the majority of college students who are not binge drinkers. They are all affected by those who are.

Talk to a student who lives in a dorm room next to someone who drinks a lot, and I can guarantee you that he or she does not get many peaceful nights of sleep—and does not get many peaceful moments to study.

The greater the number of binge drinkers at a school, the greater the chances are that a student will be hit, pushed, insulted, assaulted—and of being the recipient of an unwanted sexual advance.

And, alcohol is involved in most campus rapes, violent crimes, student suicides, and fraternity hazing incidents. Many of the victims of these crimes are not the ones doing the drinking.

You know, we have heard a lot in the last decade or more about the connection between alcohol and car accidents, where those who die or are injured are often innocent victims who were not drinking.

And, there has been a great effort—led by Mothers Against Drunk Driving, a group for which I have the highest respect—to educate the public and prevent the tragedy.

But, there is also a growing body of evidence showing a link between alcohol and other crimes and irresponsible behaviors.

There is a link between alcohol and unsafe sex; between alcohol and suicide; between alcohol and rape; between alcohol and violence.

And, nowhere is this link more prevalent than on college campuses.

Unfortunately, there are many people out there—including many officials on college campuses—who look at binge drinking by college students as just part of the ''campus experience''—as just some ''rite of passage'' to adulthood.

Well, I make no apologies for saying that drinking yourself to death is no ''rite.'' It's just plan stupid.

And, I make no apologies for saying that those who overlook the problem are contributing to it.

It is time for the culture on college campuses to change—before someone else's son or daughter becomes another statistic.

We need to bring the problem of binge drinking among college students to the attention of the American people—to educate them and to prevent the tragedies associated with it—just as we have done with drunk driving.

So, Mr. President, my resolution would call on all college and university presidents to recognize and acknowledge the problem—and then to find solutions.

Specifically, my resolution expresses the sense of the Senate that every college and university president should carry out six specific activities to reduce alcohol consumption on college campuses.

(1) To appoint a task force to establish a policy on reducing alcohol and other drug-related problems;

(2) To provide students with the opportunity to live in an alcohol-free environment;

(3) To enforce a zero tolerance policy on the consumption of alcohol by minors;

(4) To eliminate alcoholic beverage-related sponsorship of on-campus events;

(5) To enforce vigorously a college's disciplinary codes against those who violate campus alcohol policies; and

(6) To work closely with the local officials in the town in which the college is located.

Mr. President, these activities are very similar to what is currently happening at the University of Delaware under the leadership of President David Roselle.

They need to happen on every college campus in America.

Now, there are some who say that this is just a sense-of-the-Senate resolution—it just expresses our opinion. True. But, Mr. President, we must start somewhere.

I believe that if we begin to take the problem seriously—and if colleges begin to seriously address the problem—we can begin to make a difference.

The lives of students can be saved—and the quality of life on our college campuses will be better.

Again, I thank my colleagues for their support and for including my resolution in the bill.

Ms. MOSELEY-BRAUN. Mr. President, I want to commend Senators JEFFORDS, KENNEDY, COATS, and DODD for their efforts in putting this bill together, and thank them for working with me to include several of my priorities in the bill.

No issue is as important to our future as education. When I was growing up, it was possible to graduate from high school and get a job as a police officer, a firefighter, or a clerk, and earn enough to raise and support a family. Mechanics used to train for their work on the job. The nursing profession used to consist of women who apprenticed in hospitals.

Times have changed. Now, if you want to be a airline mechanic, you need four years of college. Nursing is a degree program, and there are sub-specialities of nurses who are highly and scientifically educated. One recent advertisement for a maintenance technician stated the job required an understanding of ''basic principles of electricity, mechanical systems, and fluid power.'' By the year 2000, the Department of Labor estimates that more than half of all new jobs will require an education beyond high school.

A higher education has never been as important as it is today. Unfortunately, while the value of a higher education is increasing, so is its cost. According to the U.S. General Accounting Office, tuition as a percentage of median household income has nearly doubled over the last 15 years—from 4.5 percent in 1981, to 8.9 percent in 1995. In 14 states, tuition is more than 10 percent of median household income. In 30 states, tuition is more than eight percent of household income. In all but one state, tuition is 1995 was more than it was 15 years ago.

The GAO reports that tuition at public, four-year colleges and universities increased 234 percent in 15 years. By contrast, the cost of medical care has gone up 182 percent, new cars by 106 percent, new houses by 101 percent, median household income by 82 percent, and food by 66 percent. The Consumer Price Index has risen 74 percent.

The exploding cost of college means that access to higher education is getting more and more out of reach for working- and middle-class Americans. The more tuition goes up, the more students will be priced out of their opportunity to pursue the American Dream.

That is exactly the wrong direction for our country. As President Clinton said in his 1997 State of the Union, ''education is a critical national security issue for our future.'' He is absolutely right. In order to compete with cheap, third-world labor in a global economy, and to maintain the rising standard of living to which we have grown accustomed, America will need a workforce even better trained than it is now.

Last year in Davos, Switzerland, world economic leaders met to discuss the effects of technological change on the global market. They noted that if education and training policies do not keep pace with technological innovation, the gap between the ''knows'' and the ''know-nots'' will grow, increasing the disparities in wealth and capacity, and the ability of industrialized nations to remain competitive will shrink.

It that is the case, we should be working overtime to ensure that no student is barred from college because of a lack of financial resources. The legislation before us today goes a long way toward achieving that goal. It will standardize and make available information about college costs, so we will know exactly why costs are increasing at a rate so out of proportion with every other indicia of inflation. It will help us solve the mystery of the case of the Incredible Rising Tuition Bill. It will help American families and students make better decisions about where to go to college.

The legislation tells schools that the time has come to come clean about why their prices are climbing so rapidly, and to answer the question of whether the massive tuition increases are really necessary. Schools who opt to not comply with the requirements of the bill will be fined $25,000. I want to thank Senator DODD for this provision. I believe it is particularly important, because it puts the schools on notice that we are serious about these requirements.

I also want to thank Senator DODD and the other managers of the bill for including an amendment of mine directing the Secretary of Education to study the impact of student debt. Unfortunately, the trend in student aid over the last 20 years has been to move away from grants in favor of loans. Combined with the increasing cost of college, this trend has meant that more and more students are graduating with more and more debt.

According to the GAO, the percentage of undergraduate students who took out loans shot up 41 percent between 1993 and 1996. The percentage of graduates of four-year colleges who borrowed more than $20,000 rose from 9 percent in 1993 to 19 percent in 1996.

The General Accounting Office was not able to determine, however, the effect of this increasing debt burden on students and graduates. Under this legislation, the Secretary of Education will, within 18 months, determine how this increasing burden affects students' decisions about whether and where to go to school, how much to borrow, how long to stay in school, what kind of employment to seek, and whether burdensome debt payments impede graduates' ability to save for retirement or invest in a home.

The legislation will provide for the first time a comprehensive picture of exactly what is happening to college costs, why it is happening, and what the effects are.

Mr. President, I also want to thank the managers of the bill, as well as Senator WELLSTONE, for incorporating the provisions of the Fair Play Act into this higher education legislation. The Fair Play Act, which I introduced last year with Senators SNOWE and KENNEDY, builds upon the extraordinary success of Title IX and promotes the continued expansion of athletic opportunities for women.

Colleges and universities are currently required to collect information about their men's and women's athletic programs, including participation rates, operating and recruitment budgets, the availability of scholarships, revenues generated from athletic programs, and coaches' salaries, and are required to make this information available upon request.

The Fair Play Act directs colleges and universities to send this information, which they already compile annually, to the Department of Education, and directs the Department to issue an annual report and make the information available through a variety of mechanisms, including the Department's World Wide Web site.

The Fair Play Act will provide prospective students and prospective student athletes with the kind of information they need to make informed decisions about where to go to school. I will give the Department of Education valuable information to aid its enforcement of Title IX in the area of athletics, and it will encourage schools to continue to expand their athletic programs to meet the interests of women nationwide.

Over its 25 year history, Title IX has been directly responsible for expanding the athletic opportunities available to millions of women and girls. The Fair Play Act builds on this legacy of success, and provides the information needed to ensure that the expansion of athletic opportunities available to women continues into the 21st century.

I am grateful for the support of my colleagues on the Labor Committee, and I look forward to continuing to work with them on this important issue.

Mr. President, I also want to thank the managers of this bill for accepting an amendment of mine creating a Faculty Development Fellowship Program. The program will enable institutions of higher education to award graduate fellowships to talented students from groups under-represented in the American professoriate.

In many respects, colleges and universities are our nation's paragons of diversity. They understand the importance of having a student body made up of men and women of different races, ethnicities, and backgrounds. When I talk with university presidents from Illinois and elsewhere, they invariably tout their school's diversity.

The diversity appears to stop, however, after the undergraduate level. There is a disturbing dearth of diversity among graduate students and professors. In 1993, African-Americans received only 3 percent of all doctoral degrees conferred in the United States, and women received only 38 percent. According to the Department of Education, only 14 percent of full-time instructional faculty at colleges and universities are minorities, and only one-third are women.

We can do better than that. The problem is not a lack of talent among minorities and women, but a lack of opportunity. My amendment authorizes $30 million per year to encourage talented students from under-represented groups to pursue studies and become professors. The program will help us tap the talents of all our children, and therefore make us a stronger society. A community that gives all its members a chance to contribute to the maximum extent of their abilities is a stronger community, because it benefits from a broader range of contributions. As we head into the 21st century and a truly global economy, we cannot afford not to tap the talents of all our children.

Mr. President, that is really what this whole bill is about, making sure that every American has the chance to go as far as his or her talents will allow. This bill is about making sure that wealth and class are not obstacles to education. It is about giving more students more opportunities to receive a better education. I congratulate the leaders of the Labor Committee for their bipartisan efforts to put this bill together, and I look forward to its imminent passage.

Mrs. MURRAY. Mr. President, I rise today to express my strong support for S. 1882, the Higher Education Reauthorization bill. This bill is a major victory for students and teachers across America. As a member of the Committee, I have had the opportunity to hear from countless witnesses from across the nation who have testified on everything from default rates to job hunting, campus crime to child care. With a daughter entering college this fall, this issue has provided me with some very interesting insights into the higher ed challenges, millions face each year.

Throughout the Labor Committee's effort on this bill, I worked to strengthen our nation's commitment to providing the strongest training possible for school teachers. I am most pleased with the bill's focus on teacher training and in particular its emphasis on technology training. A year ago, I introduced the Teacher Technology Training Act to add technology to the areas of professional development and teacher training included in current law. S. 1882 now contains my legislation, and I thank Chairman JEFFORDS, Senator KENNEDY and Senator WARNER for their cooperation and support in adding this critical piece to the bill.

The work of the committee on the teacher education provisions is really quite historic and a drastic overhaul of the previous teacher training section. The bill provides Teacher Quality Enhancement Grants that will institute state-level reforms to ensure both current and future teachers possess the skills and academic knowledge to teach children effectively in their assigned area. As a member of the Labor Appropriations subcommittee, I will fight to ensure that this section is finally funded at a level that does make a difference in the classroom.

This teacher quality section particularly highlights training in the effective use of technology in the classroom. All of us have witnessed the tremendous impact that technology now plays in our daily world. It affects the way we communicate, the way we conduct commerce, and the way our children learn in school.

Young people today are in the midst of a technology explosion that has opened up limitless possibilities in the classroom. In order for students to tap into this potential and be prepared for the 21st century, they must learn how to use new technologies. But all too often, teachers are expected to incorporate technology into their instruction without being given the training to do so. Many students in our public schools have told me they know more than their teachers about how to use computers.

We can not continue to rely on students to teach teachers in the rapidly expanding area of technology. I have toured several teaching schools and found them well supplied with up-to-date equipment. However, student teachers are often not provided adequate instruction in the use of that technology beyond simple communication purposes. It is not enough for a teacher to be able to email or use computers merely for administrative reasons, they must be able to use this education technology to advance their curriculum and provide their students resources along the information highway.

Last year, just 10 percent of new teachers reported that they felt prepared to use technology in their classrooms, while only 13 percent of all public schools reported that technology-related training for teachers was required by the school, district, or teacher certification agencies. Currently only 18 states require pre-service technology training.

This act will significantly turn these numbers around and provide our teachers with the training so critical to harnessing new technologies. I again thank Chairman JEFFORDS and Senator KENNEDY for their leadership on this effort. This technology training for teachers has been supported by a wide array of interests including the National Education Association, PTA, Society for Technology in Education, National Association of Secondary School Principals, National School Boards Association, Information Technology Association of America, Washington State School Directors, the Software and Digital Alliance, the Colleges of Teacher Education. I also would like to thank Senator WELLSTONE for his work on the TANF amendment, so important for literacy instruction and lifelong learning.

With increased Pell Grants and decreased interest rates on loans, students can begin to think about their future rather than paying for their past. I believe this first generation of the new millennium will benefit immensely from the efforts put forth over this past year. From simplifying the financial aid process to campus security improvements to technology instruction, S. 1882 will stand as a proud trademark of this Congress.

Mr. SARBANES. Mr. President, I rise today in strong support of S. 1882, the Higher Education Act Amendments of 1998, reauthorizing the Higher Education Act for 5 years. The Higher Education Act, enacted in 1965 to provide disadvantaged students with greater educational opportunities, recognized the shared benefit of providing every American a chance to maximize his or her potential. As a result of the passage of this legislation, doors have been opened to millions of citizens who

otherwise would not have had the access or the resources to obtain a higher education. Although the act has been amended over the years through the reauthorization process, the central purpose of the legislation has remained the same—to ensure access, choice and opportunity in higher education.

First, and foremost, this measure reauthorizes all postsecondary grant and loan programs which have allowed so many of our citizens to obtain additional education and training. It lowers the in-school interest rate on student loans from the current 7.6% to 6.8% and for the years after school from the current 8.2% to 7.4% to make higher education more affordable for more students. Most notably, the bill includes an increase in the maximum Pell Grant from $3,000 for the 1998–1999 academic year to $4,500 for 1999–2000, and increases that award by $200 a year for the following four years and further expands eligibility to include more students who are financially independent of their parents.

I am pleased that the bill also reinforces our continued support of the TRIO programs which have been so successful in serving disadvantaged and first-generation college students. I have been a longstanding supporter of TRIO which has served more than 700,000 through 1,900 programs nationwide. The impact of the outreach and early intervention services provided by TRIO become even more profound considering that more than two-thirds of the students benefitting from the program come from families with incomes under $24,000. No one set of Federal programs captures more completely the American ideal that fostering educational opportunity for all citizens benefits both the individual and the society as well.

Title II of the bill consolidates teacher training programs and refocuses Federal efforts to more efficiently and effectively train and recruit new teachers for our Nation's schools. It also provides for greater loan forgiveness for those who choose to dedicate their lives to the teaching profession. Now those who agree to teach for at least three years in high-need areas can see up to $8,000 in their student loans forgiven. In my view, this is an important step in relieving the heavy loan debt many graduates find themselves burdened with upon graduation to allow some of our best and brightest to enter the teaching profession independent of this financial pressure.

I am also pleased that legislation I introduced to establish the Thurgood Marshall Legal Opportunity Program has been incorporated into the bill before us. This program would identify socially and economically disadvantaged law school students and provide them with the opportunity to hone their skills through summer institutes, mid-year seminars and support services. Working within the framework of the highly successful Council on Legal Education Opportunity (CLEO), this program will provide the necessary resources to ensure that those who have proven themselves at the undergraduate level of study are able to maximize their potential as they move on to law school. Investing in the promise of these talented individuals is a worthwhile endeavor and I am pleased that this legislation has been included in this reauthorization.

Mr. President, passage of this legislation sustains our Nation's longstanding commitment to access, choice and opportunity in higher education. Every society places a premium on education in terms of fostering a skilled and trained work force in the next generation, and the more complex economically the world becomes, the more critical it is to address this aspect of developing our human resources. In our society, however, education carries two other very important responsibilities which make the legislation we are talking about today essential to the health and vitality of our society.

The first is that we are one of a handful of countries that has maintained a democracy over a sustained period of time. Obviously, education is essential to a literate citizenry capable of making a democracy work. The other dimension is that education in America represents a ladder of opportunity. We take great pride in being an open society in which people can move up and forward, and the way they do that is essentially through the educational ladders provided in the programs we are reauthorizing today. In a Nation which believes that a person's merit and talent should take them as far as they can go, we must continue to foster a path which allows them to maximize this potential. Many of us here today have benefitted from this philosophy and have achieved certain levels of success as a direct result of the opportunities afforded by such principles. However, all of the programs we address in this bill are not solely for the benefit of the individual, as important as that aspect is. These programs are part of our national effort to include people in our society rather than exclude them, an essential concept in my view to the harmonious working of American society.

In passing this legislation, it is important to understand that the value of programs authorized by this bill cannot be measured simply in terms of dollars spent. Without Federal support, millions of Americans would not have been able to attend college or receive the advanced training required to make them contributing, productive members of society. If this Nation is to continue to thrive in an ever-evolving global economy, we must not underestimate the value of the Federal government's commitment to higher education.

The Senate's approval of the reauthorization of the Higher Education Act is a critical step in our on-going efforts to maintain access and choice in higher education. We must continue to acknowledge the vital importance of education in this country, to sustain the educated base we have created, and to commit ourselves to a quality education for all our Nation's citizens.

Ms. MIKULSKI. Mr. President, I rise today in support of S. 1882, the Higher Education Amendments of 1998. I commend my colleagues, especially Senators KENNEDY, JEFFORDS, COATS and DODD, for all their hard work in putting together a bi-partisan education bill to reauthorize the Higher Education Act. I congratulate you for producing a package aimed at the needs of our students in paying for college and getting a quality education. This bill truly helps us to get behind our kids and our students. It lays the groundwork for the future in working toward a strong economy by educating our citizens and future leaders.

This bill contains may important provisions reauthorizing the range of student financial assistance. I support this bill for three reasons, in particular. First, it contains important provisions that expand our teacher training programs. Second, it increases the maximum amount needy students can receive under the Pell Grant program. Third, it encourages new teachers to serve elementary and secondary schools in low-income areas by providing loan forgiveness for their Stafford loans.

Training our teachers is one of the most important steps we can take toward improving education today. Our children deserve to be taught by well-qualified teachers in every classroom. We need more teachers, but we need more quality teachers. That is why I cosponsored Senator KENNEDY's and Senator REED's proposals to provide grants to local partnerships for teacher training. I am happy to see that many of the provisions in these two bills were included in this legislation. These grants will be made to local partnerships and are designed to encourage the reform and improvement of education at the local level.

Second, I am very pleased that this bill increases the amounts available to students for Pell Grants. This bill continues the historic commitment of our government to grant aid to the neediest students by increasing the Pell Grant to $5,000. Education should be an opportunity for all people, regardless of their financial status. Education should be both accessible and affordable. We have an obligation to make sure that every single citizen of our country has the chance to go to school, get an education, get a good job and a boost up the opportunity ladder.

Third, this bill provides loan forgiveness for Stafford loans to teachers who choose to teach in elementary and secondary schools in low-income areas. It authorizes the Secretary of Education to repay certain loans made to borrowers who become full-time teachers for three consecutive school years in a high-poverty area. This section combines our commitment to a quality

public education for all students with our commitment to also target the areas in highest need. It provides incentives for well-trained teachers to teach in areas that really need committed and well trained teachers. This bill helps ensure that we are meeting the needs of all of our students by targeting funds to those high need areas.

Let me briefly mention two other provisions of this bill that are of special importance to me. I am very pleased to see that the Thurgood Marshal Legal Education Opportunity Program, legislation that I cosponsored with Senator SARBANES, was included in the manager's package of this bill. This amendment will help qualified disadvantaged students gain admission to law school and help prepare them for their legal education. It identifies socially and economically disadvantaged law students and provides them with both financial and academic support services. This program has a 29 year record of assisting these disadvantaged students and I am proud to have been a strong supporter of this program.

Mr. President, I would also like to thank Senator JEFFORDS and Senator KENNEDY for including language in the manager's package that doubles the authorization of federal funds that do not have to matched by the Historically Black Colleges and Universities graduate programs. This will greatly help our HBCU graduate programs increase their quality of programs. It follows our important commitment to support our Historically Black Colleges and Universities. I am particularly happy that both HBCU graduate programs in my state at Morgan State University and Eastern Shore will benefit from this important amendment.

Mr. President, this bill represents a real investment in the education of our youth. It represents, as it should, a bipartisan effort to ensure the quality and affordability of education for all. Education can and should be something that we can all agree on. We will all have to live in the future with the decisions we make now on education. We are responsible for our future, and that means we are responsible for making sure that our children are equipped to deal with the issues they will be facing.

Mr. DASCHLE. Mr. President, the legislation before us today, the Higher Education Act, is an example of what can happen when the majority makes an effort to work together with Senators from this side of the aisle to do something for the good of the country. I commend Senator JEFFORDS and Senator KENNEDY for their good work on this bill. Unfortunately, we have seen too few examples of this type of bipartisan cooperation this year.

The Higher Education Act is very important, and I am pleased we are making good progress in renewing and strengthening it. As we are all well aware, access to higher education can help unlock the door to a better future for our students and for our Nation, and this legislation provides the key for many students. Pell grants, student loans, campus-based aid and other programs have helped millions of students afford a college education. Through these programs, we provide $38 billion in financial assistance to more than 19.4 million students in postsecondary education institutions.

The bill we are adopting today makes a number of important improvements in this law. First, and most important, it continues the effort to make a college education more affordable by continuing current programs, increasing the maximum Pell Grant, reducing interest rates on student loans, improving repayment options for students, and increasing the information available to families about the cost of a college education while encouraging institutions to minimize cost increases.

The bill includes important incentives to improve the quality of teacher training and recruitment and to expand professional development opportunities. I commend the Committee, and in particular the Senator from New Mexico, Senator BINGAMAN, and the Senator from Rhode Island, Senator REED, for their efforts to consolidate and strengthen these provisions into a more logical, coordinate system. We know that putting students in a classroom with a well-trained, qualified teacher is one of the most effective ways to help them achieve to the best of their abilities.

I am also pleased that the bill establishes a demonstration program to expand post-secondary opportunities for distance learning. This will help many people, especially those in rural areas, those with disabilities and nontraditional students, gain access to programs in which they might not otherwise be able to participate. The Senator from Minnesota, Senator WELLSTONE, has been a strong supporter of these provisions.

The bill also includes a proposal offered by the Senator from Connecticut, Senator DODD, which I cosponsored, to encourage colleges to establish campus-based child care for low-income students. I also support provisions in the bill that will help reduce binge-drinking on college campuses and reduce campus crime levels.

Finally, I strongly support the provision creating a new grant program for Tribal Colleges and Universities. These institutions, most of which struggle financially, do a remarkable job of creating educational opportunities for Native Americans. They need and deserve federal support.

I would like to note that while I did not support the Kennedy amendment, I do support the study called for in the managers' amendment to determine whether there might be ways to move toward a more market-based student loan system to improve the efficiency of the student loan system. While I did support the Harkin amendment because it reduced the cost of student loans, I would note that I strongly believe we must take care to maintain a strong Federal Family Education Loan program. The evidence is strong that competition between the Direct Loan program and the FFEL program is good for both programs and ultimately good for students, and I believe it is important that we work to maintain this balance.

Mr. President, the Higher Education Act is yet another example of the positive impact the federal government can have in helping our Nation invest in our future. By helping to lower the cost barriers to higher education, we help millions of young people gain the skills they will need to be contributing members of society while we build a strong work force, encourage the development of our intellectual capital and nurture the leaders of the next generation. I urge my colleagues to join me wholeheartedly in supporting this very important piece of legislation.

Mr. JEFFORDS. Mr. President, it has come to my attention that the official CBO scoring of the Graham amendment adopted earlier today shows a slight mismatch in outlays relating to the new spending and offset contained in the amendment. This technical drafting error has resulted in a small paygo problem for this legislation.

It is my intention that this bill be in full and complete compliance with all relevant budget rules and I intend to ensure that the bill as it comes out of conference will meet this standard.

SECTION 632 OF TITLE VI

Mr. DOMENICI. Mr. President, I would like to raise the issue of Section 632 of Title VI of the Higher Education Act, the so called ''hold harmless'' provision as the Senate discusses this very important reauthorization of the Higher Education Act.

It is my understanding that Section 632 was first enacted in the Higher Education Amendments of 1992 in order to prevent the Department of Education from funding new or expanding existing Title VI, International Education Programs unless existing Title VI programs were funded at their FY 1992 level. However, the bill before us removes the provision, so as to give the Secretary of Education greater flexability.

The University of New Mexico's Latin American Institute has contacted me to raise its concerns about the removal of Section 632 from the Higher Education Act. I also understand the international programs at Ohio State and the U. of Michigan have contacted their respective Senators with similar concerns.

However, I also understand the reauthorization of the Higher Education Act does not create any new programs within Title VI, so is it your understanding that since no new programs are created within Title VI that Section 632 is unnecessary?

Mr. JEFFORDS. I understand the concern of the distinguished Senator from New Mexico in protecting the funding of international programs such as the Latin American Institute at the

University of New Mexico. I would concur with my colleague from New Mexico in what he has said and I would urge the Secretary of Education to allocate funding to international programs in a fair manner.

Mr. DOMENICI. I thank the distinguished Chairman for his consideration of this important matter.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I ask unanimous consent that Senator COLLINS be recognized to speak on the bill for up to 15 minutes, and that following her remarks, Senator DEWINE be recognized to speak on the bill for up to 15 minutes, and that following their remarks, Senator BINGAMAN be recognized to offer his amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I am pleased to be a cosponsor of this important legislation, and I want to commend the Senator from Vermont, the chairman of the committee, for his work in bringing this very important legislation to the floor.

Mr. President, today we continue a historic commitment which began 40 years ago when Congress enacted the National Defense Education Act.

In 1958, the NDEA provided that: ''The security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women.'' At that time, Congress was thinking of security in terms of the cold war and was reacting to the Soviet Union's stunning achievement in launching Sputnik.

Although the cold war is behind us now, the sentiments expressed in 1958 remain valid today. The threat may no longer be as dramatic as the threat posed by the technological advancements of a hostile superpower; instead, the threat that we face today is a quiet threat of lost opportunity—economically, culturally, and socially—a threat that will be realized if we fail to provide educational opportunities to our citizens.

As a Senator from a State with a very high rate of high school completion but a very low rate of participation in higher education, I am particularly concerned about the threat that the lack of access to higher education poses to the future well-being of many of our lower-income citizens.

We know, Mr. President, that fewer people from lower-income families enroll in postsecondary education. The problems caused by the lack of access, however, do not stop once we get students to campus. Another challenge is keeping them there and encouraging them to graduate.

The disturbing truth, Mr. President, is that students who find college least affordable are much less likely to complete college than their financially more secure counterparts. As the Educational Testing Service's Policy Information Center has reported, ''The education staircase . . . is getting steeper and harder to climb, particularly for those in lower income groups.''

The center has reported the alarming fact that students from lower-income backgrounds, in addition to having much lower rates of entrance into college, have much higher dropout rates than those from higher-income families.

In 1979, a student in the top quartile of family income was four times more likely to obtain a baccalaureate degree by age 24 than a student from the bottom quartile.

By 1994, Mr. President, this problem, this gap, had gotten much worse. Individuals from the top quartile were 10 times more likely to attain a 4-year degree by age 24.

When you couple this statistic with the well-established relationship between educational attainment and lifetime earnings, the consequences of the education gap are obvious. We keep reading about the gap between the rich and the poor in this country and that that gap is growing. That gap is, by and large, an education gap.

If we are able to provide educational opportunities to lower-income families, we will help close that gap, because the differences in the lifetime earnings of people who complete only high school versus those who go on to postsecondary education are enormous. We are at risk of creating a permanent underclass of people without the skills that open the gateways to economic opportunity, the skills that allow entry into a job market demanding a higher-educated and better-trained workforce. In fact, Mr. President, it is estimated that in the State of Maine more than 80 percent of the new jobs being created require some sort of postsecondary education.

Unless steps are taken to close this educational gap, a gap rooted in economics rather than in intelligence or ability, we are locking the children of America's lower-income families into a self-perpetuating cycle of inadequate education and low-income status. Without educational opportunities, a significant part of American society will never have the chance to participate fairly in America's bright technology-based future.

Mr. President, the legislation before us, the Higher Education Act reauthorization, will help provide these educational opportunities. I would like to highlight some specific provisions in this legislation that I worked on and believe are critical. These provisions increase access to education by focusing on two components—first, helping families afford education; and, second, increasing the aspirations of our young people, particularly those who come from families where higher education is not a tradition.

Mr. President, the Pell Grant Program has been one of the Federal Government's greatest contributions to the success of higher education. Over the last 25 years, this program has provided invaluable assistance to tens of millions of our neediest students.

The Pell Grant Program has, however, had some flaws. Most notably, under its current formula, the program creates a disincentive to work. This was brought home to me when I talked to a young person who had decided to take a year off between high school and college in order to earn more money for her education. She worked at McDonald's and lived at home, saved every penny. The consequence was that she lost her Pell grant when she went to school the next year.

We have created, in the current formula, a disincentive, because we have a very low cap on allowable earnings which penalizes students who are trying to pay for their education through work rather than relying solely on loans.

Earlier this year, I introduced the Working Students Income Protection Act to address this problem. I am very pleased that the Labor and Human Resources Committee has incorporated my bill into the final version of the legislation before us today. It will increase by $1,000 the earnings allowance for students who receive Pell grants.

Another important provision improving the Pell grant that is included in this legislation is the elimination of the dependent care cap that had been included in the formula in the past. Again, I introduced legislation to make this change because I was concerned that as we increase the maximum level of aid, we end up limiting Pell grant awards to some of the most needy students, those who have child care expenses. Often these are single parents who are balancing raising children, going to work, and attending college. The changes that are included in this bill will make it a little bit easier for these students.

Another provision of this bill includes legislation that Senator REED of Rhode Island and I have authored to strengthen the State Student Incentive Grant Program. This program provides assistance to 12,000 Maine students who come from families whose average income is under $12,000.

Mr. President, as important as all this financial assistance is—and I know from my experience working in a Maine college that it is critical—there is another significant barrier to higher education for a lot of our young people.

If students come from a disadvantaged social or economic background, and come from families where there is no experience with higher education, they may look at college as being beyond their reach. It may be a frightening experience for them or something they simply do not consider, despite having the ability to succeed.

In reauthorizing the Higher Education Act, we are continuing one of the Federal Government's most successful efforts, and that is the TRIO

Programs. In my home State, TRIO Programs such as Talent Search and Upward Bound have identified and reached out to promising young people who otherwise never would have considered postsecondary education but for these terrific programs. Two-thirds of the students benefiting from the TRIO Programs come from families where neither parent has any higher education and whose families' incomes are below $24,000.

One such student, Mr. President, recently visited me. She was a young woman from Greene, ME, who talked with such excitement about the benefit of the Talent Search Program to her aspirations. She said that the program had convinced her that she wants to go to college. This young woman comes from a low-income family. Neither of her parents went to college. In fact, her mother was a teenage mother who dropped out of high school to raise her children. This young woman put it very well. She said, ''But for this program, but for the Talent Search Program, I would have been too frightened to go to college. I would have just assumed that it wasn't for me.'' This program, by exposing her to a college environment, by giving her the counseling, the mentoring, and the encouragement that she needed, has convinced her that higher education will be part of her future. I am convinced that it will be a bright future indeed.

It is difficult for me to think of a more worthwhile investment of Federal funds than these important programs. The Federal Government cannot guarantee equal educational attainment for every student, but we can certainly take steps that will guarantee equality of access for every student. We can help eliminate the barriers of cost and inadequate aspirations that prevent students from lower- and middle-income families from pursuing postsecondary education. We can give them equal opportunity by providing the access through the important programs in this legislation.

The Higher Education Act that is before the Senate today will help our citizens overcome economic and social barriers, take advantage of education, and reach their full potential. That not only benefits them as individuals, it benefits our Nation as a society, as well.

Today I encourage my colleagues to join in affirming and extending the commitment for access to education that we began 40 years ago.

I thank the President for the time, and I thank the chairman for his efforts, as well.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Ohio.

Mr. DEWINE. Mr. President, I will offer a few brief comments in regard to this very important piece of legislation that the Senate is now considering. In my work on the Labor Committee, one of the things I have been focusing on is the issue of quality teaching in our classroom. Really, there is nothing more important in regard to education than the teacher. Our children deserve to be taught by teachers who really understand their subject, understand the subject matter.

I have worked hard to incorporate measures concerning good teaching into this bill. I want to thank Chairman JEFFORDS for the assistance that he has given me and the cooperation in getting these sections incorporated into this very good bill.

Title II of this legislation is entitled ''Improving Teacher Quality.'' Here are some of the measures that I have been promoting that I am pleased to say have been included in this bill. One, the bill funds programs that establish, expand, and improve alternative routes to State certification for highly qualified individuals from other occupations and for recent college graduates with records of academic distinction.

Two, this bill would develop and implement innovative efforts aimed at reducing the shortage of highly qualified teachers in high-poverty urban and in high-poverty rural areas. These efforts might include the recruitment of highly qualified individuals from other occupations—again, through alternative certification programs.

Three, this bill would provide prospective teachers with alternatives to traditional preparation for teaching, through programs at colleges of arts and sciences or at nonprofit educational organizations.

I am pleased that this bill has a strong focus on alternative certification or licensure of teachers. I introduced S. 1742, the Alternative Certification and Licensure of Teachers Act back in February of this year. I introduced it because I wanted to give highly qualified people who like to teach, who want to teach, a chance to do so. These are people who can serve as mentors and who can serve as role models, real life examples of how a good education can make a huge, positive difference in a student's future. These are the types of individuals that we should be encouraging to become teachers and to get into education.

I also take a moment to talk about the commonsense Quality Child Care Loan Forgiveness Act, which I introduced last July. I am pleased that this provision has also been included in this bill. Members can find it incorporated in title IV of the bill before the Senate.

Now, Mr. President, the Quality Child Care Loan Forgiveness Act provides school loan forgiveness to individuals who earn a degree in early childhood education or in related fields and who then obtains employment in a child care facility. I think we must recognize the extraordinary need that exists today for quality child care. Recent studies have shown that more than 80 percent of child care centers provide mediocre or poor quality services. The indications are that a mere 14 percent of the centers surveyed met levels of quality that were high enough to adequately support a child's development. The Quality Child Care Loan Forgiveness Act will help ensure that our children get higher quality child care. It will do it by encouraging more people, better qualified people, to teach in these facilities. It will encourage students who are in college to major in this area and to make their lifework early childhood development. Again, I don't know what could be more important.

Finally, let me say I am glad that this bill includes important legislation I sponsored having to do with the underground railroad. The Underground Railroad Education Culture Act will provide for the establishment of programs to research, display, interpret, and collect artifacts and other items relating to the history of the underground railroad. The history of the underground railroad is important to this country. It is important to Ohio, and it is important to me personally. In the 20 years prior to the Civil War, it is estimated—no one will ever know what the true figure is—but it is estimated that more than 40,000 slaves, 40,000 human beings escaped bondage and made their way to free soil on the trail of the underground railroad.

This is a great story. It is a great story that every schoolchild in America should know about. More than 150 underground railroad sites have been identified in my home State of Ohio alone. We are sure there are many, many more besides that. These are sites that symbolized at the time freedom for thousands and thousands of enslaved Americans. When I visit these places, as I have with my family, it gives me real pause for hope about the future of our country.

When we talk about race relations in this country, we would do well to remind ourselves that at one of the darkest points in our history—maybe our darkest point, the period of slavery—some blacks and some whites took immense personal risk to work together for freedom, to work together for liberty. It is a great story. This is a part of the American story that we should be proud of and we should build on. In Ohio, we are very proud of the part our ancestors played in this great story. This is why I think this legislation is so very important.

I want to again thank my colleague, Senator JEFFORDS, the chairman of our committee, and my other colleagues on the Labor Committee, for agreeing to place this legislation in the managers' amendment. It was very important to recognize this period in our history.

Let me conclude, Mr. President, by mentioning briefly what I believe to be the next step on education policy. I have introduced legislation that would provide assistance for the creation of nonprofit teacher training facilities across the United States, facilities that would help train teachers—teachers who are already in the classroom, or individuals who are about to enter this great profession. S. 1742, the Teacher

Quality Act, which I have introduced, is a commonsense piece of legislation that would assist school districts in their struggle to maintain the highest possible academic standards for their children. I hope that in the weeks ahead we will consider this bill as well.

Mr. President, I strongly support this bipartisan effort and will vote in favor of its passage. Again, I congratulate Senator JEFFORDS and the other members of our committee who have worked so long and hard to bring this very good and comprehensive bill to the Senate.

Mr. JEFFORDS. Mr. President, first of all, I want to thank both of my colleagues from Maine and from Ohio, Senator COLLINS and Senator DEWINE, for a very eloquent and pertinent statement and for all the work they did in committee in helping us to put together this bill.

Mr. President, I now believe that, under the previous unanimous consent order, Senator BINGAMAN is to be recognized. I don't believe there is any time agreement.

Would the Senator be willing to accept an hour equally divided?

Mr. BINGAMAN. Mr. President, I am not certain that a half hour on my side will be adequate. I have two other speakers in addition to myself. I would like to allow each of them to speak first. I don't expect that it will take much more than that on my side.

Mr. JEFFORDS. We will wait on that.

AMENDMENT NO. 3116

(Purpose: To ensure that secondary school teachers are sufficiently prepared during their pre-service training to have sufficient academic knowledge to be able to help their students reach high academic standards)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. COCHRAN, Mr. REID, and Mr. HOLLINGS, proposes an amendment numbered 3116.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at the end of Title II, Part A (page 237, after line 14)

"SEC. 237. ACADEMIC MAJORS FOR SECONDARY SCHOOL TEACHERS.

''(a) States and postsecondary programs that prepare secondary school teachers and receive Federal funds under this Act excluding aid provided under Title IV, shall, unless they have already done so, adopt within 3 years after the date of enactment of the Higher Education Amendments of 1998 a policy that all undergraduate candidates preparing to be secondary school teachers be required to successfully complete an academic major, as defined by the institution of higher education at which the student attends, in the academic area in which they plan to teach.''

''(b) Nothing in this Section shall affect the eligibility of an individual student or an institution of higher education to receive Federal grants or loans under Title IV under this Act.''

Mr. BINGAMAN. Mr. President, this Higher Education Act that we are engaged in discussing and debating here is a very important act. We only get around to it every 6 years, so this is not a subject like a lot of subjects around here that come up every year and we go through a dog and pony show here on the Senate floor. This issue comes up once every 6 years. The last time we reauthorized the Higher Education Act was in 1992. The next time we are expected to reauthorize the Higher Education Act will be 2004. So it is important that we get it right and do it right this year.

I join with others who have spoken in congratulating Senator JEFFORDS and Senator KENNEDY for the leadership they have provided. We have a bipartisan bill. There are a number of incentives in this bill to streamline and strengthen the ways in which we deal with the issue of higher education in the country and the ways that we license and place teachers, including several provisions that I have recommended.

But there is some unfinished business, Mr. President, and that is what my amendment tries to address. Let me go on and describe a little of the background before I describe the amendment itself.

Teaching, of course, is our largest profession. We have close to 3 million people employed in teaching. To maintain and even increase the supply of teachers, the teacher preparation programs need to generate thousands of teaching candidates every year as we move ahead. The Federal Government is a major support for the students who go through these training programs. We provide $1.8 billion in student loans. Yet, we all know that the quality of these programs, in many cases, is inadequate, and we need to question this large Federal investment when we look at the quality of some of the teaching programs we are supporting.

How is it that some universities can condone a rate of only 40 percent of their teacher education students passing licensing exams? How do I, as a Senator, explain to my constituents the investment of Federal tax dollars going to these institutions when they fail to prepare students to meet the exams that the States themselves are providing for people who want to teach?

For this reason, I propose an amendment to the Higher Education Act to require accountability on the part of education schools and the universities that house those education schools. The amendment requires that States develop criteria to identify low-performing teacher preparation programs, including a State-determined pass rate on State licensing exams.

It also proposes that States make a public list of the teacher preparation programs that meet the criteria for being labeled low performing; that States develop a list of suggested ways in which local teacher preparation programs can improve; and, finally, after a 4-year period—4 years into this 6-year reauthorization bill—if the State removed its approval from a teacher preparation program that the State itself felt had not made adequate improvement, then the Federal Government would support the State by withholding Federal funds from that program as well.

That is what I have proposed. The education school accountability amendment was designed to ensure that teaching candidates have the baseline knowledge that they need before they go into the classroom. The amendment included a section on reporting. States and institutions would collect and publish the information needed by potential students to make informed decisions about enrollment in teacher preparation programs.

I must say, Mr. President, that we have been able to work out a provision on accountability of schools of education, which is being included in the managers' amendment, which I think is a substantial step forward. It does not include many of the provisions I had urged, unfortunately. And I must say that I have been baffled by the response of the higher education community to this effort to impose a little more accountability for low-performing teacher preparation institutions—those institutions existing nearly in every State.

In all the literature that has been distributed by that community in response to this amendment and the amendment Congressman MILLER offered on the House side, I have not seen any attempt by the higher education community to take any responsibility or come up with any suggestions for how to deal with the problem, which we know is a real one. The entire substance of their argument was one that they opposed interference by the Government; they certainly didn't want the Federal Government involving itself in the role of the States, and they didn't want the States involving themselves in higher education programs any more than they presently do. Basically, they were saying that the higher education programs need to be left as they are, in spite of the problems that clearly exist.

Most troubling to me was the lack of willingness even to report pass rates of teacher preparation programs. In a letter dated June 9, the American Council on Education indicated that reporting is too burdensome—the reporting that we were urging be accomplished. I don't really understand why it is possible for law schools and medical schools to publish their student pass rates, but not schools of education. Obviously, the question needs to be raised and answered: Is there something to hide? Is there some information they don't want out? I fear that that may be the case.

Together we can help the colleges and universities to raise the status of teacher education to ensure that students enrolling in teacher education programs get the return on their investment that they expect and deserve. But we can't forget that the most important constituency for us to be concerned about is the children who are going to be served by the graduates of these education schools. I think we can make real progress if we impose some accountability there.

Mr. President, the amendment that I have offered and sent to the desk is in addition to what has been agreed to in the managers' amendment. I commend the managers of the bill for agreeing to what I have already described.

But the amendment that I am proposing says if you are training people to teach at the high school level—just at the high school level, not the elementary school level—if you are training people to teach at the high school level, give those people an academic major. Give them any education courses you want. Certainly courses in methods and courses in technique are fine, but don't turn out people to teach in our high schools who have only taken education courses. We are not saying that you have to have a major in the academic subject in which you wind up teaching. We are not putting in any kind of requirement like that in the law, only that you have to have some kind of academic major.

This is not, let me make it very clear, Mr. President, an amendment which intends to bash teachers. It is just the opposite. The amendment is intended to support the good teachers we have in our education system today, to give them more good teachers to work with them in improving education.

In my State we have many extremely well-qualified and committed teachers who do a wonderful job for very little pay. In my own family, both my parents devoted their careers to teaching. My sister is a teacher. I am a great believer in the value of good teachers.

I believe the amendment I have offered will strengthen our ability to turn out good teachers and have those teachers in the classroom. We give a lot of speeches here about accountability. We need to make people more accountable. We need to make government more accountable. We need to make the institutions of government more accountable. I agree with all of that. The amendment I sent to the desk tries to do that very thing. It says to the schools that are training our teachers—give the new teachers that are coming out a good academic background.

The problem has been discussed extensively. There has been a great deal of publicity about the recent testing that has occurred in Massachusetts, of course, and the inadequate percentage of people there who are able to pass the exam, the people who are getting ready to go into teaching. Similar problems exist in other States. The simple fact is you cannot teach something if you do not understand it. You have to have more than technique in order to be a good teacher. You have to also know the subject matter. You have to have good academic skills provided to the teachers or else the students cannot be expected to have good academic skills themselves.

According to a recently completed analysis of State level student achievement data, students in States with more teachers holding certification plus a major in their field do significantly better on the national assessment of educational progress on reading and math exams than in States where this requirement is not available. Students of teachers who completed undergraduate activity majors and appropriate professional coursework achieve better than peers their own age whose teachers completed education majors. That is true no matter how poor the students are, no matter what their ethnicity, no matter whether English is their first language or their second language.

Mr. President, let me start with two charts that I want to call to people's attention. This first chart makes the obvious point that there are 32 States that require teachers to complete an academic major for high school teaching, 30 that explicitly require that you have an academic major if you go into high school teaching, two others that require the equivalent of that.

If any Senator wants to know whether his or her State already has this requirement in State law, they need to look at this chart. We have tried to provide copies of it. I am told we are not able to put copies on the Republican side of the aisle because there is some kind of a breakdown in our efforts to be bipartisan around here and we are only able to give them to the Democrats. But the chart is here. If anyone is willing to walk across the aisle, I would like to show them the chart. It is the same on both sides of the aisle. It makes the point, very clearly, that 32 States are now requiring the exact thing that we are trying to get done through this amendment.

I have been asked to break the discussion so that the Senator from Iowa may speak.

PRIVILEGES OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that an intern in my office, Michael Pratt, and Lloyd Horwich, a detailee from the Department of Education, be given floor privileges during the duration of the debate on the Higher Education Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Thank you, very much.

Mr. BINGAMAN. Mr. President, let me make another point—that requiring an academic major saves money. Let me show this second chart which makes this point, I think, very graphically.

This chart makes the point that entry and retention rates of teachers of teacher preparation programs that allow beginning teachers to complete a major in their subject and require a firm grounding in teaching skills is substantially higher than those programs, the traditional programs, that only have education courses in them. For every 100 candidates who are just in teacher education, 3 years after they complete their education only 28 of the 100 are still in teaching. We are training 72 of the people out of those 100 candidates in teacher education who don't stay in teaching more than 3 years. Those are the programs where they don't have an academic major. In the case where they do have an academic major, if you start with 100 candidates, after 3 years 75 of those candidates are still in teaching.

Mr. President, it is clear to me that this is a good deal for the taxpayer to give these people an academic background, keep them in teaching, and don't wind up spending a lot of money to train people who are going to drop out of the teaching profession very quickly. So I think it is very important that we try to do this.

Teachers with academic majors feel significantly better, are better prepared for their work, and they are significantly more likely to enter teaching following their preparation. Over 90 percent do enter teaching following their preparation, and they are much more likely to remain in the profession for more years.

The Higher Education Act, which we are considering on the floor, encourages State and higher education institutions to implement an academic major requirement. But it does not make it a priority for deciding who gets funding.

Given the evidence that directly links the acquisition of a major with student achievement, we are arguing with this amendment that the language of the bill should provide that those States that do not require a major for high school teachers would be required to develop a plan for implementation of that kind of requirement over the next 3 years. Requiring a major will help raise standards for entrance into the teaching profession.

According to a recent study by the National Education Longitudinal Study of 1988, in the field of math, only 35 percent of women attending a major in education scored in the top two of the five proficiency levels in the subject. Male education majors are almost three times as likely to be below the lowest level of reading proficiency as their peers going into other majors.

Professional organizations are weighing in on this issue in favor of what we are proposing in this amendment. The October 1997 Conference of the National Council of History Education conferees recommended that the colleges' education faculty be given the authority to reduce the number of generic methods courses in order to present team-taught courses with subject matter of scholars and seasoned teachers from the field.

The National Science Teachers Association supports all efforts that encourage science teachers to major in the subject that they plan to teach and at the same time receive a teaching credential.

If we expect higher standards of our students, as we all do, we need to provide them with teachers who have the content area preparation to help them meet those standards.

That is an impossible task when 39.5 percent of science teachers do not even hold a minor in the subject that they are teaching. Thirty-four percent of math teachers and 25 percent of English teachers were similarly teaching outside their field. In many high-poverty schools, the percentage of out-of-field teachers can rise above 50 percent. Increasing the number of teachers with an academic major is one way to alleviate the problem. We owe our children a quality education, a quality teacher in every classroom, and this higher education amendment is a place to start in that effort.

This bill, as I indicated earlier, only comes up once every 6 years. It is important, I believe, that we take this action tonight before we complete action on the bill. It is not enough to say we are going to study this for another 6 years. Either we believe that upgrading the quality of teaching is important or we do not. Let's not put off action until we are well into the next century. This is a chance to quit cursing the dark and to light a single candle. I do not think people who decide they should vote against this amendment should spend the next 6 years complaining about the poor quality of teaching in our schools. This is a chance to deal with that poor quality of teaching in a concrete way, and I hope people will support the amendment.

Let me defer. I see my colleague and cosponsor, Senator COCHRAN from Mississippi, has risen to speak. Let me yield the floor so he can do so, Mr. President.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am delighted to join with my friend from New Mexico in sponsoring this amendment and urging the Senate to approve it.

I ask unanimous consent that I be shown as a cosponsor of the amendment, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. There has been some misunderstanding, I think, in conversations I have had with fellow Senators about this amendment. What it does not purport to do is to tell the States how to certify or what criteria to use in the certification process for secondary school teachers. This amendment is directed to the universities and the colleges that have departments of education and that grant degrees in education, and it seeks to insist that as a part of the education of secondary school teachers there be a requirement that there is a subject matter major included as part of the learning experience for these teacher candidates. So it doesn't purport to set out new rules to impose on States in the certification process.

That is another subject, and we could talk about that in a separate debate. But this subject talks about what kind of quality learning experience do we want our secondary school teachers to have. Some can go through the education departments in colleges and universities—at least in 18 States, or 16 States. Thirty-two require that there be subject matter majors of education degree candidates. But the other States, you can go through an education department learning experience and get a degree and then be a candidate for certification and teach in the secondary schools of the State without ever having a major field of study in an academic subject like English or history or math or science.

It seems to me that it makes eminently good sense to suggest as a matter of national policy that our education schools throughout the country insist upon an academic major for the graduates in the education schools. And that is all this amendment does.

The Senator from New Mexico talked about a number of other subjects that he thought ought to be considered by State governments, and they deal in large part with certification items. But the committee has already sorted through those suggestions. They have included some in the managers' package before the Senate, and they have not included some. But this is a very narrow amendment.

Of all the suggestions my friend from New Mexico makes, this one, to me, is one that ought to be approved by the Senate without any question whatsoever. It is certain that those who teach in the high schools of our country ought to be well versed, well grounded in some academic subjects, not just in teaching methods or teaching techniques or other courses—the relationship of the school with the community.

We have all, in our common experience, had knowledge of the courses that are taught in many of the education schools. Many of them are important, and they are valuable. But we do not want teachers coming through those colleges and universities with only courses in method and technique and the relationship of the school to the community and the other subjects that they are taught in the education departments. And we are not being critical. I am certainly not. My State of Mississippi, I am glad to see, is one of the 32 States where the academic major is required of teacher candidates who are graduating from the departments of education in our college and university system.

So I hope Senators will look at this amendment carefully and support it. To me, it is a very important step in the right direction of improving the overall quality of all of our teachers in secondary schools throughout the country.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I reluctantly rise in opposition to this amendment. I do so reluctantly because the Senator from New Mexico and certainly the Senator from Mississippi have been very active in trying to accomplish the goals which are intended by this amendment. The bill itself already, with the assistance of the Senator from New Mexico—in many cases his own language—has provided incentives and has carefully outlined programs to reward the States for accomplishing the role of making sure that the teachers, the new teachers, have a major in the area that they intend to teach.

So I applaud him for those, but I just think it goes too far, and I think it is counterproductive if you order the States to do something, which I agree they should do, but I think it will be counterproductive for the purposes of getting States to understand why they should and to do it not because they are told to but because they want to. On the ''want to'' side, also, States are rewarded when they do so by grants and funding, and those that do not will not be eligible for some of the funds that would be eligible to those that do. So there are incentives built in already to accomplish the goal.

This provision just goes too far and will result not in improving teacher preparation programs but will instead provide little or no incentive for States to reform teacher preparation or for schools of arts and sciences to work with their schools of education. Mandating at the Federal level that States or partnerships require academic majors for prospective teachers in order to be eligible for title II funds is counterproductive to the goals of that title.

Title II requires that schools of arts and sciences work with schools of education to improve and expand the academic rigor of these programs. By excluding these States and partnerships from competing for title II money, we are discouraging change in the very States and schools that need it the most.

About 20 States do not currently require students to have majors in academic content areas, and 30 do. So we should not exclude those that are not presently doing it from getting funds to help them do it. In other words, those of us who oppose it believe that the carrot is much more effective in this area than the stick. Title II will demand much of these grantees that receive the funds. Grantees will be required to show that they have increased the number of courses taught by teachers with academic majors in a particular field of study or they will lose their grants.

It is important to note that the amendment would deny States or institutions other Federal funds provided

under this act, excluding title IV assistance.

This, too, is of concern to me. Requiring a major is not an issue that the Federal Government should be mandating. It is an issue that has historically been decided by States and institutions of higher learning. And while we encourage it in title II, it is not appropriate for the Federal Government to mandate it, as a prerequisite for participation in the title II grant program.

Finally, many States are moving towards requiring majors and increasing the academic content knowledge of prospective teachers. It does not seem at all sensible to deny funds to the folks who are now moving in the right direction.

This is a very, very critical area, and this is an important amendment, and it should be carefully reviewed. It has some support, but I believe the bill is well balanced as it presently is written, that this amendment will be counterproductive of the goals of the bill, and therefore I must reluctantly oppose the amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I rise to inquire, I have some questions of my colleague from New Mexico. I have not formulated a final position myself on it. I was listening here to the debate and read some of the material about this.

First of all, let me say I commend my colleagues from New Mexico and Mississippi. Even having a discussion of how we can improve the quality of our teachers who are working in our elementary and secondary schools is worthy. I compliment the chairman and managers. We do some major things in this bill to really try to assist teaching, such as loan forgiveness for people in the teaching professions, extended payment periods—a lot of things that really try to recognize the value of teachers.

I see my colleague from Connecticut has arrived on the floor as well.

I was going back over, in my own State of Connecticut, what criteria we have. On the list, we are listed as one of the States that requires a major. That is true, but only in a limited degree. We require majors in certain subject matters, not in every subject matter. For instance, in languages we do not require that you have a major in a language, English or a foreign language, in order to teach; the assumption being, if you were Hispanic or Latino and had acquired that skill, to major in it would require that you have teaching skills on how to teach the language, but not necessarily require a major in the field.

We do in other areas. In the science and math areas we do require majors. The general sciences, history, social studies, business, we do require majors; in foreign languages and English we do not. We have a requirement here of a minimum of 30 semester hours of credit in the subject for which endorsement is sought. I don't know whether or not that constitutes a major or not. But it seems, here, we have sort of a mixed approach.

We have some very fine teachers. Mr. President, 80 percent of our teachers have advanced degrees in Connecticut, and are normally rated as some of the best educated teachers in the country. So my first inquiry would be, I guess, if we do not require majors in every subject matter, would we be subject here? For instance, if someone did not have a major in a language, would Connecticut now have to require a major in that language, or would the 30 semester hours meet the standard? Or would the fact that we do in some and not in others meet the standard? Or would we be faced with having our program dollars cut unless we changed?

Mr. BINGAMAN. Mr. President, in response to the Senator from Connecticut, I would have to learn more of the detail precisely of what is done in Connecticut before I could answer the question. The source of the information that is reflected on this chart and that he has referred to as to which States already require this was Education Week magazine. They did interviews with the departments of education this last year, in September of 1997, and published this list.

Our amendment does not say that you have to have a major in the subject you wind up teaching. It says you should have a major in a subject you intend to teach. Maybe there should be an exception in there for foreign language. I would be glad to entertain that modification, if the Senator thinks that is a problem. But the notion that you should go into high school teaching without ever having majored in anything, any academic subject, is the concern I have. We have schools around the country—and they are not the schools the Senator is thinking of generally, and that I generally think of when I think of teacher preparation—but there are schools around the country that are not requiring people to take academic course work before they turn them out to teach in our high schools. So you have people going through, with very good intentions, who want to become teachers, want to become high school teachers, who take a whole raft of education courses and then are turned out to teach, and they do not have the academic training that they need in order to properly prepare students.

Mr. DODD. I appreciate the response on that. I do not have an amendment to offer because I don't feel competent to suggest what my State ought to require that there be major studies in. They have excluded certain areas. We require 3 semester hours in certain subject hours, 30 semester hours in others, a major in some and not in others. They have made a decision to have sort of a multiple approach to this thing, a varied approach on it. Far be it from me to stand here this evening and say Connecticut ought to require a major in certain areas where they don't require it. I have enough confidence in the people who have designed the program there to give them some flexibility.

What I do not want, if I am supporting my colleague's amendment, is to find out if my State loses financial assistance because we have not provided major fields, or required a major in every subject matter although we have in others. Then I would feel remiss in terms of a number of areas.

As I understand it, you would lose funding in international education, graduate education, funding for historically black colleges and universities, strengthening institutional grants that go to mainly community colleges. I don't want to be in the position, if I vote for this, to go back and find out I have just deprived my State of funding in those areas because the amendment, as crafted, would deny my State those benefits because in some areas majors are not required. That is my concern.

Several Senators addressed the Chair.

Mr. COATS. Will the Senator from New Mexico yield for a question?

The PRESIDING OFFICER. The Senator from Connecticut has the floor, I believe.

Mr. DODD. I am glad to yield to my colleague.

Mr. COATS. It is right on this very point, because on the list the Senator from New Mexico placed, I think, on the desk here—at least I have that list; I think it is the same as his chart—Indiana is also a State listed that requires secondary teachers to acquire academic accreditation. I think the States ought to do that, or at least ought to make that decision. I don't think the Federal Government ought to mandate it for the same reasons the Senator from Connecticut stated.

However, I am concerned now that the Senator from Connecticut has indicated that his State is one of the States you listed under the ''Yes'' column, as requiring that, as is Indiana, yet it doesn't require it in the sense that the Senator's amendment requires it in order to receive funds. We just learned of the amendment half an hour or so ago and have not had an opportunity. Our department of education is closed in Indiana now. I haven't had the opportunity to call and say does this conform? Is this across-the-board? Does this conform with the amendment of the Senator, or are there exceptions like there are in Connecticut where, for certain disciplines, you require the academic major?

I am in the same position, I think, as is the Senator from Connecticut. I cannot vote to support that if I don't know whether or not my State is going to be penalized. Does the Senator know the answer to that question relative to the State of Indiana?

Mr. BINGAMAN. Are you asking me or the Senator from Connecticut?

Mr. COATS. I am pretty sure the Senator from Connecticut doesn't

know. If he does he knows more about the education in my State——

Mr. BINGAMAN. Mr. President, I would respond in the same way I would respond to the Senator from Connecticut. The basis for the list is Education Week, which published this based on interviews which they did with departments of education around the country last September. I do not know the detail of the department of education's requirements there in Indiana, any more than I know the detail of the department of education requirements in Connecticut.

Mr. COATS. I join the Senator from Connecticut in saying I think the Senator's efforts are laudable. I do think, as the Senator from Vermont has enumerated, there is a lot of language in this bill which I think reflects what the Senator from New Mexico and the Senator from Mississippi are attempting to do, yet it does it in an encouraging way rather than a penalizing way. Given the fact there is a lot of confusion about how this amendment applies to these States, and there is no way we could determine that this evening, I wonder if the Senator wouldn't be interested in withdrawing his amendment—at least working with us to try to accomplish these goals, but not in a way that puts us in a position where we will penalize our State.

Mr. BINGAMAN. In response to that question, I would say the amendment by its own language says the requirement doesn't take effect for 3 years.

There is a period of time in which to adjust the language if we were to adopt the amendment. There is plenty of time to adjust it if it is onerous on a particular State. Of course, I would not want to withdraw the amendment because, quite frankly, I think we have a tendency—every 6 years when we get to this thing, the education schools around the country lobby heavily against any change in the law or in the requirements imposed on them. We will be here in the year 2004—at least some of you will be here in the year 2004—once again trying to decide whether it is appropriate to require anything of these schools. I do not want to withdraw the amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield the floor?

Mr. DODD. Mr. President, I pointed out earlier, I have not formed a final opinion on it. I raised the question because this was raised to me by my State. I am concerned—and I didn't expect this, so my colleague from New Mexico doesn't have a definitive answer—that there might be some criteria left open to the States to determine whether or not something classifies as major. It is not his intention to say to some State that he thinks falls into this category unwittingly they may be deprived of these funds because we didn't realize certain subject majors were not required. That is my concern.

I reluctantly may have to vote against the amendment, but I am not enthusiastic about doing it because I like the idea behind it. I think it makes a lot of sense. John Silber, the distinguished former president of Boston University, wrote an article the other day, one of the op-ed pieces in one of our national papers that makes the case. We are turning out people really not qualified to be teaching in our classrooms.

I am sympathetic to the idea to increase the teacher skills and knowledge base. I want to make sure in doing so, in our enthusiasm for that, we are not doing harmful things along the way. I share the enthusiasm. I share the appetite for it.

It is almost 8 o'clock here, east coast time. I want to make sure that in voting for something like this I am not saying to 32 States that may have very differing views on what classifies as a major that we have to turn around and undo something here that would otherwise deprive these States of funds they need and are clearly moving in the area of improving content as well as teaching skills.

I thank my colleague from New Mexico. I will listen to the debate. Maybe there will be something enlightening on this. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, first of all, I think all of us on the Education Committee know of the enormous commitment and perseverance and persistence and wisdom of our friend from New Mexico in the development of education policy, particularly the quality of our teachers. It is a very important record. When he speaks about these issues, I think all of us take these very seriously. I do think, however, that in this particular situation, on this particular amendment, I must say that I differ with the Senator from New Mexico. Let me be very brief about the reasons.

First of all, in the various education programs and recruitment and retention programs—and I won't take the time to go on through them, but as one who is a supporter and an author of a fair amount of them, they never were funded over a period of time or funded very lightly:

The Paul Douglas Teacher Scholarship, Christa McAuliffe Teacher Corps, National Board for Professional Teachers, Standards class size demonstration, middle-school demonstration, new teaching careers, all the various mini-corps programs, foreign language instruction, small State teaching initiative—none of these effectively were funded. None of these were funded, and we had, as the Senator from New Mexico said, no evaluation of the few that were funded.

He makes a very good case about the past. I take some exception, and I ask our friends to review the parts of the legislation—I know the hour is late. We don't spend as much time in going through the particular provisions of the legislation. That is point No. 1.

Point No. 2, I believe, that many of the 18 States are just the kinds of States that need this help and assistance. I will go into the various details of the programs, and many of the comments the Senator from New Mexico has made are actually the kinds of criteria which are included in the various competitive grants. I don't want to exclude these 18 States. In many instances, they need the help and assistance the most. We all need it. We have to have 2 million teachers over the next 10 years, and we have to strengthen the opportunities for teachers to teach better and give our teachers additional training programs so they can do it and hold them to a higher accountability. We are in complete agreement with that.

The question is how you get there. I am not for excluding 18 States from being able to participate. When we were considering the Goals 2000, we were told that in making available resources that were going to be available to States on a voluntary basis that there were many States that said, ''We don't want to do it because we do not want to have participation of Federal programs in here.'' I do not want the States that may need this the most denied it.

Let us look at the question—I will take the part of the Senator's evaluation first. If you look in the legislation on page 373, you see ''Accountability and Evaluation.'' After a State receives a competitive grant under this section, it ''shall submit an annual accountability report to the Secretary''—the Secretary of Education—but also to the Committee on Labor and Human Resources, our committee, and as well as to the House.

Such report shall describe the degree in which the State is using the funds to, what? Student achievement: ''Increasing student achievement for all students, as measured by increased graduation rates, decreased dropout rates, or higher scores on local, State or other assessments.''

Second: ''Raising Standards.—Raising the State academic standards required to enter the teaching profession . . .'' That is going to be part of the criteria. It will be part of the application for States if they want to participate in this program. They may have to, as part of their evaluation, have programs that will encourage the States to raise academic standards ''required to enter the teaching profession, including, where appropriate, incentives to incorporate the requirement of an academic major in the subject, or related discipline, in which the teacher plans to teach.''

This is a positive incentive. We are trying to, with the scarce resources that are going to be included in this bill, to say, yes, we want to see movement toward an academic major in the subject area and related discipline in which the teacher plans to teach. That is written right in the evaluation program.

It continues with regard to the core academic subjects, and it talks about the efforts that will be made to decrease shortages for professional development in poor urban areas and rural areas and communities, and it does an evaluation of these.

What it does find out, as it says on page 377:

''Each State or teacher training partnership''—that is either the State or local community—''receiving a grant . . . shall report annually on progress toward meeting the purposes of this part [upon which the grant was given] . . .. If the Secretary, after consultation with the peer review panel . . .''—and that has been spelled out—''determines that the State or partnership is not making substantial progress in meeting the purposes, goals, objectives and measures, as appropriate, by the end of the second year of the grant, the grant shall not be continued for the third year of the grant.''

I think that is pretty good, Mr. President, if we have a Secretary who we are going to hold accountable to this. I think that is pretty good. That is a tough evaluation. It identifies many of the points—virtually all of the points—that the Senator from New Mexico has identified. Whether it will be enforced, whether we will be serious about seeing that it is enforced is going to be the challenge that is going to be placed upon us.

Look at page 372 where it talks about the responsibility of the local partnership in encouraging teachers at the local partnership. The application will:

describe how the partnership will restructure and improve teaching, teacher training, and development programs, and how systematic changes will contribute to increased student achievement;

describe how the partnership will prepare teachers to work with diverse student populations, including individuals with disabilities and limited English proficient individuals;

Some might say that is too prescriptive in terms of establishing at least criteria where there will be competition for these resources. Describe how the partnership will help prepare teachers to use technology. We can have all the technology in the world in our classrooms, but if our teachers do not know how to blend it into curriculum, that is very significant to mention.

The point is, Mr. President, that I believe that in this program we have the most effective kind of evaluation and criteria and accountability that I have seen in higher education. We do not do as well as we should in most programs, I will agree with that. But it does seem to me that the committee has given very substantial consideration, first of all, in recognizing that so many of these programs here just did not measure up, did not have the support, and was not the way to go.

And the best way we were going to try to do it was to provide some resources—half the money to the States, half to the partnerships. We had a lot of debate about the allocations of resources, and then we established criteria which is spelled out and which has included many of the points of the Senator from New Mexico about what we hope will be achieved in those applications. And we do that for the States as well as the local partnerships. Then we have a tough evaluation program to hold the States and the partnerships accountable.

So I must say, although there is much to which the Senator has pointed out that I agree with, it seems to me that the danger that we are risking in accepting the Senator's amendment is that we will be denying important opportunities for States that for one reason or another will not meet the exact criteria. They will be denied. We will be cutting them off from any participation. I do not think that is the way to go. I think the evaluating programs and the enforcement mechanisms included in this bill are the way to go. So I hope that the amendment would not be accepted.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Indiana.

Mr. COATS. I won't belabor this because I think most of the points have been made. I do want to join both the chairman and the ranking member of the committee in opposing this amendment for all the reasons that were stated. We have spent a considerable amount of time and effort in the committee to try to address the very areas that the Senator from New Mexico has raised. We have worked with the Senator from New Mexico in attempting to incorporate a number of his suggestions and ideas.

I think the Senator from Connecticut raises a critical point relative to the fact that a chart out of Education Week does not really tell us the full status of where each of our States reside relative to these requirements. And because the Senator's amendment was substituted in lieu of another amendment, most of us are not able to get ahold of our State education departments at 8 o'clock in the evening to find out just exactly where we stand. We end up then potentially penalizing our States for failure to meet the requirements of the Senator's amendment rather than providing, as the Senator from Massachusetts said, incentives for them to do so.

Also, I point out to Members that the Senator's amendment violates the actual Department of Education Organization Act policy, which I would like to read from. Section 103, titled ''Federal-State Relationship'' says:

It is the intention of the Congress, in the establishment of the Department, to protect the rights of State and local governments and public and private educational institutions in the areas of educational policies and administration programs and to strengthen and improve the control of such governments and institutions over their own educational programs and policies. The establishment of the Department of Education [this was written into the code when the Department of Education was established] shall not increase the authority of the Federal Government over education or diminish the responsibility of education which is reserved to the States and the local school systems and other instrumentalities of the States.

It goes on to talk about basically attempting to micromanage from the Federal level decisions that even with the establishment of the Department of Education the intent of Congress is listed.

Now, in a sense, we are doing that. But we are doing that here in this bill in a way that encourages and still leaves the decisions to the States to determine what their policies will be, and in this regard, policies relative to qualifications for teachers.

We all support the goal of higher qualified teachers being available. But the Senator's amendment, I believe, takes us one step further than we ought to go by penalizing those States that do not have that standard. And I think there are some 15 or 20 that fall in that category. But as we now have learned, there may be several more. There is no way we can find out this evening. There may be several more that have modifications of that requirement that require it in certain disciplines but do not require it in other disciplines.

The Senator from Connecticut cited the example of an individual affluent in a native language that might major in a different subject, and yet because they do not need to major in that language, but then intend to teach in that subject, they want to have an academic major in another subject. Are we going to penalize a State institution which receives funds from the Federal Government for allowing that to take place?

I think there are unintended consequences here that we ought to realize. And we worked on this carefully in a bipartisan way. There was a unanimous consensus coming out of committee in terms of how we would address this particular issue—18 to nothing vote.

I urge Members to support the hard effort that has been put into this and not at the last minute here, on an amendment we really have not had time to review and even check with our States on, to add this mandatory language to this bill.

Mr. President, I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me just respond to the various points that have been made, and then I will yield the floor and we can get on to other business. I gather that it is not possible, because of the arrangements that have been previously made with some Senators, to go ahead with the vote. So it is going to be stacked for later.

Let me just respond to a couple points that have been made. The notion that we are trying to micromanage by putting this requirement in

Federal law, I do not think is accurate. We are saying, look, we give the States $1.8 billion to support these education training programs. Is it too much to ask that the education training programs that are being supported with this $1.8 billion provide academic instruction to the people who they are going to turn out to teach in our high schools? Is that too much to ask?

I mean, we are not asking that that be done for the elementary schools. Fine, you can continue to turn out people for the elementary schools who take nothing but education courses. We are not trying to interfere with that. But if you are going to teach at the high school level, you ought to take some kind of academic training. That is what this amendment provides.

The notion that this is overreaching by the Federal Government, the Senator from Indiana saying this violates the spirit or the policy that established the Department of Education, we have done the same thing with student loan default rates. We set it up with standards that need to be met. We have substantially reduced student loan default rates because of what we have done in that area.

We say here, fine, if you do not want the $1.8 billion, then do anything you want. If you want the $1.8 billion, then we will give you 3 years in which to figure out how to begin providing academic instruction to the people who are going to teach in the high schools.

I am in an awkward position here. Most of the people who have spoken against this amendment are from States that already require what the amendment is intended to require.

I am from a State that does not require what the amendment is intended to require, and I think we should. I think the State of New Mexico ought to require that anyone who is going into high school teaching have a major in some academic subject, not necessarily the one they wind up teaching in but in some academic subject.

I appreciate the concern of the Senator from Massachusetts and everyone else. They are genuinely concerned about what will happen to the 18 States. I represent one of the 18 States. I tell you what I think will happen to the 18 States. I think they will propose a little stiffer requirements. They will do a better job of teaching the teachers who are going into our schools. And I think the students of the country will benefit from that.

I think this is a responsible thing to do. I hope very much Members will support the amendment.

Mr. JEFFORDS. I ask unanimous consent the Bingaman amendment be temporarily set aside. I further ask unanimous consent that Senator DOMENICI be recognized to speak for up to 10 minutes, and upon the conclusion of his remarks, that Senator WARNER be recognized, and following that, we take up the amendment of Senator HARKIN.

Mr. HARKIN. Reserving the right to object, I now have been waiting at least 4 hours since I came on the floor. It was my understanding—just my understanding, I didn't consult with the manager of the bill—but it is my understanding I was to come right after the disposal of Senator BINGAMAN's amendment.

Mr. JEFFORDS. I point out, this will just take a very few minutes.

Mr. HARKIN. I thought you said there was another amendment?

Mr. JEFFORDS. It is one I don't think will take any time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I am the other Senator from New Mexico, so whatever has been said about the amendment, and who is for and who is against it, was not talking about my amendment.

First, I don't have any amendments. I rise to congratulate the committee on an excellent bill. By authorizing this Higher Education Act, the Senate is making a downpayment on our Nation's future. Benjamin Franklin, in the very early days of our country, put it best when he said, ''An investment in knowledge always pays the best interest.'' Sometimes around here we are talking about interest rates as if they apply only to the economy and the like. So Benjamin Franklin, even many years ago, was talking about interest. He said, ''An investment in knowledge pays the best interest.'' I believe that is right.

Building upon his statement and others, I say it is a simple fact that the future is prejudiced in favor of those who can read, write, and do math. A good education is a ticket to an opportunity to a secure economic future in the middle class of the United States.

As the earning gap between brains and brawn grows even larger, almost no one doubts today the link between education and an individual's prospects for a good and substantial livelihood and a good life in America. That is what the Senate is doing today in improving the postsecondary education system of our country. Incidentally, I said ''improving'' because it is already the best in the world. There are no countries in the world that have a postsecondary education system that comes anywhere close to ours.

So we are not here to be critical, we are here to offer improvements. In a nutshell, this bill improves the financial aid opportunities for students, creates a unified program to promote excellence in the teachers of our public schools, and streamlines the Higher Education Act by consolidating overlapping programs and eliminating unnecessary regulatory requirements.

Before I make some specific comments on provisions in the bill, I will quickly talk about my home State of New Mexico. We are a small State. Approximately 100,000 students are enrolled in New Mexico's public colleges and universities, with about 53,000 enrolled in community colleges and about 47,000 in universities. However, the number of high school graduates is expected to increase during the next decade and members of the current workforce are expected to seek additional education during that period.

Consequently, we must have a very high quality, low-cost college education available to a growing number of students. We must provide that regardless of income level, ethnic background, or place of residence. Students attending New Mexico institutions received more than $200 million in financial aid, counting grants and loans from all sources, during the 1995–1996 academic year. Thus, I believe that educational performance is a crucial element to our State's future. Speaking as a New Mexican, clearly, our state's future relies upon the capacity to prosper in this extremely competitive national-international economy and is directly related to the education we are able to give our young people.

Our colleges and universities directly and indirectly contribute to the economic vitality of our country and our State as they produce graduates with considerable intellectual depth and breadth, workers whose skills allow them to meet the demands of their employers, and first-rate research that helps to expand the boundaries of our knowledge.

Let me make a few comments about some provisions.

Title II: I congratulate the committee for improving teacher quality. Focusing on the two areas they have with reference to teacher quality and recruitment of teachers for underserved areas, first, the bill seeks to improve student achievement, improving the quality of the current and future teaching force by improving preparation of prospective teachers and enhancing professional development of activities; second, it seeks to increase the number of students, especially minority students, who complete high-quality teacher preparation programs.

Title III: the institutional aid title, creates a new grant program for tribal colleges—those are our Indian colleges, which obviously are severely underfunded and severely lacking in maximum professional qualities of their teachers—and the universities to strengthen services to Native American students.

Student financial aid is given a huge boost through several changes which I believe are in compliance with the 5-year budget agreement we made last year, which annually increased maximum Pell grant levels to the following amounts: $5,000 for academic year 1999–2000; $5,200 for academic year 2000–2001; $5,400 for academic year 2001–2002; $5,600 for academic year 2002–2003; and eventually up to $5,800 for academic year 2003–2004.

There are TRIO Programs that are given a boost through changes to the Student Assistance section under title IV which provides benefits to 700,000

students nationwide. Two-thirds of the participating students come from families where neither parent attended college and incomes are below $24,000. This bill reserves up to 2 percent of that program for the evaluation and dissemination of partnership grants.

The new Dissemination/Partnership provision would encourage partnerships between TRIO programs and other community based organizations offering programs or activities serving at-risk students.

The Federal Family Education Loan Program (FFEL) is stabilized in the following way. Student loan rates will be equal to the 91-day T-bill-plus-1.7-percent while students are in school, and plus-2.3-percent during repayment after graduation. The interest amount is capped at 8.25 percent and for PLUS loans, rates will be the 91-day-T-bill-plus-3.1 percent, capped at 9 percent for borrowers and lenders.

An innovative loan forgiveness program is also included for teachers. Thirty percent of a teacher's loans will be forgiven after the fourth and fifth complete years of teaching in a high-poverty school and 40 percent after the sixth complete year after meeting certain eligibility requirements.

Finally, there is the creation of new part within Title V dedicated solely to supporting the needs of Hispanic Serving Institutions that is authorized at $45 million for fiscal year 1999.

Mr. President, I believe we are taking an important step forward today by making an investment in our nation's future with the reauthorization of the Higher Education Act.

I close by saying, frankly, I believe that we have a magnificent post-high-school education system because there is great competition. As a matter of fact, there is no question in my mind that if we had similar competition or even a little bit of it in our public school system, we would not have the education bills that we bring before the U.S. Congress which are so detailed and give so much direction and have so many hundreds of programs.

Higher education is competitive. You can make your choice. It can be a private school, a public school. You can find the very best; you can find less than the very best. But everywhere you look, you will find an opportunity to get a good college education. That is because there are so many institutions that want to do this, love their work, and think they are part of America's future.

I end tonight congratulating the committee, in particular the chairman, for the good bipartisan work that has been accomplished on this bill. I am glad, on a matter of this importance, we are not fighting in a partisan way here on the floor but tonight will approve this bill by an overwhelming bipartisan vote which means we support secondary education in America in a big way. It is our future. I yield the floor.

Mr. WARNER. Mr. President, I am in consultation with the distinguished managers of this bill in hopes that an amendment can be accepted, and I am receiving, I think, very fine cooperation.

I would like to state my case so that Senators can fully understand the purpose of this amendment. There is an ever-increasing problem, regrettably, throughout America at our colleges and universities, and that is binge drinking. But first I would like to congratulate the chairman of the committee, Senator JEFFORDS, for all his hard work in crafting an excellent Higher Education Reauthorization bill. I am privileged to serve on the committee with the distinguished Chairman. Indeed, our distinguished ranking member, Senator KENNEDY, along with Senators COATS and DODD, must also be recognized for their efforts in this successful reauthorization legislation.

S. 1882 has several important provisions aimed at reducing and eliminating the illegal use of drugs and alcohol on college campuses. I applaud the provisions for competitive grants to institutions programs of alcohol and drug abuse prevention and education. In addition, the collegiate initiative to reduce binge drinking, included in the legislation as a Sense of the Congress, is also noteworthy as institutions try to change the culture of alcohol use on college and university campuses.

Mr. President, more can be done, I think, to change this culture of alcohol on college campuses. This past year—and I regret to have to be on the floor of the Senate to say this—there have been five alcohol-related deaths at colleges and universities in the Commonwealth of Virginia. Five. One inebriated student fell out of a dorm window to her death. A second inebriated student fell down a flight of stairs to her death.

In response to these deaths, the then-Attorney General of Virginia, Richard Cullen, created a ''Task Force on Drinking by College Students'' in November of 1997. The task force included forty-four members. Among them were parents of the deceased students, a representative from every college and university in the Commonwealth of Virginia, representatives of the business community, representatives of the law enforcement community, representatives of the legal community, and a number of members of the General Assembly of Virginia, our state legislature. The current Attorney General, Mark Early, assumed leadership of the task force in January of this year when he was inaugurated. He should be commended for all of his hard work and dedication in bringing to a conclusion the important work of this volunteer group, as it relates to the use of alcohol on college campuses. The task force met for the final time on July 1 of this year and prepared its recommendations.

One problem the task force recognized immediately was the restriction placed on colleges and universities by the Family Educational Rights and Privacy Act, known as FERPA, for schools to disclose a student's educational record to a parent without the consent of the student. The recommendation continues that it should be the policy and the practice of each college and university to notify parents of dependent students of violations of law as they relate to alcohol and drugs.

Mr. President, I could not agree more with this recommendation. As a parent, and indeed as a grandparent, I would want to know if my children were in the unfortunate position of being in violation of the law as it relates to alcohol and drugs while they were students at a college or university. I would want to step forward in a constructive way, as would other parents, to lend a hand and assistance to work with the faculty and administration of the college or university to help that student. But sometimes parents are not aware of these problems because of the provision as construed in FERPA. Our colleges and universities should be free to notify the parents of dependent students who have violated the law relating to drugs and alcohol.

My amendment, which I am still working on—and I understand, of course, it has to be accepted by the managers of the bill. There is no way to bring it to the attention of the Senate through a vote. The Amendment I seek is simple. It reads: ''Nothing in this bill shall be construed to prohibit an institution of postsecondary education from disclosing, to a parent of a student, information regarding violation of any federal, state, or local laws governing the use or possession of alcohol or drugs, whether or not that information is contained in the student's education records, if the student is under the age of 21.''

The federal Family Educational Rights and Privacy Act, FERPA, creates, we believe, an impediment to the disclosure of a nondependent student's educational records to parents without the student's consent. Notification of parents of dependent students of violations of alcohol and drug law should be the policy and practice of colleges and universities all across our Nation.

As a member of the Virginia delegation to Congress—and I am privileged to be one—I am trying to see that there is appropriate legislation—so that there is a presumption of dependency by colleges and universities for all students who are under the age of 21 for the purposes of this notification to parents. This would ensure that parents are informed when their sons and daughters had the misfortune of violating state alcohol law or drug laws.

Mr. President, that summarizes my views. I shall continue to work with the distinguished managers of this bill through the evening in the hopes that we can reach some understanding and that this measure may be incorporated in the bill.

You know, it is interesting. Tonight, I was very pleased to see an announcement by the President of the United

States of a decision to expend literally hundreds of millions of dollars on an advertising program to combat drug abuse to these young people. It seems to me that this provision I am offering simply enables the universities and colleges to bring in the parents of dependent students under 21 and involve them in a process, hopefully, to help the university and the administration. We are placing a tremendous burden on the administrative staffs of the universities and colleges. Why should they not have the benefit of parental help in tragic situations where there has been a clear violation of law as it relates to drugs and alcohol?

I thank the distinguished managers. Perhaps during the course of the evening, we can work out an amendment. The one I have here technically, for some reason, is not correct, but I have full confidence in the managers to see that we can get this done.

Mr. JEFFORDS. Mr. President, I thank the Senator from Virginia, who has been a tremendous help to me on the committee. I just point out that since he has been on there, the ability to get a consensus has grown immensely. A lot of it is through his savvy way of being able to pull people together to walk in the same direction. I deeply appreciate that. I assure him that this is a critical area, which all of us happen to be deeply concerned about. I will work with the ranking member of this committee to find a solution.

Mr. WARNER. Mr. President, I thank the Chairman for those kind words. I don't think I deserve any special credit. But I have over a quarter of a century of association with the distinguished ranking member. We went to the University of Virginia Law School at slightly different times. I was a member of the law class with his marvelous brother, Robert Kennedy, whom I adored in law school. I wish he were here tonight. He could stop this thing in a minute.

Mr. KENNEDY. We accept the amendment.

Mr. WARNER. Mr. President, then I will be seated.

Mr. DODD. I am sure your parents recalled quite frequently that you were both at the university. [Laughter.]

Mr. WARNER. I am not sure we wanted them to.

I thank the managers.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I have an amendment at the desk.

Mr. JEFFORDS. Mr. President, if I could ask the indulgence of the Senator, I think we are both willing to accept the Warner amendment, if we could have that offered and accepted, if that would be all right with the Senator from Iowa.

AMENDMENT NO. 3117

Mr. WARNER. I thank both managers.

I send an amendment to the desk

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 3117.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert:

Nothing in this bill shall be construed to prohibit an institution of postsecondary education from disclosing, to a parent of a student, information regarding violation of any Federal, state, or local laws governing the use or possession of alcohol or drugs, whether or not that information is contained in the student's education records, if the student is under the age of 21.

Mr. WARNER. Mr. President, it is my understanding that it is acceptable to both managers. I thank them.

Mr. JEFFORDS. It is acceptable.

Mr. KENNEDY. I urge acceptance of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3117) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3118

(Purpose: To reduce student loan fees, and for other purposes)

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. HARKIN), for himself, and Mr. REID, proposes an amendment numbered 3118.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title IV, insert the following:

SEC. ___. REDUCTION IN STUDENT LOAN FEES.

(a) FEDERAL DIRECT STAFFORD LOANS.—Section 455(c) (20 U.S.C. 1087e(c)) is amended by inserting '', except that the Secretary shall charge the borrower of a Federal Direct Stafford Loan an origination fee in the amount of 3.0 percent of the principal amount of the loan'' before the period.

(b) SUBSIDIZED FEDERAL STAFFORD LOANS.—

(1) AMENDMENT.—Subparagraph (H) of section 428(b)(1) (20 U.S.C. 1078(b)(1)) is amended—

(A) by striking ''not more than''; and

(B) by striking ''will not be used for incentive payments to lenders'' and inserting ''shall be paid to the Federal Government for deposit in the Treasury''.

(2) REPEAL.—Subparagraph (H) of section 428(b)(1) (20 U.S.C. 1078(b)(1)) is repealed.

(c) UNSUBSIDIZED STAFFORD LOAN AND PLUS LOAN INSURANCE PREMIUM REDIRECTION.—

(1) UNSUBSIDIZED STAFFORD LOANS.—Section 428H(h) (20 U.S.C. 1078–8(h)) is amended—

(A) by striking ''may'' and inserting ''shall'';

(B) by striking ''not more than'';

(C) by striking '', if such premium will not be used for incentive payments to lenders''; and

(D) by inserting at the end the following: ''The proceeds of the insurance premium shall be paid to the Federal Government for deposit into the Treasury.''.

(2) PLUS LOANS.—Section 428B (20 U.S.C. 1078–2) is amended by adding after subsection (f) (as added by section 427(2)) the following:

''(g) INSURANCE PREMIUM.—Each State or nonprofit private institution or organization having an agreement with the Secretary under section 428(b)(1) shall charge the borrower of a loan made under this section a single insurance premium in the amount of 1 percent of the principal amount of the loan. The proceeds of the insurance premium shall be paid to the Federal Government for deposit into the Treasury.''.

(d) EFFECTIVE DATES.—

(1) SUBSECTION (b)(1).—The amendments made by subsection (b)(1) shall take effect on the date of enactment of this Act.

(2) SUBSECTIONS (a) AND (b)(2).—The amendments made by subsections (a) and (b)(2) shall take effect on July 1, 1999.

(3) SUBSECTION (c).—The amendments made by subsection (c) shall take effect on October 1, 1998.

Mr. HARKIN. Mr. President, the amendment I just sent to the desk really can be called the Tax Reduction for College Students Amendment, because that is exactly what it is.

So all Senators who are interested in cutting taxes, I say listen up because this is your amendment because that is what this amendment does. It cuts taxes, and it cuts taxes for college students. Let me explain.

First of all, I would like to say the legislation we are considering today, the Higher Education Amendments of 1998, is a strong bill. There are many positive features of this legislation.

I want to commend Senators JEFFORDS, KENNEDY, COATS, and DODD for putting together a strong bipartisan bill. However, I believe that this amendment I am offering will do more to strengthen it even further.

So the amendment is simple. It cuts the tax which has become known as origination and insurance fees. But a tax by any other name is still a tax. That is what it is. This amendment cuts this tax, this student tax, by 25 percent.

In other words, it cuts it from 4 percent to 3 percent for students with Federally subsidized guaranteed and direct student loans. It is paid for by eliminating or reducing excessive government subsidies paid to the student loan middlemen—the guaranty agencies.

My amendment eliminates the 1-percent insurance fee paid by students on the subsidized Federal family education loans, and reduces the origination fee on subsidized direct loans by one point. The net result is that all students with subsidized loans will have these taxes cut to 3 percent. In real terms it means up to an additional $171.25 while a student is in school.

Sam Barr, from the University of Northern Iowa, wrote,

I have been in the financial aid profession since 1985. . . . Over the years, I have had the opportunity to meet with and counsel hundreds of students regarding loans. Many of these students have expressed concern regarding the fact that they received less money than they borrowed, and were very upset that they had to pay back the fees—with interest [even though they didn't get anything.]

Currently students pay the following taxes on their loans. Students with direct loans pay a 4-percent origination fee. Students with guaranteed loans pay a 3-percent origination fee, and a 1-percent insurance fee. In some cases, guaranty agencies currently waive a part or all of the insurance tax for some students with guaranteed loans.

For example, the Iowa agency waived half of the fee for students with guaranteed loans. California and Pennsylvania waived the entire 1-percent insurance fee.

So I have to ask, Mr. President, if some agencies are currently waiving the insurance fee on a selective basis, we really must question whether this revenue is really needed by the agencies.

Second, this benefit should be available to students on an equitable basis in all States and in both loan programs. Unfortunately, Federal law does not provide a similar break for students with direct loans. As a result, in my State of Iowa, more than half of the students that attend direct loan schools cannot receive this cut. In other words, Iowa waves half of the fee. So that brings it down to 3½ percent. That is for guaranteed loans, but half of the students in Iowa go into the Direct Loan Program. They have to pay the full 4 percent. That is simply not fair.

So my amendment provides an equitable distribution of the tax cut by providing relief for all students with subsidized guaranteed and direct loans instead of just a select few. It creates a level playing field between the two programs by cutting the combined student loan tax by 25 percent. The amendment will also ensure that all agencies will operate in the most efficient manner possible.

Mr. President, this insurance fee has been a part of the Guaranteed Student Loan Program since its inception. However, over the years additional subsidies were added to support the guaranty agencies. As a result, these agencies have accumulated huge reserves, currently in excess of $2.4 billion. So what we are doing is recalling about half of that money. But agencies will continue to hold over $1 billion in reserves needed to reimburse lenders for defaulted student loans.

In addition, the excessive subsidies have enabled agencies to pay lavish salaries in the past. At one point, a CEO of U.S.A. Group, the Nation's largest guaranty agency, was paid over $1 million in salary and benefits.

To be sure, the Department of Education has cracked down on this practice and has established a compensation ceiling to prevent agencies from using Federal funds to pay exorbitant salaries. However, it is clear that generous subsidies enabled this to occur. The Senate bill has revamped the guaranty agency subsidies.

Even with my amendment, these agencies will continue to be paid handsomely for their work and will receive in excess of $4.5 billion over the next 5 years.

So if you have heard from some of your guaranty agencies that the Harkin amendment is going to break them and cause them to go bankrupt, this chart will prove otherwise. Over the next 5 years, if you add up their fees, collections, investment income, and prevention fees, it adds up to almost $4.6 billion that they are going to get over the next 5 years.

Without my amendment, they are going to get probably about double that, about $8 billion over the next 5 years. So this is quite sufficient to take care of any problems that they might have—$4.58 billion.

Mr. President, I am fully aware of the opposition to this amendment. The guaranty agencies are obviously opposed to it. Critics have called it a thinly veiled attempt to destabilize the Guaranteed Loan Program to force schools to enter a Direct Loan Program. But how could that be true? For example, in Iowa, as I said, in my home State, the State has waived half the fee. Students under the Guaranteed Loan Program pay 3½ percent. Under the Direct Loan Program, they pay 4 percent. These kinds of anomalies occur in a lot of States. All I am saying is make them both the same; make them both 3 percent.

That is what my amendment does. As I have stated in committee repeatedly in the past, I have supported the two loan programs. The competition of the Direct Loan Program has led to dramatic improvements in the Guaranteed Loan Program, and I think the result has been very positive for our students when we have both of these programs. But they are uneven and they are unfair.

Now, opponents also allege my amendment would cause individual agencies to become insolvent, thereby jeopardizing the payment of default claims by lenders. Absolute nonsense. In 1992, in the aftermath of the failure of the Higher Education Assistance Foundation, the law was changed to make it clear that default claims would be paid by the Federal Government in the event of the insolvency of an agency—period.

Well, Mr. President, over the past 17 years, since the inception, in 1981, of this program, the lender subsidy has declined dramatically, from about $1.9 billion in fiscal year 1982 to less than $300 million last year. Unfortunately, students have not seen a commensurate reduction in the student loan tax. In fact, students are actually paying more. Revenues from the program, the origination fees, have more than doubled. In 1982, when it started, revenues were $292 million; last year, they were $629 million. So students are paying more.

The President's fiscal year 1999 budget proposed phasing out the fee for the neediest students over the next few years. I wish we could do that this year. However, I recognize that elimination of the tax probably does not seem possible at this time. So this amendment takes the first step with a 25-percent cut in the tax for the neediest students.

Last year, we provided a significant boost to the Pell grant. We raised the maximum grant by $300 million to $3,000 per student. This effort received strong bipartisan support. My amendment will have a similar impact for students. It puts more money in their pockets to pay their educational expenses. This chart shows that.

What this amendment does is it basically says that over a 4-year period the reduction in the tax will mean a savings of about $171.25 per student. Now, to those of you who don't think that is much money, that buys a lot of textbooks for a student going to college. It buys a lot of textbooks.

These students, the neediest of students need every penny they can get to pay tuition and buy their books in school. Again, they are frustrated when they go in and borrow the money and they pay the fee, and they get less money than what they borrowed. And then when they pay it back, they even have to pay interest on the money they never got. Very unfair.

Well, my amendment has the support of virtually every major higher education group, and I have a number of letters in support of this amendment. I ask unanimous consent, first of all, that a list of organizations supporting the amendment be printed in the RECORD.

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

ORGANIZATIONS THAT SUPPORT THE HARKIN AMENDMENT

Secretary Richard Riley.
American Council on Education.
American Association of Community Colleges.
American Association of State Colleges and Universities.
Association of Jesuit Colleges and Universities.
Council of Graduate Schools.
Council of Independent Colleges.
National Association for Equal Opportunity in Higher Education.
National Association of College and University Business Officers.
National Association of State Universities and Land-Grant Colleges.
National Association of Student Financial Aid Administrators.
U.S. PIRG.
U.S. Student Association.
The Education Trust.
The National Association of Graduate Professional Students.
Association of American Universities.
California Community Colleges.
California Association of Student Financial Aid Administrators.

Mr. HARKIN. I have several letters here—one from the Secretary of Education, Richard Riley, in support of this amendment; one from the American Council on Education in support of the amendment; one from a consortium including U.S. PIRG, United States Student Association, the Education Trust, and the National Association of Graduate Professional Students in support of this amendment, and, lastly, one from the National Association of Student Financial Aid Administrators in support of the amendment.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. HARKIN. I will be delighted to yield.

Mr. KENNEDY. Is it the Senator's understanding that this origination fee was really developed to help pay costs of the loan program when we had soaring interest rates?

Mr. HARKIN. That is exactly right, these huge, high interest rates.

Mr. KENNEDY. So it was really an insurance program in terms of the loan program at that period of time. And then as the Senator makes the point now that we have virtually a strong economy, we have stable interest rates, low interest rates in terms of these programs, whatever justification was there at that time certainly is not there at the present time but still this fee has been maintained.

The Senator, as I understand, has spelled out that with his amendment there is still going to be a sound economic situation in terms of the total program, and that we are going to save at a time, as the Senator from Connecticut and others have pointed out, of ever-increasing costs and the pressure that is on middle-income families and working families, you are talking about, what is it, $171?

Mr. HARKIN. Yes, $171.

Mr. KENNEDY. And that is a lot of money for an awful lot of students. I can remember in my own State of Massachusetts when the University of Massachusetts in Boston had $1,000 a year tuition, 85 percent of the parents of the students who attended that university had never gone to college and 85 percent of them worked 25 hours a week or more. And when they raised the tuition by $100, they lost 15 percent of their applications—15 percent.

It is a real reflection—when you are talking $170, we are talking about a lot of books. We are talking about a real lifeline, in many instances, to sons and daughters of hard-working families, I know certainly in many of the urban areas and I believe in the rural areas, as well.

We have followed this issue for a long period of time. The Senator has been a constant advocate for moderating the cost of higher education over the long time that he has been in the Senate, and it has been a challenging one. But he, I believe, has made a very solid recommendation, and I would certainly hope his position is sustained.

I urge all of our colleagues to support his amendment.

Mr. HARKIN. I thank Senator KENNEDY for those comments in support of this amendment.

The Senator is absolutely right. This came in at a time when there was extremely high interest rates, used as an insurance policy. And then for some reason it just continued on and on and on and on. Again, as I pointed out, we have reduced some of the subsidies over the intervening years, but for some reason this student tax continued on. There is absolutely no reason for it today, and, as the Senator from Massachusetts pointed out and as this chart clearly shows, even with my amendment, over the next 5 years they are going to get $4.6 billion that they really don't even need. But they have it. Do they need twice that much? Do they need $8 billion? I don't think so.

So let's give our students a little bit of a tax break. Everybody is always talking about giving people tax cuts around here. Here is one you can vote for. Here is one that has an immediate impact right now. That means these students going to college this fall will have an extra amount of money to buy that textbook or to pay their tuition costs. For some people, $171 may not sound like a lot of money. But for a low-income student, families working hard trying to get their kids into college and through college, that is a lot of money. And it is money that is not needed by these guaranty agencies. It is just not needed. They get plenty of money, $4.5 billion. So I hope the Senate will support this very modest amendment. It is not cutting the whole thing. It is just cutting it by 25 percent. I think our students deserve that tax cut.

I am a product of student loans when I went to college. Neither one of my parents went to college. They didn't have any money, so I had to borrow money to go to college. But in those days we had the National Defense Education Act which came in under the Eisenhower administration. We borrowed the money. We never had to pay any interest on it all the time we were in school, never had to pay any interest on it when we were in the military. Finally, when I got through law school, I had to start paying back the loans and the interest started accruing on it.

I always thought what was good for our generation ought to be good for the present generation. I don't know why it shouldn't be that way. This is one step we can take to tell at least the neediest students today that they deserve to have a tax break and they deserve to have a little bit more money to buy their textbooks. So I urge the adoption of the amendment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in strong opposition to the amendment put forward by my colleague, Senator HARKIN. I think what is really intended here is an effort to try to undermine the effectiveness of the FFEL Program. I know my good friend from Iowa is a fan of direct lending. I know the same is true of my colleague from Massachusetts. And any way that they can try to undermine the FFEL Program and increase the capacity of the direct loans to somehow supplant it, is an effort which I can understand.

I have been involved in this a long time. I was involved in creating the commission that ended up recommending direct lending. We have tried very hard to make sure these programs operate on a basis of fairness and comparability. So far, that has worked well.

This bill provides nearly $1 billion each year in new benefits. Many of these benefits were paid for by offsets found within the guaranteed student loan program.

Pell grants—S. 1882 raises the maximum Pell grant to historically high levels and authorizes $85.6 billion in Pell grants over the next 5 years.

Other student assistance—S. 1882 authorizes more than $15 billion over the next 5 years for work-study grants, TRIO Programs, SEOG, childcare grants for low-income students and other important programs.

Loan forgiveness for child care providers—S. 1882 authorizes more than $50 million over the next 5 years to provide loan forgiveness to low-income individuals who pursue careers as child care providers.

Loan forgiveness for teachers—S. 1882 authorizes more than $615 million over the next 10 years to provide loan forgiveness to teachers who pursue teaching careers in private or public secondary or elementary schools that serve low-income families.

Extended repayment options—S. 1882 permits, at a cost of $290 million over 5 years, borrowers in the FFEL program with debt levels equal to or greater than $30,000 to be offered extended and graduated repayment terms similar to those available in direct lending.

Student loan interest rate—And finally, and without doubt the most important benefit we are offering to students, is the low interest rate. S. 1882 preserves two vital and healthy loan programs while providing students with the lowest interest rates they have enjoyed in nearly 20 years. By some estimates, this interest rate will provide students with a new benefit (in reduced interest costs) of nearly $11 billion.

These examples speak for themselves and they reflect the strong commitment I share with my colleagues to encouraging greater participation in higher education. The debate in which we are now engaged does not reflect upon one's commitment to student benefits. S. 1882 already provides nearly $1 billion in new student benefits each year. The issue which we must now confront is whether we are truly committed to preserving the stability of two student loan programs. The Harkin amendment, I believe unintentionally, would destroy the hub of the FFEL program by putting more than

twenty-two guaranty agencies, including the Vermont Student Assistance Corporation, out of business—out of business.

I want to reiterate this point. In order to provide some students with a maximum of a $42 per year benefit, this amendment undermines the guaranty agency financing model and threatens the continued viability of the FFEL program both now and in the future. The choice is quite clear—a vote for the amendment offered by Senator HARKIN is a vote to destabilize the FFEL program. A vote against the amendment offered by Senator HARKIN is a vote to preserve the many benefits that the FFEL program so successfully offers to students and their families. I strongly urge my colleagues to oppose this amendment.

I point out that the $172 that was mentioned is over 4 years. It doesn't sound quite as much when you talk about 4 years as it does in 1 year. That is a few six-packs of beer a year. It is significant, perhaps a single text book, but certainly not something that is going to make a huge difference to any student.

I point out, this Federal fund and the insurance premium were created to try to take care of student loan defaults, to take care of the times when student's default on their loans, or loans are discharged due to death or disability.

Mr. President, 43 percent of the total cost of the FFEL Program are student loan defaults. This insurance premium helps take care of those defaults.

I would like to address for a moment the student and family benefits that are provided in this bill. S. 1882 reflects a strong bipartisan—in fact, unanimous commitment of members of the Senate Labor Committee—to craft a bill which strengthens and expands the access to higher education.

We have built up a dual system of competition perhaps. But we have two student loan systems that are more in balance now, and this bill balances those two systems again. This amendment would attempt to unbalance it, to again favor the direct lending program by taking a benefit away from one program and giving it to the other, and along the way, perhaps putting many of the present guaranty agencies that provide assistance to our college students out of business.

So I urge Senators to take a look at what this amendment really does. The minimal gain, $42 a year, which might possibly occur, is no balance to the risk of putting this whole program into a position where it could fail, at a cost of billions to students and the Federal Government.

Mr. SANTORUM. Mr. President, I rise to oppose the amendment offered by the Senator from Iowa. This amendment, which purports to lower guarantee fees on student loans, would, in actuality, increase fees for borrowers in Pennsylvania and elsewhere.

Under current law, student loan guarantee agencies participating in the Federal Family Education Loan Program (FFELP) have the option of charging borrowers a guarantee fee of up to 1% for subsidized Stafford loans, unsubsidized Stafford loans, and PLUS loans. Amendment No. 3117 would eliminate the optional guarantee fee for subsidized Stafford loans, and it would reduce by 1% the guarantee fee on Direct subsidized loans administered by the Department of Education. The costs of this provision would be offset by obligating guarantee agencies to charge the full 1% guarantee fee on all unsubsidized Stafford loans and PLUS loans.

The Pennsylvania Higher Education Assistance Agency (PHEAA), which guarantees loans for borrowers within the Commonwealth, presently waives the guarantee fee for both subsidized and unsubsidized Stafford loans, as well as the fee for PLUS loans. In addition, PHEAA also waives all guarantee fees for borrowers in West Virginia and Delaware, the two states for which it has been designated by the state's governor as the guarantee agency. Should Amendment No. 3117 become law, PHEAA would be compelled to begin charging a 1% fee on unsubsidized Stafford loans and PLUS loans. Consequently, total guarantee fees charged to student borrowers in Pennsylvania, West Virginia, and Delaware would actually increase.

Consider that in FY1997, PHEAA guaranteed $651 million in unsubsidized Stafford loans for 172,000 students and $171 million in PLUS loans for 28,000 parents. None of those borrowers were charged a guarantee fee. However, if this amendment had been law, it would have cost those borrowers $8.22 million in total guarantee fees. Moreover, 20% of FFELP borrowers nationwide receive fee waivers or fee reductions from their guarantor. Consequently, Amendment No. 3117 would increase fees for borrowers in states other than just those serviced by PHEAA. As such, I must oppose this amendment, and I urge my colleagues to join me in doing so.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Arkansas.

Mr. HUTCHINSON. Madam President, I rise in strong opposition to the Harkin amendment. I commend our chairman for the outstanding leadership on this legislation, but I have concerns on the impact of this legislation, what it would do to making student loans accessible to millions of our students.

At the core of making higher education affordable and accessible are two programs we have heard much about: The Federal Family Education Loan Program, or FFEL Program, which, through public-private partnership, has successfully provided loans to millions of students since 1965. The second program is the Direct Student Loan Program, a program initiated by President Clinton, and a program I think designed to make the Department of Education the largest student lender in the country. In fact, there are currently 36 active State and private nonprofit guaranty agencies, including the Student Loan Guarantee Foundation of Arkansas.

These guaranty foundations work closely with students, with families, with schools, and lenders to process loans, prevent loans from going into default, and pay claims on and collect on those loans that do default as a part of the traditional Guaranteed Student Loan Program, the FFEL Program.

Over the past 33 years, FFELP student loan providers have reliably delivered more than 92 million loans totaling $245 billion. Two-thirds of all student loans are provided by the private sector via the FFEL Program.

FFELP is cost effective for the Government, and the competitive environment spurs FFELP innovation and high-quality service. Reducing student loan original fees—which this amendment does not do—reducing student loan origination fees which are paid by students to the Department of Education, I believe, is a laudable goal, something we need to study and something we may do, but the amendment we are debating, the Harkin amendment, does not reduce the 3 percent origination fee paid by students in the Guaranteed Student Loan Program. Rather, it eliminates the 1 percent insurance program, also called the guaranty fee.

It is interesting, when you are against something, you call it a tax. And this fee has tonight been called a tax. Suddenly, we are voting for a tax decrease, a tax cut. But this guaranty fee has, in fact, preceded even the nationalizing of this loan program. It goes all the way back to 1965. This was not enacted as a temporary measure because of economic conditions. The original fee, in fact, was, but we are not dealing with the original fee, we are dealing with the guaranty fee, the insurance premium fee. That is what the amendment would do this evening.

That serves as the primary source of revenue to guarantors, intended to help offset the risk of default on student loans. Without the insurance premium coming in on the new guaranteed loans, guaranty agencies will have insufficient funds in their Federal reserve fund to pay lender claims on defaulted loans. Many of them will for sure. In fact, losing the 1 percent insurance fee equates to approximately 40 percent of revenue for the Student Loan Guaranty Foundation in my home State of Arkansas.

I believe—I think I am correct in this—that of all the institutions of higher learning in Arkansas, there is only one currently using the direct lending program. All the rest have opted to continue in the FFEL Program, and we seriously jeopardize the guaranty foundation with the Harkin amendment; therefore, we jeopardize the accessibility of student loans to hundreds of thousands of students who are going to need those loans now and in the future.

With less money in their reserve to process loans and pay lender claims on defaulted loans, the Arkansas guaranty agency could be forced out of business in less than 2 years. So I say to the competition, which has been lauded as being such a good thing, such a meritorious thing, it would be eliminated as the bias is made toward direct student lending, and the FFEL Program which has served my State so well would be jeopardized.

Madam President, the Harkin amendment, I believe sincerely, is a wolf in sheep's clothing. It would essentially kill the guaranteed loan program by driving guaranty agencies out of business. If schools really wanted to be in the Direct Loan Program, then over 80 percent of them would not have chosen to remain in the guaranteed loan program, which I believe we threaten by this amendment.

I urge my colleagues to support the loan program, which provides private capital and servicing for nearly two-thirds of all Federal student loans, and do so by opposing the Harkin amendment.

I yield the floor.

Mr. HARKIN. I wonder if the Senator will yield for a little colloquy on that issue to try to get something straightened out.

Mr. HUTCHINSON. I will be glad to yield. I will be delighted.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I ask my friend from Arkansas——

Mr. HUTCHINSON. I will be glad to yield for a question. I am not sure I have the authority to yield for a colloquy.

Mr. HARKIN. I will enter into kind of a colloquy on the floor here. I thought I would ask a question——

Mr. FORD. Just ask unanimous consent to have a colloquy.

Mr. HUTCHINSON. I would be delighted.

Mr. HARKIN. I ask unanimous consent to have a colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. I submit to my friend from Arkansas that one of the greatest myths about the guaranteed loan program is that the agencies are the real guarantors of the loans. I listened to the Senator and I listened to the Senator from Vermont also talk about putting the agencies in jeopardy by reducing the amount of money to pay for defaulted loans—at least that is what I heard—that my amendment might put them in jeopardy.

I think, contrary to popular belief, the Federal Government is the guarantor, and this changed in 1992. So I think there is a holdover from the previous era. In 1992—and I will just read to the Senator from the law itself: ''Consequence of guaranty agency insolvency. In the event that the Secretary has determined that a guaranty agency is unable to meet its insurance obligations under this part, the holder of loans insured by the guaranty agency may submit insurance claims directly to the Secretary, and the Secretary shall pay to the holder the full insurance obligation of the guaranty agency.''

Mr. HUTCHINSON. If I might respond, if I understand what you have just read from the law, that while that ensures the fact the Federal Government is the ultimate guarantor, that that only occurs when the guaranty foundation, the guaranty agency, has faced solvency, and that is my very concern.

Yes, while there may be an ultimate protection, before that ultimate protection is realized, the agencies that have served our students so well would, in fact, face insolvency. That is my concern for the State of Arkansas; that is my concern for the students of Arkansas.

Mr. HARKIN. I think the Senator makes a good point. As I pointed out, even with this modest cut of 25 percent, that leaves, over the next 5 years, $4.58 billion for these guaranty agencies. I haven't seen any evidence that this would be at all insufficient in the future for these agencies.

Mr. HUTCHINSON. If I might just conclude, we can stand here and debate and have a colloquy over the numbers you presented. I cannot and would not question the numbers you presented my colleagues, so I will not speak on the aggregate that you presented. But I will say that while you are dealing with the aggregate, you are not speaking to the specific circumstances and situations of guaranty foundations across the country. I only know in particular how it would impact the Arkansas Guaranty Foundation, which has served our State well, and I believe that the numbers in Arkansas reflect that it, in fact, could face insolvency in a matter of years should the Harkin amendment be adopted. And that is the basis of my very sincere and very strong opposition.

Mr. HARKIN. And I understand that. I want to make a couple points, I hope, clear, and that is, the Federal Government is the ultimate guarantor, not the guaranty agency.

Mr. HUTCHINSON. I understand, though, that if the guaranty foundation is insolvent, if I heard you read the law correctly——

Mr. HARKIN. That is correct.

Mr. HUTCHINSON. That is my very concern—then we would force students into direct lending. We would force institutions to adopt that program whether they want to or not.

Mr. HARKIN. Again, Madam President, I just want to point out, again, I do happen to have these figures available. For the State of Arkansas right now, the reserve fund is $7.9 million—$7.9 million that Arkansas has in its reserve fund. Even under my amendment, the yearly revenue for the next 5 years will be $3.8 million a year. So for the next 5 years, that will be another almost $20 million coming into Arkansas, and Arkansas has, as I said, a $7.9 million reserve fund right now.

Mr. HUTCHINSON. If I might just respond to that, the numbers we have indicate—and these are as of July 3, 1998—the cash reserve is $6.8 billion, which is considerably different from the numbers that you are presenting, and that, in fact, the information I have is that reserve would be jeopardized to a far more significant degree than what you have reflected.

Mr. HARKIN. The Senator may be right. My figures are from the end of the last fiscal year.

Mr. HUTCHINSON. Then I think it is certainly precarious for the foundation.

Mr. HARKIN. The Senator just said the reserve fund was $6.8 million as of the end of this last month; is that what the Senator said?

Mr. HUTCHINSON. That is what I said.

Mr. HARKIN. $6.8 million. Even under my amendment——

Mr. HUTCHINSON. What was the number that you gave for——

Mr. HARKIN. $7.9 billion as of the end of the last fiscal year.

Mr. HUTCHINSON. That would be a drop of $1.1 million in less than a year.

Mr. HARKIN. That is right.

Mr. HUTCHINSON. Without the Harkin amendment. With the Harkin amendment, it will be a considerable decrease in addition to that. Once again, I would say the projections are, within 2 years they would be insolvent, and the worst case scenario would become a reality in the State of Arkansas.

Mr. HARKIN. In the State of Arkansas, the Harkin amendment would continue to give $3.8 million over the next 5 years. That is hardly going insolvent.

Mr. HUTCHINSON. They have lost $1.1 million without the Harkin amendment in the reserve fund. So, Madam President, I would say, once again, my concern is for the students of Arkansas, that they have a competitive environment for student loans. I believe that will not continue if the Harkin amendment is adopted and that, in fact, the end result, intended or otherwise, will be to force institutions into direct student lending, which I do not think is in the best interest of the students of my State or this country.

I yield the floor.

Several Senators addressed the Chair.

Mr. HARKIN. I believe I have the floor.

The PRESIDING OFFICER. That Senator is correct.

Mr. HARKIN. I say to my friend from Arkansas, once again, without going further, I don't know why that went down $1.1 million. A lot of times these agencies dip into reserve funds to pay salaries and benefits and things like that. I don't know why they dipped in the reserve funds.

I just say that even $6.8 million for the State of Arkansas, with $3.8 million per year, is more than enough for

the reserve fund. And, secondly, I say that in the worst case scenario that the Federal Government still is the guarantor. And, lastly, I just point out that unless one is totally pessimistic about the economy over the next 2 or 3 or 4 years, saying that everything is just going to go down the tubes, that we are going to have plenty of money in this reserve fund, even with this amendment.

(Mr. HUTCHINSON assumed the chair.)

Mr. HARKIN. Lastly, I just say to my friend from Arkansas, who now has assumed the chair, that there was some mention made that this amendment was a direct threat to the Guaranteed Loan Program and a way of tilting it toward the Direct Loan Program. And, again, I say that nothing could be further from the facts here, because my amendment takes a cut of 25 percent in both the Guaranteed Loan Program and in the Direct Loan Program. It puts them both at 3 percent. So it makes the playing field absolutely level. It does not give one a benefit over the other.

Mr. President, I yield the floor.

Mr. REED addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Rhode Island.

Mr. REED. Thank you, Mr. President.

I believe the Senator from Iowa has introduced a very worthy amendment that is consistent with the overall thrust of the legislation to provide more affordable access to college for hundreds of thousands of American students. I hope that his amendment will prevail.

It also, I believe, compliments many other portions of this legislation which is particularly directed at providing more opportunities for Americans to go on to higher education.

One aspect that I think it compliments is the existing State Student Incentive Grant Program. This is a program that has been operating for years to provide Federal resources to local communities, to States, which they match dollar for dollar, which provides grants and work-study programs for students.

As you recall, last year this provision was threatened with extinction because of no appropriations. But we in the Senate were able to rally support by an overwhelming vote and restored this program. I am pleased to say that the legislation that we are debating today, the underlying bill, makes significant improvements in the State Student Incentive Grant Program. It strengthens it, provides more flexibility for the States. And I hope we will provide further support, not only here but in the other body, so that we can continue to fund this very worthy program.

Once again, this program, like the Senator's amendment, is designed to provide particularly low-income American students access to higher education, to make higher education more affordable.

Also, having this opportunity to speak briefly for a moment, I would like to point out another aspect of the underlying legislation which I think is very important, and that is the strengthened provisions for teacher education.

I was very pleased to note that many provisions of legislation introduced to strengthen teacher education have been incorporated in the underlying legislation. In particular, I was very pleased to introduce legislation under S. 1169, the Teacher Excellence in America Challenge Act, or the TEACH Act. This legislation was based upon a national commission to report what matters most, teaching in America, which essentially pointed out that we have a long way to go to ensure that every child in this country has a high-quality teacher in the classroom. Yet, we can take steps to get us to that worthy objective.

One step we can do is to force partnerships between schools of higher education and actually elementary and secondary schools and other participants, essentially incorporating a model of education much like medical education. We would never think about going to a physician that had no extensive clinical training, yet we send young teachers into the classroom that have barely weeks of actual classroom experience.

So I hope building on this commission's report, building on the language of this particular legislation, that we can improve dramatically the quality of education and teachers in this country.

Just as an aside, several weeks ago, Massachusetts conducted its first intensive testing of prospective teachers. They found, in a shocking way, that 59 percent of these teachers failed an examination which was designed to test a strong 10th grader, basically focusing on simple grammar, English, writing, and mathematics. This is a shocking indication of how far we have to go to improve teaching in America. And the underlying legislation has provisions which I have introduced separately which have been incorporated which will do that.

By and large, this is an excellent piece of legislation. I, of course, commend Senator JEFFORDS and Senator KENNEDY for their leadership, and Senator COATS and Senator DODD, and all the members of the committee. And, once again, I hope that we will quickly not only adopt the amendment of the Senator from Iowa, but also the underlying legislation which is a strong bipartisan attempt to further increase and strengthen the access to college for American students. In doing so, I think we will go a long way in keeping faith with a very important part not only of our country, but making sure that the future of our country is strong.

With that, I yield back my time.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, the hour is getting late. I doubt too many Members are listening to this debate. I will be brief because I know we want to move on to get these amendments finished so we can begin voting. I would like to just briefly respond regarding this amendment. And I will not repeat the benefits that flow to students under this legislation. Senator JEFFORDS of Vermont outlined those benefits: almost $10 billion in new student benefits paid through extensive loan provider cuts and other means over a period of years.

I think it is important to recognize that students benefit greatly from this legislation. It is kind of ironic that we are spending this amount of time debating a bill that came out of committee on a unanimous vote, 18–0. We felt we had a bipartisan package put together that would sail through the Senate here, but we are obviously tied up a little bit on some of the provisions. Hopefully, we can resolve some of them.

I think it is important to recognize that what those of us who oppose the Harkin amendment are doing, as we have done on a number of other amendments, is trying to preserve a viable, competitive system in terms of providing service and collection and the provision of loans to students. There has been a concerted effort over the past 6 or 7 years to eliminate the private sector loan program in favor of a full Federal-run program. There were efforts to take it to 100 percent. Those were thwarted after a lot of contentious debate under previous Congresses.

But I thought at least finally we had settled on the concept that competition is good, competition within the system is good, and we ought to have two programs side by side—a direct loan program run by the Federal Government, the Department of Education; and a private program that was operated in the private sector, involving guarantor agencies and banks and others that provided students benefits for years. And it was, of course, backed by the Federal guarantee. But it operated pretty well. There were concerns that those guarantor agencies were reaping too much benefit from that particular program.

So over the last several years there have been a variety of measures enacted which substantially reduce the fees that go to the guarantor agencies. This bill takes $500 million from the guaranty agencies to pay for student benefits. Between 1993 and 1997, revenue to student loan guarantors was cut by $2 billion. That is $2.5 billion we have taken out. Student loan guarantors get back another $1 billion in reserves over the next 5 years under the Balanced Budget Act that the Congress entered into last year. As a consequence of that, the concerns that were raised by the Senator from Arkansas become very real.

Ten student loan guarantors have ceased operations due to increased

risk, declining revenues. The Alabama Commission on Higher Education, Delaware Higher Education Loan Program, Maryland Higher Education Loan Corporation, Mississippi Guaranteed Student Loan Agency, Ohio Student Loan Commission, Puerto Rico Higher Education Assistance Corporation, the State Education Assistance Authority of Virginia, the State Student Assistance Commission of Indiana, the Student Loan Funds of Idaho, and the Virgin Islands Board of Education have all ceased operations.

I don't think it is possible to accurately predict just which future agencies will go out of business as we keep squeezing the private sector and keep expanding benefits and provisions through the public sector, but a list has been put out that guaranty agencies would fail in a number of States over the next several years if the Harkin amendment is adopted and if the process of continuing to impose restrictions and squeezing the revenues of the private sector so they can't compete equally with the public sector continue to be enacted.

Now, the ultimate decisionmakers shouldn't be Members of Congress or the Department of Education. The Department of Education, obviously, has a bias in favor of expanding their scope in this program and becoming the only provider. That is what their intent was originally. That is what they have been working for. They have had the support of some Members of Congress on that.

I think we ought to go back to some basic philosophic understandings of what it is in this country that has proven over time to provide the most effective service and benefits at the most effective cost. And it hasn't been the Federal Government. You can't point to agencies of the Federal Government—whether it be Post Office, which used to be under the Federal control, but now is semi-independent—you can't point to any agency and compare it to a private agency and say the Federal Government is a more efficient provider of services at a more effective cost.

I remember asking the First Lady when she presented the Clinton health care plan, I said, ''Mrs. Clinton, you have done a lot of work on this particular plan, but there is, in my opinion, a faulty assumption underlying the entire proposal, and that is that the Federal Government can provide services more efficiency and cost effectively than the private sector.'' I said, ''In my experience here in Washington, I haven't come across any Federal Government program that has been able to do that. When matched head to head, they haven't been able to do that.'' The reason they haven't is because they don't have to compete. They don't have stockholders to whom they are accountable. They don't have a bottom line they have to reach. They simply turn to Congress for additional funds to fund whatever service they are providing. The very nature of bureaucracy and the very nature of monopoly leads to the inevitable conclusion that the taxpayer loses in the long run when the services aren't provided.

So here we are yet again with yet another amendment designed to put the private sector at a less competitive advantage. As I said, the real decisionmakers in this process ought to be the users of the product. And the users of the product are the schools.

Despite credible efforts by the Department of Education, in fact, some fairly heavy-handed tactics in some cases, two-thirds of all students choose to use the private sector to provide their loans and only one-third choose to use the Department of Education. The Department of Education, even within that one-third, which is less than what they had planned for, is having trouble even providing effective services to that one-third.

Let me refer to a GAO account which gave failing marks to the Federal Government and a number of Federal credit programs. Their report is not news to anyone who has followed the debacle that has occurred at the Department of Education in administering the Direct Loan Program. During its first 5 years, institutions have been unable to fully reconcile disbursements received in Federal funds. There have been cost overruns estimated at $40 million, despite ongoing problems in the Direct Loan Program and their attempts to protect it, either through the imposition of additional fees, cuts, additional revenue squeezes on the private sector, and additional protections for the Direct Loan Program.

So I think putting aside the intricacies of this program and whether there was an origination fee or an insurance fee, whether there is enough in the reserve fund for 5 years or 3 years or whatever, we ought to go back to the basic premise of, do we want to substantially expand the role of a department of government which has not proven itself an efficient administrator of these services, which has not proven itself as an entity capable of providing services in an efficient manner?

But if we are not going to do that, do we at least want to have a viable, competitive process, whereby the users of the product can make the choice? I think that is really what this is all about. We need to remember that last year's bipartisan balanced budget agreement called for the preservation of two healthy loan programs and that if there were cuts, those cuts should be equally divided between those two programs. That has not happened under the Harkin amendment. The cost of the 25-percent reduction that the Senator from Iowa is talking about doesn't come out, it is not equally divided between the Direct Loan Program and the FFEL Program, the entire cost savings comes out of the FFEL Program.

So it is a violation of what the agreement was last year, the balanced budget agreement. It violates the principle of that agreement by taking the fee from the private sector program and using it to cover the cost of loss of revenue in the public sector program that results from the change that occurs under the Harkin amendment.

I urge my colleagues to vote against the Harkin amendment, preserve the benefits and the balance that was created by the committee, supported by the committee in an 18–0 vote, and move forward with this education program that I think is important for our students and important for education initiatives that are in it.

I yield the floor.

Mr. JEFFORDS. I believe we are reaching conclusion on this amendment. It is my intention to make a few comments and then I believe Senator HARKIN will close in a few minutes.

In the interim, let me first make a very few comments. We are comparing apples and oranges here and you can make the apples look bad if you want to because you can't compare the oranges. The ''oranges'' are the direct lending program. It is a great one to cover things up. What you do when you lend out the money is create an accounts receivable on your ledger sheet. It doesn't show up anywhere regarding who doesn't pay back; it just shows up who does pay back. So it is very hard to trace where the losses are. On the other hand, the private sector one is a balanced one, with the student paying a 1 percent insurance fee which helps take care of default. The lenders absorb 2 percent of the cost of defaults, which helps, and the guaranty agencies absorb 5 percent, and the Federal government absorbs the remainder, which balances out and provides the money to pay for the default. So you can't really compare the two programs. You can make this one look bad because you don't know what the other program has done. There is no way of telling.

Mr. President, I ask unanimous consent that following the remarks of Senator HARKIN, the Harkin amendment be set aside, that Senator KENNEDY be recognized to offer his amendment, that there be 30 minutes equally divided on the Kennedy amendment, and that no second-degree amendments be in order. I further ask that upon the conclusion of debate on the Kennedy amendment, votes occur first on the Kennedy amendment, and then on the Bingaman amendment, and finally on the Harkin amendment, and that there be no second-degree amendments to any of the amendments.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that there be 2 minutes, equally divided, of debate between the votes for an explanation of the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Parliamentary inquiry, Mr. President. On the unanimous-consent agreement just propounded, did

that include the yeas and nays on all of the amendments?

Mr. JEFFORDS. No, it did not.

Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the three amendments with one show of seconds.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. JEFFORDS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JEFFORDS. So for the information of all Senators, Mr. President, we expect three votes to occur at about 9:45 or 10 o'clock, first on the Kennedy amendment, then the Bingaman amendment, and then on the Harkin amendment.

Mr. HARKIN. Mr. President, I will wrap up my comments on the amendment I offered. Again, Mr. President, I listened to the Senator, my good friend from Indiana, talk about schools choosing to stay out of the Direct Loan Program. Well, I point out that in the first 2 years there was a tremendous increase in schools joining the Direct Loan Program. But then in 1995 Congress began to make all of these threats about ending or killing the Direct Loan Program. So what has happened is that schools are apprehensive about whether or not they want to keep the Direct Loan Program, and that put a dampening effect on the tremendous growth we had in the first couple of years.

Secondly, I can't help but be somewhat amused by all this talk about the private sector—the private sector involved in these students loans. We want this private sector to keep going—this private sector. Let me point out, Mr. President, that the ''private sector'' involved in this Guaranteed Loan Program gets a subsidy from the taxpayers of this country to the tune of $7.5 billion a year. That is right—this private sector enterprise gets a subsidy from the Federal Government every year of $7.5 billion. Private sector? Hardly. Subsidized sector? Yes.

So all of this talk about this private sector out there in the Guaranteed Loan Program is nonsense. Now, if you want to make it private sector, let's not give them any subsidies. Let's knock out the $600 million to lenders for the special allowance payment. Let's knock off the $3 billion to cover defaults. Let's knock off the $2.5 million for interest subsidy for students. Knock off all that stuff—the $7.5 billion a year in subsidies that we put out for the guaranty loan agencies. If you want to talk about competition, that is fine; I don't mind having competition. In fact, it might be pretty good. But let's keep it balanced.

The point is that this amendment that I have offered for the students cuts their taxes by 25 percent on both the Guaranteed Loan Program and on the Direct Loan Program. It cuts it by 25 percent on both. It keeps them both even in that regard. So if you want to keep competition, I say vote for my amendment. You get a tax cut for the students, which allows them to buy textbooks, and it keeps the Direct Loan Program and the subsidized, private sector Guaranteed Loan Program in balance.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, there will now be 30 minutes, equally divided, on the Kennedy amendment.

AMENDMENT NO. 3119

(Purpose: To provide for market-based determinations of lender returns)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 3119.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 458, between lines 2 and 3, insert the following:

SEC. 425. MARKET-BASED DETERMINATIONS OF LENDER RETURNS.

Part B of title IV (20 U.S.C. 1071 et seq.) is amended by inserting after section 427A the following:

''SEC. 427B. MARKET-BASED DETERMINATIONS OF LENDER RETURNS.

''(a) FINDINGS.—Congress finds that—

''(1) in the field of consumer lending, market forces have resulted in increased quality of services and decreased prices, and more extensive application of market forces to the Robert T. Stafford Federal Student Loan Program should be explored;

''(2) Federal subsidies to lenders making or holding loans made, insured, or guaranteed under this part should not exceed the level necessary to ensure that all eligible borrowers have access to loans under this part;

''(3) setting the level of lender returns necessary to achieve the objective described in paragraph (2) in statute is necessarily inexact and insufficiently flexible to respond to market forces, and therefore lender returns should be determined through the use of market-based mechanisms;

''(4) alternative market-based mechanisms must be tested before a final selection is made as to the particular mechanism to be used for all loans made, insured, or guaranteed under this part;

''(5) the results of testing alternative market-based mechanisms should be evaluated independently; and

''(6) if the independent evaluation concludes that the testing of alternative market-based mechanisms has been successful, a market-based mechanism to determine lender returns on all loans made, insured, or guaranteed under this part should be implemented as expeditiously as possible.

''(b) JOINT PLANNING STUDY TO SELECT AUCTION-BASED MECHANISMS FOR TESTING.—

''(1) PLANNING STUDY.—The Secretary and the Secretary of the Treasury jointly shall conduct a planning study, in consultation with the Office of Management and Budget, the Congressional Budget Office, the General Accounting Office, and other individuals and entities the Secretary determines appropriate, to—

''(A) examine the matters described in paragraph (2) in order to determine which auction-based mechanisms for determining lender returns on loans made, insured, or guaranteed under this part shall be tested under the pilot programs described in subsection (c); and

''(B) determine what related administrative and other changes will be required in order to ensure that high-quality services are provided under a successful implementation of auction-based determinations of lender returns for all loans made, insured, or guaranteed under this part.

''(2) MATTERS EXAMINED.—The planning study under this subsection shall examine—

''(A) whether it is most appropriate to auction existing loans under this part, to auction the rights to originate loans under this part, or a combination thereof;

''(B) whether it is preferable to auction parcels of such loans or rights, that are similar or diverse in terms of loan or borrower characteristics;

''(C) how to ensure that statutory, regulatory, or administrative requirements do not impede separate management and ownership of loans under this part; and

''(D) what is the appropriate allocation of risk between the Federal Government and the owners of loans under this part with respect to interest rates and nonpayment, or late payment, of loans;

''(3) MECHANISMS.—In determining which auction-based mechanisms are the most promising models to test in the pilot programs under subsection (c), the planning study shall take into account whether a particular auction-based mechanism will—

''(A) reduce Federal costs if used on a program-wide basis;

''(B) ensure loan availability under this part to all eligible students at all participating institutions;

''(C) minimize administrative complexity for borrowers, institutions, lenders, and the Federal Government; and

''(D) facilitate the participation of a broad spectrum of lenders and ensure healthy long-term competition in the program under this part.

''(4) REPORT.—A report on the results of the planning study, together with a plan for implementing 1 or more pilot programs using promising auction-based approaches for determining lender returns, shall be transmitted to Congress not later than April 1, 1999.

''(c) PILOT PROGRAMS.—

''(1) AUTHORIZATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, after the report described in subsection (b)(4) is transmitted to Congress, the Secretary is authorized, in consultation with the Secretary of the Treasury, to begin preparations necessary to carry out pilot programs meeting the requirements of this subsection in accordance with the implementation plan included in the report.

''(B) DETERMINATION.—Before commencing the implementation of the pilot programs, the Secretary shall determine that such implementation is consistent with enhancing—

''(i) the modernization of the student financial assistance delivery systems;

''(ii) service to students and institutions of higher education; and

''(iii) competition within the program under this part.

''(C) IMPLEMENTATION DATE.— The Secretary may commence implementation of the pilot programs under this subsection not earlier than 120 days after the report is transmitted to Congress under subsection (b)(4).

''(D) DURATION AND LOAN VOLUME.—The pilot programs under this subsection shall be not more than 2 years in duration, and the Secretary may use the pilot programs to determine the lender returns for not more than 10 percent of the annual loan volume under this part during each of the first and second years of the pilot programs under this subsection.

''(2) REQUIREMENTS.—In carrying out pilot programs under this subsection, the Secretary—

''(A) shall use auction-based approaches, in which lenders bid competitively for the loans under this part, or rights to originate such loans (such as a right of first refusal to originate loans to borrowers at a particular institution, or a right to originate loans to all such borrowers remaining after a right of first refusal has been exercised), as the Secretary shall determine;

''(B) may determine the payments to lenders, and the terms, applicable to lenders, of the rights or loans, as the case may be, for which the lenders bid; and

''(C) shall include loans of different amounts and loans made to different categories of borrowers, but the composition of the parcels of loans or rights in each auction under a pilot program may vary from parcel-to-parcel to the extent that the Secretary determines appropriate.

''(3) VOLUNTARY PARTICIPATION.—Participation in a pilot program under this subsection shall be voluntary for eligible institutions and eligible lenders.

''(4) INDEPENDENT EVALUATION.—The Secretary shall enter into a contract with a non-Federal entity for the conduct of an independent evaluation of the pilot programs, which evaluation shall be completed, and the results of the evaluation submitted to the Secretary, the Secretary of the Treasury, and Congress, not later than 120 days after the termination of the pilot programs under this subsection.

''(d) CONSULTATION.—

''(1) IN GENERAL.—As part of the planning study and pilot programs described in this section, the Secretary shall consult with lenders, secondary markets, guaranty agencies, institutions of higher education, student loan borrowers, other participants in the student loan programs under this title, and other individuals or entities with pertinent technical expertise. The Secretary shall engage in such consultations using such methods as, and to the extent that, the Secretary determines appropriate to the time constraints associated with the study and programs. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to such consultations.

''(2) SERVICES OF OTHER FEDERAL AGENCIES.—In carrying out the planning study and pilot programs described in this section, the Secretary may use, on a reimbursable basis, the services (including procurement authorities and services), equipment, personnel, and facilities of other agencies and instrumentalities of the Federal Government.''.

On page 457, line 23, strike ''The'' and insert ''Except as the Secretary of Education may otherwise provide under section 427B of the Higher Education Act of 1965, the''.

On page 505, strike line 5 and all that follows through page 506, line 16.

Mr. KENNEDY. Mr. President, as I understand it, we have a half hour evenly divided, and I yield myself 7 minutes.

Mr. President, this was a very good segue—listening to the comments of my friend and colleague from Iowa—to the amendment which I propose this evening and which has the administration's support.

The amendment I am offering will enable the Department of Education, working with the Secretary of the Treasury, to conduct a pilot program on methods to rely on competition to set interest rates on student loans. The results of this pilot program will be reported back to Congress within 120 days after the end of the test, and Congress must act again before any further action to implement competition on a wider scale.

The bill currently calls on the Secretary to study the feasibility of using competition. That is too little and too late. It is a further delaying tactic. My amendment takes the reasonable step of authorizing a pilot program to see how competition would work in practice.

The obvious way to use competition is through an auction. Under this amendment, up to 10 percent of the loan volume can be auctioned in each of 2 years. Students will be protected with the same low interest rate in the bill, and access to loans will continue. Colleges will participate on a voluntary basis. No one will be forced to be part of a pilot project. After the pilot is completed, an independent entity will evaluate the results and submit them to the Department of Education, the Treasury, and Congress. For example, one type of auction could invite lenders to offer loans to all eligible students at a college, or a group of colleges; or a State could originate loans for students at colleges in the State and auction the loans afterward, with excess subsidies returned to the Federal Government.

The pilot project would be able to assess the practical problems, if any, in this procedure. In fact, there is already experience to build on. Loans for students in the health professions were conducted by auctions. Before the initial auction, the interest rate was based on a 91-day Treasury bill rate plus a premium of 3 percent. At the final auction, the premium was 1.5 percent—a significant cut in the interest rate that brought major savings for the students. According to the Treasury, lenders will make an average return of 16 percent on student loans under this bill, a higher rate of return than their historic rates of return on their other assets, even though these loans are guaranteed by the Federal Government and therefore have no risk to the banks.

As the Congressional Budget Office analysis of March 30, 1998, concludes, ''banks do not require the same returns on FFELs that they require overall, since federally guaranteed student loans are less risky than the average bank asset.'' The excessive cost to the taxpayer of these artificially high interest rates is at least $1 billion over the 5 years.

Mr. President, we all know what is going on here. A Washington Post editorial of March 18 is titled ''Stared Down by the Banks,'' and it pulls no punches and it accuses Congress of being intimidated by the banks. A USA Today editorial of March 23, 1998, is titled, ''Banks Acting Like Bullies''—too much subsidies for the banks. Clearly, we should let competition set the interest rate, not Congress.

As the Los Angeles Times said in its editorial on June 5, ''Congress should tackle the 'larger problem: the lack of competition in the student loan system.''' This amendment that I am offering this evening is a worthwhile pilot program that can help do so.

Competition can work and will work to save Federal dollars and save dollars for college students as well.

Mr. President, I ask unanimous consent to have printed in the RECORD the various Federal programs that are involved in this kind of a competition.

EXAMPLES OF HOW AUCTIONS ARE USED IN FEDERAL PROGRAMS

Treasury Securities.—Treasury auctions bills, notes, bonds and inflation-indexed notes and bonds in a sealed-bid auction. Bidders bid an interest rate and loan volume they would like at that rate. But no bidder can win more than a certain percentage of the total put up for bid. Noncompetitive bidders can submit pre-auction bids for a given volume for which they'll accept the auction-determined interest rate. Treasury usually uses discriminatory-price auctions by giving each bidder the rate they bid, but it has also experimented with uniform auctions in which all winners get the highest winning rate.

HUD Loan and Real Estate Asset Sales.—HUD and FHA auction defaulted mortgages, and bidders may bid on any number of mortgages. Because any combination or all of the auctioned items can be bid on together, there is likely overlap in the mortgage packages submitted by each bidder. To address this problem and to be able to determine which combination of bids would optimize value for the government, an Auction Optimization Model was developed by AT&T Bell Laboratories. The computer model is used to select the winning bids based on total revenue for the government.

Health Education Assistance Loans (HEAL).—HHS conducts a sealed-bid auction in which bidders bid an interest rate and loan volume they would like at that rate. The low bidder and all others within a certain tolerance of the low bid win the right to make loans. In the case of single winners, schools would not have a choice in that given year and might have to deal with different lenders in each year. In the case of multiple winners, each bidder would have to compete to make as many loans as they can, though it would probably be less than their originally bidded volume.

FCC Wireless Spectrum Auctions.—The FCC conducts sealed-bid auctions for spectrums in which hundreds of markets are determined simultaneously. After each round, bidders see the prevailing price in each market and can place a bid in the next round in markets they had not bid for previously. The auction does not end until no more bidders want to make higher bids in any market. Telephone service provision is also auctioned in certain areas, including relatively unprofitable parts of areas. Though results have been mixed, most auctions have gone well.

Elk Hills Oil Field of the Naval Petroleum Reserve.—Elk Hills was one of the federal government's largest privatization efforts, with the sale completed in February of 1998.

The process involved getting five independent evaluators to determine the value of the property before publishing the offer and collecting proposals from potential bidders. Due diligence and close attention to transfer documents were components of the many legal and technical steps. The bid evaluation incorporated negotiations with the three finalists on terms beyond the payment, such as environmental indemnity issues, and ultimately a single winner was selected.

WIC Infant Formula Bidding Process.—WIC purchases of infant formula comprise more than half of all formula sales within the U.S., and in an effort to ensure competitive pricing, in 1989 the federal government began requiring states to establish competitive bidding processes. The firm offering the lowest net price to the state or cluster of states wins the exclusive right to sell infant formula to WIC participants, and that firm is then billed by the state WIC agencies for rebates on formula purchased with WIC vouchers. Under this system GAO reports that after accounting for rebates in 1996, WIC agencies paid 85 percent less than the wholesale price for formula, on average, allowing WIC to be extended to an additional 1.7 million persons each month.

EPA Pollution Rights.—EPA's acid rain program holds an annual auction of a Special Allowance Reserve of approximately 2.8 percent of total allowances, conducted by the Chicago Board of Trade. In addition to providing an additional means of obtain allowances (each equal to one ton of annual SO_2 emissions), the auction also importantly establishes a market price signal. Allowances are sold from the Reserve before private holdings are sold. Anyone—including public interest and environmental groups—can participate in the bidding on and trading of allowances. Spot (for that year) and advance (not usable for seven years) allowances for SO_2 emissions are available through the auction, and allowances may be bought, sold, banked, or retired. This auction appears to use discriminatory pricing rather than uniform pricing.

Resolution Trust Corporation.—RTC auctions collateralized and uncollateralized assets. For example, in a recent competitive (sealed) bidding process, approximately 1100 assets were divided into 30 pools based on asset type and region. A financial advisor and due diligence contractor scrubbed the relevant files and collected data to establish values and reserve prices for each asset. This information, recorded in CD–ROM format, was made available to the public, which had four weeks to review it. Bids on the 30 asset pools were received at a centralized New York clearinghouse over a two-day span. Based on the best and final bids, the $450 million sale yielded 87 cents on the dollar rather than the 75 cents that the portfolio had originally been valued at.

Oil and Gas Sales on the Outer Continental Shelf.—After determining to lease the tracts, they are advertised in the Federal Register in an open bidding process. Potential investors send their checks; after the highest bidder is notified of their acceptance, the other checks are returned to the unsuccessful bidders. At this point, the government conducts its own assessment of the value of the oil and gas reserves, based on geological and mineral information provided by the successful bidder, to make sure the bidded amount meets or exceeds the government estimated value.

Conservation Reserve Program (CRP).—The USDA solicits bids from producers for enrollment of acres into the CRP. Bids are accepted based on a formula that accounts for the environmental for each dollar from enrollment (i.e., if a bid is accepted, the government pays farmers rental payments for 10 years to idle their land and put a conserving cover crop on it).

Timber Sales.—The Forest Service auctions off the rights to timber companies to cut designated areas in National Forests. After an offer of sale describing the timber and the sale terms is publicized, a sealed-bid process takes place. Non-price related terms of the sale, including environmental concerns, are all set by the government, so the highest bidder wins the auction.

Export Enhancement Program (EEP).—The USDA establishes prices and bonus levels based on their estimates of the going market rates, and then accepts bids from exporters. However, rather than bidding against each other in a true-market scenario, exporters are really only bidding against the government-set price and bonus level, and they have the option of coming back with successive new bids until they hit the USDA-determined price levels.

Mr. KENNEDY. We obviously have the Treasury securities that are involved in these kinds of competitions. The HUD loans; the FHA auction on mortgages is a competitive bid; the HEAL loans, the Health Education Assistance Loans; the FCC wireless spectrum auctions. We had a long debate on what was going to be the best way to protect the taxpayer. And the decision by the Congress was to have the spectrum auctions. Elk Hills Oil Field of the Naval Petroleum Reserve was auctioned. WIC, infant formula, there was a bidding process and auctions; EPA pollution rights are auctioned off. The Resolution Trust Corporation relied on auctions, and the auctions were, in their view, based on their best and final bids. The last auction that went off was typical. The $450 million sale yielded 87 cents on the dollar rather than the 75 cents that the portfolio had originally been valued at, and was returned to the Treasury. Oil and gas sales on the Outer Continental Shelf were auctioned off. Conservation Reserve Program auctioned off; timber sales auctioned off; Export Enhancement Program auctioned off.

These are existing Federal programs that use the auction system to provide the best kind of protection to the taxpayers, and in this case to the students.

But this particular amendment says, with the urging of the Administration, let's have a pilot program independently evaluated, the result of which is submitted to the Congress, the Administration, and made public. Then the Congress can make a judgment on this matter.

I hope our friends on the other side of the aisle who talk about market forces and are constantly lecturing Members will support this very modest recommendation. This amendment is built on market forces and built on competition. It follows the kinds of recommendations which the U.S. Government has accepted in terms of auctions.

All we are doing is saying let's have a pilot project and test how this program would work in terms of protecting student loans. We have had debates here tonight on the level of interest rates. We have had debates in our committee on the level of interest rates. Let us try in terms of protecting students to give them the best deal that they can possibly have, and use these resources to make a major difference in reducing the cost of higher education in this country.

I reserve the remainder of time.

The PRESIDING OFFICER. Who yields time?

Mr. JEFFORDS. Mr. President, I yield myself such time as I may consume.

Mr. President, I rise in strong opposition to the amendment being offered by my colleague Senator KENNEDY. While I share his interest in exploring mechanisms for improving the delivery of student loans, as chairman of the Labor Committee, I strongly oppose his effort to provide the Department of Education—whose desire to disadvantage the FFEL program has been aptly demonstrated—with unbridled authority to conduct an experiment on the FFEL program.

The impetus for this concept arose out of the lengthy deliberations we have had over the past eighteen months about setting the appropriate interest rate for students and lenders. In 1993, when the Student Loan Reform Act was being drafted, its authors—including Senator KENNEDY—anticipated that the Federal government would shift entirely from the FFEL program to the Federal Direct Loan program. A transition provision was included in the law which changed the way that student loan interest rates were to be calculated effective July 1, 1998. This change was primarily intended to reflect the budget scoring needs of the Direct Lending program. The consequences for student borrowers in the FFEL program, however, would have been dramatic.

There is general agreement that, if the interest rate that was set for July 1, 1998 and which was delayed until October 1, 1998 is allowed to go into effect, it will become unattractive for lenders to participate in the FFEL program.

S. 1882, as reported from the committee, confronts the challenge of trying to provide students with the lowest viable interest rate on their student loans while ensuring sufficient lender participation to preserve open and full access to student loans. After nearly a year of consultation with students, lenders, representatives of the higher education community, the administration and financial services experts, the committee put forward a compromise interest rate package.

This package sharply reduced lender yield by 30 basis points while allowing students and their families to enjoy the lowest interest rates in nearly twenty years. The process of developing this package was long and difficult and the stakes were very high. While by no means perfect, the bipartisan compromise meets the twin challenges of low rates for students and continued stability in the FFEL program.

As I wrestled with my desire to balance the twin objectives of reducing the interest rate paid by students and preserving access to loans under the FFEL program, I encountered several budget analysts who were interested in using market-based mechanisms to establish student loan interest rates.

It became clear to me, however, that market-based mechanisms, while attractive a first blush, quickly reveal themselves to be far more complicated to design and implement than is ever fully appreciated. These analysts, who often focus only upon economic considerations, often fail to recognize that student loan programs are designed primarily to offer a social benefit—that is, to offer loans, at reasonable rates, to students without respect to credit history, educational program, loan size, geographic location, or potential as a consumer of future credit products. Market-based mechanisms, if they are to be implemented, must be carefully designed to ensure that all students continue to have equal access to student loans without regard to any particular characteristics of the borrower or their program of education.

Further, any changes to the delivery system for the FFEL program, must strive to preserve the high level of service that students and institutions of higher education currently enjoy. Under an auction model, schools and borrowers may be forced to deal with a different lender and servicer each year. Regional lenders in small states may lose the ability to participate in the program. Students may lose the ability to select the lender of their choice. And equally important, particularly in light of the collapse last year of the Department's loan consolidation program, students may find themselves forced to make payments to myriad lenders each of whom has different practices and procedures. An auction, improperly designed, could add new and unintended layers of complexity to the program.

As a result of these concerns, as well as concerns about the ability of the Department of Education to administer an auction model, the American Association of Medical Colleges and others have publicly stated their deep reservations about moving toward a market-based model. These issues may be resolvable but I cannot support providing the Department with the authority to experiment on the FFEL program until they have been studied and addressed to my satisfaction and the satisfaction of my colleagues on the Senate Labor Committee.

In an effort to answer some of these questions, our bill directs the Secretary of the Treasury to conduct a study of the feasibility of employing market-based mechanisms. After consultation with students, lenders, and institutions of higher education, the Secretary of Treasury is required to analyze the potential impact of these mechanisms on the delivery of student aid, the implications for students and institutions of higher education with regard to access to student loan capital, and provide a plan for structuring and implementing a mechanism is a manner that ensures the cost effective availability of student loans for students and their families. This report shall be provided no later than September 30, 1999.

It is my strong belief that any pilots, if appropriate, should only be developed after careful study and full Congressional participation. In this spirit, S. 1882 contains a provision directing the Secretary of Treasury to conduct a thorough study and report to Congress on the feasibility of designating and implementing market-based mechanisms for setting student loan interest rates. I look forward to receiving this report and working with the Congressional Budget Office, my colleagues in the Senate, and all of the participants in the FFEL and Direct Lending programs to fully assess whether or not market-based mechanisms can contribute to improvements in the availability, cost, and efficiency of the student loan programs.

In closing, I want to make one very important additional point. From all of this talk, one might think that there is a crisis within the FFEL program which we are trying to fix. The FFEL program continues to be the program of choice of the vast majority of colleges and universities. As a result, the higher education community has deep misgivings about the Kennedy amendment because it is concerned that efforts by the Department to conduct experiments upon the FFEL program will disrupt the benefits and services that students and institutions currently enjoy. For all of these reasons, I urge my colleagues to oppose this amendment.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JEFFORDS. I yield the Senator from Indiana such time as he may require.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I will be brief. I just want to make a couple points.

Point No. 1, the legislation that is before us, the base legislation, already contains a carefully designed analysis and feasibility study of market-based mechanisms for student loans. The KENNEDY amendment goes much further than that. We have a study in place. We will get the information needed to make a determination as to whether or not we want to move to an auction market-based program.

Secondly, the last thing the Department of Education needs right now is another big responsibility. It can't handle the responsibilities it currently has. It has not been able to successfully manage the Direct Loan Program and the FFEL Program. Why would we want to consider giving it something else to manage?

Let me just cite a few things from the inspector general relative to the Department's administering of the Direct Loan Program. The IG has concluded that audits at 16 direct loan schools found 8 major weaknesses in 16 of those programs. They also stated that in their audit, the weaknesses they found were representative of the majority of direct loan schools. They said:

> They are very likely to exist at these other direct loan schools. The Department reviewed disbursement amounts recorded at one school and found a total of nearly $300,000 hadn't been entered into the direct loan system.

The IG's report said that 3 of the 16 schools maintained excess cash as a result of improper cash management practices.

Let me quote again from the IG's analysis of the department's ineptness in running the programs that it has now. And I quote:

> The Department does not currently have a process in place to match specific drawdowns with specific disbursement transactions.

The IG goes on to say:

> 53 percent of student status reporting was inaccurate. On average 71 percent of student records in the national student loan data system were inaccurate; 58 percent of transactions were not reported by schools through the department in a timely manner.

The IG says that today, if data is not reported timely, due diligence and timeliness of reconciliation of loan data may be adversely impacted.

We probably all remember, or should remember, that in the 1995–1996 academic year, 1 million applications were backlogged at the Department of Education which caused families and students all over the country to be put in a position where they didn't know whether they were going to get a loan or not. Two years later, the Department sent out 2.7 million forms to fill out and had the wrong shading on it, and therefore the forms were not processed right, and they ended up with hundreds of thousands of backlog as a result of that.

This goes on and on and on, the inability of the Department to handle the one-third of direct loans that it now has. So why do we want to throw in another major initiative at the Department of Education. Let them at least get the initiatives that they currently have jurisdiction for under some control. So I would urge my colleagues to join with the chairman of the committee in defeating the Kennedy amendment.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. What my friend, the Senator from Indiana, did not point out is that the student loan defaults

were 22 percent under the Republican administration, the previous administration, now down to 10 percent, saving hundreds of millions of dollars a year. This debate isn't over the particular administration, because what we are talking about is a very sound idea. Let me give you what Mr. Petri, a Republican in the House of Representatives, said:

The amendment would end the recurring battle—he has one that would put in place an auction program. Ours is just a pilot program.

The amendment would end the recurring battle between student groups and lenders over the industry on student loans, which results in the price of the private sector services being set by political negotiation without regard to the actual cost of services.

This amendment has the potential of saving the American taxpayers billions of dollars through competition for this profitable business. Up to now, with the exceptions of in-school interest and the overall interest cap, the banks have always received the same interest the students paid on interest loans.

Here is Mr. MCKEON, Republican of California. This is what he says:

The gentleman is correct that up to now we have tried to figure out how much to pay the lenders for providing student loans in a political negotiation, and we in Congress really have no way of knowing what the right price is.

These are two Republicans who believe in the market system:

It would be much better if we had a market process to determine rates.

That is exactly what this amendment provides, a test, a pilot. You can't implement it until we vote again, but a test and a pilot make sense for the very reasons two of the most knowledgeable leaders in the Republican Party in the House of Representatives have stated:

I am interested in working in that direction.

That is in the recent debate and discussion.

Now, Mr. President, I indicated just a few moments ago all the different agencies of Government that use this process, the most significant, obviously, the Treasury, the FHA, dealing with a great deal more amount of funding than we are considering.

Finally, Mr. President, just look at this chart that I have in the Chamber. This represents, according to the FDIC—and my good friend from Iowa was referring to various figures. Under the proposal that we have tonight, the proposal; that is, the bill, will guarantee the return on equity for all commercial banks at 16 percent. This chart here shows what the banks have made from 1958 going up to 1996, and recently, in 1994 through 1996, it has been in excess of 14 percent.

All we are saying, for those Members of the Senate who are concerned about the cost of higher education, is we have an opportunity to do something and do it the old fashioned way—competition; competition, tried, tested, utilized by other agencies of our Government and which effectively works. At least a pilot project; let's give it a try.

Mr. HARKIN. If I could ask the Senator to yield just briefly.

Mr. KENNEDY. I would be glad to yield—1½ minutes to the Senator from Iowa and 1½ minutes to the Senator from Connecticut.

Mr. HARKIN. I just want to ask the Senator again on this chart—this is outrageous—there is the return on equity for commercial banks. For a number of years it averaged about 11, 12 percent. Now it is up over 14 percent. That is a return on equity for banks. Is the Senator saying that this bill that we are passing will guarantee them a 16-percent return on guaranteed student loans?

Mr. KENNEDY. That is the estimate by the FDIC. And was used by the committee.

Mr. HARKIN. Not only do they get the 16-percent guarantee, they get a $7.5 billion subsidy from the taxpayers of this country. So I think the Senator is absolutely right. If they want to be private sector, let's put it out for bid. Some years ago, as the Senator remembers, we put the WIC Program out, the Women's Infants and Children's feeding program out for competitive bidding, good old free enterprise competitive bidding, and we have saved billions of dollars for the taxpayers of this country and improved the program. I think the Senator is right on target on this. If there is so much money floating around here, let's put it out for bid. Let's put it out for good old free enterprise, competitive bidding.

Mr. COATS. Will the Senator yield at that point?

Mr. KENNEDY. I have 1½ minutes left, I believe. Is that right?

The PRESIDING OFFICER. The Senator has a total of 3 minutes left.

Mr. COATS. Could I ask a question, just ask the time? How much time is left on our side?

The PRESIDING OFFICER. The Senator from Vermont has 4 minutes 6 seconds; the Senator from Massachusetts has 2 minutes 53 seconds.

Mr. COATS. Mr. President, I wonder if the Senator will yield me 1 minute on our side?

Mr. JEFFORDS. Yes, you may have it.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. We may have the makings of a real deal here. From what I hear it is that the Senator from Massachusetts and the Senator from Iowa are willing to put the whole program out for bid. And if we would take the whole program, including what is run by the public sector, maybe we could cut a deal and just turn the whole thing over to the private sector. Is that what the Senator is suggesting?

Mr. KENNEDY. The pilot program, yes. This is for a pilot program. We will have to come back. But to test and put both aspects out, to have it fair.

Mr. COATS. The Senator is extolling the virtues of the market system?

Mr. KENNEDY. That's fine.

Mr. COATS. Let's take the whole program.

Mr. KENNEDY. I am not prepared to take the whole program, Senator. I am talking about a pilot program.

Mr. COATS. I think I have the floor, Mr. President? Do I not have the floor?

The PRESIDING OFFICER. The Senator from Indiana still has the floor.

Mr. COATS. I thank the Chair. Mr. President, I ask the Senator for an additional minute.

Mr. JEFFORDS. I yield the Senator an additional minute.

Mr. COATS. I thought I heard the proposal that the virtues of the market system were so wonderful that the whole thing ought to be put out into the market system, and that is probably a good idea. So why—I don't understand; you can't have it both ways. You cannot try to attract it into the public sector and not provide competition in the Department of Education and yet kick everything else into the free market.

So I am saying we may have the makings of a deal here. If the Senators think the whole thing ought to go in the market, why, we can probably get that done pretty quickly and it might benefit everybody.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Massachusetts.

Mr. KENNEDY. Just for 20 seconds, Mr. President. You have to start someplace. This is a pilot program. If the Senator—if we accept this this evening, I guarantee we will work with the Senator from Indiana to try to make any kinds of adjustments in any types of ways to get whatever kind of pilot program that will accurately reflect the market forces on student loans. Whatever way the Senator wants to, we will work with him closely and we will look forward to his vote this evening.

I yield the remaining time to the Senator from Connecticut.

Mr. DODD. Mr. President, I am reluctant to take the time. I am enjoying this going back and forth. I just wanted to add my voice on this. In fact, I think, what the Senator from Indiana may have just proposed, it is unfortunate that it is not in the form of an amendment here. Because I think a pilot program, as one who has supported allowing institutions to make the choices on direct loans and guaranteed loans, that is really the best way to work. Let the marketplace work this out. I would certainly be amenable to such an amendment here.

I think what the Senator from Massachusetts is proposing and offering here is going to be a great asset to all of us. What we are doing right now is guessing. This is a guessing game, and it need not be a guessing game. So we are being asked arbitrarily here to sort of accept some numbers, disregarding what the larger economic picture is across the country.

And by establishing this study with a pilot program, we can come back in 5

years. That is when we come back to this issue. In that window we will be in a far better position to make a determination as to what should be those rates and how the marketplace could work. Why shouldn't we take advantage of that? It doesn't lock us into a particular answer one way or the other. It just gives us the opportunity to try to see if we can't come up with a more reliable, predictable solution as to how these rates ought to be determined.

Given the fact that we hear from the Congressional Budget Office that, under current rates, the banks have earned rates of return on student loans between 16 and 35 percent—by anyone's estimation that is excessive. That is their estimate. Analysts predict that we will lock in generous profits. CBO, the Congressional Budget Office, predicts that the rates of return under the interest rates in the bill will be between 10 and 25 percent. The Treasury Department calculates an average return under the bill of 16 percent. That is really excessive.

So by allowing a pilot program in the marketplace deciding these factors, we are not allowing a situation that costs taxpayers a tremendous amount. We have done so much here to alleviate some of the pressures for students in this bill, it would be a tragedy not to take advantage of doing something for the taxpayers who underwrite this program. I urge we adopt this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Vermont has 2 minutes 25 seconds.

Mr. JEFFORDS. Mr. President, I will be very brief. What we are faced with here is a bill that says these are ideas we ought to study, but we ought to have them studied not by an agency that is dedicated to killing the program, so we give it to the Department of Treasury. We say here is an idea; study it, and then make recommendations, and then we can maybe go to a pilot if it looks good. You don't give it to an agency who is dedicated to doing the program in unless you obviously want to kill the program. And that is obviously the design here.

I yield the remainder of my time.

The PRESIDING OFFICER. All time has expired. Under the previous order, the question is on the Kennedy amendment, No. 3119.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 58, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—39

Akaka	Feingold	Levin
Biden	Feinstein	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Harkin	Murray
Bryan	Hollings	Reed
Bumpers	Inouye	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Conrad	Kerry	Sarbanes
Dodd	Kohl	Torricelli
Dorgan	Landrieu	Wellstone
Durbin	Lautenberg	Wyden

NAYS—58

Abraham	Faircloth	McCain
Allard	Ford	McConnell
Ashcroft	Frist	Murkowski
Baucus	Gorton	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Santorum
Burns	Gregg	Sessions
Campbell	Hagel	Shelby
Chafee	Hatch	Smith (NH)
Coats	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Inhofe	Specter
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thomas
D'Amato	Kerrey	Thompson
Daschle	Leahy	Thurmond
DeWine	Lott	Warner
Domenici	Lugar	
Enzi	Mack	

NOT VOTING—3

Hutchison	Kyl	Moynihan

The amendment (No. 3119) was rejected.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. JEFFORDS. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, first, I ask all the Senators to stay in the Chamber so we can get through the next two votes quickly. The managers have done a good job getting us to the point where we have two more amendments left. There is one other issue that is being worked on, and then we would be ready to go to final passage. If the Senators will stay close, we can get through the two remaining amendment votes in 20 minutes and hopefully be ready to go to final passage after perhaps a brief colloquy right before final passage.

I ask unanimous consent that the next votes in the series be limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Will the Senator yield? Do we have any information on how we are doing on our Patients' Bill of Rights?

Mr. LOTT. I don't believe that has come up today. We have worked on higher education. There is a vision on the horizon of how this could be done. I am sure we will find a way to do that in the next week.

Mr. KENNEDY. You will let us know—next week?

Mr. LOTT. Like to; unless there is obstruction or resistance. (Laughter.)

I am sure when the time comes, the Senator may have some second thoughts.

But at any rate, let's do higher education and then we will talk about that.

AMENDMENT NO. 3116

The PRESIDING OFFICER. The question is on the Bingaman amendment No. 3116, with 2 minutes equally divided.

Mr. BINGAMAN. Mr. President, this amendment is intended to improve the academic preparation of our teachers. This is an area of great concern all around the country. The amendment says to States: You should require an academic major for the people you are training to teach in high schools—that in addition to the education course they take, they should have an academic major. Mr. President, 32 States already have in place this requirement.

What we are saying is that over the next 3 years each State should be able to adopt a plan to get to this same point. It will substantially improve the preparation of teachers at the high school level. It has been shown to do that in the States that have adopted it. I believe this would be a very good policy for us to adopt as part of this bill.

I urge my colleagues to take this opportunity. It will be 6 years, again, before we pass a reauthorization of the Higher Ed Act and we need to get on with the business of improving teaching in this country. This amendment will help to do that.

Mr. JEFFORDS. I must oppose the amendment offered by my colleague from New Mexico. He has done a wonderful job in assisting us in taking a serious look at the problems we have with respect to teachers and whether or not they have a major in the subject which they will be teaching.

The problem with this amendment is that it mandates to the States that they must do something. The bill itself provides incentives for them to make sure that the people wanting to be teachers have studied the things which they will teach. We do it by enticement and through assistance with loan programs—with programs—whereas this amendment would order it done.

It is a mandate, and I think it is inappropriate and that it would be counterproductive.

The PRESIDING OFFICER. All time has expired.

The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 23, nays 74, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—23

Biden	Bryan	Conrad
Bingaman	Bumpers	Daschle
Boxer	Cochran	Domenici

Dorgan	Johnson	Reid
Durbin	Kerrey	Robb
Ford	Lugar	Torricelli
Harkin	Moseley-Braun	Wellstone
Hollings	Reed	

NAYS—74

Abraham	Frist	Mack
Akaka	Glenn	McCain
Allard	Gorton	McConnell
Ashcroft	Graham	Mikulski
Baucus	Gramm	Murkowski
Bennett	Grams	Murray
Bond	Grassley	Nickles
Breaux	Gregg	Roberts
Brownback	Hagel	Rockefeller
Burns	Hatch	Roth
Byrd	Helms	Santorum
Campbell	Hutchinson	Sarbanes
Chafee	Inhofe	Sessions
Cleland	Inouye	Shelby
Coats	Jeffords	Smith (NH)
Collins	Kempthorne	Smith (OR)
Coverdell	Kennedy	Snowe
Craig	Kerry	Specter
D'Amato	Kohl	Stevens
DeWine	Landrieu	Thomas
Dodd	Lautenberg	Thompson
Enzi	Leahy	Thurmond
Faircloth	Levin	Warner
Feingold	Lieberman	Wyden
Feinstein	Lott	

NOT VOTING—3

Hutchison	Kyl	Moynihan

The amendment (No. 3116) was rejected.

Mr. JEFFORDS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3118

The PRESIDING OFFICER. The question now is on agreeing to the Harkin amendment.

There are 2 minutes equally divided. Who yields time?

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, my amendment cuts the tax on subsidized student loans by 25 percent—from 4 percent to 3 percent. So it puts more actual money into the pockets of students so they can buy textbooks. It also continues to pay guaranty agencies over the next 5 years.

If you hear an argument that somehow this is going to put our guaranty agencies at risk and jeopardize the banks, I point out that even under my amendment by cutting this tax by 25 percent on students, the guaranty agencies will get almost $4.6 billion over the next 5 years, more than enough to handle any contingency.

So this basically is a tax cut for students. It is supported by a long list of colleges and student organizations. I think it is the least we can do for our students—to give them a tax break, also.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in strong opposition to the Harkin amendment. It sounds nice but it really doesn't do what was anticipated. It saves maybe $42 a year for the students; that is, if the program doesn't go belly up.

It undoes a very careful balance between the share of the risk that the student takes, that the guaranty agencies take, and that the Federal Government takes. It unbalances it. It would put about 22 guaranty agencies out of business.

The present system, which is the FFEL system, is working very well. The direct lending is helped with competition. The last thing we want to do is put out the system which takes care of 80 percent of the colleges and 66 percent of all loans.

It is a dangerous amendment. And I strongly oppose it.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON and the Senator from Arizona (Mr. KYL) are necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 56, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—41

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Murray
Boxer	Harkin	Reed
Breaux	Hollings	Reid
Bryan	Inouye	Robb
Bumpers	Kennedy	Rockefeller
Byrd	Kerry	Sarbanes
Cleland	Kohl	Smith (OR)
Daschle	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Feingold	Levin	

NAYS—56

Abraham	Enzi	Mack
Allard	Faircloth	McCain
Ashcroft	Frist	McConnell
Bennett	Gorton	Murkowski
Bond	Gramm	Nickles
Brownback	Grams	Roberts
Burns	Grassley	Roth
Campbell	Gregg	Santorum
Chafee	Hagel	Sessions
Coats	Hatch	Shelby
Cochran	Helms	Smith (NH)
Collins	Hutchinson	Snowe
Conrad	Inhofe	Specter
Coverdell	Jeffords	Stevens
Craig	Johnson	Thomas
D'Amato	Kempthorne	Thompson
DeWine	Kerrey	Thurmond
Domenici	Lott	Warner
Dorgan	Lugar	

NOT VOTING—3

Hutchison	Kyl	Moynihan

The amendment (No. 3118) was rejected.

Mr. JEFFORDS. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I thank all my colleagues. This has been a long day, and we have a very important bill and we are about 2 minutes away from final passage. We just have a few little housekeeping things to do and then we can all go home.

AMENDMENT NO. 3120

Mr. JEFFORDS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 3120.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title VII, insert the following:

SEC. ___. RELEASE OF CONDITIONS, COVENANTS, AND REVERSIONARY INTERESTS, GUAM COMMUNITY COLLEGE CONVEYANCE, BARRIGADA, GUAM.

(a) RELEASE.—The Secretary of Education shall release all conditions and covenants that were imposed by the United States, and the reversionary interests that were retained by the United States, as part of the conveyance of a parcel of Federal surplus property located in Barrigada, Guam, consisting of approximately 314.28 acres and known as Naval Communications Area Master Station, WESTPAC, parcel IN, which was conveyed to the Guam Community College pursuant to—

(1) the quitclaim deed dated June 8, 1990, conveying 61.45 acres, between the Secretary, acting through the Administrator for Management Services, and the Guam Community College, acting through its Board of Trustees; and

(2) the quitclaim deed dated June 8, 1990, conveying 252.83 acres, between the Secretary, acting through the Administrator for Management Services, and the Guam Community College, acting through its Board of Trustees, and the Governor of Guam.

(b) CONSIDERATION.—The Secretary shall execute the release of the conditions, covenants, and reversionary interests under subsection (a) without consideration.

(c) INSTRUMENT OF RELEASE.—The Secretary shall execute and file in the appropriate office or offices a deed of release, amended deed, or other appropriate instrument effectuating the release of the conditions, covenants, and reversionary interests under subsection (a).

SEC. ___. SENSE OF CONGRESS REGARDING GOOD CHARACTER.

(a) FINDINGS.—Congress finds that—

(1) the future of our Nation and world will be determined by the young people of today;

(2) record levels of youth crime, violence, teenage pregnancy, and substance abuse indicate a growing moral crisis in our society;

(3) character development is the long-term process of helping young people to know, care about, and act upon such basic values as trustworthiness, respect for self and others, responsibility, fairness, compassion, and citizenship;

(4) these values are universal, reaching across cultural and religious differences;

(5) a recent poll found that 90 percent of Americans support the teaching of core moral and civic values;

(6) parents will always be children's primary character educators;

(7) good moral character is developed best in the context of the family;

(8) parents, community leaders, and school officials are establishing successful partnerships across the Nation to implement character education programs;

(9) character education programs also ask parents, faculty, and staff to serve as role models of core values, to provide opportunities for young people to apply these values, and to establish high academic standards that challenge students to set high goals, work to achieve the goals, and persevere in spite of difficulty;

(10) the development of virtue and moral character, those habits of mind, heart, and spirit that help young people to know, desire, and do what is right, has historically been a primary mission of colleges and universities; and

(11) the Congress encourages parents, faculty, and staff across the Nation to emphasize character development in the home, in the community, in our schools, and in our colleges and universities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should support and encourage character building initiatives in schools across America and urge colleges and universities to affirm that the development of character is one of the primary goals of higher education.

On page 379, between lines 5 and 6, insert the following:

"SEC. 235. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.

''(a) INFORMATION COLLECTION AND PUBLICATION.—

''(1) DEFINITIONS.—

''(A) Within six months of the date of enactment, the Commissioner of the National Center for Education Statistics, in consultation with States and institutions of higher education, shall develop key definitions and uniform methods of calculation for terms related to the performance of elementary school and secondary school teacher preparation programs.

''(B) In complying with this section, the Secretary and State shall ensure that fair and equitable methods are used in reporting and that they protect the privacy of individuals.

''(2) INFORMATION.—

''(A) STATE REPORT CARD ON THE QUALITY OF TEACHER PREPARATION.—States that receive funds under this Act shall provide to the Secretary, within two years of enactment of the Higher Education Amendments of 1998, and annually thereafter, in a uniform and comprehensible manner that conforms with the definitions and methods established in (a)(1), a state report card on the quality of teacher preparation, which shall include at least the following:

''(1) A description of the teacher certification and licensure assessments, and any other certification and licensure requirements, used by each State.

''(2) The standards and criteria that prospective teachers must meet in order to attain initial teacher licensing or certification and to be licensed to teach particular subjects or in particular grades within the State.

''(3) A description of the extent to which those assessments and requirements are aligned with the State's standards and assessments for students.

''(4) The percentage of teaching candidates who passed each of the assessments used by the State for licensure and certification, and the ''cut score'' on each assessment that determines whether a candidate has passed that assessment.

''(5) The percentage of teaching candidates who passed each of the assessments used by the State for licensure and certification, disaggregated by the teacher preparation program in that State from which the teacher candidate received his or her most recent degree. States shall make these data available widely and publicly.

''(6) Information on the extent to which teachers in the State have been given waivers of State licensure or certification requirements, including the proportion of such teachers distributed across high and low poverty districts and across subject areas.

''(7) A description of each State's alternative routes to teacher certification, if any, and the percentage of teachers certified through alternative certification routes who pass state licensing assessments.

''(8) For each State, a description of proposed criteria for assessing the performance of teacher preparation programs within institutions of higher education, including but not limited to indicators of teacher candidate knowledge and skills as described in (b)(1)(A).

''(B) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—The Secretary shall publish annually and make widely available a report card on teacher qualifications and preparation in the United States, including all the information reported in (A)(1–8), beginning three years after enactment of the Higher Education Amendments of 1998. The Secretary shall report to Congress a comparison of States' efforts to improve teaching quality. The Secretary shall also report on the national mean and median scores on any standardized test that is used in more than one State for teacher licensure or certification. In the case of teacher preparation programs with fewer than 10 graduates taking any single initial teacher certification assessment during any administration of such assessment, the Secretary shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over 3 years.

''(C) INSTITUTIONAL REPORT CARDS ON THE QUALITY OF TEACHER PREPARATION.—Each institution of higher education that conducts a teacher preparation program that enrolls students receiving federal assistance shall, not later than two years after the enactment of the Higher Education Amendments of 1998, and annually thereafter, report, in a uniform and comprehensible manner, the following information to the State, and the general public, including through publications such as course catalogues and promotional materials sent to potential applicants, high school guidance counselors, and prospective employers of its program graduates, in a manner that conforms with the definitions and methods established under (a)(1):

''(1) For the most recent year for which the information is available, the passing rate of its graduates on the teacher certification and licensure assessments of the state in which it is located, but only for those students who took those assessments within three years of completing the program. A comparison of the program's pass rate with the state average pass rate shall be included as well. In the case of teacher preparation programs with fewer than 10 graduates taking any single initial teacher certification assessment during any administration of such assessment, the institution shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over 3 years.

''(2) The number of students in the program, the average number of hours of supervised practice teaching required for those in the program, and the faculty-student ratio in supervised practice teaching.

''(3) In States that approve or accredit teacher education programs, a statement of whether the institution's program is so approved or accredited.

''(4) Whether the program has been designated as low performing by the State under (b)(1)(B).

In addition to the actions authorized in S. 487(c), the Secretary may impose a fine not to exceed $25,000 on a teacher preparation program for failure to provide the information described in (a)(2)(B) in a timely or accurate manner.

''(b) ACCOUNTABILITY.—

''(1) States receiving funding under this Act, shall develop and implement, no later than three years after enactment of the Higher Education Amendments of 1998, the following teacher preparation program accountability measures and publish the measures publicly and widely:

''(A) A description of state criteria for identifying low-performing teacher preparation programs which may include a baseline pass rate on state licensing assessments and other indicators of teacher candidate knowledge and skill. States that do not employ assessments as part of their criteria for licensing or certification are not required to meet this criterion until such time as the State initiates the use of such assessments.

''(B) Procedures for identifying low performing teacher preparation programs based on the criteria developed by the state as required by (b)(1)(A), and publish a list of those programs.

''(C) States that have, prior to enactment, already conformed with (b)(1)(A–B), need not change their procedures, unless the State chooses to do so.

''(2) Not later than four years after enactment of the Higher Education Amendments of 1998, any teacher preparation programs for which the State has withdrawn its approval or terminated its financial support due to the low performance of its teacher preparation program based on procedures described in (b)(1).

''(1) shall be ineligible for any funding for professional development activities awarded by the Department of Education; and

''(2) shall not be permitted to accept or enroll any student that receives aid under title IV of this Act in its teacher preparation program.

Mr. JEFFORDS. This amendment contains items that have been agreed to on both sides, and I ask for its immediate adoption.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3120) was agreed to.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that no additional amendments be in order and that further action be as described in the order of June 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee substitute, as modified, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The clerk will report H.R. 6.

The legislative clerk read as follows:

A bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause of H.R. 6 is stricken and the text of S. 1882, as amended, is inserted in lieu thereof.

The question is on the third reading of the bill.

The bill (H.R. 6), as amended, was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. JEFFORDS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

Mr. FORD. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—96

Abraham	Enzi	Lott
Akaka	Faircloth	Lugar
Allard	Feingold	Mack
Ashcroft	Feinstein	McCain
Baucus	Ford	McConnell
Bennett	Frist	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Gramm	Nickles
Breaux	Grams	Reed
Brownback	Grassley	Reid
Bryan	Gregg	Robb
Bumpers	Hagel	Roberts
Burns	Harkin	Rockefeller
Byrd	Hatch	Roth
Campbell	Hollings	Santorum
Chafee	Hutchinson	Sarbanes
Cleland	Inhofe	Sessions
Coats	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
D'Amato	Kerry	Thomas
Daschle	Kohl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Durbin	Lieberman	Wyden

NAYS—1

Helms

NOT VOTING—3

Hutchison	Kyl	Moynihan

The bill (H.R. 6), as amended, was passed.

(The text of the bill (H.R. 6) will be printed in a future edition of the RECORD.)

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I commend the managers of this legislation. This is very important legislation. We needed to get it done so that they would have time to go to conference and get it completed without any doubt before this session ends. Students all across America depend on it. As a former employee in a placement and financial aid office at a university, I know how important these loan and grant programs and work study programs are. I thank Senator JEFFORDS, the chairman, and Senator KENNEDY for staying with it today to get this bill completed.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. President, I am extremely pleased that the Senate has completed action on S. 1882. It is a good day for the Senate and a good day for America's students and their families.

The prompt action on this measure today would not have been possible without the concerted effort of Members of the Senate—particularly those serving on the Labor and Human Resources Committee—and their staffs over the past 18 months.

Each and every member of the Committee made a positive contribution to the development and refinement of this measure. I very much value the time, effort, and commitment they have brought to this task.

I would also like to extend my sincerest thanks to the many staff people who sacrificed their evenings and weekends to further this cause.

I would like particularly to recognize the efforts of Townsend Lange with Senator COATS, Marianna Pierce, Jane Oates, and Jennifer Kron with Senator KENNEDY, and Suzanne Day and Megan Murray with Senator DODD. These individuals—along with my own staff members Scott Giles, Susan Hattan, Cory Heyman, Pamela Moran, and Jenny Smulson—went ''above and beyond'' in terms of their diligent work on each and every aspect of this measure.

I would like also to recognize and thank the staff of other members of the committee—all of whom have shown great dedication to this cause:

Jackie Cooney with Senator GREGG;
Lori Meyer with Senator FRIST;
John Connelly with Senator DEWINE;
Chad Calvert with Senator ENZI;
Jenny Saunders with Senator HUTCHINSON;
Julian Haynes with Senator COLLINS;
Angie Stewart with Senator WARNER;
Robin Bowe and Holly Hacker with Senator MCCONNELL;
Bev Schroeder with Senator HARKIN;
Deborah Connelly with Senator MIKULSKI;
Alexander Russo and Rena Subonik with Senator BINGAMAN;
Roger Wolfson and Robin Burkhe with Senator WELLSTONE;
Mike Egan with Seantor MURRAY;
Elyse Wasch with Senator REED.

I also want to acknowledge the extraordinary assistance offered by Debb Kalcevik, Robin Seiler, Josh O'Harra, and Justin Latus with the Congressional Budget Office, Mark Sigurski with Senate Legislative Counsel, and Margot Schenet, Jim Steadman, and Barbara Miles, with the Congressional Research Service.

This process has been a collaborative and bipartisan one every step of the way. It has produced a measure of which we can all be proud.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to take a moment of the Senate's time to, first, congratulate Senator JEFFORDS and his staff and thank my staff and a number of our colleagues. This is an enormously important piece of legislation.

I didn't really have a chance in the final moments to indicate the importance and significance of this legislation, but to the parents of this country who may be following this discussion this evening, as a result of this legislation, the students who will be attending colleges after its implementation, which will be later in this year, will be saving anywhere from $650 to $3,200 over the course of a loan. The bill also provides for loan forgiveness for teachers, some $8,000 for highly qualified teachers who will teach in low-income communities.

It has very, very important quality teaching training programs. This was a high priority of the chairman. A great deal of time was taken on it. We have scarce resources, but the resources that were available were really targeted to strengthening the teaching and the training of teachers. As the debate indicated, I believe there are strong evaluation programs in the bill, and they are very, very significant.

This bill increases the Pell grant to some $5,000. Then it continues along with some important initiatives for students with disabilities, campus-based child care, distance education, and a range of other kinds of initiatives, building on a very solid record.

The fact that we were able to get this legislation through in one day is a clear indication of the very, very strong bipartisan support, and I think the vote is a real tribute to the chairman and his leadership and to the other members of the Human Resources Committee.

I thank my staff: Marianna Pierce who has been working on this legislation for many, many months, over a year; Jennifer Kron; Jane Oates; former fellows Gloria Corral, Maria McGarrity, Eileen O'Leary and Danielle Ripich.

I also thank Deborah Kalcevik from CBO and Margot Schenet, Jim Stedman and Barbara Miles at CRS; Mark Sigurski from the Office of Legislative Counsel, as well as on my staff, Michael Myers.

I in particular thank Senator JEFFORDS and his staff. I know he has mentioned them.

I thank Senator COATS who was very much involved in this legislation, and his staff, Townsend Lange.

From my friend and colleague from Connecticut, Senator DODD: Suzanne

Day, Megan Murray, MaryEllen McGuire. They were all invaluable, as was the Senator, in working very effectively during the course of the whole day on this legislation.

I thank TOM HARKIN for his initiatives, PAUL WELLSTONE, JEFF BINGAMAN, all who were very much involved in the debate; PATTY MURRAY, BARBARA MIKULSKI and other members of the committee who were active and involved today; JACK REED who follows in a very long and distinguished tradition on the Education Committee in the great traditions of our dear friend Claiborne Pell, who was chairman of the Education Committee and made monumental contributions to the education of young people across this country.

To all of them, I am enormously grateful. I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, I see my colleague from Ohio here, I want to add my voice to those who have spoken in praise of Senator JEFFORDS, the chairman of the committee, his staff, and the wonderful job they did in leading this piece of legislation and working with Senator KENNEDY as the leading Democrat on our side.

What we witnessed today is a wonderful example of how the legislative process ought to work. It is hard to imagine taking on a piece of legislation that has a 5-year lifespan to it, a higher education bill that affects so many millions of Americans. We did this in one day in large measure because the committee worked very closely together, Mr. President. A lot of work went into trying to resolve issues as a committee. There were a couple we couldn't, so we left those to our colleagues, which is the way it should be here when you can't come to a final resolution.

That shows remarkable leadership on the part of the chairman and the ranking Democrat, that they can take a bill as complicated and as comprehensive as this, one as long in duration as this and bring it to the floor and, in the space of virtually 12 hours, provide the kind of unanimous—it may have been unanimous, I don't know what the vote was here—almost unanimous vote in support of the Higher Education Act for our Nation.

I want others to know that this is a good example of how we ought to work here. I hope others will heed this example.

For DAN COATS, who is not on the floor this evening, our colleague from Indiana, this will be the last higher education bill he will be involved in, as he made the decision to leave the U.S. Senate at the end of his term. Certainly, there will be other bills between now and when the session ends. I am certain Senator COATS feels a sense of pride, as he should, having played a major role in the last higher education bill he will be involved in in the U.S. Senate. I commend him for his efforts.

Let me join in commending staff: Mark Powden for his fine work, Susan Hattan, Scott Giles, Jenny Smulson, Corey Heyman.

Senator KENNEDY's staff: Marianna Pierce did a wonderful job on the Democratic side working on this and keeping us well informed and trying to work out amendments during the committee process and on the floor.

PRIVATE PROPERTY RIGHTS—MOTION TO PROCEED

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 459, S. 2271, regarding private property rights.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, I object.

CLOTURE MOTION

Mr. LOTT. Mr. President, in light of the objection, I now move to proceed to S. 2271 and send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to the private property rights legislation:

Trent Lott, Orrin Hatch, Jon Kyl, Chuck Hagel, Tim Hutchinson, Rod Grams, Pat Roberts, Pete Domenici, Dan Coats, Michael B. Enzi, Larry E. Craig, Craig Thomas, John Ashcroft, Frank Murkowski, Don Nickles, and Dirk Kempthorne.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote will occur on Monday, July 13, at 5:45 p.m.

I propound the request that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I now withdraw the motion to proceed. I yield the floor, Mr. President.

The PRESIDING OFFICER. Who seeks time?

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

MORNING BUSINESS

Mr. DEWINE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I ask unanimous consent that I be permitted to proceed for the next 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICA'S STRATEGY AGAINST ILLEGAL DRUGS

Mr. DEWINE. Mr. President, I rise tonight to make some comments about America's strategy in the long and vitally important struggle we are waging against illegal drugs. When it comes to ensuring a bright future for our children, there are very few things we can do that are more important than protecting them from drugs.

Earlier today, President Clinton and Speaker of the House GINGRICH unveiled a major billion-dollar advertising campaign, a campaign approved by this Congress to reach our children with a hard-hitting message about the dangers of drugs. Mr. President, in my view, this is a very worthwhile project; it is something that we should do; it is something that I believe will in fact make a difference. It comes not a moment too soon.

Advertising is important in virtually every sector of our society. Those of us who run for public office use TV and radio; products are sold every day. I think the evidence is clear that we can reach our young people; we can reach everyone through very effective antidrug advertising.

Mr. President, investing in antidrug education campaigns is important, but education is just one of the key components. It must be part of a balanced overall strategy if we are to truly fight drug abuse. To succeed, we have to rely on more than just creative minds on Madison Avenue. We need the help of teachers, doctors, parents, and many more, to help reduce demand through education and through treatment. We need the help of law enforcement officers, we need the help of prosecutors, judges, to arrest and then send drug pushers to prison. And we need drug enforcement agents, Coast Guard crews, and even members of our military to seize drugs at the source or in transit before they come into our country. It takes all these individuals, and so many more, to wage a comprehensive—to wage a balanced, effective war on drugs. History proves the fight against drugs is only successful when it is balanced and when it is in fact comprehensive.

Mr. President, sadly—sadly—our overall drug strategy today is neither balanced nor comprehensive. Our drug strategy today is imbalanced because of a lack of commitment for the international and for the interdiction components of the antidrug effort. Let me repeat, I believe that we are not making enough effort in the international area and in the interdiction components of the antidrug effort.

Now, what do I mean by the interdiction component? What do I mean by the international component? Let me define ''international effort,'' what I mean by that, and what I mean by ''interdiction efforts.''

International efforts include any direct assistance, resources and training the United States provides to foreign countries specifically for counternarcotics matters.