

understood that raising the standard would have not only a chilling effect on private actions by defrauded individuals, but on regulatory actions by the SEC.

Since the 1995 Reform Act, there has been some disagreement in the courts about whether Congress intended to elevate the pleading standard in securities fraud class actions above the previously existing Second Circuit pleading standard. It is clear to me that the answer to the question must be "no". I am pleased that the Senate Banking Committee Report on S. 1260, as well as the recorded colloquy on the Senate floor about the Second Circuit pleading standard, reaffirm this point.

As I mentioned in my floor statement during debate on this legislation, I am not convinced that the federal preemption of state anti-fraud protections is a necessary step. I support the right of investors to seek legal remedies against those persons selling fraudulent securities. While I worked to streamline the regulatory process in Georgia, I opposed amendments to federal regulations that would have impaired the ability of a state to protect its investors. Here in the Senate, my focus remains the same. For this reason, I opposed S. 1260 during its initial Senate consideration. Nevertheless, if passage of this legislation is inevitable, let us at least make it absolutely clear that an investor's right to seek redress through civil litigation is not eliminated due to a failure to reaffirm the existing standard of recklessness in federal securities fraud cases.

COMMITMENT TO EDUCATION

Mr. FRIST. Mr. President, I rise today to discuss the very important issue of education.

I am very disappointed that some Democrats in Congress and those in the White House have chosen to demagogue and politicize education as we attempt to wind down our legislative year. These Democrats would like for the American people to believe that Republicans just don't care about education and that we are refusing to spend more money to improve our educational system.

Nothing could be further from the truth.

Since I took office in 1995, I have seen a 27 percent increase in the amount of money this Congress has appropriated for education. In 1994, we spent \$24.6 billion for education. For fiscal year 1999, we have proposed to spend \$31.4 billion—exactly, I might add, that the President requested for discretionary spending. Historically, the federal commitment to education has risen from \$23.9 billion in 1959 to over \$564 billion in 1996. As a percentage of GDP, educational expenditures have risen from 4.7 to 7.4 percent over the same time-frame.

For many Democrats, more money and more federal education programs are the answer to our Nation's edu-

cation woes. Over the last few days, we have heard Democrats lament how Republicans have held up all of the Democratic efforts to provide funding for school construction and to reduce class size.

For these Democrats, more money is a surrogate for the structural reform that American education needs. Structural reform, change—this is what these Democrats fear. Instead, their response to crisis is more money and another federal program.

The last thing that we need is another federal program. Through my work as the Chairman of the Senate Budget Committee Education Task Force, I discovered that there are approximately 552 federal education programs. The Department of Education administers 244 of these programs, and EVEN IF you count only those "providing direct and indirect instructional assistance to students in kindergarten through grade 12," the GAO found that there are still 69 programs.

Among these programs, overlap is pervasive. In my office, we call this chart the "spider web chart." This chart, prepared by the GAO, shows that 23 federal departments and agencies administer multiple federal programs to three targeted groups: teachers, at-risk and delinquent youth, and young children. For early childhood, for example, there are 90 programs in 11 agencies and offices. In fact, one disadvantaged child could be eligible for as many as 13 programs.

In addition, the effectiveness of many of these programs is doubtful or unknown. The GAO has expressed concern that the Department of Education does not know how well new or newly modified programs are being implemented, or to what extent established programs are working. The efficacy of Title I also remains uncertain.

Lastly, it should come as no surprise that so many programs and so much confusion comes at great cost. Critics of the education establishment note that although federal funds make up only 7% of their budgets, they impose 50% of their administrative costs. As one concrete example, Frank Brogan, Florida's Commissioner of Education, has reported that it takes 297 state employees to oversee and administer \$1 billion in federal funds. In contrast, only 374 employees oversee approximately \$7 billion in state funds. Thus, it takes six times as many people to administer a federal dollar as a state dollar.

Brogan went on to say:

We at the State and local level feel the crushing burden caused by too many Federal regulations, procedures, and mandates. Florida spends millions of dollars every year to administer inflexible, categorical Federal programs that divert precious dollars away from raising student achievement. Many of these Federal programs typify the misguided, one-size-fits-all command and control approach. Most have the requisite focus on inputs like more regulations, increasing budgets, and fixed options and processes. The operative question in evaluating the effective-

ness of these programs is usually: How much money have we put into the system?

Cozette Buckney, Chief Education Officer, of the Chicago school system echoed the sentiments of many state and local officials:

Excessive paperwork is a concern. Too many reports, the time lines for some of the reports, the cost factor involved, the administrative staff just do not warrant that kind of time on task. That is taking from what we need to do to make certain our students are achieving and our teachers are prepared.

Senator WYDEN and I introduced legislation to help with this regulatory tangle and untie the hands of states and localities. Our Ed-Flex expansion bill would expand to 50 states the enormously popular "Ed-Flex" demonstration program that has already been "field-tested" and proven successful in 12 states.

Ed-Flex frees responsible states from the burden of unnecessary, time-consuming Washington regulations, so long as states are complying with certain core federal principles, such as civil rights, and so long as the states are making progress toward improving their students' results. Under the Ed-Flex program, the Department of Education delegates to the states its power to grant individual school districts temporary waivers from certain federal requirements that interfere with state and local efforts to improve education. To be eligible, a state must waive its own regulations on schools. It must also hold schools accountable for results. The 12 states that currently participate in Ed-Flex have used this flexibility to allow school districts to innovate and better use federal resources to improve student outcomes.

I would also like to add that educational flexibility should extend beyond teaching techniques, curricula, and the rest of what happens in public school classrooms. It should reach to the management of those schools. One of the most important lessons about the prospective changes in education operations is the realization that decentralized, on-the-spot leadership by principals and other administrators is crucial to the success of a school.

Unfortunately, many of America's school systems are frozen into managerial patterns that reward conformity and discourage independent leadership. American business has had to make structural adaptations to meet the challenge of the world market and international competition. Top-heavy managerial structures have given way to more flexible—and therefore more responsive—ways of engaging the work force in team efforts. The result has been greater productivity and enhanced quality.

That is a good example of the kind of adaptation our schools can make, to free up the enormous resources of talent and commitment both among teachers and in the ranks of administrators at all levels.

Republicans would like to stick with this strategy of untying the hands of

states and localities and giving states and local school districts more flexibility. Rather than create another 2 or 3 entitlement programs that are prescriptive and inflexible, we believe that we should allow states to use additional federal monies in whatever manner the state determines the additional money can best be used.

For some states, this may very well be for school construction. For others, it may be for hiring more teachers. But for others, it may be for wiring every school, or for putting more computers in the classroom. Some states may decide that they need the money for teacher training, to improve the teachers that they already have in the classrooms.

The point is—how do we in the federal government know better than those in the states and local communities—and parents—what their students need the most? The answer is that we don't.

Some in Washington argue that by allowing states the flexibility to use federal money in the best way state officials see fit removes accountability from the equation. But to whom are state and local officials more responsive—the sprawling federal bureaucracy or local teachers, parents and residents?

This Congress has actively addressed federal education. We had lengthy and thoughtful debate on a variety of education initiatives during consideration of the Coverdell Education Savings Accounts bill. We passed the Coverdell bill to allow parents to save more of their own money for use in paying educational expenses including, but not limited to, computers, school uniforms, tutors, textbooks or tuition.

The President vetoed the Coverdell bill.

This Congress has passed the Higher Education Amendments and made great strides in improving teacher quality.

Just a few days ago, we passed the Charter School bill to support charter schools which are given more flexibility and freedom from burdensome state and federal regulations. I am encouraged by the success of charter schools in the states that have them, and remain hopeful that when all 50 states have increased flexibility with Ed-Flex, that similar gains may be seen in the regular public schools. If charter schools are successful, we must give our regular public schools the same freedoms and opportunities to improve student achievement that we have given charters.

In closing, my colleagues have heard me many times discuss the poor state of our American education system. In recent international comparisons, we have performed abysmally—scoring in the middle of the pack or at the very bottom depending on the age category and subject tested.

Washington should not, however, rush to address this crisis by creating new programs with new mandates on

parents and teachers, schools and localities. The last thing that our schools need is more bureaucracy and federal intrusion. Instead, what Washington should and can do is to free the hands of states and localities and to support local and state education reform efforts. When localities find ideas that work, the federal government should either get out of the way or lend a helping hand.

I applaud the efforts of those on both sides of the aisle who are fighting for education. This is not a partisan issue. Witness my efforts with Senator WYDEN on Ed-Flex—a bill that is also supported by Senators KERREY, FORD, GLENN, and LEVIN on the Democratic side and more than a dozen senators on the Republican side. Most of us here in the Senate are parents and we all want what is best for our children—and all children.

But let's not let extremist Democrats, who are hostage to the old order, paint the Republicans as the Grinches who stole Christmas for America's school children. It is extremist Democrats, with their well-intentioned but completely misguided approach of throwing more money into the federal education abyss and adding more and more programs to the already complex maze of federal education programs, who are short-changing the future of America's students.

The temptation for too many of us is to measure our commitment to education by the size of the federal wallet. But let's not just throw money at our problems. Let's not just create more of the same old tired education programs.

Let's focus on results. Let's give parents and local school boards control of schools, and empower them to chart a course that improves student outcomes. Let's allow States to decide how they can best utilize increased federal resources.

HUMAN RIGHTS IN CHIAPAS

Mr. FEINGOLD. Mr. President, I am pleased to be an original cosponsor of S. Con. Res. 128, introduced last week by the Senator from Vermont [Mr. LEAHY]. I believe that this resolution is both timely and important.

This resolution calls on the Secretary of State to take a number of steps to foster improvement in the human rights situation in Mexico and to end the violence in the state of Chiapas. These steps include ensuring that any assistance and exports of equipment to Mexican security forces are used primarily for counter-narcotics and do not contribute to human rights violations, encouraging the Mexican government to disarm paramilitary groups and decrease the military presence in Chiapas, and encouraging the Mexican government and the Zapatista National Liberation Army to establish concrete conditions for negotiations for a peaceful resolution to the conflict in Chiapas.

Mr. President, allow me to just review briefly what is going on in

Chiapas today. Just over four years ago, in January 1994, the Zapatista National Liberation Army, an organization of peasant and indigenous peoples seeking political and social changes, launched an uprising by seizing four towns in the Chiapas region of southern Mexico; fighting in the region resulted in nearly 100 deaths. Although the Mexican government initially countered the rebellion by sending troops to the region, issuing arrest warrants for all Zapatista leaders, and creating a new military zone near the site of the Chiapas rebellion, Mexican President Ernesto Zedillo subsequently canceled the arrest warrants, ordered the cessation of all offensive actions against the Zapatista Army, and called for dialogue between Zapatista leaders and the Mexican government. Since August of 1995, the Zapatistas have participated intermittently in peace negotiations with the Mexican government.

Last December, 45 indigenous peasants in the village of Acteal, Chiapas, were killed by armed men reportedly affiliated with President Zedillo's Institutional Revolutionary Party (PRI). Following this incident, President Zedillo appointed a new Minister of Government and a new peace negotiator for Chiapas, the Governor of Chiapas resigned, and Mexican authorities arrested more than 40 people in connection with this incident, including the mayor of a nearby town.

These incidents renewed calls for peace in Chiapas. The Zapatistas rejected legislation submitted to the Mexican Congress by President Zedillo in March 1998 to promote indigenous rights in Chiapas. President Zedillo visited the region several times in mid-1998 to promote dialogue, but the talks fell apart after the June 1998 resignation of Bishop Ruiz from the mediation commission, and the commission subsequently dissolved. In July 1998, the Zapatistas advanced a proposal for mediation and for a Mexican plebiscite on President Zedillo's indigenous rights legislation.

But, Mr. President, efforts for dialogue between the Mexican government and the Zapatistas have been largely fruitless, and the violence continues. I am deeply troubled by this situation.

I am also deeply troubled by the cool reception that the Mexican government has given to some international human rights observers, including people from my home state of Wisconsin. Many of these individuals have worked tirelessly from the beginning of the Chiapas conflict to help organize humanitarian assistance for the indigenous peoples of the troubled region. Some of these individuals feel that there has been a concerted effort by the Government of Mexico to keep foreigners out of the region in order to limit this kind of humanitarian assistance and to limit the ability of outsiders to monitor and report on the human rights situation there. Many