agents. He was sentenced to two consecutive life sentences.

While incarcerated in a Federal prison, a rifle was smuggled in to Peltier. He shot his way out of prison and several days later, after assaulting a ranger and stealing his truck, he was finally recaptured. He was tried and convicted of escape.

Peltier has since appealed his various convictions on numerous occasions. Every time he appeals his conviction, the courts turn him down. The United States Supreme Court has had his case twice. They have turned it down twice without comment.

The record is clear: There are no new facts. These are only old facts, and they have not changed. This man is guilty of murder in cold blood of two FBI agents and he should not be released from jail, Mr. President.

Peltier openly states he feels no guilt, remorse or even regret for the murders. Peltier has lived a life of crime. He has earned and deserves a lifetime of incarceration. Peltier is a murderer without compassion or feeling for his fellow man and in turn he deserves no compassion.

Mr. President, there is no justification for relieving Peltier from his punishment. Our judicial system has spoken in this case again and again and again and again. Leonard Peltier is a vicious, violent and cowardly criminal who hides behind legitimate Native American issues. Leonard Peltier was never a leader in the Native American community. He is simply a thug and a murderer with no respect for human life. Our citizens on and off the reservation must be protected from murderers like Peltier.

Mr. President, since Leonard Peltier could not fool the Federal courts, he is now trying to fool you and the public. Do not let it happen. Turn down that request for clemency.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

THE COST OF EDUCATING OUR CHILDREN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, I welcome my colleague from Colorado here tonight as we talk about educating our children.

The topic tonight came out of a process that for some of us began in 1995, where we began a process that was called Education at a Crossroads, where we took a look at the definition of education here in Washington, we took a look at what worked and what was wasted in the Federal programs, and also what worked and what was wasted at the state and at the local level, and really came to a decision to review some of the information and the documentation that we gathered since 1995 based on a press conference that the Secretary of Education gave last week.

As many of our colleagues know, we are embarked on a plan this year for the second year in a row to try to make sure that we spend no Social Security dollars on general fund expenditures. It looks like we did that in 1999, or came very, very close, for the first time in 40 years, and what we want to do is duplicate that for 2000, so we have embarked on a plan that said we are going to look for a 1 percent savings.

Last week the Secretary of Education came out and said, ''If you try to find a 1 percent savings in my department, you cannot find it. It is not there, and any reduction in expenditures in education will come off the backs of our children.''

We went to the Education Department on Friday, and there are just two things that I would like everybody to remember as we put this in context, two things. If you remember only two things out of this whole night, other than that we are trying to save 1 percent, remember these two things:

The first is that the Department of Education's books are not auditable. The first is the Department of Education's books are not auditable. We will talk a little bit more about that. But we have got a secretary from a department that has responsibility for $120 billion of taxpayer money, and he is blasting Congress. But when he goes back to his own department and three Congressmen go over there and ask him and his colleagues and say can you kind of tell us where and how you spend the roughly $35 billion in appropriations that we give you on an annual basis and the $85 billion of loans that the Department of Education manages, can you kind of tell us how you manage the taxpayers' dollars, the response is, ''I am sorry, but for the last year that we had auditors in taking a look at our books, our books are not auditable.''

It means they cannot tell you. The auditors cannot look at the books with any degree of certainty and say that the money that came from the American taxpayer, went through Congress, was entrusted to the employees and the leadership at the Education Department, they cannot tell us where or how that money was spent and that there is no waste, fraud and abuse.

My experience in the private sector tells me any organization that does not have the financial control systems in place to ensure that their books are auditable probably has some waste, fraud or abuse going on. So, number one, the books at the Department of Education, $120 billion agency, does not have books that are auditable.

The second thing that I would like to just put in context, everything else that we do tonight is in context of this secretary is going out and saying that this Congress is stopping the raid on Social Security on the backs of our children. Sorry, Mr. Secretary, even when we find that 1 percent savings in the Department of Education, this Congress, yes, this Republican-led Congress, has appropriated $100 million more for the education of our children than what this President even asked for in his budget.

We recognize and we are willing to invest in our kids' education, but we are not going to invest in programs that do not work or that move decision making to Washington; or, Mr. Secretary, when we give you another $100 million, you bet we are going to come down to your agency, we are going to help you manage your agency, because you have not been managing it, because you cannot even tell us where the dollars go.

I will yield to my colleague from Colorado, just remembering those two things in context: Their books are not auditable, and Republicans are investing more in education than what the President even asked for in his budget.

Mr. TANCREDO. I thank my colleague from Michigan. I wanted to just first of all tell him how much I appreciate his efforts as chairman of the committee, the oversight committee that is entrusted with the responsibility of, just as the name implies, overseeing government operations, specifically in the area of education. He has been diligent in that regard, and I just want to commend him for that. This is another example of where people like my colleague can truly make a difference for all Americans, for Americans all over the Nation.

As I listened to my colleague's reference to the Secretary of Education and how he responded to the request to reduce expenditures by 1 percent in the next fiscal year, and he said that that would be impossible, it could not be done, that if it happened, it would come off the backs of children, you have to think to yourself, really and truly what goes through someone's mind when they actually have to say something like that, when they know fully well that anyone listening, anyone, except perhaps other Members of the cabinet who have all been given the same script, they all say the same things, they cannot find the 1 percent savings. But what do they think America thinks when they say that? Does anyone out there believe that no one in the government of the United States can find 1 percent savings without hurting the actual people that they are given charge to take care of? I do not want to say take care of. Does anyone believe that cannot happen?

☐ 1945

And with this happening at the same day, as I say, this is a script everyone must be getting. All members of the cabinet, I am sure, have been told that they have to say there is no savings.

Because if there is, if you say yes, there is a 1 percent savings, someone is going to say, you mean you have been presiding over a department that has had waste, fraud, and abuse? So they say no, it is not there.

The other day we were talking about this, and the Secretary of the Interior, Secretary Babbitt, said exactly the same thing almost word for word. That is why I say it seemed like it was scripted.

What was amazing about that was that at the same time that he was telling the people of the United States that there were no savings in the Department of the Interior, the deputy secretary was in the Committee on Resources telling the committee that they had lost $7 million, almost simultaneously. One guy is up there saying there is nothing, no fraud and abuse, absolutely not, we cannot find a penny around here, while his undersecretary is telling us in the committee, yes, there is $7 million bucks that is gone. I do not know, it has to be around someplace. I am sure we will find it before too long.

This is the bizarre nature of Washington, D.C., Mr. Speaker. This is the only place where discussions like this can be actually carried on, where people can say things like that.

Mr. HOEKSTRA. Mr. Speaker, I just want to reinforce what my colleague is talking about. This message has gone across to all cabinet levels, the same message, we cannot find 1 percent. While the Secretary of the Interior is saying, we cannot find 1 percent, his deputies are saying, I am sorry, we lost $7 million.

Mr. TANCREDO. That is correct.

Mr. HOEKSTRA. And $7 million is real money. It is the same thing we have in the Department of Education. Secretary Riley is saying, we cannot find 1 percent. If we go to his department, as three of us did last week, and we talked to his chief deputies, they are saying, we are sorry, we cannot audit the books. What is worse, finding out you lost $7 million, or finding out you did not know where the money went?

My guess is that as we go through the Department of Education, again, as we talk about some of the other discussions that we had at the Department of Education, I think we will find that the money is there to be found if we put in place the stringent financial controls.

What always amazes me, and I think my colleague also had this kind of background, when we talk about stringent financial controls, I am sorry, but every day every small business, every publicly-held company, every Fortune 500 company, they have auditable books each and every year. This is not brain surgery. There are people who do this every day, and they do it for a living.

We are just asking an agency that manages roughly $120 billion a year to please be careful with the taxpayers' dollars, and at the end of the year, please be able to tell us where they spent it.

There is another whole discussion, and this is much of the debate we are having on education today, because once we find out where it goes, then we will have the other debate which says, tell us how effectively that money has been used: Did we actually improve students' learning? But this is on a much more basic level, just tell us where the money went.

Mr. TANCREDO. If the gentleman will continue to yield, Mr. Speaker, as I understand their response when they were asked about the auditability of the books, they said, well, we cannot do it because, among other things, all of the auditors over the last couple of years keep pulling out. The most recent has pulled out and said, we cannot do it. Am I correct?

Mr. HOEKSTRA. Reclaiming my time, Mr. Speaker, what they told us was that in 1997 they had an accounting system. My other colleague here, the gentleman from Colorado, was with us. I think this was what we heard. My colleague will correct me if we do not get it exactly right. What we heard was that in 1997 they had an accounting system. They decided to transition into a new and improved accounting system.

As they started implementing this new system in 1998, they implemented it and they found out that there were a number of problems: security clearances, duplicate payments, perhaps unrecorded payments, and those types of things. So they went back to the vendor who had developed this system for them. Basically this vendor had pulled out, withheld support for this new accounting system.

Now, what is the Education Department doing? They have unauditable books for 1998. They are now in the process of soliciting companies and accounting firms to develop a new accounting system which they hope will be in place by 2001. So until 2001, we are going to limp along with this current system.

So in a period of 5 years, we will have gone through three accounting systems: the original accounting system, which was operational in 1997; the one they bought and paid for in 1998, and no, they could not tell us how much they paid to get this new accounting system; and now the one that is anticipated to be online by 2001. There were three accounting systems.

I come back to the fact that this agency is entrusted with managing $120 billion, this is with a B, not with an M. This is $120 billion per year, and they cannot tell us where the money goes.

I yield to my colleague, the gentleman from Colorado (Mr. TANCREDO).

Mr. TANCREDO. I appreciate the gentleman yielding. In another life I was the regional director for the U.S. Department of Education in Region VIII. I was appointed to that position in 1981. I was charged with the responsibility of trying to reduce the size of the Department to more accurately reflect its responsibility under the Constitution. As the gentleman knows, we can search the Constitution in vain to find some responsibility for the U.S. Department of Education. It is not there.

So we set about a task to, as I say, reduce the size. When I came in in September of 1981, there were 222 people, if memory serves me right; here there were 220-some people employed by the U.S. Department of Education in the regional office, Denver, Colorado, Region VIII. That was astounding to me. I had been a teacher before that. I was in the legislature. I was chairman of the education committee. We did not know there was a regional office of the U.S. Department of Education. They had absolutely no contact with real life, 227 some people.

It took us about 4 years, and we went through a series of budget cuts and transfers, and we went from 220-some people down to around the mid sixties, 65, an 80 percent cut.

I used to go out and speak to each one of the State Departments of Education in the six States for which we had responsibility which had some interaction with the department, and for every single one I would say to them, we have gone down 80 percent in the regional office. Have you been able to tell the difference? No one, no one ever said, oh, yes, I can tell there has been some change in efficiency. No. No.

Do Members want to know what else? If we had gone to zero, they still would not have known the difference. This is in a department that claims there is no waste. We went from 222 to 60-something, and nobody knew the difference.

Mr. HOEKSTRA. Reclaiming my time, Mr. Speaker, again, this is about taking the money, taking a look at the $120 billion. Like I said, let us clarify, this is about $85 billion in a loan portfolio that the Department of Education is responsible for managing, and about $34 to $35 billion in annual appropriations, and for 1998, those books are unauditable. We do not know what will happen with the 1999 statements.

My colleague, the gentleman from Colorado, and I went down there on Friday. We met with a number of the employees and some of the leadership at the Education Department. They were very hospitable. We gave them roughly a day's notice. We let them know on Thursday that we would like to come down and meet with some of them.

They were very gracious and they were very knowledgeable. They were very helpful when we came there on Friday morning. I think we had a very fruitful discussion with the leadership. We asked them about the auditability of their books. That is where we heard about the five different or the three different accounting systems that are going to be in place over a period of 5 years, and maybe my colleague, the gentleman from Colorado, would like to share some of the other things we

talked about. I yield to the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, I thank the gentleman for yielding. I just want to paint a picture for my colleagues about what occurred on Friday.

It was just a few days before that that the White House convened a press conference and assembled all of the Secretaries of the various cabinet level agencies. They were paraded in front of the TV cameras, and gave their opinions about this effort to save one penny out of $1, or actually a little less than one penny on $1 to help rescue the social security trust fund.

The goal, of course, is to try to get all Federal agencies to reduce spending, or actually, to reduce the increase in spending by approximately .97 of a percent.

The Secretary of Education suggested that this was an impossibility; that in their $35 billion fund, that they could not come up with that one penny out of $1 in savings to help the Nation and save our social security program.

He also made some other comments, that the Education Department was a lean, efficient operating agency, and that they are as efficient as they can get. We just cannot come up with less than 1 percent savings without hurting children.

The gentleman and I and other Members of Congress, we have children who are in public schools. We care deeply about the quality of education. The last thing we want to see is this effort to try to save money to fall disproportionately on the backs of America's children.

We just do not buy the notion that that has to be the case, that the Department of Education is incapable of finding the administrative savings, the bureaucratic savings and the savings through the creativity in financial improvements of saving these dollars so we can help children. That is the message we took to the U.S. Department of Education.

The rest of Congress adjourned or went back home Thursday evening after we had finished the week's business. We essentially had the day off. The three of us stuck behind and decided to head down to the Department of Education offices.

We literally walked right through the front doors and started going office to office asking people about their jobs, what they do, what kinds of functions they serve.

We met with the finance officers. Before we go into some of the details on that, I just want to point out that the gentleman's description of our reception is entirely accurate. We had just a wonderful assembly of individuals there at the Department of Education. I am talking about the rank and file people who are working every day on these programs.

They care deeply about the country. I walked into a number of office spaces and there on the desk would be the pictures of some of these folks, some of their kids. I would ask, how old is your daughter? How old is your son? Where do they go to school? These are folks who care about the future of education of America.

They also care about the solvency of our country and the security of our social security programs, our retirement programs. They understand that this is a job that entails the entire government pulling together.

So when we asked that question, do you think you can help us, do you think you can help us find that one penny out of a dollar to help balance the Nation's budget and run the country according to the promises that we have made to the American people, nine times out of ten the individuals we spoke with said, well, we are certainly willing to try.

We handed out lots of business cards. These are folks who I think if we are able to, as rank and file Members of Congress, to reach around the partisan level of disagreement that takes place over in the White House and at the Secretary level at the Department of Education, if we can just reach right around all of that political nonsense across the aisle to those who are on a day-to-day basis working hard to run the Department of Education, I am convinced as a result of that visit that we can accomplish this job. We can save a penny on a dollar and do it without harming the education of our children.

Mr. HOEKSTRA. Reclaiming my time, Mr. Speaker, it is interesting, we had that dialogue with the management and the employees of the Education Department for about 2½ hours on Friday morning. It was very interesting, I do not know if the gentleman read some of the comments, but in my papers back home some of my colleagues on the other side characterized, and get this, this is three Members of Congress going to the Education Department, being very warmly received, talking to the leadership, talking to rank and file employees.

I think the gentleman is absolutely right, if they were given the challenge, and I think we asked the leadership, have you gone through and seen how you would find 1 percent, and kind of got this glazed-over look from the leadership of the Education Department. But when we talked to the rank and file Education Department employees, do you think you can help us find 1 percent to make sure that we do not decrease by one amount the penny that is going into the classroom, they were very excited about that kind of an opportunity.

The characterization of Members of Congress talking to employees within the Department, it was characterized as being like storm troopers. It was kind of like, I do not think so. I do not think that is the response we got at all, either.

The Department of Education employees, we were talking to them about how they hand out the grant fund. The gentleman and I have been working on this process. I have been working on this process. We issued a report in 1998 in the subcommittee called Education at a Crossroads.

This report came out in 1998. It highlighted not the inefficiencies or the waste, fraud, and abuse, just because they are not doing the basics, but it was taking a look at some of the things we could do better.

That is, we identified that of every Federal education dollar that is sent out, 35 to 40 cents of that is wasted in bureaucracy. It is kind of like we in Congress create a program, we have to tell the local people that the program exists, they apply for the program, we review the application, we write a check, they cash the check, they spend the money, they report how they spend the money, the Federal government has to audit it because we know we cannot trust the local people, and when we cut through all of that, it is kind of like, there goes 35 to 40 percent out of that.

It is not necessarily all Federal money, some of it is State or local money, but it gets to be a very expensive process. So we know that there are savings there. We are very willing, and this, I think, was the message we gave to the Education Department, help us find the 1 percent, or help us find 10 percent, and we will not take all that 10 percent and drive it into a surplus. Help us find 10 percent so that we can take that other 9 cents that you find and drive it into a classroom where it really makes a difference, and take it out of bureaucracy. I think they are just as willing to do that as they are to find the 1 percent for social security.

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Mr. SCHAFFER. Mr. Speaker, the description of the gentleman from Michigan (Mr. HOEKSTRA) of the way the Secretary of Education characterized the action of three Members of Congress going down to their building and talking with rank and file employees as storm trooping.

Mr. HOEKSTRA. Did the Secretary actually say that?

Mr. SCHAFFER. Mr. Speaker, he called that a publicity stunt was his words, that this was a publicity stunt.

It is remarkable because what you have going on here in Washington is just a handful of the education elite in the White House and in the Department of Education that want to control the entire national message on education, not only the terms of improvement for America's education system, but the terms of quality, the terms of spending and all of the rest.

I think they feel threatened somewhat when people like the gentleman from Michigan and I and other Members of Congress who have children and care deeply about the quality of education around the country physically go down there to their offices and talk with the rank and file members. I think this threatens somewhat their

ability to control the message. So if it threatens the message, so be it.

Mr. HOEKSTRA. Mr. Speaker, the bottom line that we found out, which we suspected because GAO was reporting earlier this fall that this was going to be the case, for the Secretary to come back and call something a publicity stunt. I talked to my staff about what was going to happen after we came back. He said, well, you can bet that the other side, since they cannot talk about the issue, they are going to just holler and scream and start pounding the table.

If I were them, I would holler and scream and pound the table and scream, because if they are not holering and screaming, they are going to have to answer the one basic question, which I did not see reported anywhere: Mr. Secretary, you are managing $120 billion, why are your books not auditable? Why are you hollering and screaming at Congressmen?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KUYKENDALL). The gentleman should direct his comments to the Chair, not to others.

Mr. HOEKSTRA. Mr. Speaker, I thank the Chair for that guidance.

Mr. Speaker, addressing the gentleman from Colorado (Mr. SCHAFFER) here, the question that that Congress can and should be asking is: Mr. Secretary, why can you not answer the question of where the money went? What have you done with $120 billion?

I think that, as part of the Subcommittee on Oversight and Investigations, those are the kinds of questions we will ask over the next 2, 3 weeks, 2, 3, 4 months. The gentleman from Colorado, as a member of the subcommittee, knows that we have been dealing with this issue with the Corporation for National Service for 5 years. For 5 years, they have not had auditable books. Now, some would say, well, that is only a $600 million, $700 million agency, why worry about it? Back in Michigan $600 million, $700 million is still a lot of money.

The Department of Education, there is $120 billion. But the Secretary would get up and pound the table because he cannot answer the basic question as to, why are your books not auditable? We have given you $120 billion. We have entrusted that to you. You cannot tell us where the money went.

Mr. Speaker, I yield to the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, the frustration that was expressed to us just by the finance leaders in the Department of Education was very evident, particularly within the context of this contracting transfer for the contractors that are setting up the audit system. They had abandoned the old audit system just a few years ago and are now in the middle of transforming their entire financial system.

The contractor who was supporting the service took a hike, I suppose. The way it was described to us, they decided to no longer provide support service to the Department of Education, so, therefore, the Department of Education is now looking to a second vendor, third vendor, I guess, to run a third accounting system and accounting process. That will take place they said, I think, in 2001.

So over the span of a 5-year period, they will undergo three different accounting systems. Again, I think the rank and file type people that we met with, they certainly sympathize with the concern that we have as Members of Congress and understand that there is a legitimate question about the auditability of these books and realize that they need to come up with an answer very, very soon.

But in the intervening time period, there is no doubt at all that there are too many questions that go unanswered, particularly at a time when the dollar amount is very, very relevant. We need every spare penny to help make good on our promise, to balance the budget, and do it in a way that honors our commitment to save the Social Security Trust Fund.

They realize that they are a big part of the solution over there. But as long as their books cannot be audited, as long as their funds are being parked, to use the exact term that was used, being parked into accounts to the tune of hundreds of millions of dollars, and not to mention the issue we discovered of the duplicate checks, duplicate checks were being signed to different universities and different recipients around the country, as long as these kinds of accounting glitches are occurring on a day-by-day basis and the books are not auditable, they realize they have a problem.

It almost suggests that the answer we heard from the Secretary and the President was not a reasoned one, not a sensible one, but a defensive one, that, no, we do not have a penny in savings that we can find over here. It is not here. Do not look here. Our agency is as clean as effective as can possibly be, and we are not going to help.

That is why I say I think the Secretary is genuinely threatened. I think it is unfortunate the response we have seen coming out of his office was as caustic as it was. I think that what we represent is a part of a team that is exhibiting a good faith effort to reach out to the Executive Branch of government and help these folks find the one penny in savings for every dollar in expenditures that is necessary in order to run an efficient and credible government.

Mr. HOEKSTRA. Mr. Speaker, reclaiming my time, I think what message we clearly sent last week was really twofold. Number one, we are going to help find the 1 percent savings and make sure we do not raid Social Security. The second thing is we are going to help come in and find the other inefficiencies and the other management deficiencies in this Department to ensure that we get maximum leverage on the $120 billion that we give them each and every year to make sure that that money actually helps kids learn.

If they cannot find 1 percent, if they cannot produce auditable books, it is kind of like what they always say, we are the Federal Government, and we are here to help. It is kind of like, Mr. Secretary, we are here to help. It is part of our responsibility.

The gentleman from Colorado and I are part of the oversight subcommittee. We are held responsible by the House to ensure that the funds that are given to Federal agencies are actually used in and accomplish the goals and the purposes that Congress mandates by law.

Let us talk about some of the things that we found when we talked about them, and that is the grant back fund and the duplicate payments and those types of things. But before we do that, let us just go back. Some have said, well, this is a new effort now. The Secretary comes out on Tuesday, talks about these kinds of issues, and, all of a sudden, now Republicans are interested in education. Wrong.

In 1995, we started the first hearings that led to the Education at a Crossroads report which we published in 1998. The hearing cycle began in 1995 and continues to this year. We have been in Chicago. We have been in Milwaukee. We have been in Wilmington, Delaware. We have been in Milledgeville, Georgia. We have been in San Fernando, California. We have been in Phoenix. We have been in Napa, California. We have been in Louisville, Kentucky, the Bronx and New York, Cincinnati, Little Rock. We have also done a lot of work in investigating the expenditures here in Washington.

The gentleman from Colorado remembers when we went back. One's tax dollars at work were kind of an interesting highlight of this report. We highlighted it. Remember, the Department of Education, one of its primary responsibilities is to help those kids who need help the most, to help them to learn, to read, to help them to learn, to do math.

The Department of Education's office of Special Education and Rehabilitative Services, what do they think is one of their primary missions? Close captioning is provided for, and this is a quote from one of their reports, diverse programs such as, this is the Federal Government, our Department of Education paying for close captioning of Bay Watch, Ricky Lake, the Montel Williams show, and Jerry Springer. Good wholesome, all American programming. I guess I understand why they provide close captioning for Bay Watch. My understanding is most people watch that with the sound turned off anyway. But that is where some of our Federal education dollars go.

Here are some of the educational publications from the Department of Education: Cartoons, the title of which is the Ninjas, the X-Men, and the Ladies; Playing With Power and Identity

in Urban Primary School. We talked about this earlier at a press conference.

Another educational publication is the Bakery Industry. This is their title, Lesson Plans Prepared For Car Grocery Employees. The lessons focus on topics from the workplace in the following areas: Bakery, cake orders, courtesy clerk, and sushi bar, 96 pages long. I am partial to bakeries, my dad was a bakery, but I am not sure this is a high priority program.

Fifth Grade Pipefitters, another leading edge educational department program. Building workplace vocabulary for pipefitters, compound words, 27 pages. I like this one. They are great.

They did one for the cement industry. Care to guess what the name of that is. This is for the cement industry. Title: A Concrete Experience, A Curriculum Developed to the Cement Industry.

I love this one. Donna Reed; Channelling Your Donna Reed Syndrome, a manual on stress management for the workplace, 20 pages long.

This is not about whether we can find 1 percent, it is about whether there is the Commitment to go through the over 200 programs at the Department of Education and to decide to focus on what is right and what is not necessary.

Remember the two contexts that we are debating this in and talking about tonight is the Department of Education, their books are not auditable, and this Republican Congress has actually allocated and approved more funding for the Department of Education than what the President had in his original request.

We are willing to fund education; but at the same time, we are going to hold that Department accountable for the $35 billion that it receives in annual appropriations. That is kind of the context, saying these kinds of things have been going on in the Department of Education.

We identified those from 1995 to 1998. We issued the report in 1998. Now, in 1999, we find out that their books are no longer auditable.

Then maybe we want to talk a bit about the grant back account.

Mr. Speaker, I yield to the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, the grant back account is one that, well, I think the best way to describe it is to just go right to the internal report that is circulating in the Department.

Mr. HOEKSTRA. Mr. Speaker, reclaiming my time for a minute, when we talk about the books are not auditable, this is not a couple of Members saying, hey, we do not think the books are auditable. It is their own chief finance officer, their own Inspector General saying they are not auditable. The same thing, we use words from the people in the Department of Education. So these are not allegations made by Congressmen, these are people within the Department making these kinds of statements.

Mr. Speaker, I yield to the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, just to be clear on what this fund is, this is a fund where various payments are made out of the Department of Education to universities, other programs, States, and school districts directly, I presume, other grantees that are selected to provide the specific services to the Department. These funds are expended and then, perhaps, not drawn down entirely or spent in a way that does not meet the definition of the original grants, so these funds come back to the Department of Education, and they are held there.

A certain portion of them at some point in time are eligible to go back to the States or back to the programs in question. Any unused portion is supposed to go to the United States Treasury, back to the American people.

So one can see there is a lot of money moving in and out that is of an indirect nature, and this fund almost lends itself to a certain amount of suspicion. It was described to us that, while we were at the Department of Education, that money is parked in this fund on occasion, meaning that there is a positive balance and presumably, at some points in time, according to their own memos, a rather large balance on occasion.

Even though those dollars in that fund may not be in and of themselves spent on other purposes, the very fact that the Department of Education is able to show a large positive balance of cash on hand means that they are allowed to make all kinds of other financial commitments and maneuvering within the Department.

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So that is why we raised the question and why we looked at that fund.

But I think, Mr. Speaker, the real evidence of the need for concern by Congress comes right from a memo that we received from the Office of the Chief Financial Officer within the Department of Education, and here is what he says about this particular fund. He says, ''Education's fund,'' education being the Department of Education, ''Education's fund balance account includes $712 million that it cannot identify with any specific program. As stated in the following two paragraphs, these unidentified funds have accumulated since fiscal year 1993 due to adjustments made to its grant program accounts. For example, during the fiscal year 1996, Education made adjustments to approximately 155 of the 184 grant program accounts.''

So, again, of the 184 grant programs that are on their list, they made adjustments to just about all of them, 155 of them, all but 29 of them, and the result being that money comes back to the Department of Education and is parked in this account. We just simply think that, based on their own chief financial officer memos, the questions and the answers that we issued and the answers we received on Friday, we think this is one legitimate place, not the entirety of our scope of concern, but this is one legitimate place where the Congress ought to look to see if we can find the savings that are represented by this one penny out of every dollar in government expenditures.

We are trying to save that one penny. Again, when we went to the financial officers, who are charged with managing this fund, because we think there are still a lot of questions that are unanswered, very clearly from a staff to congressional level basis there is a very clear willingness to clear up the account, to try to find any savings that we can and to help our project of giving dollars to the classroom rather than having it hung up in these questionable accounts in Washington, D.C.

Mr. HOEKSTRA. If we go to take a look at that report, I believe that is also the report that says of the $712 million that were in that account at the end of 1996, only $12 to $13 million were actually in the account based on what the account was set up for, and that the balance, the other 98 percent of the money had found its way into this account with no relationship to the intended purpose of this account. Is that accurate?

Mr. SCHAFFER. That is what their chief financial officer states. He says, ''The grant back account balance as of September 30, 1996, is approximately $725 million, of which $13 million is true grant back activity and $712, as stated above, is unidentified funds not related to the purposes of this account.''

So here, not in my words or the words of the gentleman from Michigan, but in the words of the chief financial officer within the Department of Education, $712 million, as stated above, is unidentified funds not related to the purposes of this account.

Now, we did not go charging any kind of malicious intent with these dollars, or suggest that there is fraud or deliberate abuse of these funds, merely that in an agency with an annual appropriation of $35 billion, it is possible that lines of communications occasionally get crossed and that there are funds where dollars are being parked. And at a point in time when we are trying to save that one penny out of a dollar, this may be a good place to look.

Mr. HOEKSTRA. Reclaiming my time, when the chief financial officer says we have this account established that has over $700 million in it, only 2 percent of which, only $12 million, is in that account based on why that account was set up, meaning roughly $700 million found its way into this account through some other reason, when we combine that with the fact that that is 1996; that 1998's books are not auditable, we have just asked some, I think, very legitimate questions. How much is in the account today? And the estimate was, well, this account today has in it somewhere around $189 to $200 million. So as of today, or at least as of

Friday there was still $200 million in that account.

We have asked the General Accounting Office to go to the Department of Education and ask some very basic questions, which I think we as Members of Congress, representing the American people, are entitled to some answers. We have asked as colleagues, and as the chairman of the oversight subcommittee, I want to know where that original $700 million came from. Under the anti-deficiency act, no Federal agency is entitled to carry dollars over from year to year to year. I want to know where the decision was made that these dollars, $700 million, did not fall under the Anti-Deficiency Act, and that they should have been returned to the Treasury at the end of every fiscal year, where did the Department get the authorization to keep that money at the Department of Education? Now that it has gone from $700 to $189 million, where did this $500 million go? Is the tracking there? Under whose authorization, under what congressional authorization did this $700 million get whittled down to $189 million?

We are talking about real money here. This is $500 million. We have a legitimate right to know. And maybe when we go through this whole process, the Department of Education will have a very reasoned approach to showing how they got from $700 million to $189 million. But when we have these kinds of questions in place about the money being parked inappropriately or in a fund that was designed for another purpose, when we have a department that has unauditable books, and when we have at least an appearance of a violation of the Anti-Deficiency Act, there are some questions that should be asked and the Department should be held accountable for and that they should respond to. And we have set those wheels in motion to try to get the answers to those kinds of questions.

And, Mr. Speaker, I yield to my colleague.

Mr. SCHAFFER. I think the most disappointing aspect of this whole question that we have raised, and the challenge that we have put to the Department of Education is the instantaneous reflexive response from its secretary and from the White House saying we cannot find any efficiency savings in the Department. It is just not there. It is impossible. Stop looking. Go look somewhere else. And to continue to insist we can squeeze one penny of savings out of every dollar of expenditure means we have to hurt children, I think, is the wrong attitude and the wrong approach to take.

I think the American people expect better of people in Washington.

Mr. HOEKSTRA. I was going to give an example of doing better, and one example of this administration thinking that they can do better.

Under the National Performance Review process, which was designed to streamline government, and maybe this was the example the gentleman was thinking of using, but the Federal Education Department does not educate kids, what it does is it hands out money. And they hand out money based on school districts applying and then the Department of Education giving out grants.

Under Vice President GORE's National Performance Review, they did do better. They took a look at how this process works, the discretionary grant process, and they found out that if a school district or an educational entity applied for a grant, it took 26 weeks to get processed and it took 487 separate steps from start to finish.

So if a school district is all excited, or is really concerned because they have identified this issue or problem that they need to deal with, it was kind of like, hey, the Federal Government has this program out here, let us apply for it. Twenty-six weeks later and 487 steps later they might have gotten their answer and they might have gotten a check. Well, they improved that. It now only takes 20 weeks and 216 steps. So if school starts in September, and that school has got some creative teachers who have got a program they would like to propose or whatever, maybe by the beginning of the new year or the second semester they might be able to have an answer to the grant request.

I yield to my colleague.

Mr. SCHAFFER. I was intending to go back to the memo that the gentleman and I received just last Friday. After our visit, the Secretary sent the memo addressed to the gentleman and myself, and it suggests that our questions into this whole slush fund, as the term had been used, is unwarranted.

First of all, he says, ''The account was used as a clearing account to make adjustments. The Inspector General never called this a slush fund.'' So since the Inspector General does not call it a slush fund, therefore, according to the memo, it does not exist.

But the Secretary goes on and says, ''The Department is legally prohibited from obligating funds for new activities from these accounts.'' Again, pointing out that those funds may not be spent out of the account on other things. But parking hundreds of millions of dollars of cash in that account creates a false-positive balance in the overall books that allows other expenditures to take place. This is the point we are raising.

But just listen here to the shallow defense that is put up, or the defensive posture I guess that is represented in the memo the Secretary uses when he writes to the gentleman and myself. ''Most, if not all, Federal agencies maintain 'clearing accounts' in which funds are held temporarily prior to final allocation. Balances in Education Department's clearing accounts primarily are the result of currently unreconciled differences in other departments' accounts. These balances ultimately either are reclassified to the appropriate account or in some cases returned to the Treasury.''

Once again, the answer is, well, other agencies do this. This is a pretty typical thing in government, therefore, it is okay for the Department of Education. He goes on. He says, ''Over the past few years, our Inspector General has worked closely with the Department and independent auditors to further improve controls over these and all other department accounting and financial management systems and procedures.'' Well, what that sentence tells us is that the Department of Education realizes it may have a problem with respect to this account. They have had their own Inspector General working to, as he says, ''improve controls over these and other department accounting and financial management systems.''

And, finally, I would just point out that he says ''The Department currently maintains three clearing accounts.'' We only investigated the one, but he says that there are three. There is not just the big, the rather large, grant back account, which in 1998 was $594 billion.

Mr. HOEKSTRA. $594 million.

Mr. SCHAFFER. Sorry, $594 million. In 1996 it was $712 million. The Secretary claims now that the fund is at $189 million. But there is this short-term clearing account and there is another one called a long-term clearing account, and the Secretary suggests that there is $41 million on hand there, for a grand total of $228 million, according to the Secretary's analysis that he was able to scrap together on Friday.

The point being, even if we are wrong, the fact remains there is $228 million sitting in three clearing accounts over at the Department of Education, which is, coincidently, close, not exactly to the dollar figure, but close to the 1 percent savings we are trying to get at.

So we may not be able to find the whole penny in this account, but I am sure if the gentleman and I were able to figure this out within the course of a couple weeks of investigation and discussion with other members of the Secretary's staff, by the time we all worked cooperatively together to realize that this is an important legitimate national goal, to secure savings and put dollars in the classroom rather than leaving them tied up in Washington, that we can find that one penny savings.

I thing we are well on our way in the research we have done. And the visit that we initiated on Friday is a good step in the right direction and offers some real hope and promise that we will be able to get this job accomplished.

Mr. HOEKSTRA. Going back to the letter my colleague was reading, the Department clearly knows that their financial controls were lacking, when they say the Department has worked closely with their Inspector General. It

is obvious they have not done a good enough job.

In 1998, the last year they tried to audit the books, the books were still not auditable. Perhaps in this one account we can find a good portion of that, but then we still cannot take away what is in this report. Paying for Jerry Springer, paying for a process that takes 20 weeks and 216 steps.

Mr. SCHAFFER. There really are two points upon which we need to focus in order to accomplish the job of truly making the Department of Education an efficient and lean organization for the benefit of children. One is the financial structure of the Department, which is cumbersome and it is boring to a lot of people. It is not exciting. But that is where a lot of the money is.

But the second, which the gentleman has focused on, are the policy-related decisions.

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There are many functions of the Department of Education that we frankly do not need that, as I commented Friday when we came back here, there are good, hard-working, conscientious folks that are working in some of the offices that we visited. But frankly, there are a handful of offices and programs that the Department maintains and runs today that, despite the best of efforts, they are not essential.

I hate to say that to some of the folks that are employed by these programs. They work hard at the task that has been given them. But if we ask an average teacher around the country, those who teach my children and those who are in schools anywhere in America, whether some of these programs that the gentleman from Michigan (Mr. HOEKSTRA) mentioned just a few moments ago are important when stacked up against the classroom level needs that these teachers have in their classroom, I think nine times out of ten a teacher, certainly a principal and an administrator, is going to pick the money to the classroom rather than the money to the Government program in Washington.

Mr. HOEKSTRA. Mr. Speaker, that puts us right back to what the Republican agenda has been and like we said when we began this. The two parameters are, number one, their books are not auditable, so we are going to be able to find the waste, fraud, or the savings in the Department. I am not concerned about that.

But then that moves over into the policy debate. And remember, Republicans have put more money into education than what this President even asked for. So it is not about money. What it is about is policy, how is that money going to get to a local school, how is it going to get to a local teacher or to a local classroom.

My colleague and I just participated in, number one, we said last year and we are going to work on it again this year is that we want to put 95 cents of every Federal education dollar into a local classroom so that a teacher can use that money to help educate a child.

The second thing that we want to do, and this is where we really had the two different worlds of education policy two weeks ago, the ESEA, the Elementary Secondary Education Act, which is a Washington mandate model that says you will use this money to do these types of things and we are going to measure you and hold you accountable, versus the process that you and I very much support, which is what is called Straight A's, which is, in exchange for the States coming back and getting a great degree of flexibility, we will hold them accountable, not for what the other bill does, which is measures process, did you fill the forms out correctly and did you use the money for what we intended it for, we allow the States and allow the local school districts to take the money and use it on what they felt was most needed in that school, if it was technology, if it was reducing class size, if it was teacher training, if it was additional materials for the classroom; and in exchange for that flexibility, the State would be held accountable not for filling out the process, but for improving the educational achievement of every student in the State.

So the Federal Government would reach into a contract with the States and focus on academic achievement rather than a process oriented system.

That is what this is all about. It is about educating kids. That is why we are going over to the Department of Education and saying, we are sorry, a department that manages $120 billion a year that does not have auditable books is not doing a good enough job helping our kids get a good education, a department that perhaps maintains some of these questionable accounting practices really is not doing a good enough job.

We have not even talked about the duplicate payments.

Mr. SCHAFFER. Mr. Speaker, no, we have not talked much about that either.

Mr. HOEKSTRA. Mr. Speaker, this is I think maybe perhaps one of the sadder moments when we were sitting down with the leadership of the Department of Education and we asked about duplicate payments and they said, we are aware of one. And we kind of pushed them on it and they said, well, there might have been a couple. And then we hauled out again from I think their chief function officer document that we said the head of the bullet points were examples of duplicate payments, 40 million, 4 million, 296.

I know that went to the State of Colorado or the University of Colorado.

Mr. SCHAFFER. Mr. Speaker, they sent it back.

Mr. HOEKSTRA. Yes, they sent it back. But these were examples and they were only telling us about a couple. So, again, this is another thing that we have asked for is, give us a listing of all the duplicate payments that were made under this old accounting system and did you recover them.

Because maybe some schools maybe did not know they got a duplicate payment and so they maybe spent it, and now all of a sudden they have got to be put on a repayment schedule to get the money back.

Sloppy fiscal management is not in the best interest of anybody. It is not in the best interest of the taxpayer. It is not in the best interest of the Department of Education. And it is not in the best interest of local school districts, either.

Mr. SCHAFFER. Mr. Speaker, to go back to one of the remarkable quotes that my colleague referenced a little earlier, I do not want to name the Member in particular, but one of our colleagues blasted our visit to the Department of Education. He said in the quote, and this is an AP story, he blasted our efforts as ''storm trooper tactics'' of the three Republicans who visited Friday on the Department of Education.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentleman from Colorado (Mr. SCHAFFER) for participating in the special order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. BERKLEY (at the request of Mr. GEPHARDT) for today on account of family medical reasons.

Mr. STUPAK (at the request of Mr. GEPHARDT) for today on account of family matters.

Ms. CARSON (at the request of Mr. GEPHARDT) for today and November 2 on account of official business.

Mr. MCNULTY (at the request of Mr. GEPHARDT) for today and November 2 on account of business in the District.

Ms. JACKSON-LEE of Texas (at the request of Mr. GEPHARDT) for today on account of family medical matter.

Mr. OWENS (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. HAYWORTH (at the request of Mr. ARMEY) for today on account of family reasons.

Mr. HULSHOF (at the request of Mr. ARMEY) for today and November 2 on account of attending the birth of Casey Elizabeth Hulshof.

Mr. TOOMEY (at the request of Mr. ARMEY) for today on account of attending Pennsylvania state elections.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GREEN of Texas) to revise and extend their remarks and include extraneous material:)

Mrs. THURMAN, for 5 minutes, today.

Mr. DAVIS of Florida, for 5 minutes, today.