programs. In the last 5 years alone, schools' special education enrollment has increased by 12.6 percent. Today, 1 out of every 10 students in public schools receives special education services under the IDEA legislation.

In my own State of Connecticut, approximately 14 percent of all students are enrolled in special education programs. Our State and local school districts need our help. The amendment I am offering today moves us in the right direction.

According to a 1996 Gallup poll, 47 percent of those surveyed said America is spending too little of its education budget on students with special needs. Only 5 percent of those surveyed reported that too much is being spent on special needs children. The amendment I offer Senator COVERDELL's legislation would address this public concern.

By increasing the Federal contribution to States for special education services, I believe we will greatly aid State and local school districts by allowing them to reduce the disproportionate share of special education services they have had to carry for far too long. When school districts are forced to increase the amount of funds for special education, they are often forced to raise taxes or reduce funding for nonspecial education programs. These school districts need our help. More importantly, though, children with disabilities need our help more.

Demonstrating the importance of special education funding to our States, the National Governors' Association—again, I refer to the letter behind me to the Senate Budget Committee chairman—asks Congress to fulfill its commitment to special education funding before ''funding new tax initiatives or tax cuts'' such as being proposed by the Coverdell proposal.

Additionally, the National School Boards Association letter dated February 23 to all Senators says, ''Rather than create a tax benefit for a select few, applying these funds to special education would benefit more taxpayers and public schools'' across the country.

We often like to talk in this body about what the public wants and what they need. Yet here we have the National School Boards Association, those who every day have to make the tough choices deciding how to operate our schools across the Nation, asking us not to enact tax relief that would only benefit a select few and telling us what our children really need—better qualified teachers, smaller class sizes, and more funds for special education.

Today, I hope as we come back later in the afternoon to this amendment that our colleagues will rally behind us. We could accomplish a great deal. It would be a major first step in coming together in a bipartisan way to do something about which all of us have talked to our States about for many years, and that is to be a better partner when it comes to educating children with special needs. We have not been the full partner we promised to be. The costs are going up, and the local taxpayer is being saddled with that burden.

We have an obligation and I think a responsibility. We can live up this obligation this afternoon by voting for this amendment and saying that the $1.2 billion in this proposal we will given back to our States to give to these children, to these mayors, to the county executives, and to our Governors to see to it that these children and our communities will have an opportunity to meet those responsibilities.

I see that the hour for us to recess is about at hand. I will not delay the proceedings of the Senate any longer except to note that I will come back this afternoon to talk about this further and invite my colleagues to come forward on both sides of the aisle to engage in this discussion. We haven't had many votes this year. We haven't had much of an opportunity in this Congress to express what we think the priorities of the American public are and how we can fulfill them. But we all know education is right at the top of American's priorities, indicating that the American public wants this Congress, their Government, to pay attention to the needs of the educational responsibilities in our country. I think we have a chance to do that today with this amendment.

Presently, we only contribute 7 cents out of every dollar to education. Ninety-three cents comes from local and State taxes. Seven cents comes from Washington DC. But here we have a chance, with our 7 cents, if you will, to do something meaningful for our States and meaningful for these families and children with special education needs.

My sincere hope is that when the opportunity arises for us to answer the rollcall on how we stand on this issue, this body will vote overwhelmingly in support of this amendment and do something very meaningful today with a message we can give our Governors as they go back to their States, and say, Congress is a partner when it comes to special education needs.

I yield the floor. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. COVERDELL. 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. COVERDELL. Mr. President, I will have a good bit to say about this most recent presentation by the Senator from Connecticut. Now is not the time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. COVERDELL. 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. COVERDELL. Mr. President, it is my understanding by previous order we are to recess at 11.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 11 a.m. having arrived, the Senate stands in recess until 2:15.

Thereupon, at 11:01 a.m., the Senate recessed until 2:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AFFORDABLE EDUCATION ACT OF 1999—Continued

Mr. COVERDELL. Mr. President, I ask unanimous consent that the time between now and 4 p.m. be consumed in an equally divided fashion for debate on the pending Dodd amendment, and at 4 p.m. the Senate vote in relation to the Dodd amendment. I further ask consent that following the vote, the Senate resume consideration of the Collins amendment No. 2854.

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

Mr. COVERDELL. Mr. President, I further ask unanimous consent that following the disposition of the two above-described amendments, Senator ROBB be recognized to call up an amendment regarding school construction.

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

Mr. COVERDELL. Mr. President, in light of this agreement, Members of the Senate should note that the next vote will occur at 4 p.m., and a second vote regarding the Collins amendment will occur shortly thereafter.

AMENDMENT NO. 2857

Mr. COVERDELL. Mr. President, while the other side is preparing further remarks about their amendment, I want to make it very clear that the amendment offered by the Senator from Connecticut would, one, make moot the principal core of this legislation, the education savings account. It just wipes it out. No. 2, I wish to make the point that he is making moot an issue that has received extensive bipartisan support in the Senate.

The principal coauthor of the education savings accounts is Senator TORRICELLI of New Jersey. When this

was last voted on before the Senate, it received 59, 60 votes—again, a very bipartisan expression in support of the education savings accounts. I want to make it clear that this amendment would have the effect of destroying a core bipartisan component.

The second point I wish to make is that the Senator from Connecticut argues the money used to create this educational IRA should be used to enhance the funding of special education. Special education, he rightfully points out, is important and represents an unfunded mandate of some 25 years.

I find it interesting that for 25 years the other side of the aisle found it acceptable to ignore the Federal responsibilities for special education, and now with a new majority, we on our side of the aisle have doubled funding for IDEA. We have an attempt to empower parents and local communities to deal with educational requirements for children, and we now find this amendment and the great need on the other side of the aisle to deal with IDEA. There is an incongruity of letting it sit there for so many years without paying attention to it and now all of a sudden it is important.

Mr. DODD. Would my colleague yield on that?

Mr. COVERDELL. I will in a moment.

No. 3, let me say to the Senator from Connecticut, first of all, I agree with the attempts to fund special education for all the reasons the Senator enumerates. But I do not find them mutually exclusive. I do not think we have to take this bipartisan education savings account legislation and throw it in the trash heap to do this.

We have increased funding over the President's proposals for special education 5 years in a row. I think we will do so again. I think this Congress will respond to the goals the Senator has enumerated and to the letter the Senator has showed us from the Governors who, indeed, think this pledge that was made a long time ago and ignored for an awfully long time should be fulfilled. So we agree on that premise. But I do not think you have to make this moot in order to do it.

The last thing I would say—and it is the Senator's amendment, so I want him to be able to conclude his debate—is that we disagree on the nature of the policy. The Senator's side of the aisle, those who do not support it—not those who do—somewhat attempts to minimize the significance of it.

I take some issue with that because we are all down here playing the laudatory band for the fact we passed an IRA for higher education that had parameters identical to the means test that applies here, but its value is only one-fourth what the value of this proposal is. I do not think you can make this an insignificant advantage to people on the one hand but say this education savings account was a great accomplishment on the other.

Frankly, I think the education savings account that we passed for $500 per year for higher education is a good thing. I supported it. I proposed it. But this is four times the value of that.

In conclusion, I think anything that causes American citizens to save is a good thing. That piece gets left out of this debate. We are going to forgive $1.2 or $3 billion over 5 years. Actually, I say to the Senator, for 10 years it is about $2.4 billion. As a result of that, Americans are going to save $12 billion. All of it is going to go to education—half of it to public education and half of it to private education. And 70 percent of the families are going to be in public education; 30 percent of the families are going to be in private education. This is going to do good things. It is going to help families who do have special education problems. I think that is good policy.

I think simultaneously we are going to address the goal of the Senator and many of us who share that goal of trying to accelerate funding for IDEA. But as I said, I do not think it has to come at the expense of this idea. Senator WELLSTONE and I got into a debate after the Senator spoke the other day, and I said: There are not many Federal expenditures that provide incentives to people to create large sums of resources that come to education. If you take this $1.2 billion, as you suggest, and move it to IDEA, it is not bad that we have done it for IDEA, but you will leave $12 billion on the table. It just evaporates. I do not think there is any need to do that.

I think having those resources in 14 million families, for 20 million children, is of enormous good and will help those families do things that are very meaningful for their children.

I have gone through this rather briefly, but it is the essence of my disagreement—not with the idea of funding IDEA or special ed but that you make them mutually exclusive.

With that, I yield the floor so the Senator may continue explaining his amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me respond to a couple of points my friend and colleague from Georgia has raised.

First of all, going back over the history of IDEA and where the support has been and not been over the years, I will ask unanimous consent that this chart, dating from 1980 through the year 2000—over 20 years—be made a part of the RECORD. It indicates the years and what the various Presidents have requested, what was actually appropriated—the distinction between what Presidents offered and what Congress agreed to.

From 1981 through 1992, without exception, the Presidential request was lower than what Congress actually appropriated. Then in 1993, 1994, 1995, and 1996 Congress actually appropriated a little less than what the Clinton administration requested. In 1997, 1998, 1999, and 2000—my colleague is correct—the last 4 years, is where you actually have the Congress doing better than the Presidential request.

But over the 20 years, through the Reagan and Bush administrations, it was Congress that raised the amount. Most of those years in the Senate—not all, but certainly all those years in the House—the Congress was in the hands, if you will, of the Democrats. So there is a strong background of this.

As I mentioned today, in the Budget Committee I offered—and I am certainly not arguing on behalf of my party; in fact, I lost votes of my party in the Budget Committee. I think I pointed out earlier I had the support of TRENT LOTT, who was a member of the Budget Committee at the time. But when I was on the Budget Committee a number of years ago I tried to put into the budget function category a number, over a period of years—I did not care what amount of years the Congress wanted to accept; 5 years, 10 years, 15 years—with the goal in mind we would reach the 40-percent commitment we committed to in 1975. That is, that the Federal Government would be a much better partner in supporting our local communities with special education costs.

I ask unanimous consent this chart that goes from 1980, actually, through the year 2000, indicating Presidential requests and what Congress appropriated, be printed in the RECORD.

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

SPECIAL EDUCATION GRANTS TO STATES

[Budget authority in billions of dollars]

Year	President's request	Appropriation	Pres. req. vs. appropriation difference	President's proposed increase	Appropriation annual increase
1980		874.50			
1981	691.50	874.50	183.00	(183.00)	
1982	649.09	931.01	281.92	(225.41)	56.51
1983	771.70	1,017.90	246.21	(159.31)	86.89
1984	998.18	1,068.88	70.70	(19.72)	50.98
1985	1,068.88	1,135.15	66.27		66.27
1986	1,135.15	1,163.28	28.14		28.14
1987	1,135.15	1,338.00	202.86	(28.14)	174.72
1988	1,259.38	1,431.74	172.36	(78.62)	93.74

SPECIAL EDUCATION GRANTS TO STATES—Continued

[Budget authority in billions of dollars]

Year	President's request	Appropriation	Pres. req. vs. appropriation difference	President's proposed increase	Appropriation annual increase
1989	1,474.24	1,475.45	1.21	42.50	43.71
1990	1,525.61	1,542.61	17.00	50.17	67.16
1991	1,615.13	1,854.19	239.06	72.52	311.58
1992	1,976.10	1,976.10	.....	121.91	121.91
1993	2,073.30	2,052.73	(20.57)	97.21	76.63
1994	2,163.71	2,149.69	(14.02)	110.98	96.96
1995	2,353.03	2,322.92	(30.12)	203.35	173.23
1996	2,772.46	2,323.84	(448.62)	449.55	0.92
1997	2,603.25	3,109.40	506.15	279.41	785.56
1998	3,248.75	3,801.00	552.25	139.36	691.61
1999	4,020.70	4,310.70	290.00	219.70	509.70
2000	4,314.00	.....	.....	.....	.....

Note.—Numbers in parentheses are negative.

Mr. DODD. For those who may be interested, there is a strong record of the Congress through all of the 1980s, up until 1992 actually, doing a better job in terms of what we put into special ed than the administration, which did a bit better from 1992 up through 1996; and then the Congress has done better than the President in the last 4 years in these areas.

Secondly, with regard to the point raised, again, I said earlier, there are parts of the bill offered by my friend from Georgia with which I agree. I am not offering this amendment as a substitute to his bill. It is only dealing with one part of it. There are parts of this bill of which I am very much supportive. It is like anything else, you have to make choices. Would we like to do everything? Maybe some people would like to do everything. But we can't do everything. We have all painfully learned that.

We finally have ourselves in a situation where we now have surpluses. We are moving in the right direction. The interest rates and the economy reflect the fact that we are showing much more fiscal discipline than has been the case in the past.

I am suggesting that given the choice between a $1.2 billion tax proposal, a new program that may or may not produce, even if we take the best estimates, the results that its proponents suggest—that is, $1.2 billion taken off the table—based on the evidence that has been submitted by the Joint Committee on Taxation, the benefit for people whose children go to public schools is very limited. They say $20.50 over 5 years. Those are not my numbers. Those aren't out of the Democratic National Committee or some Democratic think tank. It is the Joint Committee on Taxation, a nonpartisan committee that analyzes what the tax implications are. We use it all the time.

They are saying to us: If you are the parents of public school education children, which is where 50 million kids went to school this morning—of the 55 million kids who went to school, 50 million of them went to public schools, elementary and secondary, 5 million went to private and parochial schools—for the parents of those 50 million kids, the average benefits of all of this over 5 years is $20.50.

I pose the question, Which is the better choice? If you think you could do everything, then you ought to vote, I guess, against my amendment and hope at some later date you get a chance to vote for it. We will do everything.

I don't think we can do everything. So I am merely posing an alternative that I think would be more meaningful to our mayors, county executives, Governors. In fact, this morning, at the combination meeting of the Governors and the Senators, it was Governor Angus King, independent Governor of Maine, who stood up and said: If you want to do something about education—and, by the way, I never met him before; I still haven't met him. I don't know the man. But he stood up and said: If you guys in the Senate really want to do something about education, why don't you do something about special education and our costs? He got a standing ovation, applause from everybody in the room.

The Governor of Pennsylvania, Tom Ridge, and Governor Tom Carper of Delaware said: This is the priority. Whom can I call? Whom can I get ahold of for you to vote for your amendment, to support your amendment this afternoon? Not because they disagree with what their friend and colleague, as he is mine, is proposing here, but because they think this is a better choice, with limited resources, to go to Oklahoma, Connecticut, Florida, to Georgia, to get back to our communities. It doesn't solve the special education problem. We would have to appropriate $15 billion to get to the 40 percent obligation.

I don't want to create the illusion that I am solving that problem. We are just getting closer to it. We are at 12.7. We were at 7 percent. Then we started to inch up a little bit in terms of getting better. Now we are close to 13 percent, a far cry from 40, the $1.2 billion, and I don't have the number what it gets you to. I think probably another couple points, 2 or 3 percentage points, maybe 4 in terms of what that $1.2 billion spread out over 50 States would do. But at least it is tax relief.

My friend says we do it for higher education. There is no property tax that supports higher education. There are State revenues that do it, but on a local basis that is not where it comes from. In the case of public elementary and secondary education, for the most part it is free. There are costs associated with educating a child. I know that. But I know very few public higher educational institutions that are free. Most of them are pretty expensive today. Some have a limited amount of cost, but for most of them, it is pretty expensive.

Of course, you don't have to go to college. We would like everybody to. The law requires you go to elementary school and requires that you go to high school or at least stay in school until you are 16. For most States, I think that is true. But there is no requirement you go beyond that. So there is a distinction between what our obligations are to elementary and secondary education and what we try to achieve in higher education—obviously, a huge distinction in cost.

Although I have disagreements with the underlying proposal offered by my friend from Georgia, I believe we are trying to be all places at the same time and, as a result of that, not doing much in any.

My fundamental point is not so much to say this is not a good idea he has proposed but to say this is a better one. I don't know of a mayor in my State who hasn't asked me to do something about this issue for the last 10 years. When I go back, as I know all of our colleagues do, when I go back to them and say: What do you want me to work on this year?—I think all of us do that probably in our December-February periods; we go back and talk to the local officials who are close to our constituents in our States. I don't know of a year when this special education issue hasn't been in the top five of the items about which they say: Look, this is a tremendous cost to us. You mandated it, basically, at the Federal level in 1975. We don't disagree with you. We think we ought to provide educational opportunity for children with special needs in this country so they will maximize their potential. But you promised us, Mr. Senator, you were going to come up with 40 percent of the cost of this. You told us we have to do it. We agree with you. Now you are only up to 12 or 13 percent.

Frankly, in a lot of States, it is around 5 percent, 9 percent. I don't have every State here because not every State gives us all the numbers. Looking down this list, as I mentioned earlier, California has a $3 billion higher education cost. The Federal Government comes up with 5 percent of that.

So 12.7 is a national number, but individual States are very different. In Florida, it is 6 percent; that is the Federal participation. We are way short of the 40 percent.

I don't see Oklahoma on this, for the benefit of the Presiding Officer, and I don't see Georgia. This is not a complete list of all 50 States.

As I mentioned earlier, some States are 13 percent; South Dakota is. Indiana is 17 percent; that is how much the Federal Government contributes to that price tag for special education. But an awful lot of States are at 5, 8, 7, and 4 percent—Nevada. Montana is at 14 percent; Missouri, 10 percent. It varies from State to State as to how much the Federal dollars are getting back.

My point is this: If you can't do everything, you have to make choices. What is the better choice: A new program that may or may not have the benefits its authors suggest, or to do something that every jurisdiction in this country, every taxpayer at the local level would appreciate and would dramatically, in some cases, reduce the cost of their financial obligations?

I suggest the better choice is the amendment that is pending. It would take that $1.2 billion and send it back to Oklahoma, Connecticut, Georgia, Florida, California and say: This is a downpayment on that long-term commitment. We haven't reached it yet. We are doing better, but we are not there yet.

I mentioned earlier, California has a $3.72 billion price tag on special ed. Florida has a $1.47 billion price tag on special ed. My State of Connecticut is $627 million. I have one small community, Torrington, CT, that has over $1 million in special education costs because we required it. In 1975, we said: We will educate all kids, including those with disabilities in this country. We want everybody to have at least the potential or the opportunity to maximize their potential. I don't know of a single person who wants us to retreat on that commitment.

The point of my amendment is, don't retreat on it, but also don't renege. Don't renege on the contract. The contract was to our States and our communities and our counties. Your Federal Government will be a far better partner, and we will help you reduce that financial burden we imposed upon you in 1975 and have never gotten close to paying. The $1.2 billion gets us closer.

What my friend from Georgia has offered is maybe a great idea—maybe—although I have some disagreements, but I know what this does. I know $1.2 billion going back to the 50 States of this country will categorically and unequivocally provide relief for people.

Mrs. BOXER. Will the Senator yield?

Mr. DODD. I am happy to yield.

Mrs. BOXER. First, I commend my friend because life in the Senate is about choices. I think what the Senator from Connecticut has done for this debate, in my opinion, is to have given us a very clear choice of how we want to proceed. We have known for, let's say, the last 20 years that there is not an endless cookie jar; we are going to have to make the tough choice.

What the Senator from Connecticut is suggesting is this: We have a program that is vital to perhaps the children in this country who need more help than almost any other group, children who have special ed needs. We have not met our commitment; we haven't fulfilled our promise. So I would appreciate it if the Senator from Connecticut can tell me if I am right in sort of summing up where he is coming from. He has taken the floor and has not said everything in the pending bill is bad, not at all. I know personally he agrees strongly with a couple of things.

Mr. DODD. What I have offered is an amendment to the Coverdell proposal, not a substitute. So I only address this particular issue. There are a number of other provisions in the bill that I think are admirable.

Mrs. BOXER. Those provisions would still stand. What the Senator is basically saying is that the billion-plus would go to people who essentially, for the most part, send their kids to private schools, K through 12, and rather than give them this tax writeoff, if you will, we should use the money to fulfill our commitment for special education. That is the bottom line.

I want to ask my friend two questions. I don't know if he spoke about the meeting with the Governors today, but if he has not, I think it would be an important point, since he spoke to many of us about this today—what the message of the Governors is vis-a-vis this special ed and what it would mean. He has already said what it means to my State to get more funding for special ed. We are in the hole now by several billion dollars. So this amendment is very important.

The second question, perhaps, is a more philosophical one but one to which I would be interested in hearing an answer. I think if we are honest with ourselves, we know the people who could afford to set aside $2,000 a year in our society each and every year are the ones who are living or earning more than, shall we say, most middle-class people because we know the figures. If we are honest with ourselves, to set aside $2,000—and that is after-tax money—in an account where, by the way, you don't get any real tax benefit, except the buildup is not taxed, so it comes out to roughly a few dollars a year—who are we really helping? Are we helping 95 percent of public school kids? Are we doing one thing or are we giving a nice, sweet tax benefit to people who already can set aside the money? I think there are two questions. One, if my friend can talk about the Governors and how they feel on this issue of reimbursing the States for special ed; and, two, philosophically, what is going to help more families?

Mr. DODD. Mr. President, I say to my friend from California that I did mention the Governors. The Governor of Maine stood up and made the point that this was the top priority, and I think it was one of the few moments when there was widespread applause in the room by colleagues, both Republicans and Democrats; there were a lot of nodding heads.

Obviously, Governors have a long shopping list for us. If they could do one thing in the area of education, this was the issue. TOM DASCHLE raised it: ''Ironically, the next vote we are likely to have is on the issue you think is your top priority.''

I talked with Governor Ridge of Pennsylvania afterwards, a Republican, and Democratic Governor Tom Carper of Delaware. Both said they are going to try to call members of the respective caucuses to urge them to vote for this amendment. They felt this would make a difference immediately for them. So I thank them. I thank the National Governors' Association. I don't have it with me, but I will get it. I have a year-old letter signed by Michael Leavitt, Governor Mike Huckabee of Arkansas, Tom Carper and Jim Hunt. It is a March 9, 1999, letter to PETE DOMENICI. I have blown it up. In part, it says:

> Therefore, Governors urge Congress to honor its original commitment and fully fund 40 percent of Part B services as authorized by IDEA so the goals of the act can be achieved.

In the first paragraph, it says:

> As you prepare the budget resolution for the coming fiscal year, the nation's Governors urge Congress to live up to agreements already made to be meet current funding commitments to States before funding new initiatives or tax cuts in the Federal budget.

So 50 State Governors say if you want to pick a priority, this is it. So, again, this isn't, as my friend from Georgia said—again, some may think you can do everything and probably will vote that way. If you can't—and hopefully you can do everything—then you have to make choices about where you should do some things.

I am glad the Senator from California raised the issue about the buildup. I think that is important. The buildup is important. Under higher education—and I drew a distinction; I think there are significant distinctions between the choice of going on to higher education and the requirement that you go to grade school and high school, at least until the age of 16—the fact that public education, where 50 million kids go to school every day is free, whereas higher education is not free, whether it is public or private, and that you don't have a property tax supporting higher education as you do elementary and public education.

When people are planning for college—not that they do it as early as they would like—they start putting that money away early, in some cases when the child is born, with full knowledge that a 4-year college education could end up costing $100,000 at many

institutions in this country. So you end up with a buildup of $500 to $1,000 a year, and that is where it has value. You are not talking about a buildup in that regard, about kids who are young and starting out, I presume. What you are talking about is investing in, as I understand it, some tax-free withdrawals from this account for things like tuition fees, academic tutoring, books, room, board, supplies, equipment, and so forth. So it is going to public and private education.

If you make $150,000 a year on joint returns, this is a pretty good benefit. If you are making $30,000 or $40,000, or less, it is not much at all. The Joint Committee on Taxation said this only had a marginal benefit to people. Also, the accounting practices; can you imagine the nightmare? You are going to be taxed if you buy some things and not taxed if you buy others.

What about if it is sporting equipment to go to school; is that part of the education? What about the band outfit you may wear; is that education or not? I don't know. Maybe others feel certain they know what it is. I can see a nightmare of accounting procedures to try to determine what is truly an educational benefit and what is not quite an educational benefit.

I will finish, and then I will yield to my colleague to respond. Of course, when you start getting into this whole point, as I said, benefits to public school children and their parents, at least based on the assessments we have, are marginal at best; $5 of tax relief a year, each year, for 5 years—or 4½ or 5 years—as opposed to doing something that lowers your property tax by sending the dollars back to reduce the cost of special education and local community—I promise you that is more than $5 a year; it is significantly more for people.

Again, it is the choice I think we make. We all say we love to listen to our Governors. The Governors are in town. They met with the Senators about 3 hours ago. The Governors have said, virtually unanimously: If you want to do something to help us right away, here is the issue. They specifically said: Do this before you start off on new initiatives that may not benefit even the people you think you are going to benefit.

I urge my colleagues to support this amendment. As I said earlier, it doesn't substitute the entire bill. It merely offers a substitute to the particular provisions on payment. The other parts of the bill remain. I think this is a much wiser choice to make. I say that with all due respect to my colleague from Georgia, with whom I work jointly on so many issues. I know he is anxious to respond. I think the Senator from Florida wants to be heard as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, as I understand it, the sequence of amendments is such that there will be a Republican amendment after the amendment by Senator DODD, and then there will be a Democratic amendment by Senator ROBB, and then another Republican amendment.

I ask unanimous consent that I might offer the transition teaching amendment immediately after the Republican amendment, which will follow Senator ROBB's amendment.

Mr. DODD. Mr. President, if my colleague will withhold on that request, I know leadership has worked out a scheduling sequence. I don't want to object, but I would have to object right now without them getting involved. Why not make the comments and then come back?

Mr. GRAHAM. Mr. President, I could offer this amendment with the understanding that if there is someone who needs to go ahead of me I would yield at that time. I was on the floor this morning and now this afternoon for purposes of trying to get in the queue.

Mr. DODD. Mr. President, if the Senator will proceed and let me inquire, we will come back. I promise the Senator that I will take care of that right now.

Mr. GRAHAM. I don't have any remarks to make on this amendment.

The PRESIDING OFFICER. The Chair inquires, who is yielding time?

Mr. DODD. I am happy to yield time off my time to my friend from Florida. I will inquire, if the Senator wants to go ahead.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, on our time, I see the Senator from California is still present. I don't know if the issue of who benefits and who doesn't was thoroughly covered. I don't know that this will make a difference in the Senator's vote, but I think it is important that her question be answered.

First of all, the means test—and it is means tested as to who can participate in this, and I probably wouldn't have done it that way, but that is the politics of the day—is identical to the college account we have set, which means 70 percent of the benefits flow to people making $75,000 or less. It is the middle income and below who are the primary beneficiaries of the account.

Mrs. BOXER. Mr. President, may I say to my friend I understand that completely. But that was for the analysis on the $500.

Mr. COVERDELL. That is the analysis on this account.

Mrs. BOXER. My understanding on the $2,000 is there are fewer people in that category who could participate; and therefore, it would not benefit the middle class.

Mr. COVERDELL. The data I quoted is the data on the analysis of this account.

Mrs. BOXER. Then we have some disagreement. But we will check our chart.

I wanted to say on the issue of why this is different than the college account—I think Senator DODD very eloquently made the point—our side of the aisle has been pushing for a long time to help parents send their children to college, whether it is through Pell grants, loans, or education saving accounts for college. I remember way back during the days I was in the House I was supporting these education IRAs, but the point is that it is quite different now.

To go to a public college in California costs $5,000, $6,000, or $7,000 a year. Fortunately, we have free public schools. What we are looking at here is quite a different situation.

We know on the face of it that 95 percent of our children go to public schools. I know the Senator says this is going to help the public schools, but our research indicates this is disproportionate. We are talking about a couple of dollars in benefits. It comes down to a choice.

If I had a menu of things, I am sure I would rank money higher on the menu of things, but it doesn't compare my money to the substitute, or to the amendment which keeps a lot of good in the Senator's bill. But it just says ''revenue lost'' instead of being dissipated in the $7 per family over a period of time—a year—and maybe adds up to $7. It would be much better to go to our States and help with special education, whereas Senator DODD says it means it is going to result in lower property taxes because our local school districts will benefit.

Mr. COVERDELL. Will the Senator yield on that point?

Mrs. BOXER. It is the time of the Senator from Georgia. Sure.

Mr. COVERDELL. No one can certify that this is going to affect property taxes whatsoever. In fact, the doubling of IDEA, if you can find a jurisdiction that took this and lowered the property tax—I think you should listen—isn't what happened. I don't mean that we ought not to be fulfilling this obligation, but I have seen no example of the property tax being affected one way or the other as we fulfill this obligation.

I think what happens is, as we fulfill the Federal obligation, which is rather remarkable—here we are 25 years later and still haven't done it—it theoretically frees up local school districts to do other things that are important in education. I find it interesting.

The other point I was going to make to the Senator from California and to the Senator from Connecticut is they essentially inferred—and I can understand why—that the education savings account is different in a sense from the higher education and K through 12 because I think in the debate we have focused on K through 12. But there are extensive families benefitting from that. They ought to have the opportunity—the ''choice''—to use those funds if they so desire. But these accounts are a college account, too.

We have taken the President's proposal and the congressional proposal

and made it four times more powerful. It can be used for college. It can be used for the disabled and for dependent students following college.

My assumption is—we have to make some estimates—that many of these families will not use this in K through 12. Some will. But a large number of them will use the buildup where essentially it is broadening the scope of what people can do as they try to meet the very costs about which the Senator from California talks.

Mrs. BOXER. May I ask my friend a question on this point because this is a good debate.

What the Senator is essentially saying is somebody can open up one of these Coverdell plans.

Mr. COVERDELL. They do not call them Coverdell plans. It sounds like a wonderful idea.

Mrs. BOXER. Doesn't it sound great? I will give the Senator that. It is his idea. Come up with a Coverdell account, and they start it, say, when the child is first born. Then the child is 5. If this is for real, they start using it, but if it isn't for real, they will hold it. Who gets the tax benefit? Because they can afford to, they have another account for $2,000 for college. Now we are saying this is a family now setting aside $4,000 every year. I ask my friend.

Mr. COVERDELL. No.

Mrs. BOXER. Yes, because the Senator said there could be an addition to——

Mr. COVERDELL. No.

Mrs. BOXER. The college account.

Mr. COVERDELL. No. What I am saying is that we broaden it from $500 to $2,000. So an account can be opened for up to $2,000, whereas now it is limited to $500, A; and, B, if they chose, they could use a withdrawal somewhere through kindergarten through high school if that was important to them for whatever circumstance. They don't have to hold it for college.

Mrs. BOXER. I don't understand. I am saying to my friend that it is a second bureaucracy, if you will—a new account that can be used for college in addition to the account we are looking at for college that we already have. I think it is getting confusing. I think if we want to let people set aside funds and get a tax break for college, this is crucial.

I think at this point to expand this idea to get to K through 12, as Senator DODD pointed out, if this is on the level and people start spending it when the child is 5, they essentially have 5 years to save, whereas what we are suggesting is that people can do much better. They can take that money and use it, say, long term for 18 years, have more of a buildup and have more of a fund.

What I am fearful of, if we start with all of these, is that only the wealthiest people will be able to do it. They will do it for both. Again, we start rewarding the people in our society—God bless them, and I have nothing but respect for people who manage to make it. We are rewarding them and we are not doing a thing to help the average person.

That gets me back to where Senator DODD started with his amendment. If this is not going to do much for most of our kids—it is confusing, I agree. I started wondering—if they can get a band outfit, if that is workable, yes. I argue that is part of the school. Or a uniform? But, wait a minute, that is giving a benefit to one child. What about the kid who doesn't make the band? Then the IRS is going to have to confab and figure whether this is a discriminatory benefit. I think we are opening up a can of worms a little bit. I think Senator DODD offers us a cleaner way to spend this $1.2 billion, which is to ease the burden on the local districts.

I daresay it is only common sense. Our school boards have a certain amount of money. If they cannot meet their budgets, they are going to have to raise your taxes. Maybe this is going to help them. I assume it is going to help them. In California, we have a lid on our property tax, so this is a huge benefit for us because there is just so much we can raise in property taxes.

Since we have a finite amount of money, I think the Senator from Connecticut is offering us a chance to step back and say let's not create a new program, which now I understand you could roll into a college account, which really gets me confused, and keep it simple and use this money for special ed.

I thank my friend for being so generous in yielding to me. I thank my friend from Connecticut for, I think in many ways, bringing us back to what we have to do, and that is to make these hard choices. He is saying: Listen to what the Governors are saying. Let's take care of this problem first.

Mr. COVERDELL. I would like to respond to the Senator from California by calling into play an individual for whom I know she has enormous respect, and that is the Vice President of the United States. He says:

> Our current education IRA's simply do not meet the needs of the information age. They are limited to $500 a year.

He is right.

> And it must be used by an age of 30. In a fast moving, fast changing economy, the right skills will often cost more than $500 a year and learning must last a lifetime.

Then Vice President GORE goes on to say:

> Here is my idea. We need to create a new 401(j) account like the 401(k) plans that help you save for retirement. But this account will allow employers and employees to contribute up to $2,500 a year. . .

So he is $500 over what I am saying.

> . . . in order to pay for college or job training expenses.

Mr. DODD. Is this for elementary and secondary education?

Mr. COVERDELL. He says for college. We are for college. This account applies for college.

Mrs. BOXER. Then scratch the other part of it.

Mr. COVERDELL. Why should we do that? This is a classic example: Let's tell them what is important to them. You think it is important it only be for college. I think it ought to be up to the family to decide where and when they have a special need. Maybe they have a student who is in junior high school who suffers a very serious injury and they need assistance or they have a child who they discover has dyslexia. You do not deal with dyslexia when you are in college. You deal with it in the younger years. There are many problems associated with that.

So let's let them decide. I think the majority of them will utilize these funds at college. But there will be occasions where families have requirements that occur before that. I can think of no reason why we should arbitrarily decide: I am sorry, that is a decision we have made for you.

Mr. DODD. If I can respond to my friend?

Mr. COVERDELL. I have no idea how they are dealing with the division of time. We are doing so well.

Mr. DODD. This much I promise: If you run out of time, I will give you time. We know we have to finish at 4. I don't know if we will have a tremendous number of Senators coming over here. We will accommodate everybody wishing to be heard.

What I have offered as a substitute, with all respect, has more value. Again, I think Governors, mayors, and local taxpayers will tell you right now the cost of special education is a dominant, significant issue we ought to try to take care of. I have not suggested, except peripherally, that there are underlying problems with the Coverdell approach. But I made the case, if you cannot do everything, of the two choices, which is a better one? I think the special ed is a better one. I say that. I realize there is a difference of opinion.

But let me respond, if I can, to the issue, just freestanding, of the Coverdell proposal and why I have difficulty with that as it stands. There are 55 million children who got up this morning, from Maine to California, who went off to an elementary or secondary school in this country—55 million. Fifty million of them walked into a public school—50 million; 5 million walked into a private school or a parochial school. The question is, this bill as it stands is designed to predominantly provide a tax break for those who want to send their kids to private and parochial schools, and it is being cloaked that somehow this is great for education. You do not build a new classroom, you don't pay a teacher more, you don't reduce the size of the class, you don't wire the school with it, none of that stuff. This is all on an individual basis, where the bulk of it, 90 percent of it, goes to those who are in the income category who can afford to send their kids to private schools. We have 50 million kids and their parents who are looking to see whether or not

we are going to take some of their tax money and improve the quality of education.

They do not have the choice. They do not have the choice to say I think I will send my kid to some private boarding school in Connecticut or Georgia or some other place. They do not have that kind of money to do that. Their kids have to go to public school. That is the choice they have. They want to know whether or not their Senators are going to do anything about improving the quality of the educational institution to which they have to send their kids.

That is a big difference. You have limited money. You are going to take $1.2 billion of this, the bulk of which is going to go to those in the upper income category, and for those parents who do not have that choice, they get zilch out of this thing. My point is that is a bad idea, in my view, with limited resources. But aside from that, I think getting the money back to our communities, providing some real relief on special education is what is necessary.

I have great respect—I am a product of parochial and private education. My parents could afford to do it. They sent me to those schools. That was a choice they made. I respect them for it. But they never thought they ought to get a tax break for doing so. They understood that. They also understood there is a fundamental commitment and relationship between this institution and setting the agenda to accomplish the national purpose in education, a fundamental responsibility to public education.

The public has no other choices. I know people are upset with the quality of some of our public education institutions. I wish the newspapers and media covered good schools as well because there are an awful lot of good schools out there doing a terrific job providing a wonderful educational opportunity in the inner-city and rural America. But our obligation is to see to it that fundamentally we work on the quality of those institutions that are not doing quite as well.

My view is this distracts, it is a distraction from the real business of supporting quality public schooling in this country. Aside from tax policy, which I think is questionable as well, and different choices we could make with it, there is an underlying problem.

I ask unanimous consent the editorial in the Washington Post in its morning edition, its lead editorial today, be printed in the RECORD.

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

[From the Washington Post, February 29, 2000]

SCHOOL CHOICE FOR THE RICH

The Senate is to take up today a proposal to use the tax code to provide public funds to private schools through the back door. Most Democrats, led by the president, are rightly resisting; the proposal is bad tax and educational policy alike.

The bill whose principal sponsors are Sens. Paul Coverdell (R-Ga.) and Robert Torricelli (D-N.J.), would allow households with annual incomes of as much as $150,000 to set aside $2,000 a year per child in educational savings accounts, the earnings on which would be tax-free. Parents can already save this way for college; this would let them do so to help pay elementary and high school expenses as well.

Unlike some other pending tax cut proposals, the cost would be relatively modest, in part because not that many families could afford to take advantage of the measure. Almost all the benefit would accrue to those with well above average incomes and children in private—including sectarian—schools. The revenue forgone would represent an indirect subsidy to such schools.

The president has vetoed similar legislation in the past, and the Office of Management and Budget has indicated he is prepared to do so again. We hope he's spared the need. Some Senate Democrats think the veto threat lets them off the hook. Rather than be the heavies who block an education bill and tax cut, if given the chance to debate some education proposals of their own they'll let the measure pass, secure in the knowledge the president will block it for them down the road. But that's too stagy a way to legislate. If Congress wants to spend money on education, it should be on needier children; if it wants to promote school choice, the debate should center on helping parents who do not, by virtue of their income, have any such choice now. Lawmakers should kill this while they've got the chance.

Mr. DODD. It is entitled, ''School Choice for the Rich.''

The Senate is to take up today a proposal to use the tax code to provide public funds to private schools through the back door.

Fifty million kids and their parents are asking the question: What are you doing about my kids' school? I understand 5 million kids whose parents would like us to do something about tax relief for them if they go to private schools, but I think we have a higher obligation to the parents of those 50 million who have no choice. Those who made the choice of going to private school made that choice. I respect it, but the parents who send their kids to public schools are not, unfortunately, in the same category.

Mrs. BOXER. If the Senator will yield, I want to say to my friend, his education was very good. I went to public schools from kindergarten all the way through college. Even in college it only cost, in those days, $12 a semester in the State of New York university system. What an amazing thing.

We had several people wind up going to Congress from that public education system. So in my heart I understand when my friend from Connecticut says we have an obligation to the 50 million children who walk into those public schools every day—5 million go to the parochial school, 55 million in all—but we have an obligation in the public school arena.

It gets down to yet another choice. The Senator from Connecticut has given us a choice between a tax break that is predominantly going to go to the wealthiest, that is going to be very minimal, and special education. That is the choice he has laid out.

My friend also will win my vote, frankly, if he took that $1.2 billion and put it into school construction or put it into more afterschool slots or early education, early childhood development, preschool, and child care in which my friend has been so involved. We are looking to bring home a very important choice.

The Governors said: Here is the choice, Senators; before you take care of any other new programs and new bureaucracies, take care of special ed. My friend from Connecticut is listening to them and doing that, and he is further saying that before we do any of these newfangled accounts, which will be interpreted and reinterpreted by IRS agents up and down the line and may be very confusing, let's take care of our public schools.

What I am saying is, not only will I support the amendment of the Senator from Connecticut, but I will also support amendments to come that will take this money and put it into lower class sizes, to do some new construction, to train our teachers better, to get technology in the schools, to make sure we have room for every child who wants afterschool care which we know is the best crimefighting program around.

I thank my friend for coming today. His voice on this issue is very important, but I think on this one, with his interest in education and his views of concern about it and his success in it, I hope the Senate will listen to the Senator from Connecticut and do first things first: Take care of our public school kids—that is 95 percent of our kids K through 12—before we set up some newfangled ideas on which there is even debate over the facts as to who it helps.

The Senator has a paper that says to me it is only going to help the very wealthy. Senator COVERDELL says it helps if one makes $75,000. Common sense tells me if we start setting aside $2,000 a year, it ''ain't'' going to be my working-class people who are going to do that, I can tell you right now. They tell me they can barely make ends meet. I know what this is about.

I thank my friend for bringing more clarity to the debate. I will be supporting him.

Mr. DODD. I yield.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Georgia.

Mr. COVERDELL. Mr. President, I wish to clarify a point, if I can have the attention of the Senator from Connecticut, because I know how these things happen. We have been in touch with Governor Ridge. He does support education savings accounts and would not support an amendment that made that point moot. I know the Senator was at a meeting—he certainly supports the funding of IDEA. I did want to make it clear that he does support the education savings account, so we can clarify that one point.

Mr. DODD. I attended the Governors' meeting earlier today, and Governor

Ridge said he would be glad to help out and try to convince people to vote for the amendment. I say to the Senator, with all due respect, I am also quite confident Vice President GORE does not support the Coverdell legislation, if there is any doubt about that at all.

Mr. COVERDELL. I thank the Senator from Connecticut. I yield 15 minutes to my defiant, dedicated, committed cosponsor from the other side of the aisle—I admire his courage on this issue—Senator TORRICELLI of New Jersey.

Mr. TORRICELLI. Mr. President, I thank Senator COVERDELL for not only yielding me this time but more than that, for, through these last few years, framing this debate and tirelessly bringing this issue forward. This is not the first time, it is not the second time, it may not be the third time Senator COVERDELL and I have come to the Senate floor for A+ savings accounts and, most assuredly, it will not be the last. This is going to happen.

More than simply telling the Senate of the inevitability of these savings accounts, I want us all to recognize what a positive contribution we are making to American education.

I rise in opposition to Senator DODD's amendment. Indeed, on another day, another opportunity, I not only would vote for it, I would fight for it, as I would with Senator ROBB's amendment dealing with the building of new schools, and Senator MURRAY's amendment adding new teachers and reducing class size.

The problems of American education are not such that they require a single idea or one change. This is not a system with which we need to tinker. We have compound problems. The one Senator DODD raises is among the most important. We gave an obligation to local schools without the resources to pay for special education. Senator ROBB's amendment and Senator MURRAY's amendment are important in building schools that are crumbling around us in some communities and adding new teachers. They are good ideas, they are important ideas, but so is this.

For as long as I can remember, the formula for funding American schools has been quite simple: We raise your taxes, and we spend your dollars. That will continue to dominate American education. It is the right formula. We are adding something new, though not a novel idea. Indeed, ironically the source of this idea is President Clinton. In establishing higher education savings accounts of $500, he laid the foundation for what we debate today because what was a good idea for higher education at $500 is a great idea for secondary schools at $2,000. Same idea, same formula with the same end.

This is using private money. It is using a family's own resources. By our estimation, after 5 years, $12 billion in private money will be used to educate children K through 12. That cannot be a bad thing. Yet the critics argue it is a diversion of money from the public schools. Not one dime of money that is now going to a public school goes anywhere else but to that same school on that same basis. This is new money, private money, a net increase of $12 billion.

People argue that maybe it is all new money, but it goes to a privileged few. The Congressional Budget Office argues that 70 percent of this money will be spent by families who earn less than $70,000. Does this solve the educational problems of a family in poverty who may have no money? Maybe not. Probably not. I challenge any Member of this Senate to come to this floor and tell me one educational idea that solves the educational problems of every family in every regard forever with one bill. This one does not either, but it does help many working families, working poor, middle-class families.

The family who earns $20,000, $30,000, $50,000, even $70,000 a year but wants to give their child some extra advantage in education, they want to establish a private savings account. Why should the Federal Government be charging taxes on the interest on that account? Every Member of this Senate knows that education is the great test of whether or not we preserve our quality of life, our national security, our way of life.

The Federal Government should be doing everything it can to encourage every parent in America to save every dollar they can muster to educate their child. Taxing that money is the last thing we should be doing. That is the essence of this bill: Eliminate Federal taxes on money saved for education. That cannot be a bad idea. Yet it is argued that maybe it is private money and there is no diversion. Maybe Senators are right about that. Maybe it does go to middle-class and working-class families. Maybe Senators are right about that. It is argued that it is not for a privileged few but it all does go to private schools and we have a public and private school problem. Well, wrong again.

CBO estimates that 70 percent of this money actually will go to public school students. Public school students are over 90 percent of the students in America. If we are going to help everybody, by definition, most of that money will go to public school students. That is what the research has found because this money is not just available for private school tuition. This money is available to hire public school teachers after public school is out in the afternoon to help students in math and science—something desperately needed by many of our families—for afterschool transportation, for afterschool activities of band or athletics or clubs, to buy a home computer, to buy books or, if you do not use money for any of these things, to roll it into your college account after the 12th grade when the student is going into college.

Is some of this money going for private school tuition? Yes, a minority of it, 30 percent of it. Some does go to private school tuition. I am not here to apologize for that. If, in one piece of legislation, we can add $12 billion to the national expenditure for schools, help public school students with 70 percent of this money—for computers and books and tutors—I do not rise on this floor to apologize that some of this will go to private schools, yeshivas, or parochial schools for tuition.

In many of our cities, the Catholic school is the only alternative available to many families who want something better for their child. Tuition can be $800, $700, $1,200—out of reach for many families. Who is going to these schools? What is this ''idle rich'' we hear about who will benefit from this bill? Ninety percent of the students in Camden and Newark and Jersey City going to parochial schools are Protestants; 80 percent of them are African American. This is not a religious opportunity. It is a competitive school, a chance for a parent to give something else to their child.

We do not ask the Federal Government to pay for it—not a dime, no public money. Personally, I do not believe in it. I think it is unconstitutional. I do not think public money can or should go directly to pay for tuitions in religious institutions. That is my belief. That is why I am for this bill because this bill does not do that—no public money. A family takes their own money, earned off the sweat of their own brow, puts it in a private account, and uses that money, which has not been taxed because of this legislation, and pays tuition. That cannot be a bad thing.

Opposition to this legislation has many aspects. In my judgment, clearly, one of them is that we do not recognize the true depths of the problem of American education. Getting more teachers, building more schools, higher standards for public schools are all part of that, but that is not enough. This is a fight that must be fought on every front simultaneously.

Second, I think many people simply do not recognize the state we would be in if we did not have private schools. We are losing a Catholic school in America every week with another school closing its doors. If we lose the parochial education system in America, it will cost $16 billion immediately to replace the system. The system must survive within constitutional bounds. That is what Senator COVERDELL and I are attempting to do with this legislation.

Third, I think there is a partisan issue. With all respect to my friend, Senator COVERDELL and his colleagues, in my personal judgment, the leadership in America on education for the last generation has been borne by the Democratic Party. We created the programs for grants, for tuition assistance, for aid to secondary schools that built libraries, built schools, and opened opportunities. It is one of the reasons why I am a Democrat. Now we

have a little competition; frankly, not a lot.

The ideas are still overwhelmingly from the Democratic Party. But this idea cannot be bad simply because some Republicans are for it. That is the only argument I have heard against it. If there is going to be a competition between the Democratic and Republican Parties for leadership on education, that is good for America. If we are going to compete to convince the American people that each of us has the best formula for improving our schools, that is good for every child in America.

To the Republican Party, I say: Welcome to the fight. We have been waiting for you for a long time. But I am glad you are here.

This concept of A+ savings accounts has no parentage on a partisan basis. It is borne of Bill Clinton's concept for funding higher education. It has been adjusted by Senator COVERDELL, imaginatively, creatively, and effectively, to deal with the problems of grade schools and high schools, to help public and private schools with millions of American families.

I have been for this concept since I came to the Senate. It is a reflection of my own belief that the American standard of living is not sustainable if we do not dramatically improve the quality of instruction and the performance of our students in this generation. It is not difficult to comprehend, if the United States goes another decade being 16th of the leading 18 industrial nations in the quality of math and science instruction, if 40 percent of 4th graders effectively cannot read to national standards, if a third of our students in the 8th grade cannot meet basic science requirements, this Nation will not continue to maintain our standard of living or even our current level of national security.

Education is the great divider in the world, between the insecure and the poor and the wanting and those who exercise leadership and live behind secure borders with rising standards of living. That is our test. I can think of no more important issue for this Senate to debate.

I genuinely hope that not only will this A+ savings account legislation pass the Senate—and I have no doubt it will pass the Senate—I genuinely hope we will pass it on a bipartisan basis. But in a challenge to Republican leadership, as well, the argument that Senator DODD makes today for funding special education, and the argument that Senator MURRAY and Senator ROBB will make on class size and school construction, are arguments that not only must be heard, it is legislation that must be adopted.

Pass this legislation today and then let us return and complete the debate and meet our obligation to America's schoolchildren.

Mr. President, I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. How much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Connecticut has 18 minutes remaining. The Senator from Georgia has 13 minutes remaining.

Mr. DODD. There are only two of us here, so I suspect we can manage this in some way if one or the other of us ends up a little short of time.

First of all, my friend from New Jersey has raised, as he always does, some compelling arguments. He is a very persuasive debater. I agree with him on a couple points. I think, first of all, maybe I should have said this at the outset of the debate, that I adhere to the admonition that Thomas Jefferson gave almost 200 years ago: Any nation that expects to be ignorant and free expects what never was and never possibly can be.

As important as education was to the development of the 19th century, it certainly is just as important now a few days into the 21st century. No issue will be more important for the development and continued success of our own country than to have a very successful educational system in our Nation. So I agree Senator TORRICELLI on that point.

My point is, I do not think we can do everything. That is my point. I would like to do a lot of things, but my concern is we have $1.2 billion in this program. If I have $1.2 billion for special ed, it does not even remotely get close to the 40 percent we promised our States we would give them for special education. We need $15.8 billion to get to 40 percent level.

I have to think, if we are going to do something about the quality of public education—my friend from New Jersey has raised class size, salaries for teachers, luring teachers into rural or urban areas where they are needed, afterschool programs that are critical, early childhood education, Head Start—there are a variety of things that all of us would say are absolutely essential if you are going to improve the quality of our public educational system. Why does this idea, why does the idea of providing some tax incentives for people have any real appeal? It is because people are concerned about the quality of public education in too many places.

If they felt there were good public schools, then they wouldn't be asking for the kind of suggestion that is being proposed in this bill. Their desire for that is rooted in the notion, somehow, that our public education is not doing very well in many places.

So what is our choice here? We take limited resources. We take a dollar, and we decide we will divide it up. And so instead of focusing on what needs to be done with the 7 cents we provide in education out of every dollar from the Federal level, instead of saying let's see what we can do to improve the structures themselves, the buildings, how we can wire schools so they are able to connect with the technologies of the 21st century, my concern is that we are taking $1.2 billion in effect off the table for a proposal that has marginal benefit.

I say again to my friends, the authors of this legislation, people making $25,000, $30,000, $35,000, $40,000 a year, if they have two or three kids, they can't put aside $4,000, $5,000, $6,000, $7,000 in these accounts. It doesn't work out that way. It is hard enough to make ends meet. The idea that they are going to put $2,000 per child in an IRA account is not realistic for them. They could put something in there, but the idea that they are going to get this tax benefit because people will maximize, that doesn't add up in my view.

I do think there is a clear distinction between higher education and elementary and secondary education. Again, schools at the elementary and secondary level that are private or parochial select who they want. You may think you have the choice, but ultimately it is theirs whether you go or not. A public school doesn't have that luxury. If you are a child who lives in a community and you show up at the door, they have to take you in whether they like you or not.

You show up at a private school, and the private school can say: You are not a nice family, nice people. I am sorry. We are not going to select you.

So there is a distinction in a sense. Our public schools must take everybody. The 50 million kids this morning who showed up at their doors have to be educated. We know too many children are not getting the quality of education they deserve. They are going to school in buildings that are falling down. They have textbooks and equipment that is antiquated. They have teachers who are not necessarily the best. Further, the salaries are significantly different from community to community in too many States. Maybe we can go around and set up private schools all over the place and say to the 50 million children presently attending public schools: We have a structure you can move into. You can't do that. Fifty million are not going to fit in the places where 5 million students presently are.

It seems to me we are not left with many choices. We have to improve public education. We have no other choice but to do that. We have no alternative. We must do that. With limited resources, is it not wiser to take these scarce resources and put them into special education accounts that would lower the property taxes; or at least allow our school boards at the local level to decide they will take the money that goes to pay for that special needs child for fixing up that school, for afterschool programs; or lower the taxes and allow parents then to have more money in their pocket to do some of the things my friends from Georgia and New Jersey would like to give them the option of doing. Then they could do whatever they want with it.

That seems to provide a greater benefit to all people, not just the ones who

are selected to go to a private or parochial school, but all students. That is a better choice, if there are indeed limited resources.

I say to my good friend from New Jersey, I know he made an appeal to our Republican friends to support the Robb amendment and the Murray amendment. But just as he asserts that this amendment is going to be rejected and this underlying bill passed, I am fairly confident the Robb and the Murray and other offered amendments are going to be defeated when it comes time to do something on school construction and afterschool programs and the like.

Part of the argument will be, we can't afford to do everything. They are right. You can't do everything. So my choice is—I presume I may be in the minority on this—my choice is to take the $1.2 billion, give it back to the States, give it back to the localities. Give it back to them so they can reduce their costs on special education. One out of every 10 children in this country is a special needs child in our public school system—1 out of every 10. In my State, 14 percent of all students receive special education services.

These problems are growing. The cost is growing. In some of my communities in Connecticut, the cost of providing special education is more than $50,000 per year. Eighty-two percent of that cost is being borne by the local property taxpayer. We promised that community and that family we would pick up 40 percent of that $50,000.

I say to my good friends, the authors of this proposal before us, you cannot tell me with certainty what is going to happen if this legislation is passed. This is a new proposal.

With higher education, you have a choice. Higher education doesn't have a property tax base to support it. Higher education costs, at a minimum $5, $6, $7 thousand per year in my State. However, the public schools at the elementary and secondary level are free in Connecticut, as they are across the country.

So here it seems to me, with limited resources, are the choices we have to make, painful as they are, where all the ideas have some merit. I shared earlier today the letter I received 2 days ago from the National School Boards Association begging for us to offer this amendment. These are not Democrats, Republicans, conservatives, liberals. These are people at every school board across the country who are saying: Please do something about this. Please do something about this.

I am offering my colleagues this afternoon a chance to do that when we vote on this amendment.

I have already noted the letter from the National School Boards Association, dated February 23:

> Rather than create a tax benefit for a select few, applying these funds to special education would benefit more taxpayers and public schools.

That is not from a think tank. That is from the National School Boards Association letter of 3 days ago. That is the choice they would like us to make. These are the people who wrestle with education issues, not once in a while on the floor of the Senate, but every single day in every community across this country. They have said, this is our choice.

The question is, are we on their side, or are we on the side of an alternative form of education which, frankly, has some value in some people's minds, but 50 million kids don't have the choice. This is where they have to go to school, and we have to address those problems. We can run, but we can't hide. Either we do it, or it gets worse each year. The costs continue to go up.

If you can't do everything, I think this amendment offers a better idea. The National School Boards thinks it is a better idea. The National Governors' Association, Republicans and Democrats, unanimously think it is a good idea. I hope this afternoon my colleagues will agree with them.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I believe, indeed, this debate is helpful in narrowing some of these issues. As I think I have attested, I also believe Senator DODD has a good idea, an idea that should be adopted. It simply is not an alternative to this idea.

Let me suggest to my colleagues where Senator DODD and I have common agreement and where we have differences. Senator DODD has made the point that most families could not afford to put the $2,000 in a savings account to pay for their public or private school education. I agree. It is critical to this concept that this $2,000 savings account does not rest solely on the shoulders of the mother or the father. I remember—I am not so young I cannot recall—a time when in an American community, the education of a child was generally an involvement of the larger community. It wasn't just a single mother or the father. These accounts are an opportunity to re-ignite that sense of involvement. We allow the extended family—grandparents, aunts, uncles, churches, labor unions, corporations—to put money into these accounts.

Senator DODD is right that few families will be able to put $2,000 in these accounts per year. But a lot of labor unions can go to their employers and say: We would like a little raise next year and we want money in the savings account. A lot of churches will be able to go to the parishioners and say: Thanks for giving to the church. We would like to help Johnny or Jane with their education savings accounts. A lot of parents can go to grandparents and say: At Christmas, instead of that toy, would you put $100 into the education savings accounts?

This is under the concept that educating a child is everybody's business. Even then, can we get $2,000 a year? Maybe not. But if upon the birth of a child we can get $500 or $700 and compound it, with tax-free interest, year in and year out, by the time that child is going to the eighth or ninth grade and needs a tutor after school because he or she doesn't understand the math assignment, they can afford it. By the time they are in the sixth grade and they can't afford to buy a computer, with this they could afford one. By the time they go to college, if they have spent none of this money and for 18 years they have been saving $200, $500, or $700, at compound interest, it would be significant. Does it pay for a Harvard education? No, but it gets them into the community college or a State school or it pays for part of the education. It helps. It is valuable.

More than just dollars is involved; it creates the concept of the community being involved, having the vehicle of these accounts. It is no coincidence that when Senator COVERDELL and I offered these accounts, the House sponsor was not some conservative Republican from the Deep South, with all due respect to my Southern colleagues from the Republican Party; it was Floyd Flake, a minister, African American, from Queens, NY, who has had the philosophy of the government that: I will take care of my own community; just get out of my way—if I may paraphrase him. He has a charter school; he started it himself. He would like people to be able to have these accounts to pay for some of the extra costs.

That goes to the second point Senator DODD made. We agreed on the first—everybody doesn't have $2,000. We disagree on the second. Senator DODD said public school is free. It was when Senator DODD and I went to school. It isn't anymore. How many parents tonight face their children who come home and say: I would like to be part of the band or the Latin Club or the French Club and it costs $500. Can I do that, mom?

What we built in the fifties and sixties in this extraordinary public education, funding all these tremendous activities, we have eroded. I represent communities in New Jersey where you can't get a bus home after school if you don't pay for it. You can't join the football team. Some of the books are so old, parents have to buy them themselves. These education savings accounts go to the heart of that problem. Public school is not free. Sixty percent of the African American students in our public schools don't have access to a computer. It is the new divide in American education. That includes 70 percent of Hispanic students and millions of other students from all backgrounds.

Why? What is so wrong if we allow a parent to take their own hard-earned money and put it in their own account? All we ask the Federal Government to do—my God, the minimum we can ask anybody to do—is not tax them on the interest. Let them keep the interest so a parent can buy their child something, so they can maximize. I visit public

schools throughout New Jersey where children are struggling with math, science, and areas that were never approached when I was in high school. They struggle. It is hard. If you ask them the one thing they can get more out of public school, they will tell you: I wish there was somebody after school to help me with my work—a tutor.

Instead, our public school teachers, who are underpaid and overworked, leave school at 3:30 or 4 o'clock and take second jobs selling clothing, painting houses—anything to support their own families. How about an education savings account, where at the end of the day the public school teacher can work for some extra dollars doing what they do best—teaching, tutoring, helping public school students learn the math and science with which they struggle.

No, public school is not free. And $2,000 is a lot for most families. We could be wrong. Senator COVERDELL and I could be wrong. We could offer this chance to every labor union, church, and grandparent in America to help with their kids' education by putting money in every birthday, holiday, or Christmas, and maybe nobody will answer. But I don't believe that. That is not the kind of people we are. That is not the kind of communities I represent. I think people will answer. I think Floyd Flake is right. Every Member of the Senate talks about faith-based answers to problems, working hand in hand with the Government. Well, let's see. I bet the grandparents, aunts and uncles, labor unions, churches, and synagogues will come forward and use these accounts as a vehicle. But mostly, I don't want to fail because we didn't ask. This is an invitation to America to get back in your public or private school, get involved and solve the problem.

I believe these are worthwhile. Senator DODD may be right that this institution doesn't have the will or the resources to answer this problem and the special education problem and the school construction problem. If this country doesn't have the will or resources to deal with those problems, we are headed for real trouble. I believe we have the will, and I certainly believe we have the resources—not expenditures, not a dime of it, but investments, every single dollar in every investment for building a school or hiring a teacher. I will fight every day for every one of those things.

Today is the Coverdell-Torricelli legislation for private savings accounts to fund public and private schools. I am proud to be part of it. I yield to Senator COVERDELL.

Mr. COVERDELL. I am most appreciative of the extended effort on the part of the Senator from New Jersey, who brings a very powerful perspective to this debate.

The Senator from Connecticut is correct that we are constantly confronted with choices. I think this is a bad example, though, or choice of that kind of trade. What I mean is, first of all, I believe IDEA will receive added benefits this year. It has received nearly $3 billion in the last 4 years over and above the President's request. So there is a body here that agrees with those Governors and with you that this is a high priority.

The problem with the Senator's amendment is when it moves against the savings accounts, it blows away $12 billion. There are choices. You could say, well, we will spend $1.2 billion here instead of $1.2 billion over there. But by the nature of this legislation, this savings account involves 14 million families—20 million of those 55 million you are talking about—3 million or 4 million of them are in private schools, but 11 million of these children are in public schools that will benefit from these accounts.

The Senator's amendment takes that resource, which comes forward as a voluntary action on the part of families and communities, churches, synagogues, labor unions, and employers and shuts it down. That is not a good trade. Trading $1.2 billion and losing $12 billion is not a good trade. There may be a place where your choice is appropriate, but I don't believe it is where you blow away all that benefit, which this does.

It has been characterized that private schools are the chief beneficiary, and that is not the case. Several on the floor have characterized parochial schools as a ''haven for the wealthy.'' Listen, the children attending parochial schools today are within 10 percent of the same children attending public schools, and they are from families earning $40,000 or $50,000.

These are not a bunch of wealthy folks. The demographics in the New York school system are virtually identical between the public system and the parochial system. So it is not like somebody who happens to be in a parochial school and drives up to school in a long, black limousine and a guy in knickers gets out. These are minorities. They are Hispanic. They are African Americans. They are average folks. I don't know why they are there. The public systems ought to be mighty glad it is there because it works both ways. The Senator is right. That system couldn't accept the public system, and it never will. Conversely, close it down and you make new problems for the public system because those people are paying property taxes even though their children are in the parochial system.

The point I am trying to make is that the public system will be a major benefactor. It is not a minor player. The choice the Senator is asking us to make is not $1.2 billion here or $1.2 billion there. It is $1.2 billion here or no $12 billion. Of that $12 billion, $6 billion is going to go into public schools over the next 10 years and $6 billion is going to go into private, or home, or whatever. Those are major dollars.

When the Senator from California and others talk about the benefit, they don't mention the principal. That is the point. That is how you get up to the $12 billion. The Senator is right. It is not a lot of relief that the Federal Government is giving. What is amazing to me is how little it takes to cause these families to do so much.

Mr. President, I ask unanimous consent that Senator BUNNING be added as a cosponsor to the Collins amendment No. 2854.

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

The Senator from Connecticut.

Mr. DODD. Mr. President, if my colleague from Georgia needs another minute or two to make concluding remarks, I will be happy to yield my time, or if the Senator from New Jersey would care to be heard.

My colleagues conveniently use numbers which, obviously, sound beneficial to their argument. The fact is, according to the Joint Tax Committee, which analyzed this proposal, if you are the family of a child in a public school, the tax benefit to you over 5 years is $20.50. That is the tax benefit to a family whose child is in a public school. Is it worth taking that much off the table in the name of education and providing tax relief which is so nominal it is hardly worth mentioning?

You can make a case. You have heard it over the years. Businesses say: If you will give me this tax break, it will leverage this much more in private capital. The fact is, you still have to have a tax break. It is revenue lost.

We have come a long way in the last 7 or 8 years. We have a surplus for the first time in the last few years. We are actually on track to eliminating the national debt. The idea that we can just take $1.2 billion off the table is a flawed idea. Even if you accept the point of my colleagues and leverage private dollars, it may generate some of this activity they are talking about, but the fact is, it is $1.2 billion. It is rolling the dice, in effect.

I have suggested that there is $1.2 billion that could be used to defray the cost of special education. I know that amount would ease the burden on our school districts. As my colleagues well know, you take $1.2 billion and put it in this program, then you will come and say: Let's do something on special education. What about school construction? What about teacher salaries and smaller class sizes? Those are things we know we need to improve the quality of public education in this country. Those dollars become harder and harder to come by as we take more and more dollars off the table.

Unless you accept the notion we are going to accept everybody's idea on how to improve the quality of public education—which we are not and we have limited resources—the people who pay the taxes in this country that come into the general revenue of the Treasury know full well we can't spend their money on everything. Parents of 50 million kids have said to us: Improve the quality of public education and reduce the cost of special education. One

certain way of doing that is by freeing up dollars at the local level, or reducing taxes for that local property taxpayer. I guarantee you that benefit is more than $20.50. If you are a parent of a public school child, and you get the kind of special education relief I offered, there is more tax relief for that taxpayer and that community than the $20.50 you are going to get if the Coverdell legislation is adopted.

I respect my colleagues from Georgia and New Jersey, but I come back to the point I made a moment ago. People who have children in public schools recognize that we have no choice but to try to make this system better. We have to do it or we are going to pay an awful price later this century. We are not going to have the kind of well-educated, productive citizens that we need.

I am hopeful my colleagues will recognize that the idea of reducing the cost of special education is something we can do something about today. In a few minutes we will have a chance to vote on this.

Mr. President, I ask unanimous consent that Senators REED, HARKIN, DORGAN, REID of Nevada, and KENNEDY be added as cosponsors of this amendment.

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

Mr. DODD. Mr. President, I yield the floor.

Mr. COVERDELL. Mr. President, how much time do we have between us?

The PRESIDING OFFICER. One minute 40 seconds.

Mr. DODD. Mr. President, I yield 1 minute 40 seconds to my colleague from Georgia.

Mr. COVERDELL. Mr. President, I graciously accept it. I will make a motion in 1 minute 40 seconds calling for a point of order against the amendment. The Senator from Connecticut knows that.

I guess it is all in the eyes of the beholder. An insignificant number of people will be beneficiaries. That insignificant number is 14 million families and 20 million children, and an individual family can expect only $20 worth of interest-free benefits.

But the point is, that, nevertheless, no matter what it is, if it is a quarter, it causes them to save $12 billion, whatever it is. It is $12 billion of new money flowing into both public and private education. That is not insignificant. Everett Dirksen said, ''A billion here and a billion there, and before long it is real money.'' Twelve billion dollars is real money. It would be controlled by America's families to help them with the very special and unique needs that their children have through these education savings accounts.

The pending amendment, No. 2857, offered by the Senator from Connecticut, Mr. DODD, increases mandatory spending by $1.2 billion, and, if adopted, would cause the underlying bill to exceed the committee's section 302(a) allocation. Therefore, I raise a point of order against the amendment pursuant to section 302(f) of the Congressional Budget Act of 1974.

Mr. DODD. Mr. President, I move to waive the relevant portions of the Budget Act.

I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. L. CHAFEE). Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to waive the Budget Act in relation to the Dodd amendment No. 2857. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 44, nays 54, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—44

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Bayh	Graham	Lincoln
Bingaman	Harkin	Mikulski
Boxer	Hollings	Moynihan
Bryan	Inouye	Murray
Chafee, L.	Jeffords	Reed
Cleland	Johnson	Reid
Collins	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Schumer
Dorgan	Landrieu	Wellstone
Durbin	Lautenberg	Wyden
Edwards	Leahy	

NAYS—54

Abraham	Enzi	McConnell
Allard	Fitzgerald	Nickles
Ashcroft	Frist	Roberts
Bennett	Gorton	Roth
Biden	Gramm	Santorum
Bond	Grams	Sessions
Breaux	Grassley	Shelby
Brownback	Gregg	Smith (NH)
Bunning	Hagel	Smith (OR)
Burns	Hatch	Snowe
Byrd	Helms	Specter
Campbell	Hutchinson	Stevens
Cochran	Hutchison	Thomas
Coverdell	Inhofe	Thompson
Craig	Kyl	Thurmond
Crapo	Lott	Torricelli
DeWine	Lugar	Voinovich
Domenici	Mack	Warner

NOT VOTING—2

McCain	Murkowski

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 54.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 2854

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Maine, Ms. COLLINS.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I apologize to the Senator from Maine. What we would like to have on this side—we understand it will be interspersed with Republican amendments, but the order of Senators offering amendments would be ROBB, BINGAMAN, GRAHAM, and WELLSTONE. The reason I make that announcement is so that Democratic Senators aren't going to be over here wondering when they can offer their amendments. These are the next four to be offered on our side.

Mr. COVERDELL. Mr. President, there will be a unanimous consent propounded after the vote on the Collins amendment, but for everybody's purposes, it is anticipated that there would be a vote on Collins shortly, maybe 30, 35 minutes. Then we would take up the Robb amendment but not vote on that until tomorrow morning around 10. I think that is the general agreement we have reached, to at least let everybody understand what we are dealing with.

I yield the floor so we may proceed with the Collins amendment.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent that Senator THURMOND be added as a cosponsor of my amendment.

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

Ms. COLLINS. Mr. President, I rise to urge my colleagues to support the pending amendment which I have offered on behalf of myself, Senator KYL, Senator COVERDELL, Senator HATCH, Senator ABRAHAM, and Senator BUNNING. I know the hour is late and I understand if I speak very shortly I will get more votes, so I will be very brief in describing my amendment.

We have worked together to craft an amendment to help our public school teachers when they either pursue professional development at their own expense or purchase supplies for their classroom. Our amendment has two major provisions.

First, it will allow teachers to deduct their professional development expenses without subjecting the deduction to the existing 2-percent floor that is in our Tax Code. Second, it will grant teachers a tax credit of up to $100 for books, supplies, and other equipment they purchase for their students. As Senator KYL has noted, a study by the National Education Association indicates the average schoolteacher spends more than $400 a year on supplies and other materials for the classroom.

Our amendment would reward teachers for undertaking these activities that are designed to make them better teachers or to provide better supplies for their students. It is an example of a way that we can say thank you to teachers who do so much for our children.

While our amendment provides financial relief for our dedicated teachers, its real beneficiaries are our Nation's students. Other than involved parents, which we all know to be the most important component, a well-qualified and dedicated teacher is the single most important prerequisite for student success. Educational researchers have repeatedly demonstrated the

close relationship between qualified teachers and successful students.

Moreover, teachers themselves understand how important professional development is to maintaining and expanding their levels of competence. When I meet with teachers from Maine, they always tell me of their need for more professional development and the scarcity of financial support for this very worthy pursuit. The willingness of Maine's teachers to reach deep into their own pockets to fund their own professional development impresses me deeply. For example, an English teacher in Bangor, who serves on my Educational Policy Advisory Committee, told me of spending her own money to attend a curriculum conference. She then came back and shared that information with all of the English teachers in her department. She is not alone. She is typical of teachers who are willing to pay for their own professional development as well as to purchase supplies and materials to enhance their teaching.

I greatly admire the many teachers who have voluntarily financed the additional education they need to improve their schools and to serve their students better. I greatly admire those teachers who reach into their own pockets to buy supplies, paints, books, all sorts of materials that are lacking in their classroom. We should reward those teachers. Let us change the Tax Code to recognize and reward their sacrifice and to encourage more teachers to take the courses they need or to help supplement the supplies in their classroom. I hope those changes in our Tax Code will encourage more teachers to undertake the formal course work in the subject matter they teach, or to complete graduate degrees in either a subject matter or in education, or to attend conferences to give them more ideas for innovative approaches to presenting the course work they teach in perhaps a more challenging manner.

This amendment will reimburse teachers for just a small part of what they invest in our children's future. This money will be money well spent. Investing in education helps us to build one of the most important assets for our country's future; that is, a well-educated population. We need to ensure that our public schools have the very best teachers possible in order to bring out the very best in our students. Adopting this amendment is the first step toward that goal. It will help us in a small way recognize the many sacrifices our teachers make each and every day.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I rise today in strong support of the amendment offered by the Senator from Maine, and I thank her for her leadership in bringing this issue before the Senate at this time.

Mr. President, no debate on tax incentives for education would be complete without a discussion of teachers and how they are taxed as professionals. In my view, the current law treatment is seriously deficient in this area.

First, let me review the technical points. Like any other professional, elementary and secondary school teachers incur a number of expenses in order to keep themselves current in their fields of knowledge. These include subscriptions to journals and other periodicals. In addition, many teachers invest in their own development by taking courses to improve their knowledge or skills. Under current law, these expenses are deductible, as miscellaneous itemized deductions. However, there are two practical limitations that effectively make these expenses non-deductible for most teachers.

The first limitation is that the total amount of a taxpayer's deductible miscellaneous expenses must exceed 2 percent of adjusted gross income before they begin to be deductible. The second hurdle is that the amount in excess of the 2 percent floor, if any, combined with all other deductions the taxpayer has, must exceed the standard deduction before any of them are deductible.

Let's consider just how difficult these limitations can be, Mr. President. I will use the example of a fifth-year high school science teacher in Utah who I will call Robin Stewart. Robin is single and makes $35,000 per year. She incurred $840 of expenses last year for science periodicals and for a course she took over the summer to increase her knowledge of chemistry.

Under current law, Robin's $840 expenditures are deductible, subject to the limitations I mentioned. The first limitation says that her expenses must exceed 2 percent of her income before they are deductible. Two percent of $35,000 is $700. Thus, only $140 of her $840 is deductible—that portion which exceeds $700.

As a single taxpayer, Robin's standard deduction for 2000 is $4,400. Her total itemized deductions, including the $140 miscellaneous deduction, fall short of this threshold. Therefore, not even the $140 is deductible for Robin. What the first limitation did not block, the second one did.

Unfortunately, Mr. President, this is the case for most of the school teachers in our nation. In 1997, the last year for which the Internal Revenue Service has statistics, only 29.9 percent of taxpayers were able to itemize their deductions. So even in the rare case where the 2 percent limitation does allow a significant deduction, chances are very good that it will not help the teacher because he or she cannot itemize.

The amendment before us is a good step in the right direction. It would remove the first limitation—the 2 percent floor on miscellaneous itemized deductions. Ideally, I would like to see the second limitation removed as well and make these kinds of expenses deductible by teachers regardless of whether or not they itemize. I hope that my colleagues on the Finance Committee will take a close look at the idea of an above-the-line deduction for teachers.

Mr. President, the second part of the amendment before us is also very important. It recognizes that many of our dedicated teachers incur personal expenses for materials for their classrooms. Under current law, these types of expenses are, once again, deductible, but only to the extent they exceed 2 percent of the taxpayer's adjusted gross income.

Many Americans may be unaware that many teachers subsidize their schools out of their own pockets. It is not unusual for teachers to have to pay for copying extra worksheets or articles, purchasing art supplies, or providing tablets and pencils to some students who are without. Many teachers buy library books, educational games, and puzzles for their classes with their own money.

Rather than treating these expenses the same as teacher development expenses, and exempting them from the 2 percent floor, this amendment goes one step further and grants a tax credit of up to $100 per taxpayer for materials the teacher supplies for his or her class. This means the teacher receives a dollar-for-dollar reduction in tax liability.

Some people may argue that teachers don't have to do this—why should they get a special tax credit?

The fact is that those teachers who love teaching and care about their students have been subsidizing their classrooms for years. They do it because our public schools frequently nickel-and-dime the classroom in order to concentrate resources on required big ticket items.

And, Mr. President, there is one key difference between school teachers and other professionals that, in my mind, justifies this tax change. Teachers—unlike lawyers, accountants, physicians, or others who may take the existing deduction—are engaged in non-profit public service.

This amendment gives proper recognition to the personal sacrifice that many of our teachers make, year after year, toward improving the education of our children.

As in the other part of this amendment, Mr. President, this provision is not perfect. I would like to see this credit also extended to those parents in Utah and throughout the country who choose to teach their children at home. Their expenditures, which likely far exceed $100, also deserve the tax credit, and I hope the Finance Committee can look for ways in other legislation to extend such a credit to parents to teach at home.

But, the Collins-Kyl-Coverdell-Hatch amendment is a good step toward recognizing the dedication of our elementary and secondary school teachers and in helping them to meet the costs of their profession.

We say that we want our public school teachers to be the best.

We say we want our children and grandchildren taught by teachers who are competent and up-to-date not only in the subject matter they are teaching, but in the pedagogy of teaching it.

We say we want teachers who know how to exploit fully new learning technologies, including the Internet.

We say we want teachers who can recognize the signs of struggling or troubled students.

We say we want teachers who can inspire our kids.

We say we want teachers who are willing to go the extra mile.

Mr. President, this amendment, offered by Senator COLLINS, is not unlike an amendment I introduced myself. This amendment, like my own, is designed to get our tax policy in sync with our goals for education.

This amendment will provide modest tax relief for teachers who, for too long, have been footing the bill for improving the quality of teaching by themselves. It is time we helped out.

I urge the adoption of this amendment.

I compliment my colleagues for the good work they are doing.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I compliment Senator HATCH for the great way in which he explained this amendment which Senators COVERDELL, COLLINS, HATCH, and myself have cosponsored.

He points out that we have goals for excellence in teaching, and this is a way to help foster those goals. We ask our teachers to do a great deal. This is one small step we can take to help those who are most willing to help their students.

I thank Senator HATCH for an excellent statement.

I also thank Senator COLLINS for the kind remarks she made last evening. It has been a pleasure to work with her. She is a real leader in education. To be able to join my amendment with her amendment as one approach which provides some relief to the teachers who are willing to take that extra step to help their students is certainly an honor for me.

To recapitulate for our colleagues because I think we are going to be voting soon, I leave it to Senator COLLINS to close the debate unless there is anyone else who would like to speak to it. The old saying of taking an apple to the teacher at school has caused us to stop and think a little bit. It is fine to take an apple to the teacher, but there is a way we can be a little bit more helpful to those teachers who go the extra mile. There may not be a direct relationship between excellence in teaching and providing some assistance to those teachers who will go out of their way to take extra supplies to their students, but I suspect there, in fact, is a connection because these are the most dedicated of all—those teachers who realize their local schools have not been able to provide quite enough in instructional materials for their kids, and out of their own family budget they are willing to make a contribution for their students' education. As I pointed out last night, the NEA estimates, according to a study, that each teacher annually spends $408 out of his or her pocket to help kids in school by taking these instructional materials to them.

These two amendments, in a small way but an important way, recognize that dedication and that contribution. In the case of my half of the amendment, it provides dollar for dollar in relief and $100 in the case of Senator COLLINS' amendment. It relieves 2 percent of the burden for itemizing it, which Senator HATCH just spoke about.

Is this going to solve all of our woes in education? No. But is it an important recognition of the job teachers do, particularly those teachers who are willing to go the extra mile? We think it is. To the degree they are willing to supplement what their schools provide for students, and it comes out of their own pockets, we think we should at least cause them no harm in that process.

That is why we provide these two elements of tax relief basically to encourage them to continue to work with their students in this way.

I conclude again by thanking Senator COVERDELL for his leadership, Senator COLLINS, and Senator HATCH. I hope my colleagues will give this amendment their overwhelming support.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I wish to join in support of this amendment. I think it is a brilliant idea and something that is overdue.

I think Senator HATCH has commented quite clearly why the present state of the law is ineffective to assist teachers who are working steadily and giving of themselves sacrificially for their classrooms and why the current tax law benefits them not very much, or almost none at all. I taught one year. I recall that we had expensive readers paid for by the government. I tried to get the disadvantaged children in the classroom to read those readers. They hated it. But there are a bunch of books there on the walls—Daniel Boone, Hardy Boys, Nancy Drew, and those kinds of books. I noticed that if I could get them to read those books, they liked it. Some of them read 30, 40, 50, or 60 books. When I went to the used bookstores, or places such as that, I would pick up books on my own and bring them back to the classroom because there was a lot of satisfaction in seeing those children actually enjoying reading a story.

I think sometimes we need to review the quality of the material we are asking our children to read. It may be scientifically sound, but most of it is boring. They don't like it; it is work to them. If you can make reading a pleasure, I think it helps.

My personal experience with that indicates to me we ought to encourage teachers to not hesitate. A teacher may bring them to Washington, and they may see prints of historical events or artwork they want to buy right then. The school board isn't going to be available to approve that. They know it will fit right within their classroom and the course they will be studying.

They invest their own money in that. I think that ought to be encouraged.

My wife taught for a number of years in public schools. She was continually buying things for her bulletin board to share with the elementary classes and to help her teach the lessons she had for that class.

There is no way some bureaucrat in Washington or even some school board member or principal is going to be available at the right time to approve that expenditure for a teacher.

We do not appreciate our teachers enough. If you haven't been in a classroom to know how hard it is, how frustrating it can be, and how burdensome the regulations are, adding the fact that the days are long and children may not be so well disposed to behave on a given day, you can't know what it is to be a teacher.

One of the most frustrating aspects is the little things teachers need that they cannot get unless they pay for them out of their own pocket. They do that continuously. But it is a source of irritation to them. They sense we are not supporting them fully in their mission.

I think this is a great amendment, I say to Senator COLLINS and Senator KYL. I think it is right on point. I could not be more pleased with it. I would like to be added as a cosponsor to it. I think it will help us in the classroom. The most important point in the education process is what occurs in a classroom, that magic moment when a teacher and child can come together and learning occurs. This will help enhance that. I am pleased to support the amendment.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. I thank all my colleagues for their excellent statements on this amendment. I ask unanimous consent the Senator from Michigan, Mr. ABRAHAM, and the Senator from Alabama, Mr. SESSIONS, be added as cosponsors of the amendment.

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

Ms. COLLINS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The senior assistant legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

Mr. COVERDELL. Mr. President, I ask unanimous consent that the amendment be laid aside and Senator ROBB be recognized to offer an amendment; further, that the debate on the Robb amendment re school construction resume at 9:30 a.m. tomorrow morning, and the time between 9:30 and 10 be equally divided in the usual form, and following the use or yielding back of time, the Senate proceed to a vote on or in relation to the amendment. Further, I ask there be no amendment in order to the amendment prior to the vote.

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

Mr. COVERDELL. Mr. President, therefore, following the Collins vote, there will be no further votes tonight, and the first vote will occur at 10 a.m. tomorrow morning.

I also ask unanimous consent—and the Senator from Nevada and I both consulted about this—that Senator CRAPO be recognized in morning business for up to 10 minutes immediately following the Collins vote.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. And following Senator CRAPO, the Senator from Montana will be recognized for 15 minutes.

Mr. COVERDELL. I so amend the unanimous consent request.

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

Mr. COVERDELL. Mr. President, I believe the order of business then would be for Senator ROBB to offer his amendment. It is my understanding he is only going to talk about it briefly.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 2861

(Purpose: To eliminate the use of education individual retirement accounts for elementary and secondary school expenses and to expand the incentives for the construction and renovation of public schools)

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

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Virginia [Mr. ROBB], for himself, Mr. HARKIN, Mr. CONRAD, and Mr. LAUTENBERG, proposes an amendment numbered 2861.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. ROBB. Mr. President, it is my intention to make the argument as a proponent of this amendment tomorrow morning. I was prepared to make it at this time, but to accommodate our colleagues I will at this time ask unanimous consent this amendment be temporarily laid aside so we may proceed with the pending vote, and we will return to the amendment for argument first thing tomorrow morning.

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

VOTE ON AMENDMENT NO. 2854

Mr. COVERDELL. Mr. President, under the previously propounded unanimous consent agreement, I believe it is appropriate we move to a vote on the Collins amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2854. The yeas and nays have already been ordered. The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

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

[Rollcall Vote No. 16 Leg.]

YEAS—98

Abraham	Enzi	Lott
Akaka	Feingold	Lugar
Allard	Feinstein	Mack
Ashcroft	Fitzgerald	McConnell
Baucus	Frist	Mikulski
Bayh	Gorton	Moynihan
Bennett	Graham	Murray
Biden	Gramm	Nickles
Bingaman	Grams	Reed
Bond	Grassley	Reid
Boxer	Gregg	Robb
Breaux	Hagel	Roberts
Brownback	Harkin	Rockefeller
Bryan	Hatch	Roth
Bunning	Helms	Santorum
Burns	Hollings	Sarbanes
Byrd	Hutchinson	Schumer
Campbell	Hutchison	Sessions
Chafee, L.	Inhofe	Shelby
Cleland	Inouye	Smith (NH)
Cochran	Jeffords	Smith (OR)
Collins	Johnson	Snowe
Conrad	Kennedy	Specter
Coverdell	Kerrey	Stevens
Craig	Kerry	Thomas
Crapo	Kohl	Thompson
Daschle	Kyl	Thurmond
DeWine	Landrieu	Torricelli
Dodd	Lautenberg	Voinovich
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Durbin	Lieberman	Wyden
Edwards	Lincoln	

NOT VOTING—2

McCain Murkowski

The amendment (No. 2854) was agreed to.

Mr. MCCONNELL. Mr. President, I come to the floor to support the Affordable Education Act, which addresses an important issue facing American families today—the education of their children. It is my long-held belief that we need to make a college education more affordable, and this legislation will do that by providing tax incentives to families who save for their children's future education needs.

While I strongly support this legislative package, I want to focus on a provision which I have championed for the past six years. Section 102 of the bill makes savings in qualified state tuition plans tax free. This provision would reward savings and allow students and families who are participating in these state-sponsored plans to be exempt from federal income tax when the funds are used for qualified education purposes. This legislation also recognizes the leadership that states have provided in helping families save for college. Nationwide, 44 savings plans will be established in 2000, serving over one million savers who have contributed over $7 billion in education savings. In my state of Kentucky, over 3,000 families have established accounts, which amount to $9.3 million in savings.

This legislation will reward long-term saving by making savings for education tax-free. It is important that we not forget that compounded interest cuts both ways. By saving, participants can keep pace with, or even ahead of, tuition increases while putting a little away at a time. By borrowing, students bear added interest costs that add thousands to the total cost of tuition. Savings will have a positive impact, by reducing the need for students to borrow tens of thousands of dollars in student loans. This will help make need-based grants, which target low-income families, go much further.

Anyone with a child in college knows first-hand the expense of higher education. Throughout the 1990s, education costs have continually outstripped the gains in income. Tuition rates have not become the greatest obstacle students face in attending college. In fact, the astronomical increase in college costs has been well documented. According to a study conducted by the College Board, over the ten-year period ending in 1999–00, tuition and fees at both pubic and private four-year colleges have increased on average more than 110 percent over inflation since 1980–81, with costs at public colleges rising 51 percent compared to the 34 percent for private four-year colleges. While average, inflation-adjusted tuition has more than doubled, median family income has risen only 22 percent since 1981. To compound this problem, room and board charges are between 3.6 and 4.8 percent higher this year than last year.

Due to the high cost of education, more and more families have come to rely on financial aid to meet tuition costs. In fact, a majority of all college students utilize some amount of financial assistance. The College Board estimates that most of the growth in financial aid has been in the form of student borrowing. In 1998–99, $64.1 billion in financial aid was available to students and their families from federal, state, and institutional sources. However, despite the fact that student aid has increased in value, it has not increased enough to keep pace with the rise in tuition.

Many Kentuckians are drawn to tuition savings plans because they offer a low-cost, disciplined approach to savings. In fact, the average monthly contribution in Kentucky is just $52—clearly this benefits middle-class savers. By exempting all interest earnings

from federal taxes, this legislation rewards parents who are serious about their children's future and who are committed over the long-term to the education of their children.

I would like to share an article written by Jane Bryant Quinn, a nationally syndicated financial columnist. In this article, Ms. Quinn discusses the unique tax benefit and the stable investment provided by the existing plans. Ms. Quinn noted that these plans are ''a great way for parents or grandparents to build a college fund.'' Mr. President, I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks. I encourage all of my colleagues to read it.

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

(See exhibit 1.)

Mr. MCCONNELL. Mr. President, despite the Administration's objection to expanding the favorable tax treatment of these state plans, I am pleased that Congress has achieved real reform over the past several years.

In 1996, Congress took the first step in providing tax relief to families investing in these programs. In the Small Business Job Protection Act of 1996, I was able to include a provision that clarified the tax treatment of state-sponsored savings plans and the participants' investment. This measure put an end to the tax uncertainty that has hampered the effectiveness of these state-sponsored programs and helped families who are trying to save for their children's education.

In 1997, the Taxpayer Relief Act made revisions to provide increased flexibility to families saving for their children's college education. The most significant reform was to expand the definition of ''qualified education costs'' to include room and board, thus doubling the amount families could save tax-free.

As a result of our actions over the last several years, more and more state plans have implemented tuition savings and prepaid plans for their residents. It is projected that there will be 44 states with tuition savings plans by the year 2000. I believe that we have a real opportunity to go even further toward making college affordable to American families. It is in our best interest as a nation to maintain a quality and affordable education system for everyone. By passing this legislation, we can help families help themselves by rewarding savings. This will reduce the cost of education and will not unnecessarily burden future generations with thousands of dollars in loans.

In addition to making savings in qualified State and private college tuition plans completely tax-free, this legislation makes a number of other changes that are essential to helping families afford a quality education. Specifically, this legislation increases the contributions for K–12 education savings accounts to help families meet the expenses of a primary education. This legislation creates incentives for employer-provided educational assistance so that individuals can continue their education while working. This legislation also changes the rules for interest deductions so that qualified education loans are more affordable for students. Additionally, this legislation revises the National Health Corps Scholarships Exclusion, increases the arbitrage rebate exception on tax-exempt bonds, provides for private activity bonds for qualified education facilities, and allows the Federal Home Loan Bank to guarantee school construction bonds. These important reforms are critical to helping families save for the future.

I urge my colleagues to support this valuable legislation this year to reward those who save in order to provide a college education for their children.

EXHIBIT 1

[From the Washington Post, Jan. 30, 2000]

SECTION 529 COLLEGE SAVINGS PLANS RATE AN A

(By Jane Bryant Quinn)

If you haven't yet heard about state Section 529 savings plans, listen up. They're a great way for parents or grandparents to build a college fund.

These plans drip with income-tax and estate-tax breaks and offer a potential for gain that older college plans can't touch. Many top plans are open to residents of any state.

Until recently, 529s were marketed by the states themselves or by two no-load mutual-fund groups—Fidelity and TIAA–CREF—that some states have hired to manage their money.

Brokers and financial planners who work for commissions weren't paid to sell 529s, so they steered your college money somewhere else.

But now, two big brokerage firms are also in the game, selling state 529 plans to a national clientele. Merrill Lynch hitched up with Maine's NextGen program. Salomon Smith Barney has Colorado's Scholars Choice plan and will soon offer West Virginia's plan.

This creates an army of brokers prepared to tout this new form of investing to the public. Commercial sales should help get more people talking about 529s.

State 529 plans (the name refers to a section of the IRS Code) were authorized by Congress in 1996. You can invest lump sums or make regular monthly contributions. The plans come in two forms:

A prepaid tuition plan. The conservative choice. These plans guarantee that the money you save today will match the growth in tuition inflation at state-run colleges. Currently, that's an effective 3.4 percent return. You can also use the money for tuition at out-of-state schools.

A college savings plan. Here, you contribute to an investment pool that has the potential of rising faster than the college inflation rate (although there's no guarantee). You can use the money at any accredited school, for any qualified education expense.

Savings plans are currently offered by 23 states, and nine more are starting up this year. If your state doesn't have a savings plan, or has one with unattractive features, you can join one in another state.

A few states keep your money in bonds, but most provide a mix of stocks and bonds. A typical 529 account leans heavily toward stocks when the child is young, then moves automatically toward safer bonds and money-market funds as college draws near.

Some states give you a choice of accounts. Maine, for example, offers four accounts—one of which is 100 percent invested in stocks.

Under 529 rules, you can't switch your money from one account to another within the plan. To diversify, you'd contribute to more than one account, says Maine's treasurer, Dale McCormick.

Here's the beauty of 529 plans. All the earnings accumulate tax-deferred. When you take out the money for higher education, it's taxed in your child's bracket, not yours.

Some states let you deduct your contribution on your state tax return. Other states let your earnings pass tax-free.

The value of the plan is not included in your taxable estate. But you still control the money, says certified public accountant and 529 expert Joseph Hurley of Bonadio & Co. in Pittsford, N.Y.

You can change the plan's beneficiary from one family member to another (including an adult seeking further education). You can even drop the plan and take your money back.

If you spend 529 money on something other than higher education, that withdrawal will be taxed in your bracket. You'll also pay a penalty—typically 10 percent of earnings (sometimes more).

''A 10 percent penalty on earnings isn't bad,'' Hurley says. ''If your account yielded 10 percent, you'd still net 9 percent, pretax.''

Surprisingly, 529 savings plans detract little or nothing from your child's potential financial-aid award. The money is treated as belonging to the donor, not the student.

Hurley gives top marks to the plans in the following states: Arkansas (1–877–422–6553), Colorado (1–800–478–5651), Maine (1–877–563–9843), Missouri (1–888–414–6678), New Hampshire (1–800–544–1722), Utah (1–800–418–2551) and Virginia (888–567–0540). For his opinion of all the state plans, visit savingforcollege.com.

The new edition of Hurley's book, ''The Best Way to Save for College,'' is due at the end of this month ($25.95 including shipping; order from savingforcollege.com or call 1–800–487–7624). It contains plan comparisons plus tax tips that financial salespeople aren't likely to know.

For extended information on all the state plans, call the National Association of State Treasurers at 1–877–277–6496 or visit its Web site (www.collegesavings.org).

Mr. ALLARD. Mr. President, I stand before you today to support S. 1134, the Affordable Education Act. I have been a long time supporter of the Education Savings Account. I believe that ESA's can be a very effective tool in helping parents have an impact on their child's education. The key to a child's education is parent involvement. As well intentioned as we may be here in Washington, no amount of money or regulation can accomplish what a child's parents can. I have worked and will continue to work to help provide parents the opportunity to have an increasing say in their child's education. I believe this bill will help to accomplish just that.

The changes this bill will make to the Taxpayer Relief Act of 1997 will provide flexibility and choice to parents. Parents who earn less than $95,000 a year can pay up to $2,000 a year per child into a tax exempt Education Savings Account. This is an increase of 400% from the current limit. Under current law, money that is payed into ESA's is only available to pay for higher education. This bill will make

money payed into an ESA available for parents during the K–12 years of education. This legislation gives parents the flexibility to use their money on anything from college tuition to books or computers if these supplies are utilized in their child's education.

If parents would like to send their child to a private school this money will be available. Some will say that Education Savings Accounts will just benefit the rich. I strongly disagree. This bill would move all parents who want to send their child to a private school $2,000 closer to that goal. If parents want to keep their child in public school they have their ESA available to pay for any additional fees or supplies that would help educate their child.

Education is a crucial issue. In January and February I held 63 town meetings in the state of Colorado where parents spoke with me first hand about their concerns with the education system. I receive many letters from parents sharing similar sentiments every week. They tell me they are having a difficult time paying extra fees to allow their child to participate in extra curricular activities. Education Savings Accounts can help those parents set aside money to pay for activities that help build character for students. They tell me that they are having to pay for school books that they cannot afford. Education Savings Accounts can help those parents set aside money to pay for the books that their child needs. They tell me that college is becoming too expensive. Education Savings Accounts help parents set aside money to pay for their child's college tuition so that they can graduate without worrying about having to pay off loans.

This bill also addresses other needs in the area of education. Local communities that pass tax-exempt bonds must pay the government the arbitrage, or interest, that accrues on those bonds. The Affordable Education Act increases the ceiling of eligibility for retaining bond arbitrage from $10 million to $15 million. This provides more money for school construction. Relief for graduate students is also included in this bill. The sixty month limit on loan interest tax deduction for graduate students is eliminated. This helps students who are unable to pay off their loans in five years. Employers are also allowed to provide up to $5,250 a year in tax exempt income to an employee attending college or graduate school for tuition assistance. Education Savings Accounts can be extended past the age of 18 for special education students who may not start college at the age of 18 like traditional students.

This bill will also provide a positive impact in other important areas. It provides tax relief which is very important to me and my constituents by reducing taxable income for families with children. I believe it can also reduce juvenile crime by allowing parents to pay for after school care for their child. This would allow children to be involved in activities during the time of day in which children are at the greatest risk of misbehaving, the time between the end of the school day and the end of the work day when many children are unsupervised.

We have an opportunity today to begin to work towards important reform of our education system. We have passed provisions similar to this bill in the past only to see the President veto them. I hope we can overcome this ''one-size-fits-all'' attitude towards education and pass the Affordable Education Act. Lets put the control back in the hands of parents instead of bureaucrats. I strongly urge all my colleagues to support this bill.

● Mr. MCCAIN. Mr. President, the Affordable Education Act is an important step toward returning to parents and communities the resources and responsibility to provide for their children's education, and expanding educational opportunities for millions of Americans of all ages.

As an original cosponsor of S. 14, the ''Education Savings Account and School Excellence Act'', portions of which are contained in this bill, I am strongly committed to strengthening and expanding education savings accounts for American families. Families should be encouraged and given incentives to save more of their money for their children's college education, but also to set aside money to meet the unique needs of the children throughout their school years.

The Affordable Education Act expands the existing tax-preferred Education Savings Accounts, which allow families to save for college expenses, to include elementary and secondary educational costs. The bill also allows corporations and other entities, in addition to individuals, to contribute to a child's ESA.

Under this bill, money saved in ESAs could be withdrawn tax-free to pay for a child's educational expenses from kindergarten through high school, not just college. Expanded ESA's could be used to hire a tutor for a child who is struggling with math, or foreign language lessons to help a child become bilingual or multilingual. ESA savings could be used to purchase a home computer or give a child with dyslexia access to a special education teacher. Expanded ESA's will help parents address their children's unique needs and concerns, and encourage their particular abilities. Expanded ESA's can help ensure each child is prepared to succeed in higher education or employment.

This bill also contains several important initiatives to provide greater access to higher education. It supports employer initiatives offering educational assistance to their employees by extending the tax exclusion for employer-paid undergraduate tuition and expanding the tax exclusion to also cover graduate-level courses. The bill helps make college more affordable by allowing private institutions to establish qualified pre-paid college tuition plans and allows certain tax-free withdrawals from qualified State tuition plans.

Unfortunately, expansion of ESA's and the other provisions noted above are only temporary in the bill before the Senate. Because these programs are important tools for families struggling to pay for the children's college and other educational expenses, I believe these initiatives should be made permanent.

Another important aspect of the bill is the new tax exclusion of certain amounts received from the National Health Corps and Armed Forces Health Professions Scholarship programs. Those who receive these scholarships will go on to provide medical and dental services in our nation's underserved areas as well as in military service.

The bill also authorizes the tax-exempt financing rules for school construction. Local communities can determine how to best use their educational resources—whether hiring new teachers, providing additional classroom services, or constructing new schools. This bill gives communities a financial break if they choose to use some of their resources for new school construction, making it possible to accomplish more with limited resources.

Finally, I note with approval that the bill contains several provisions to close existing tax loopholes for special interests in order to balance the costs of these important education initiatives. I would encourage the Senate to consider adding several more of these inequitable tax loopholes to the bill in order to make permanent the expanded ESA's and other important education incentives in this bill.

Again, I reiterate my strong support for this bill, and I urge my colleagues to support it. More important, I urge the President to consider the importance of this legislation for expanding the educational opportunities of all Americans, and I urge him to sign this bill when it reaches his desk.●

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho is recognized for 10 minutes.

(The remarks of Mr. CRAPO pertaining to the introduction of S. 2118, S. 2119, S. 2120, S. 2121, and S. 2122 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. CRAPO. I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. CRAPO. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 10 minutes each.

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

The Senator from West Virginia is recognized.

WHEN WILL THE CYCLE OF SCHOOL VIOLENCE END?

Mr. BYRD. Mr. President, the nightmare of violence in our nation's schools has grabbed our attention once more. This morning, a first-grade student was shot and killed by another first-grader at a Michigan elementary school. Our thoughts and prayers are with the young girl's family, with the young person who pulled the trigger, and with the twenty other students in the classroom. Tragically, once again, the notion of schools as a safe haven was shattered by the sound of gunfire, and we must now begin to face the formidable challenge of rebuilding that serene and tranquil school environment that each and every student and teacher deserves.

This tragedy begs some very basic questions of our society.

First, and perhaps most importantly, what is a first-grader doing with a loaded gun? A first-grader is six years old, maybe even seven. These are merely babes with sweet young faces who have barely begun their lives. They are still putting baby teeth under their pillows awaiting a visit from the tooth fairy. How did this child get the weapon? And what on Earth possessed the child to bring it to school?

What has gone so wrong in our nation that students feel the need to bring weapons to the public school classroom? Do they think they have to show off for their friends? Do they feel the need for power? Surely not a child in the first grade. Do they think that carrying a weapon to school gives them greater stature? I know that we, as a nation, have been struggling with these questions for many, many months, but it is time we started to reach some conclusions.

In the 315 days since the tragedy at Columbine High School, the violence has not stopped. We have seen the same tragic scene of students and teachers pouring out of schools in fear in Atlanta. In the District of Columbia, since this school year began in September, 15 public school students have been killed. According to police, eight of the fifteen slayings were precipitated by an argument in school and ended in gunfire on a neighborhood street. For some reason that we cannot seem to get our arms around, our children continue to injure and kill one another.

Why in the world are we not concentrating on this? Why is the Juvenile Justice bill, which passed this Senate in May with common-sense weapons controls, still stalled? How many children have to die before this Congress sits up and takes notice? How many lives, so full of potential, have to be snuffed out: 15, 30, 50, 100?

We need to find out why these tragedies continue to occur, and we need to find ways to stop it.

There will be a supplemental bill coming before this Senate soon which is intended to provide close to a billion dollars in aid for Colombia. The White House calls this funding an emergency. I think we have more than enough emergencies here on our home soil that demand urgent attention. It is time to get our priorities straight.

I understand that this is not something that Congress can do on its own, nor is it something that a local school board can accomplish by itself. Putting an end to school violence will take a concerted effort—from lawmakers to parents to students to clergy to community leaders. No one can be given a pass. We all share a responsibility to come together, to look past any historical differences, and to work to find real solutions that will put an end to these tragedies.

I only pray that we can.

My heart goes out to the family who must be stunned at the loss of their little girl. I can only imagine their suffering. All the potential in one tiny, small, little innocent life has been stolen in the flash of a gun. I hope that this Congress, and I hope that the electronic media, the Hollywood movie stars, the movie industry, and the whole Nation, will finally commit to taking the difficult steps that are needed to make sure something positive can come from such an incredible tragedy.

I yield the floor.

KEEP OUR PROMISE TO AMERICA'S MILITARY RETIREES

Mr. ABRAHAM. Mr. President, I join my colleagues in sponsoring, S. 2003, the Keep Our Promise to America's Military Retirees Act of 2000. I am sponsoring this legislation because I believe it is necessary if we are to fulfill our moral obligation to those who devoted their careers to safeguarding our nation's people, our homes, and our way of life.

The brave men and women of our armed forces literally put their lives on the line for this country. We owe them a debt we can never repay. But one thing we cannot do, in my opinion, is fail to live up to our explicit promise that those who made military life their career would receive, in return lifetime medical care. That is a promise we have made; and it is a promise we must keep.

There has already been a great deal of discussion on this topic in the Administration and the Congress. In the 1998 National Defense Authorization Act, Congress expressed its sense that many retired military personnel reasonably believed that they had been promised lifetime health care in exchange for 20 or more years of service. Recruiters for the uniformed services, as agents of the United States government, had used recruiting tactics promising enrollees entering the Armed Forces prior to June 7, 1956, that they would be entitled to fully paid lifetime health care upon retirement.

Unfortunately, prior to 1956, a statutory health care plan did not exist for our military personnel. Since the establishment of CHAMPUS, and its successor, Tricare, we have seen the erosion of space-available health care at military treatment facilities for military retirees. Additionally, military health care has become increasingly difficult to obtain for military retirees as the Department of Defense reduces its health care infrastructure. As a result, military retiree's health care situation is woefully inadequate compared to health care afforded to other federal employees. Today, military retirees remain the only Federal Government personnel who have been prevented from using their employer-provided health care at or after 65 years of age. Military retirees deserve to have a health care program that is at least comparable with that of retirees from civilian employment in the Federal Government.

In statements before this Congress, our distinguished Secretary of Defense and Chairman of the Joint Chiefs have reiterated the importance of seeing to military retirees' health needs. According to Secretary Cohen, the loudest complaints he hears while traveling concern the military health care system.

I believe General Hugh Shelton expressed the correct response to these complaints when he stated, ''I think that the first thing we need to do is make sure that we acknowledge our commitment to the retirees for their years of service and for what we basically committed to at the time they were recruited into the armed forces.''

It is morally imperative, that we keep our promise to the brave men and women who devoted their careers to protecting our country.

But we should also keep in mind that health care is not only a top issue for retirees; it is also a major source of dissatisfaction for active duty personnel. As such it affects readiness, recruiting and retention. The availability of quality, lifetime health care is a critical recruiting incentive for the all volunteer Armed Forces.

That incentive has been undermined by the declining services provided to military retirees. In its self-proclaimed ''Year of Health Care,'' the Department of Defense had a major opportunity to take the lead in keeping commitments to service members and start erasing the skepticism and distrust that years of broken health care promises have engendered among the retired population. Putting these initiatives in the