

(ii) the chief judge determines, in consultation with the presiding judge of the Family Court, based on the record in the case and any unique expertise, training, or knowledge of the case that the judge might have, that permitting the judge to retain the case would lead to permanent placement of the child more quickly than reassignment to a judge in the Family Court.

(D) PRIORITY FOR CERTAIN ACTIONS AND PROCEEDINGS.—The chief judge of the Superior Court, in consultation with the presiding judge of the Family Court, shall give priority consideration to the disposition or transfer of the following actions and proceedings:

(i) The action or proceeding involves an allegation of abuse or neglect.

(ii) The action or proceeding was initiated in the family division prior to the 2-year period which ends on the date of enactment of this Act.

(iii) The judge to whom the action or proceeding is assigned as of the date of enactment of this Act is not assigned to the Family Division.

On page 49, line 1, strike "(D)" and insert "(E)".

On page 49, line 2, strike "report" and insert "submit reports to the President."

On page 49, lines 7 and 8, strike "enactment of this Act" and insert "submission of the transition plan required under paragraph (1)".

On page 49, line 9, strike "(D)" and insert "(E)".

On page 49, after line 10, insert the following:

(F) RULE OF CONSTRUCTION.—Nothing in this subsection shall preclude the chief judge, in consultation with the presiding judge of the Family Court, from transferring actions or proceedings pending before judges outside the Family Court at the enactment of this Act which do not involve allegations of abuse and neglect but which would otherwise fall under the jurisdiction of the Family Court to judges in the Family Court prior to the deadline as defined in subparagraph 2(B), particularly if such transfer would result in more efficient resolution of such actions or proceedings.

On page 51, line 18, after "including the" insert "implementation of the".

On page 52, after line 14 insert the following:

(D) An analysis of the timeliness of the resolution and disposition of pending actions and proceedings required under the transition plan (as described in paragraphs (1)(I) and (2) of subsection (b)), including an analysis of the effect of the availability of magistrate judges on the time required to resolve and dispose of such actions and proceedings.

On page 54, line 23, strike "chapter 11" and insert "chapter 13".

On page 54, line 23, strike "title 21" and insert "title 7".

On page 54, line 24, strike "substantially" and insert "at least moderately mentally".

On page 56, line 18, strike "2(C)" and insert "2(D)".

On page 56, line 22, after "magistrate judge" insert "in the Family Court".

On page 56, line 25, after "lawful" insert ", subject to subparagraph (C)".

On page 57, line 22, strike "18 months" and insert "6 months or, in extraordinary circumstances, for not more than 12 months".

On page 57, line 25, strike "section 103(a)(3) of".

On page 58, line 1, strike "(42 U.S.C. 675(E))".

On page 58, beginning with line 2, strike all through line 10 and insert the following: applicable; and

"(ii) if Public Law 105-89 is applicable, the chief judge determines, in consultation with

the presiding judge of the Family Court, based on the record in the case and any unique expertise, training or knowledge of the case that the judge might have, that permitting the judge to retain the case would lead to permanent placement of the child more quickly than reassignment to a judge in the Family Court.

On page 69, line 12, after "appointed" insert "or assigned".

On page 69, line 14, strike "assigned to handle Family Court cases" and insert "as a magistrate judge for the Domestic Violence Unit handling actions or proceedings which would otherwise be under the jurisdiction of the Family Court".

On page 71, line 2, insert "appropriate" before "presiding judge".

On page 71, line 16, insert "appropriate" before "presiding judge".

On page 71, line 16, strike "of the Family Court".

On page 73, line 24, strike "not more than 5".

On page 74, line 5, after "subsection (a)" insert ", for the purpose of assisting with the implementation of the transition plan under section 3(b) of this Act, and in particular with the transition or disposal of actions or proceedings pursuant to section 3(b)(2) of this Act".

On page 74, after line 25, insert the following:

(C) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to preclude magistrate judges appointed pursuant to this subsection from performing upon appointment any or all of the functions of magistrate judges of the Family Court or Domestic Violence Unit as set forth in subsection 11-1732A(d).

On page 75, line 22, after "construction" insert ", lease, or acquisition".

On page 76, line 12, beginning after "upon" strike all through line 14 and insert "enactment of this Act."

HIGHER EDUCATION ACT OF 1965 AMENDMENTS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 277, S. 1762.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1762) to amend the Higher Education Act of 1965 to establish fixed interest rates for student and parent borrowers, to extend current law with respect to special allowances for lenders, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements related thereto be printed in the RECORD.

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

The bill (S. 1762) was read the third time and passed as follows:

S. 1762

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

SECTION 1. INTEREST RATE PROVISIONS.

(a) FFEL FIXED INTEREST RATES.—

(1) AMENDMENT.—Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a) is amended—

(A) by redesignating subsections (l) and (m) as subsections (m) and (n), respectively; and

(B) by inserting after subsection (k) the following new subsection:

"(l) INTEREST RATES FOR NEW LOANS ON OR AFTER JULY 1, 2006.—

"(1) IN GENERAL.—Notwithstanding subsection (h), with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

"(2) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

"(3) CONSOLIDATION LOANS.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after July 1, 2006, the applicable rate of interest shall be at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(A) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of 1 percent; or

"(B) 8.25 percent."

(2) CONFORMING AMENDMENT.—Section 428C(c)(1)(A) of such Act (20 U.S.C. 1078-3(c)(1)(A)) is amended to read as follows:

"(1) INTEREST RATE.—(A) Notwithstanding subparagraphs (B) and (C), with respect to any loan made under this section for which the application is received by an eligible lender—

"(i) on or after October 1, 1998, and before July 1, 2006, the applicable interest rate shall be determined under section 427A(k)(4); or

"(ii) on or after July 1, 2006, the applicable interest rate shall be determined under section 427A(l)(3)."

(b) DIRECT LOANS FIXED INTEREST RATES.—

(1) TECHNICAL CORRECTION.—Paragraph (6) of section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)), as redesignated by section 8301(c)(1) of the Transportation Equity Act for the 21st Century (Public Law 105-178; 112 Stat. 498) is redesignated as paragraph (9) and is transferred to follow paragraph (7) of section 455(b) of the Higher Education Act of 1965.

(2) AMENDMENTS.—Section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

"(7) INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER JULY 1, 2006.—

"(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

"(B) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct PLUS loan for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

"(C) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after July 1, 2006, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(i) the weighted average of the interest rates on the loans consolidated, rounded to

the nearest higher one-eighth of one percent; or

“(ii) 8.25 percent.”.

(c) EXTENSION OF CURRENT INTEREST RATE PROVISIONS FOR THREE YEARS.—Sections 427A(k) and 455(b)(6) of the Higher Education Act of 1965 (20 U.S.C. 1077a(k), 1087e(b)(6)) are each amended—

(1) by striking “2003” in the heading and inserting “2006”; and

(2) by striking “July 1, 2003,” each place it appears and inserting “July 1, 2006;”.

SEC. 2. EXTENSION OF SPECIAL ALLOWANCE PROVISION.

Section 438(b)(2)(I) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(I)) is amended—

(1) by striking “, AND BEFORE JULY 1, 2003” in the heading;

(2) by striking “and before July 1, 2003,” each place it appears, other than in clauses (ii) and (v);

(3) by striking clause (ii) and inserting the following:

“(ii) IN SCHOOL AND GRACE PERIOD.—In the case of any loan—

“(I) for which the first disbursement is made on or after January 1, 2000, and before July 1, 2006, and for which the applicable rate of interest is described in section 427A(k)(2); or

“(II) for which the first disbursement is made on or after July 1, 2006, and for which the applicable rate of interest is described in section 427A(l)(1), but only with respect to (aa) periods prior to the beginning of the repayment period of the loan; or (bb) during the periods in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 427(a)(2)(C) or 428(b)(1)(M); clause (i)(III) of this subparagraph shall be applied by substituting ‘1.74 percent’ for ‘2.34 percent.’;”

(4) in clause (iii), by inserting “or (l)(2)” after “427A(k)(3)”;

(5) in clause (iv), by inserting “or (l)(3)” after “427A(k)(4)”;

(6) in clause (v)—

(A) in the heading, by inserting “BEFORE JULY 1, 2006” after “PLUS LOANS”; and

(B) by striking “July 1, 2003,” and inserting “July 1, 2006;”;

(7) in clause (vi)—

(A) by inserting “or (l)(3)” after “427A(k)(4)” the first place it appears; and

(B) by inserting “or (l)(3), whichever is applicable” after “427A(k)(4)” the second place it appears; and

(8) by adding at the end the following new clause:

“(vii) LIMITATION ON SPECIAL ALLOWANCES FOR PLUS LOANS ON OR AFTER JULY 1, 2006.—In the case of PLUS loans made under section 428B and first disbursed on or after July 1, 2006, for which the interest rate is determined under section 427A(l)(2), a special allowance shall not be paid for such loan during any 12-month period beginning on July 1 and ending on June 30 unless—

“(I) the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial), as published by the Board of Governors of the Federal Reserve System in Publication H–15 (or its successor), for the last calendar week ending on or before such July 1; plus

“(II) 2.64 percent, exceeds 9.0 percent.”.

Mr. JOHNSON. Mr. President, today the Senate passed S. 1762, a bill I introduced to improve the formula for student loan interest rates and to ensure the long-term viability of the student loan program. I am pleased the Senate unanimously agreed to this important

legislation and I am proud to have worked with both students and lenders and my colleagues on the Health, Education, Labor, and Pensions Committee, especially Chairman KENNEDY and Ranking Member GREGG, as well as Majority Leader DASCHLE, in passing this monumental legislation.

All across America, millions of young people are preparing to apply to college. These teenagers are dreaming not only of the college experience they are about to embark upon, but also of graduating to become teachers, doctors, engineers, and even public servants. Thanks to the national education loan program, the educational and career aspirations of students and their families can become reality.

We know that the future of our Nation lies in educating the next generation of young people so that each of them can realize the promise of America. For 35 years, we have invested in our future by opening the doors of colleges and universities to the broadest cross-section of our citizens at the lowest possible cost. That is why passing this legislation was crucial to ensure that education loans are available to help future generations of students, workers, and their families climb the ladder of economic opportunity.

Since 1965, a partnership of students, workers, their families, educational institutions, lenders, and the Federal Government has opened the doors of educational opportunity for more than 50 million Americans. By any measure, the education loan program is a winning investment for our Nation.

Education loans are good investments in our economy and in our citizens. As I travel across South Dakota, educators, employers, and students tell me how valuable a college degree is in today's economy. Indeed, we know that graduates with college degrees earn an average of 80 percent more than individuals with only a high school diploma. Over a lifetime, the earnings difference between individuals with high school and college degrees can be more than \$1 million. At a time when many workers are losing their jobs through no fault of their own, education loans are critical tools that can empower these workers to upgrade their skills. As we search for ways to expand our economic prosperity, we must preserve this important investment in the future of our Nation.

Congress has now taken the initiative to ensure that future generations have access to the college or university of their choice by enacting a permanent solution to the interest rate issue. Again, I thank my colleagues on both sides of the aisle for their support in passing this critically important legislation of which we can all be proud.

HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS ACT OF 2001

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate

proceed to the immediate consideration of Calendar No. 278, S. 1793.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1793) to provide the Secretary of Education with the specific waiver authority to respond to conditions in national emergency declared by the President on September 14, 2001.

There being no objection, the Senate proceeded to consider the bill.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The bill (S. 1793) was read the third time and passed as follows:

S. 1793

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Higher Education Relief Opportunities for Students Act of 2001”.

SEC. 2. WAIVER AUTHORITY FOR RESPONSE TO NATIONAL EMERGENCY.

(a) WAIVERS AND MODIFICATIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, unless enacted with specific reference to this section, the Secretary of Education (referred to in this Act as the “Secretary”) may waive or modify any statutory or regulatory provision applicable to the student financial aid programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) as the Secretary deems necessary in connection with the national emergency to provide the waivers or modifications authorized by paragraph (2).

(2) ACTIONS AUTHORIZED.—The Secretary is authorized to waive or modify any provision described in paragraph (1) as may be necessary to ensure that—

(A) borrowers of Federal student loans who are affected individuals are not placed in a worse position financially in relation to those loans because of their status as affected individuals;

(B) administrative requirements placed on affected individuals who are borrowers of Federal student loans are minimized, to the extent possible without impairing the integrity of the student loan programs, to ease the burden on such borrowers and avoid inadvertent, technical violations or defaults;

(C) the calculation of “annual adjusted family income” and “available income”, as used in the determination of need for student financial assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) for any such affected individual (and the determination of such need for his or her spouse and dependents, if applicable), may be modified to mean the sums received in the first calendar year of the award year for which such determination is made, in order to reflect more accurately the financial condition of such affected individual and his or her family; and

(D) institutions of higher education, eligible lenders, guaranty agencies, and other entities participating in the student assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any Federal, State, or local official in connection with the national