

athletes and young women who are true role models.

Considered the most dominant players in recent tennis history, Venus and Serena Williams have revolutionized and literally transformed the sport with forty-three professional titles between them. Venus and Serena have broken racial and socio-economic barriers with pride and poise by illustrating to the world that tennis is a sport for all people. The pair made history by becoming the first African-Americans to win national and international titles since tennis pioneers Althea Gibson and Arthur Ashe.

Claiming her first Grand Slam victory in 2000 at the age of twenty, Venus Williams became the first African-American female champion at Wimbledon since Gibson in 1957 and 1958. Elevating her game to the next level, Venus is the first American woman since 1924 to win an Olympic gold medal in both singles and doubles. She holds the women's record for the fastest serve at 127 miles per hour, and is one of the seven women to win the singles title in both the Wimbledon Champions and the U.S. Open in 2000 and 2001.

Creating history in her own right, Serena Williams is currently the number one ranking female tennis player. Following in the footsteps of her older sister, Serena is only the second African-American woman ever to win a Grand Slam singles title. She is also the sixth American woman to win the U.S. Open singles title since 1968 and is the fifth woman to win both singles and doubles Grand Slam titles in 2002.

Among other note-worthy titles, the sisters are the first in professional tennis history to each win a Grand Slam singles, the first to be ranked in the top ten simultaneously since 1991, the first to win a Grand Slam doubles title together, the first to compete against one another in Women's Tennis Association Tour Final, and the first to win an Olympic gold medal in doubles together. Recently, rated the numbers one and two women players in professional tennis, the Williams sisters have broken ground in rewriting tennis history with their historic wins.

Inspiring and encouraging thousands of young players from different racial and socio-economic backgrounds, Venus and Serena have become role models for young women of their generation. They have gracefully illustrated and proven that through hard work, dedication, teamwork, and determination all dreams can be achieved. Moreover, the sisters have embraced the notion that high moral and ethical standards and strong family values are the ingredients to success. Putting rhetoric with action, the Williams sisters are actively engaged in encouraging young people in minority communities to become interested in tennis. They are opening doors of opportunity in tennis for young people of color all over this nation and as a result of their work will leave a living legacy of young champions of color in the years to come.

In viewing their accomplishments, the Williams sisters have continued the long tradition and outstanding achievements of blacks in tennis. Furthermore, they have shown the world the continued legacy of Blacks in tennis, the spirit of sportsmanship, and the gift of serving and encouraging young people around the world.

Mr. HASTINGS of Florida. Mr. Speaker. I rise today in support of H. Res. 94, a resolu-

tion honoring the contributions and accomplishments of tennis stars Venus and Serena Williams.

To say that Venus and Serena Williams are trailblazers would be an enormous understatement. The first sisters ever to be ranked number one and two in women's tennis, they have achieved a feat worthy of congressional recognition and international praise.

The Williams sisters first came to the public's attention in 1997 shortly after they began their road to becoming a tennis powerhouse. During that year, the sisters lost nearly every game they played and despite the media attention and the multi-million dollar endorsements, a long-term career in tennis looked bleak. However, within five years these two young ladies managed to propel themselves to arguably become the best women tennis players and most recognized of all time, winning more than seven Grand Slam titles between the two of them.

Mr. Speaker, in their efforts to establish themselves as great athletes, they also established themselves as great role models. Through the Venus and Serena Williams Tutorial/Tennis Academy each year their foundation helps more than 40 inner city kids through the workings of after school programs, summer tennis camps, mentoring, and cultural enrichment education. As a result now more than ever, young African American children are playing sports and participating in programs traditionally played by whites.

With Venus and Serena's performance at the U.S. Open this week, I cannot think of a more fitting time for this resolution to come before the House of Representatives. They have shown and continue to show their dedication to their career and community. They are young leaders who have vowed to take the world by storm, working to defeat everyone in their path so they may reign as tennis champions.

Mrs. MORELLA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD) that the House suspend the rules and agree to the resolution, H. Res. 94.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DAVIS of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### EDUCATION SAVINGS AND SCHOOL EXCELLENCE PERMANENCE ACT OF 2002

Mr. HULSHOF. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5203) to provide that the education savings incentives of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5203

*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 "Education Savings and School Excellence Permanence Act of 2002".

#### SEC. 2. EDUCATION SAVINGS INCENTIVES MADE PERMANENT.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by adding at the end the following new subsection:

“(c) EXCEPTION.—Subsections (a) and (b) shall not apply to the provisions of, and amendments made by, title IV.”.

#### SEC. 3. TAX-FREE EXPENDITURES FROM EDUCATION SAVINGS ACCOUNTS FOR QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES AT HOME SCHOOLS.

(a) IN GENERAL.—Clause (i) of section 530(b)(4)(A) of the Internal Revenue Code of 1986 (defining qualified elementary and secondary education expenses) is amended by striking “or religious” and inserting “religious, or home”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2002.

#### SEC. 4. CLARIFICATION RELATING TO EXCEPTION FROM ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS, ETC. ON ACCOUNT OF ATTENDANCE AT MILITARY ACADEMY.

(a) IN GENERAL.—Subparagraph (B) of section 530(d)(4) of the Internal Revenue Code of 1986 (relating to exceptions from additional tax for distributions not used for educational purposes) is amended by striking “or” at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (ii) the following new clause:

“(iv) made on account of the attendance of the account holder at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the amount of the payment or distribution does not exceed the costs of advanced education (as defined in section 2005(a)(3) of title 10, United States Code, as in effect on the date of the enactment of this clause) attributable to such attendance, or”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2002.

#### SEC. 5. PROTECTION OF SOCIAL SECURITY AND MEDICARE.

The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. HULSHOF) and the gentleman from Washington (Mr. MCDERMOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. HULSHOF).

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is back-to-school time. Indeed, as I look at the clock above the Speaker's chair, in about 2 hours when we call for votes, this Chamber will fill with our colleagues; and there will be some of the same giddiness as kids going back to school. And the inevitable question we ask one

another is what did you do on your summer break?

Certainly I think as we prepare for some very solemn events later this week as well as next week and certainly recognizing the impact of a year ago, I think a lot of attention has caused us to really forget some of the important education initiatives that have passed and become law. Specifically, this Congress began last year with a renewed commitment to education. "Leave no child behind" has become a familiar mantra. In fact that landmark legislation of leaving no child behind is now the law of the land and really starts with the mindset that a child, any child, can learn.

As President Bush stated, indeed as Governor of the State of Texas, "The Federal Government must be humble enough to stay out of the day-to-day operation of local schools, wise enough to give State and local school districts more authority and freedom, and strong enough to require results. We must make our schools worthy of all of our children. Whatever their background, their cause is our cause. It must not be lost."

Thereupon we came together in a very bipartisan way and passed that landmark legislation. But Congress did not stop there. Last summer in the Economic Growth and Tax Relief Reconciliation Act, there were some significant tax incentives to improve the affordability of education, not just higher education but kindergarten through elementary school, through secondary, essentially schoolchildren of all ages that would be able to take advantage of through their parents or other mentors or family members, opportunities of savings vehicles and incentives through the Tax Code.

Yet, Mr. Speaker, as you know and as this body knows, a year ago when we enacted the Economic Growth and Tax Relief Reconciliation Act, because of some very technical, arcane procedural rules in the other body, there was a sunset provision placed upon those tax incentives relating to education. What this bill today, H.R. 5203, attempts to do is to make permanent those positive savings vehicles, those tax incentives that would help all parents across the country really focus on their children's education.

Certainly, as we debated this a year ago, the idea is a simple one. No child should be discriminated against because of the choice of where he or she goes to school. Public schools, private schools, religious schools, home schools, any child should have the advantage of these tax incentives through parents or other mentors as far as educational expenses.

We cannot in Congress, of course, set tuition rates. We cannot set student fees. In my hometown of Columbia, Missouri, as college students are coming back, they are lamenting the fact that they are facing an 8 percent tuition hike this year. There is nothing that not only this legislative body but

other State legislatures can do as far as the rising cost of tuition. However, we have acted as far as making college education and other educational expenses more affordable, education more accessible. It is time to make those provisions in the Tax Code permanent, those tax relief measures. This body has acted making the entire Economic Tax Reconciliation Act of 2001 permanent. We have also acted as a body to make those pension opportunities permanent, the marriage penalty repeal permanent as well as the death tax repeal. We believe it is time for Congress to make a renewed commitment to make permanent the education tax incentives. Accordingly, I ask that H.R. 5203 be adopted.

Mr. Speaker, I reserve the balance of my time.

Mr. McDERMOTT. Mr. Speaker, I yield myself such time as I may consume.

It is nice to be back here on the first day of school to witness the 27th act of the Republican budget follies of 2001-2002. The gentleman from Missouri talks very openly about the No Child Must Be Left Behind bill, and we all clapped and patted ourselves on the back. It authorized an increase in the budget of 15 percent for children and education. But then there was the budget, the real honest-to-God budget. That was 2.8 percent. Promising 15 percent and then giving them 2.8, right? And meanwhile come down here and shovel more money out the back door in tax breaks.

You call it arcane reasoning. Well, we did not want to break the budget. That is why you did not make it permanent in the first place. If you had passed this thing in perpetuity, you would have broken the budget, and it never would have passed the Senate. That is why you put that sunset clause in.

But the fascinating thing is that the Bush budget that says it cares about education in the public schools cuts 50 programs, including civics and art and history education. It cuts school counselors and technology for teachers. That is in the public schools. We do not want to fund the public schools. We just want to figure out how to give everybody a voucher, forever. We are going to boost the amount from \$500 a year to \$2,000; and we are going to add that everybody now is permanent. Higher education, high school, middle school, elementary school, home school, everybody can take their money and go outside the public school system. Yet 90 percent of the kids in this country go to the public schools. So why is our focus not on putting money in the public schools?

Even more interesting and the reason I started with this talk about the budget, 2 years ago, a little less than 2 years ago, we came out here and we said we have \$5.6 trillion in surplus. And we could do anything. We can give enormous tax breaks. We can do all these things. But even the Republicans

now have to admit that their own Congressional Budget Office says that this year we are going to be \$157 billion in debt, in deficit. That is counting all the Social Security money. All that money, all that talk about lockboxes and we are going to protect Social Security. I can remember listening to hundreds of speeches from the other side that would be saying today, "You're raiding the Social Security money." But suddenly we do not hear any of that. We have the Congressional Budget Office say we are only going to be \$157 billion in debt. They do not point out that the biggest chunk of that is money coming from Social Security.

Maybe next year it is going to get better. That would be right, right? Well, it is only going to be \$145 billion in deficit. Yet you want to come out here and pass a bill that puts another \$5 billion out in perpetuity. You do not know what is happening in the stock market. Everybody tells me it is getting better. The economy is coming back. It is not coming back in the Northwest. We have got the highest unemployment we have had in 15 years. So when people are saying, Oh, well, let's give all these permanent tax breaks because it's coming back, where is the proof of that? Who believes the Secretary of the Treasury? We do not have a serious financial leader in this executive branch. Nobody that the world believes. They go out and make speeches and the market drops. So explain to me how you can continue to give money away permanently.

The funny thing about this, of course, is it does not take effect for 8 years, right? Put it in today, people will forget about it; but it will bite out there someplace down the road. It is a very clever strategy. Put in the idea with the sunset, come back a year later and say, well, we are only extending what we did last year. That is deceptive. We are in financial difficulties in this country. We should not be passing this kind of legislation at this point when we have not done the education budget. We have not even done any of that yet for the public schools, and you want to give people money to go to the private schools.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. McDERMOTT. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding. I am impressed that this measure is coming up at this point in time. Is there some reason that we keep going over this? Has this subject been before the House of Representatives before?

Mr. McDERMOTT. My impression is that we have done this at least twice before. And the Senate always rejects it, because the emphasis should be on public schools.

Mr. CONYERS. I want to thank the gentleman for his comments. I want you to know that I think there will be more people here thinking about the

wisdom of H.R. 5203 when it comes up for a vote today.

Mr. McDERMOTT. I hope they will all vote against it.

Mr. Speaker, I reserve the balance of my time.

Mr. HULSHOF. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Texas (Mr. SAM JOHNSON), another valued member of the Committee on Ways and Means.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

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Mr. SAM JOHNSON of Texas. Mr. Speaker, I did not know we were going to come in here and try to get into a political debate. As I recall from the Committee on Education and the Workforce, we did not do any cutting; we consolidated.

I do not think we have taken one red cent out of the Social Security trust fund, and we do not intend to. I think that it is important for the people to know that they can count on the future, that they can put their money into a savings account and count on it to be there for their kids to go to school, if that is what they desire to use it for.

Mr. Speaker, it is an honor for me to be here today to solve a problem brought to my attention by a constituent. Great ideas do not always start from inside the Beltway or from pundits or strategists. They come from good Americans back home, like my friends Paul and Jeanette Miesse of Plano. Their son, Kyle, attends Jasper High School where he is in the tenth grade and participates in ROTC. Kyle is considering applying to the Naval Academy. I want to help them make that a reality.

Kyle's dad researched the 529 Education Savings Account. As you know, 529 savings plans, run by the States, allow parents and others to put money aside for college to grow tax free, and, as long as the money is spent on education, the money is spent tax free. These tax incentives are an important way to encourage savings for higher education.

Current law provides penalty-free refunds from 529 plans for certain situations, such as when the student receives a scholarship. The problem with this is the definition of the word "scholarship." It excludes appointments to the United States service academies, such as West Point, Annapolis, or my favorite, the Air Force Academy. Under the Tax Code, these appointments are considered commissions in the military and so are different from scholarships.

Hard-working students and athletes across America are rewarded with scholarships to colleges and universities. Congress recognized the hard work of these young people when we permitted their parents to receive penalty-free rebates of their contributions to 529 plans. In addition to academic

and athletic scholarships, the IRS and Treasury have told us if a student earns an ROTC scholarship, their plan can make penalty-free rebates. It is only the United States military academy students who are not eligible for this benefit.

Serving this country is a noble profession. Congress ought to encourage, not discourage, young people to join our armed forces, especially today, and the clarification we are making today will ensure that all students who attend our United States military academies get the same treatment under 529 plans as their peers.

Given that each Congressman is eligible to make appointments to the United States service academies, I think all of us in Congress have a direct interest in making sure we solve the problem. On average I nominate about 40 students from the Third District of Texas to the service academies.

I think when hard-working, patriotic young Americans are rewarded with an appointment to a service academy, we should not turn around and impose a 10 percent penalty on their parents who saved for their children's education. We should provide the same penalty-free withdrawals for the plebe, the middy and the cadet as we provide to those who play sports, earn an academic scholarship or pay for school through ROTC.

Again, I want to thank my constituents, Paul, Jeanette and Kyle Miesse of Plano, who brought this issue to my attention.

To my knowledge, at no time during the consideration of this legislation did we consider the issue of appointments to the service academies. I believe the omission was simply an oversight, and I encourage the passage of this bill that will permanently extend the education tax breaks included in the tax law we enacted last year.

I do not see how anybody can vote against helping parents send their kids to school and help make it permanent. I want to thank the chairman for including in this bill that clarification. It is people like this in our own districts that make a difference.

Mr. McDERMOTT. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY).

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, H.R. 2503 has one fatal flaw, and it must keep every Member of this Congress and in this body, every Member that supports public education, from voting for it.

H.R. 5203 takes much-needed Federal funds away from public schools and gives that money to wealthy families to pay for private schools. While private schools and religious schools and military schools are an important part of the education mix in this country, they must not be funded with Federal dollars.

Yet this is exactly what H.R. 5203 does. It makes the tax breaks for fami-

lies who use education savings accounts to pay for private schools a permanent benefit. Families who can afford to put part of their income into education savings accounts more often than not are the same families who can afford to pay for private schools. We must not, we cannot, and we should not be using precious Federal dollars to subsidize children who come from wealthy families so that they can go to private schools and take that money away from our public school system.

A strong public education system is the only way we can prepare all of our children for the high wage, high skilled jobs that will ensure America's place in the world market. A strong public school system is also how we prevent dependency on welfare here at home.

Public education is the backbone of our country. It is why we are a great Nation. We cannot afford to give money to private schools when we do not have the will and we do not have the budget to fully fund our Nation's public education system.

We cannot invest in private education when we do not meet our Federal obligation to IDEA, the Individuals With Disabilities Education Act. But when we do have a budget that truly leaves no child behind, I will support a measure like this. Until then, vote against H.R. 5203 because it weakens public education and it must be defeated.

Mr. HULSHOF. Mr. Speaker, I yield myself 90 seconds.

Mr. Speaker, I want to commend the other side for waiting until at least the second speaker to bring up the mantra "tax breaks for the wealthy." What I would like to do is refute that comment specifically from the last speaker.

As this body knows, we have yet to reach the appropriation for public education. The Labor, Health, Education appropriations bill is yet to come. That is the funding mechanism for public schools.

I would take issue with my friend from Washington State who declared that somehow there are cuts in public education. Since 1995, this body has increased funding for public education by nearly 30 percent, and I dare say I question how additional funds in public education is perceived to be a cut.

Specifically, to the point raised by the last speaker, 70 percent of the tax savings just from education savings accounts go to families with children in public schools making less than \$75,000 a year. Let me repeat that statement: 70 percent of the benefits of education savings accounts go to public school children whose parents make a combined income of less than \$75,000. There are 14 million families whose children benefit from just the education savings account vehicle. Almost 11 million of those are children who attend public schools.

So I think that clearly the issue of funding of public education is something this body will consider later in

the appropriations process, and I certainly take issue with the comments of the last speaker.

Mr. Speaker, I reserve the balance of my time.

Mr. McDERMOTT. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, in response to my friend and colleague's mention of this debate, I think we all have to make clear something about this debate right here and now: It is not those of us on this side of the aisle who brought this legislation forward, and it is not that we wish to constantly raise the point that these are tax measures that have tax cuts, that help principally wealthy individuals. That is the fact of this measure, that it will cost some \$3 billion per year.

But it is as if Congress learned nothing from the Enron, the Global Crossing, the Arthur Andersen, the WorldCom financial scandals that let so many fat cats become even fatter, that now we have a bill that would again benefit the wealthiest Americans at the expense of the majority of middle-class Americans.

Really, at the end of this, if you take a look at this bill, this is an attempt to sneak vouchers through the back door for private schools again, at the expense of the 90 percent of our kids who are attending public schools.

But the worst part, as you heard the gentlewoman from California mention beforehand, was that this is fiscally irresponsible. We are already running a deficit this year, when we were told by the Bush administration last year we would have a \$165 billion surplus for this year. Yet we are in deficit. Now we want to take \$3 billion per year once this is permanently extended and spend it to help mostly wealthy families who will take advantage of these tax breaks.

That does not seem right, especially when you think that the President's own budget called for a cut of all funding for dropout prevention programs in our schools throughout the Nation, especially when you consider the fact that the President is unwilling and this House is unwilling to let us have before this body a debate on school construction monies so that our school districts throughout the Nation which are overcrowded could have the money to build the schools for all our kids, not just those that are wealthy.

Why not do school construction measures like that which is cosponsored by the gentlewoman from Connecticut (Mrs. JOHNSON) and the gentleman from New York (Mr. RANGEL) and a number of us that would say spend less than \$1 billion per year to help school districts, leverage that into \$25 billion over the next 10 years to help build schools, rather than give away \$3 billion per year to mostly wealthy Americans.

That is what this debate is about. It is about being fiscally responsible. All

of us want to stand for our kids to have a fund to go to school. I have two of my three already in school, public school, and I want to make sure that they have the resources, along with every child that is in the classroom with them, to do the right thing and learn the right way. But this will help no one. In fact, it does not help anyone for the next 10 years.

For those reasons, we should vote against this and do something meaningful for our children and our schools throughout the Nation. I urge my colleagues to vote against this measure.

Mr. HULSHOF. Mr. Speaker, I reserve the balance of my time.

Mr. McDERMOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, certainly we need more incentives to recruit and retain the best public school teachers possible. The many who currently are underpaid and overworked need additional incentives. We need incentives to help our children prepare to achieve their full potential. Children confronted with schools that are in disrepair or have inadequate technology and other equipment are deprived of an educational environment where they can strive and thrive.

As a product myself of the Austin public schools and the father of two children who are successful graduates of the Austin public schools, one now a teacher herself in public schools and the other a physician, I welcome a debate on incentives to improve our schools.

Unfortunately, this is not that debate. This debate has little to do with public education and everything to do with political theater. We have soaring deficits as a result of the fiscal mismanagement of this country.

□ 1700

And the solution that is offered today is to dig the hole just a little deeper by providing even more tax breaks to favor those at the top and adding that to the huge deficits that we already have.

While the President some time ago adopted the slogan of the Children's Defense Fund: "Leave no child behind," unfortunately, his budget this year leaves quite a few children behind. He committed to a 15 percent increase in federal education funding to address these very real needs in our public educational system, and instead he has proposed less than 3 percent.

We do not need to wait for the appropriations bill to know that the President's budget leaves too many children behind across this country, and instead of addressing that today, what is proposed in this bill is that we make permanent a provision referred to as the "Coverdell Savings Account." But, in fact, this is not a savings provision, it is a looting provision. It provides tax breaks equivalent to vouchers for private schools. That is what this all about, just another way to voucherize

and separate and divide our public education so that we help a handful of children and we leave all the rest to suffer without the incentives and the support that we need to genuinely leave no child behind.

Mr. Speaker, undermining public education undermines America. And in a democracy where the government is only as good as the people, a poorly educated populace threatens our way of life. Only an educated, informed citizenry can hold their leaders accountable, can hold their Members of Congress accountable, when they offer expensive, election-year giveaways like this bill to a select few at the expense of millions of children across this country.

Mr. HULSHOF. Mr. Speaker, I yield myself 1½ minutes to respond to the gentleman from Texas.

Under existing law that the President signed last June, here is who can contribute into a Coverdell education account. By the way, this is mirrored on the premise of the Roth IRA; that is, that one contributes monies into a savings account and then the interest that builds up, the power of compound interest, as Einstein talked about, as that interest builds up, it is tax-free if used in a Roth IRA, for instance, for retirement expenses and in the Coverdell account for education expenses.

Here is who can contribute to an education account: anyone. Parents, teachers, mentors, small business owners, corporations, charities, foundations, labor unions, concerned citizens, church groups, anybody can designate funds to go into an education account for any child.

Now, I would say to the gentleman, in fact, this is new resources, incentives that would not be committed to education but for the fact that we put them in the Tax Code and provide this tax incentive. This year alone, this year alone, 3.5 billion more private dollars are being allocated specifically to educating our kids just this year.

The other point I would make is simply, everyone keeps talking about the budget picture. Again, keep in mind that there is absolutely no budget impact, or a minimal budget impact, making this permanent until the year 2010 and 2011.

Mr. Speaker, I reserve the balance of my time.

Mr. McDERMOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I would have thought maybe this break for August would have given the Republican majority here some pause, but no, I guess they are going to plunge further into this reckless fiscal irresponsibility. They never answer our statement about what they are doing to the budget deficit. New facts do not seem to matter. They just go on as if it does not matter what happened in August,

or was it September, when the CBO said, oh, the deficit is going to reach \$157 billion, and if Social Security taxes were not counted, we would be \$315 billion into red ink. So what is our colleagues' response to all of this sea of red ink? Pour more red ink. Make the sea even more bloody worse, I guess.

But that does not make any sense. They are making something permanent in the eleventh year, they are doing that now, with this fiscal situation facing America.

Mr. Speaker, we know it is not going to pass the Senate. It will not happen. So why are our colleagues attempting this? It is a political ploy that I guess our colleagues think Americans will not see through. But it is clear to me that the American public knows red ink when they see it, and when they see the Republicans dipping into Social Security taxes, they know they are doing it, and they know that this is another indication of their playing recklessly with the Social Security system of America. So it is terrible policy to do this in view of the red ink, and I think it is really bad politics.

So I urge my colleagues to vote "no" on this. Whatever the merits are of the bill, we do not need to add to the red ink today in the future when we are already drowning in this sea of red ink. It is hurting this economy. Vote no.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume to directly respond to the question posed by the gentleman from Michigan (Mr. LEVIN).

The amount that H.R. 5203 would add to the budget deficit this year: zero. The amount that H.R. 5203 would add to the budget deficit of next year: zero. The amount that H.R. 5203 would add to the budget deficit in the next 6, 7 years: zero. In fact, I would say to the gentleman, as he cites the Congressional Budget Office, that when the budget impact of H.R. 5203 hits in the year 2011 to the tune of \$2.3 billion, CBO projects that we will be back in the black to the tune of \$3.2 billion. Also, in the year 2012, when there is a budget impact from our bill today of another \$3.2 billion, CBO projects another \$522 billion of surplus.

The other point I would like to make, especially to the gentleman from Michigan, is this: we are trying to make permanent one of the provisions that he sponsored. H.R. 1438 provides taxpayer assistance, employer-provided assistance to permanently extend exclusion for the cost of undergraduate courses and graduate level courses. That is a bill that was coauthored by the gentleman from Michigan. It happens that of the \$5.5 billion in those outyears, that \$2.2 billion of those \$5 billion are making permanent the bill that the gentleman has indeed introduced here.

Mr. SAM JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. HULSHOF. I yield to the gentleman from Texas.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I would also like to point out

that the gentleman keeps talking about deficits. I recall when I first got into this Congress they were huge, and it was a Democrat controlled Congress at that time.

Right now, I believe we are at war. We are spending money on defending this United States, the freedoms that we represent and the freedom all over the world. We are working to put in place a homeland defense. I will tell my colleagues right now, if it costs money to protect America and protect our freedoms, I do not think any of us should stop it.

Mr. HULSHOF. Mr. Speaker, I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, the gentleman from Missouri has very much shaped the issue. I favored those provisions, but within a circle of fiscal responsibility, and the gentleman is being fiscally irresponsible. The figures the gentleman read are figures that show how much the surplus is outside of Social Security taxes. Read that to the public for year 3, 4, 5, 6, 7, 8, 9 and 10. When we exclude Social Security, we are in deficit every year with a projected surplus of \$4.2 billion only in year 11, and those figures are always off. My colleagues are playing loosely with Social Security monies.

So whatever the merits of a bill might be, do not just throw Social Security to the winds like my colleagues are doing it. Why are they doing it now in terms of 2011? My colleagues think it is good politics. It is lousy policy and poor politics.

Mr. MCDERMOTT. Mr. Speaker, I yield myself the balance of the time.

What is fascinating about this whole thing, as I started out by saying, it is more of the budget follies. Now my colleagues come out here and they say, oh, but they are now telling us at CBO that it is really going to be good in the future. That is what my colleagues said last year. Last year they said, \$5.6 trillion in the bank. We can count on it. And they spent it all. And they are now in the hole. I do not know, it is as though they have an addiction. They cannot stop spending. Yet if they are going to spend, why do they not spend to fix up the schools of this country? If they care about public education, why not use that money for fixing up public schools? No. We are going to give it to people so that they can leave the public school system. We are going to use the public money so that people can leave it and go find a better school and somehow their kids are going to do better.

Now, the real myth here is that this helps ordinary people. Ordinary people living paycheck to paycheck do not have money to put aside in an educational fund. So we are right away talking about people at the top. If we look at who is losing their jobs today, it is pretty scary, whether it is in WorldCom or Enron or any one of the

dot-coms or at the Boeing Company or any of these other places. These people do not have the kind of money to put into an educational account. This is a tax break for people at the top who have 5 or 6 grand laying around and say, well, I can put 2 grand into this educational thing and Charlie can use it when he goes to college or when he goes to the private school next year.

My Republican colleagues also defined this so loosely that yes, some of the money does go to people on the bottom. You can buy driver's education with it, you can buy Internet access for your kid, you can buy anything you want; as long as you call it an educational expense, it can come out of this money. The reason there are surprises in here, like my friend from Texas says, we never had any hearings. That is why we do not know what is in the bill.

Mr. HULSHOF. Mr. Speaker, I yield myself the remaining time to close, as we have no further speakers.

I would say to the gentleman and others, my friends, and I consider them my friends, many of whom are on the committee, I certainly hope that this interest in fiscal discipline remains as we really grapple with these appropriations bills, the challenge that remains ahead of us over the next weeks.

Mr. Speaker, the idea is that we want to encourage families to put aside money for their children's education expenses. It was good policy a year ago. It is not good politics, it is just good policy to help those children achieve the American dream. Everybody has talked about their children. My daughter, who is almost 3, one on the way in December, and as we think of providing the best education possible for all of our children, is it not prudent to put aside that money at the earliest possible time, certainly as we see the cost of tuition continue to go up?

If Congress fails to act, Mr. Speaker, here are the provisions that we will lose come January 1 of 2011. Instead of the annual contribution limit to an education account being \$2,000 a year, it would revert to \$500. Instead of expanding these education account benefits to all kids who go to any type of school, we would be simply focused on those of college education and forgetting about those educational expenses for special needs kids or educational expenses for those in kindergarten through elementary school and secondary education.

□ 1715

My friend, the gentleman from Texas (Mr. SAM JOHNSON), talked about section 529 plans. The reason we need to make these tax incentives permanent is as we invest into a prepaid tuition plan or section 529 plan, the thrust of that is that those withdrawals that we make in those years that those kids, I say to the gentleman from California (Mr. BECERRA), that are not college age yet, when they reach college age, if we fail to act, those distributions out of

those section 529 plans are going to be taxable and not tax-free. That is certainly a good policy reason why we need to act today to make these incentives long-term.

Prepaid tuition plans. Again, as the gentleman from Michigan talked about, he has been a champion of tax-free employer-provided education assistance, not just for graduate education but for undergraduate education, again, trying to provide and enlist as many opportunities for individuals in this country of all ages to better themselves through more education.

And certainly the student-interest loan deduction, again, if we fail to act, we will once again put limits on the amount of interest that can be deducted on those burdensome student loans if we fail to act.

Again, Mr. Speaker, it has been an interesting debate. I would just simply say that if it was good policy as we debated this and voted on it as the House and the President signed it into law 1 year ago, it remains good policy today. We need to provide permanent relief to families who want to help their children achieve the American dream.

Mr. KIND. Mr. Speaker, I rise today in support of making education more affordable and accessible to our nation's students. HR 5203, however, does not actually benefit the majority of students and families.

Education savings accounts were established in 1997 as a tool for families to save money over a period of years for their children's higher education. Congress recognized the growing cost of college and the increasing difficulty families face trying to pay for college, and created these accounts to encourage early savings. Last year's tax cut legislation increased the contribution limit for education savings accounts from \$500 to \$2,000 and expanded the definition of qualified education expenses that can be paid from an education savings accounts to include elementary and secondary school expenses for public, private, or religious schools.

While I support making education more affordable, HR 5203 will allow parents to use these statutorily created education savings accounts—tax free—for almost ANY aspect they consider relevant to their child's education, at any school from kindergarten through college.

If parents feel they need a new sport utility vehicle to drive their kids to school; That is OK.

If they need a new microwave oven to prepare breakfast for their kids before school; That is OK.

If I want to use these funds, tax free, to pay my older son Johnny to tutor my younger son Matthew on the ABCs; That is OK.

Mr. Speaker, these examples seem silly for good reason; this bill does nothing to help families or to teach children. We need to focus our national attention on helping needy families, fixing ailing public schools, and leveraging community investment to help parents, teachers and administrators meet the important educational challenges they face in serving the vast majority of our children. In addition, we need to fully fund the No Child Left Behind Act (NCLB) passed last year.

Our Public schools currently serve approximately 90 percent of students in grades K–12

and face record-breaking enrollments. The NCLB gave parents the choice to transfer their kids from a failing public school to non-failing public school. Recent reports show, however, that very few students are actually able to benefit from this because our schools cannot accommodate any additional children. We should act smarter to devote scarce federal dollars to ensure that all our children receive the education they deserve.

Finally, the bill is fiscally irresponsible. Last year's tax cut bill halted our progress in reducing the national debt. Virtually all the projected surpluses that were used to justify last year's bill have now disappeared. Furthermore, enactment of the bill being considered today would further increase the budget deficit that already is occurring as a result of last year's bill.

I hope my colleagues will join me in opposing the underlying bill. This is not the time to be considering a tax cut that our country cannot afford when there is no assurance that the money will truly benefit all families equally.

Mr. NUSSLE. Mr. Speaker, education is the foundation lowans need to compete in an ever-changing complicated world. As lowans have returned to classrooms for the new school year, we should act to make our commitment to education access clear.

Last year, the Congress approved and the President signed into law the Economic Growth and Tax Relief Reconciliation Act of 2001. This important new law contained significant tax relief to improve the affordability of education from kindergarten through college. Unfortunately, due to arcane rules in the Senate, these education provisions will expire after December 31, 2010. Failing to act would mean that Americans would lose \$5.5 billion in tax relief on New Year's Day, 2011.

Knowing the importance of providing affordable education for Iowa's students of all ages, I introduced the Education Affordability Act, H.R. 5189, in July of this year. My legislation would repeal the sunset provisions and make permanent provisions eliminating the 60-month limit on the deductibility of student loan interest payments, increasing income limits for student loan interest deduction, and providing tax-free employer-provided education assistance. I am pleased that the legislation we are considering today incorporates the provisions of my bill. In addition to the provisions of my legislation, H.R. 5203 would also make permanent the increase in the annual contribution limit to an Education Savings Account (ESA); expansion of ESA benefits to qualified expenses at public, private and religious schools; tax-free withdrawals from 529 plans for qualified higher education expenses; and pre-paid tuition programs at private institutions of higher education.

By putting more money into the hands of taxpayers so they can make their own decisions about education, I believe this legislation helps lowans provide their families with the best possible futures.

Mr. STARK. Mr. Speaker, I rise today in opposition to H.R. 5203, the so-called Education Affordability Act.

This education bill is a cynical, backdoor attempt to create a voucher program. It drains our public schools of needed resources so Republicans can give tax breaks to the 10% of families who send their children to private schools. What about the other 90% of American families whose kids attend public

schools? This bill does nothing to address their concerns.

We ought to be down here today making sure our public schools have the resources they need. We ought to be finding ways to fully fund last year's "Leave No Child Left Behind" law.

Our public schools have critical needs that Republicans want to ignore. We ought to be making funding available for local schools to hire more quality teachers and reduce class sizes. We ought to be providing money to modernize our schools and renovate outdated and unsafe facilities. More than \$300 billion is needed for school construction alone. That \$300 billion cannot be met without significant help from the Federal Government. But, it will be hard to keep students from attending classes in trailers or dilapidated school buildings if Republicans pass this bill.

If concern for public schools isn't reason enough to vote down this legislation, then consider its effect on our budget. Today's bill takes the fiscally irresponsible step of making part of last year's trillion-dollar tax cut permanent. This will only balloon our rapidly expanding budget deficit.

We ought to be more sensible. We ought to stand up for real priorities and the quality of public schools. I urge my colleagues to take a stand for public education and vote no on H.R. 5203.

Mr. ETHERIDGE. Mr. Speaker, I rise today in opposition to H.R. 5203, the latest in a long series of Republican bills to provide vouchers for private schools at the expense of our public schools. Specifically, this bill would make permanent the so-called Coverdell ESA tax breaks in last year's disastrous tax bill.

As the former Superintendent of my state's public schools, I have been proud to lead many successful efforts here in the U.S. House to defeat private school vouchers. I am particularly proud that in my freshman term in this office, I took to the floor to defeat then-Republican Speaker Newt Gingrich on his private school voucher bill. I can assure my colleagues that I will be here to lead the charge against private school vouchers as long as the people of North Carolina continue to send me to Congress to serve them.

Vouchers are a bad idea because they drain needed public resources away from our public schools, where more than 90 percent of the children in this country are educated, in favor of private schools that have no accountability to the American taxpayers. Rather than siphoning funds from the public schools, we need to invest more in initiatives like school construction, teacher training, class size reduction, tutoring and in other proven methods to raise academic achievement. Rather than make permanent the enormous tax bill that has blown the surplus and ruined the economy, we should pass legislation to get Americans working again.

Let me state that there are some provisions of this bill that I do support. For example, I strongly support tax relief for employer-provided education and training benefits. I also strongly support expanded tax deductibility of college student loan interest. Both these meritorious provisions do not change the fact that this is a fundamentally flawed bill.

This bill is bad education policy. This bill is bad tax policy. This bill is bad budget policy. I urge my colleagues to join me in voting it down.

Mr. CARDIN. Mr. Speaker, regrettably, I cannot support this bill because of the budget implications it would create. The Bush Administration has failed to produce a budget proposal that is fiscally responsible, it has failed to protect the Social Security surplus, and this bill will dip even further into that surplus. We cannot raid the Social Security surplus to reward private schools while we are in the middle of a budget crunch and a public school funding crunch.

There are two measures in H.R. 5203 that I do support. We should extend Section 529 savings accounts so that hard-working parents can attempt to keep pace with rapidly rising higher education costs and give their children the opportunity to go to college by creating education savings accounts. We should also allow parents of military academy students with scholarships to withdraw Section 529 funds without penalty. We must give students who are attending our military academies the same treatment as students with other scholarships. I hope that we can enact a good budget bill that includes these important provisions.

Mr. HULSHOF. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Missouri (Mr. HULSHOF) that the House suspend the rules and pass the bill, H.R. 5203, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. McDERMOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### GENERAL LEAVE

Mr. HULSHOF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of H.R. 5203, the bill just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### CERTIFICATION AND STATEMENT OF JUSTIFICATION REGARDING AUSTRALIA GROUP—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

*To the Congress of the United States:*

Consistent with the resolution of advice and consent to ratification of the

Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, adopted by the Senate of the United States on April 24, 1997, I hereby certify pursuant to Condition 7(C)(i), Effectiveness of the Australia Group, that:

Australia Group members continue to maintain equally effective or more comprehensive controls over the export of: toxic chemicals and their precursors; dual-use processing equipment; human, animal, and plant pathogens and toxins with potential biological weapons applications; and dual-use biological equipment, as that afforded by the Australia Group as of April 25, 1997; and

The Australia Group remains a viable mechanism for limiting the spread of chemical and biological weapons—related materials and technology, and the effectiveness of the Australia Group has not been undermined by changes in membership, lack of compliance with common export controls and nonproliferation measures, or the weakening of common controls and nonproliferation measures, in force as of April 25, 1997.

The factors underlying this certification are described in the enclosed statement of justification.

GEORGE W. BUSH.

THE WHITE HOUSE, September 4, 2002.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6:30 p.m.

Accordingly (at 5 o'clock and 20 minutes p.m.), the House stood in recess until approximately 6:30 p.m.

□ 1831

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 6 o'clock and 31 minutes p.m.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H.R. 5203, by the yeas and nays;

H.R. 3287, by the yeas and nays.

The vote on the motion to suspend the rules on House Resolution 94 will be taken tomorrow.

The Chair will reduce to 5 minutes the time for the second electronic vote.

#### EDUCATION SAVINGS AND SCHOOL EXCELLENCE PERMANENCE ACT OF 2002

The SPEAKER pro tempore. The pending business is the question of sus-

pending the rules and passing the bill, H.R. 5203, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. HULSHOF) that the House suspend the rules and pass the bill, H.R. 5203, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 213, nays 188, not voting 32, as follows:

[Roll No. 371]

YEAS—213

Aderholt	Granger	Paul
Akin	Graves	Pence
Armey	Green (WI)	Peterson (PA)
Bachus	Greenwood	Petri
Baker	Grucci	Pickering
Ballenger	Gutknecht	Pitts
Barcia	Hall (TX)	Platts
Bartlett	Hansen	Pombo
Barton	Hart	Portman
Bass	Hayes	Pryce (OH)
Bereuter	Hayworth	Putnam
Biggert	Hefley	Radanovich
Bilirakis	Herger	Ramstad
Bishop	Hilleary	Regula
Blunt	Hobson	Rehberg
Boehner	Hoekstra	Reynolds
Bonilla	Horn	Riley
Boozman	Hostettler	Rogers (KY)
Brady (TX)	Houghton	Rogers (MI)
Brown (SC)	Hulshof	Ros-Lehtinen
Bryant	Hunter	Royce
Burr	Hyde	Ryan (WI)
Burton	Isakson	Ryan (KS)
Callahan	Israel	Saxton
Calvert	Issa	Schaffer
Camp	Istook	Sensenbrenner
Cannon	Jenkins	Sessions
Cantor	John	Shadegg
Capito	Johnson (CT)	Shaw
Castle	Johnson (IL)	Shays
Chabot	Johnson, Sam	Sherwood
Chambliss	Jones (NC)	Shimkus
Clement	Keller	Shuster
Coble	Kelly	Simmons
Collins	Kennedy (MN)	Simpson
Combest	Kerns	Skeen
Cox	King (NY)	Smith (MI)
Crane	Kingston	Smith (NJ)
Crenshaw	Kirk	Smith (TX)
Cubin	Knollenberg	Souder
Culberson	Kolbe	Stearns
Cunningham	LaHood	Sullivan
Davis, Jo Ann	Larsen (WA)	Sununu
Deal	Latham	Sweeney
DeLay	LaTourette	Tancredo
DeMint	Leach	Tauzin
Diaz-Balart	Lewis (CA)	Taylor (NC)
Doolittle	Lewis (KY)	Terry
Dreier	Linder	Thomas
Duncan	LoBiondo	Thornberry
Dunn	Lucas (KY)	Thune
Ehlers	Lucas (OK)	Tiahrt
Emerson	Manzullo	Tiberi
English	Matheson	Toomey
Everett	McCrery	Upton
Ferguson	McInnis	Vitter
Flake	McKeon	Walden
Fletcher	Mica	Walsh
Foley	Miller, Dan	Wamp
Forbes	Miller, Jeff	Watkins (OK)
Fossella	Moran (KS)	Watts (OK)
Frelinghuysen	Myrick	Weldon (FL)
Galleghy	Nethercutt	Weldon (PA)
Ganske	Ney	Weller
Gekas	Northup	Whitfield
Gibbons	Norwood	Wicker
Gilchrest	Nussle	Wilson (NM)
Gillmor	Osborne	Wilson (SC)
Goode	Ose	Wolf
Goodlatte	Otter	Wu
Goss	Oxley	Young (FL)

NAYS—188

Abercrombie	Baldacci	Blumenauer
Ackerman	Becerra	Boehlert
Allen	Bentsen	Bonior
Andrews	Berkley	Borski
Baca	Berry	Boswell
Baird	Blagojevich	Boucher