

are sending those kids to Shepherd School. No, what Shepherd School needs is not this bill. This is a silly bill. It is a frivolous bill. It is not serious about public education. Seven dollars a year to families in my district fighting to get their kids a good education is frivolous.

The Rangel substitute would offer real help to the people at Shepherd School. What do they need? They need bigger classrooms. They need a competent building. They need computers in the classrooms. They need help, real help. Listen to Paul Vallas, CEO of the Chicago Public Schools. This is somebody that is on the line every day. Mayor Daley in Chicago said, "Give me the schools, give me the responsibility, and we will fix them," and he is fixing them. He put his best person on this job. Here is what Paul Vallas says. He says this bill, the Coverdell bill, is really designed to give more affluent people compensation for decisions they already made to go private. That is all it is. This does not help public education. It does not help the people that are out there in the crucible of the fight to fix public education. It helps just a few people who have already chosen to send their kids to private schools. What a shame this is. What a missed opportunity this is.

I urge Members to vote for the Rangel substitute, which gives real, tangible help to the real revolution that is going on out there in the real world to fix the public schools so all of our kids are productive citizens, and vote against a frivolous, unserious, ridiculous piece of legislation that does nothing but help the privileged few.

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

First of all, I want to make sure everybody understands it does not take 1 penny from public education. If it did, I would not support it.

But secondly, all these people who are down here now crying about how much we need, how much help we need to repair schools, to reduce class size.

For 20 years I sat here in the minority and said, "Would you put your money where your mouth is on your one mandate, your curriculum mandate for special education where you would get millions and millions of dollars into school districts, where the pairs are needed," and I could not get 1 penny from that majority.

Now they talk about trying to do something to help public schools. Well, let me tell them, if we put our 40 percent of excess costs into special education, which is where the mouth was, but the money was not put there, Los Angeles school district would get an additional \$74 million. New York City would get about \$50 million. Chicago would get \$40 million. Just in 1 year, just in 1 year, and they talk about coming here, telling us they are doing

a dispirited kind of thing. They are not helping public education.

I have tried, I have tried, I have tried to get them to put their money where their mouth was for 20 years, and then we would not have the problems we have with school districts where buildings are falling down and where classes are way too large.

So I would remind everyone there is not 1 penny going to public schools in this bill except in reading excellence. They talk about helping schoolchildren. If 40 percent of the children are not doing well in reading in public schools by the end of third grade, what do we do about it? Not what the President wanted, but he got an agreement with the Committee on the Budget that said that much money would be put there. We rewrote the bill in a bipartisan manner to help those children because, if 40 percent are not doing well, obviously we have to start with teacher training. Obviously we have to deal with the lack of ability of the parent to help the child become reading ready. Obviously we have to deal with reading readiness programs before the child comes to school.

So let us put our money where our mouth is, and then we can solve all of those problems back in the local level because the millions those districts that need it the most would get is just unbelievable, and that is just in 1 year.

So I would encourage my colleagues, this is one step, and the second step is to do the funding in the special ed mandate that we promised we would do, and then we can make the changes, not by having more programs. That is what we have done those 20 years. Everybody came with another program. They watered them down to the point where we got pennies here, pennies there if there was someone that could fill out the appropriate papers in order to get the grant in the first place. Nobody ever said anything about quality. Nobody ever said anything about the problems that they had back in the local districts. We said we know from the Federal level this is the way it should be done, do it, and send them pennies to do it.

So let us start with this little piece today and let us really work on how to help local school districts take care of the needs they have as far as buildings are concerned, as far as reading readiness is concerned, as far as class size is concerned. They can do it, if we give them the money that we promised them 25 years ago.

So I would ask all to support this legislation, and then let us move forward to do the things that have to be done to make sure those public schools that may not be doing as well as they should be, and I will be the first to say that most public schools are doing well, but those that are not, we can give them the kind of help that they need.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose the Con-

ference Report of the Parent and Student Saving Account Act (H.R. 2646). This, despite having been an original cosponsor, and having been quite active in seeking support, of the original House bill. I remain a strong supporter of education IRAs, which are a good first step toward restoring parental control of education by ensuring parents can devote more of their resources to their children's education. However, this bill also raises taxes on businesses and expands federal control of education. I cannot vote for a bill that raises taxes and increases federal power, no matter what other salutary provisions are in the legislation.

I certainly support the provision allowing parents to contribute up to \$2,000 a year to education savings accounts without having to pay taxes on the interest earned by that account. This provision expands parental control of education, the key to true education reform as well as one of the hallmarks of a free society. Today the right of parents to educate their children as they see fit is increasingly eroded by the excessive tax burden imposed on America's families by Congress. Congress then rubs salt in the wounds of America's hardworking, taxpaying parents by using their tax dollars to fund an unconstitutional education bureaucracy that all too often uses its illegitimate authority over education to undermine the values of these same parents!

I also support the provisions extending the exclusion of funds received from qualified state tuition programs, and excluding monies received from an employer to pay for an employee's continuing education from gross income. Both of these provisions allow Americans to spend more of their resources on education, rather than hand their hard-earned money over to the taxman.

Returning control over educational resources to the American people ought to be among Congress' top priorities. In fact, one of my objections to this bill is that it does not go nearly far enough in returning education dollars to parents. This is largely because the deposit to an education IRA must consist of after-tax dollars. Mr. Speaker, education IRAs would be so much more beneficial if parents could make their deposits with pretax dollars. Furthermore, allowing contributions to be made from pretax dollars would provide a greater incentive for citizens to contribute to education IRAs for others' underprivileged children.

Furthermore, education IRAs are not the most effective means of returning education resources to the American people. A much more effective way of promoting parental choice in education is through education tax credits, such as those contained in H.R. 1816, the Family Education Freedom Act, which provides a tax credit of up to \$3,000 for elementary and secondary expenses incurred in educating a child at public, private, parochial, or home schools. Tax credits allow parents to get back the money they spent on education, in fact, large tax credits will remove large numbers of families from the tax roles!

Therefore, I would still support this bill as a good first (albeit small) step toward restoring

parental control of education if it did not further expand the federal control of education and raise taxes on American businesses!

In order to offset the so-called "cost to government" (revenue loss) H.R. 2646 alters the rules by which businesses are taxed on employee vacation benefits. While I support efforts to ensure that tax cuts do not increase the budget deficit, the offset should come from cuts in wasteful, unconstitutional government programs, such as foreign aid and corporate welfare. Congress should give serious consideration to cutting unconstitutional programs such as "Goals 2000" which runs roughshod over the rights of parents to control their children's education, as a means of offsetting the revenue loss to the treasury from this bill. A less than 3% cut in the National Endowment for the Arts budget would provide more funding than needed for the education IRA section of this legislation.

Mr. Speaker, we in Congress have no moral nor scientific means by which to determine which Americans are most deserving of tax cuts. Yet, this is precisely what Congress does when it raises taxes on some Americans to offset tax cuts for others. Rather than selecting some arbitrary means of choosing which Americans are more deserving of tax cuts, Congress should cut taxes for all Americans.

Moreover, because we have no practical way of knowing how many Americans will take advantage of the education IRAs, or the other education tax cuts contained in the bill, relative to those who will have their taxes raised by the offset in this bill, it is quite possible that H.R. 2646 is actually a backdoor tax increase! In fact, the Joint Committee on Taxation has estimated that this legislation would have increased revenues to the Treasury by \$24 million over the next eight years!

It is a well-established fact that any increase in taxes on small businesses discourages job creation and, thus, increases unemployment! It is hard to see how discouraging job creation by raising taxes is consistent with the stated goal of H.R. 2646—helping America's families!

Mr. Speaker, this bill not only raises taxes instead of decreasing spending, it increases the federal role in education. For example the conference report on H.R. 2646 creates a new federal program to promote literacy, the so-called Reading Excellence Act. This new program bribes the states with monies illegitimately taken from the American people, to adapt programs to teach literacy using methods favored by Washington-based "experts."

Mr. Speaker, enactment of this literacy program will move America toward a national curriculum since it creates a federal definition of reading, thus making compliance with federal standards the goal of education. I ask my colleagues how does moving further toward a national curriculum restore parental control of education?

This bill also creates a new federal program to use federal taxpayer funds to finance teacher testing and merit pay. Mr. Speaker, these may be valuable education reforms; however, the federal government should not be in the business of education engineering and using federal funds to encourage states to adopt a particular education program.

While the stealth tax increase and the new unconstitutional programs provide significant justification for constitutionalists to oppose this conference report, the new taxes and spending are not even the worst parts of this legisla-

tion. The most objectionable provision of H.R. 2646 is one that takes another step toward making the federal government a National School Board by mandating that local schools consider a student's bringing a weapon to school as evidence in an expulsion hearing.

The issue is not whether local schools should use evidence of possessing a weapon as evidence in a discipline procedure. Before this Congress can even consider the merits of a policy, we must consider first whether or not the matter falls within our constitutional authority. The plain fact is as the tenth amendment to the Bill of Rights makes clear, Congress is forbidden from dictating policy to local schools.

The drafters of the United States Constitution understood that to allow the federal government to meddle in the governance of local schools, much less act as a national school board, would inevitably result in the replacement of parental control by federal control. Parents are best able to control education when the decision making power is located closest to them. Thus, when Congress centralized control over education, it weakens the ability of parents to control, or even influence, the educational system. If Congress was serious about restoring parental control on education, the last thing we would even consider doing is imposing more federal mandates on local schools.

In conclusion, although the Conference Report of Parent and Student Savings Account Act does take a step toward restoring parental control of education, it also raises job-destroying taxes on business. Furthermore, the conference report creates new education programs, including a new literacy program that takes a step toward nationalizing curriculum, as well as imposes yet another mandate on local schools. It violates the Tenth Amendment to the Constitution and reduces parental control over education. Therefore, I cannot, in good conscience, support this bill. I urge my colleagues to join me in opposing this bill and instead support legislation that returns education resources to American parents by returning to them monies saved by deep cuts in the federal bureaucracy, not by raising taxes on other Americans.

Mr. HASTERT. Mr. Speaker, I rise in strong support of the Conference Report accompanying H.R. 2646, the Parent and Student Account PLUS Act of 1998 (PASS A+) and wish to commend Chairman ARCHER and Senator COVERDELL for their work on this important bill. As an original cosponsor of this legislation I am pleased that today Congress is taking a positive step forward toward helping America's families with their efforts to educate their children.

Mr. Speaker, our nation's schools face a growing crisis and it is clear that improvements need to be made. Consider the following evidence: Nearly 40% of students do not feel safe in school and 2000 acts of violence take place in schools each day; U.S. eighth-graders recently placed 28th in the world in math and science skills; almost one out-of-three college freshman require some remedial instruction; and 40% of all 10 year-olds cannot meet basic literacy standards.

Mr. Speaker, the current state of America's K-12 education system is a serious threat to the health of the economy and to the future prosperity of American children. Thus far, school reform initiatives have focused on increasing funding to public schools. Since

1983, government funding to public K-12 schools has increased by 44 percent and average per-student spending has increased by 32 percent. Total spending for public K-12 education now totals nearly \$300 billion per year. Yet for all these increases in federal government spending, our children are falling farther behind the children of other nations. In short, Washington-based solutions to our school's problems have not worked; nor are they likely ever to work.

Mr. Speaker, to combat the pressing problem of a troubled educational system, I co-sponsored the Parent and Student Savings Account Plus Act (PASS A+). This bill allows parents, grandparents, or scholarship sponsors to donate up to \$2,000 a year per child with the buildup of interest within that account to be tax-free if used for the child's education. Money from this fund could be used to pay for tuition, books, supplies, computer equipment, transportation, and supplementary expenses required for the enrollment or attendance of a student in an elementary or secondary public, private, or religious school—even associated costs for home schooling are covered.

Mr. Speaker, the PASS A+ legislation is important because it provides American families with the one educational tool we know works—a choice. While our Nation's K-12 public schools have fallen farther and farther behind, our higher education system of colleges and universities continues to be the envy of the world. Why? simply put, colleges and universities must compete for students and their education dollars. This competition has forced colleges and universities to focus on excellence and improvement and the results speak for themselves.

Mr. Speaker, PASS A+ works for parents and families because it helps them help themselves. If their local school will not provide the education their children need, this legislation will allow them to choose an alternative. In the same vein, if their public school is working, the proceeds from these accounts can help parents provide important educational tools for their kids—like a computer. In short, this bill is a "win-win." It helps all kids, in all schools. I urge my colleagues to vote for our kids and support the Conference Report.

Mr. CLAY. Mr. Speaker, the tax scheme contained in this bill is nothing more than a back door vehicle for subsidizing families who want to send their children to private elementary and secondary schools. It is designed to create a tax shelter for families of high incomes, while leaving nothing for families that don't even have enough to pay for their retirement.

According to the Department of Education, these tax provisions would give an average tax break of \$96 for families earning \$150,000. However, for poor families, the average benefit would be only \$1.

Rather than pursuing this shamefully regressive tax scheme, we should strengthen our public schools, where 90 percent of our Nation's children attend. We should address the problems of leaky roofs and overcrowded classrooms. We should target funds for school renewal in our country's poorest school districts. Finally, we should move to reduce class sizes—a proven strategy for enhancing student achievement.

Mr. WELDON of Florida. Mr. Speaker, the American people expect all of us—