Mike —

Two Speeches statements —

[illegible]

"(K) Section 6166(b)(3) (relating to farmhouses and certain other structures taken into account).

"(L) Subparagraphs (B), (C), and (D) of section 6166(g)(1) (relating to acceleration of payment)."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 is amended by inserting after the item relating to section 2033 the following new item:

"Sec. 2033A. Family-owned business exclusion."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1995.

TITLE VI—SPENDING REDUCTIONS

SEC. 6001. SHORT TITLE.

This title may be cited as the "Spending Reductions Act of 1995".

SEC. 6002. SERVICE CONTRACTS.

Notwithstanding any other provision of law, of the funds available for fiscal year 1996, the total amount available for service contracts shall not exceed $105,000,000,000.

SEC. 6003. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

Notwithstanding any other provision of law, of the funds available for the Department of Defense for fiscal year 1996, the total amount available for procurement of work from federally funded research and development centers shall not exceed $1,000,000,000.

SEC. 6004. FOREIGN MILITARY FINANCING.

Notwithstanding any other provision of law, of the funds available for fiscal year 1996, the total amount available for the Foreign Military Financing Program under section 23 of the Arms Export Control Act shall not exceed $3,500,000,000.

BOOST—FIVE-POINT PLAN

1. Taxpayer Bill of Rights 2 (T2). Laws ensuring the IRS treats taxpayers with respect are the key to making our tax system work. The original Taxpayer Bill of Rights, enacted in 1988, took the first step in the battle to achieve this goal. T2 is the next natural step toward requiring the IRS to meet new standards of timeliness, accuracy, and accountability.

2. 100% Health Care Deduction for Self-Employed. Today, large corporations may deduct 100% of the cost of their employees' health care premiums while the self-employed may deduct only 30% of their health insurance costs. There is no reason for treating self-employed workers differently than large corporations. BOOST provides a 75% deduction in 1996 and a permanent 100% deduction for 1997 and thereafter for the self-employed.

3. S Corporation Reform Act. In 1958, S Corporations were first created in the tax law to help small U.S. companies. The S corp rules have been extremely helpful to small businesses. Today, close to $2 million U.S. companies are S Corps. However, as written in 1958, S corps are very limited and operating as an S corp contains many pitfalls. The S Corporation Reform Act overhauls these outdated rules so small business can better compete in today's financial environment.

4. Small Businesses Pensions. In businesses with less than 25 employees, only 19.6% of the employees have any employer provided pension available, and only 15% of these employees participated in the plan. A major contributing factor to this dismal statistic is the sky-high cost of establishing and maintaining a pension plan for a small business. BOOST provides a maximum $1000 tax credit for the start-up costs of providing a new plan for employers with 50 or fewer employees, and it slashes annual nondiscrimination testing requirements for firms where no employee is highly compensated. Thus, BOOST alleviates high cost barriers for small businesses wishing to provide employees a pension.

5. American Family-Owned Business Act. The impact of the estate tax on a family-owned business is devastating because of one simple fact—the rates are too high. On top of this, the tax bill oftentimes comes due abruptly and at a time when the business has lost one of its key assets. The tremendous financial strain causes many family-owned businesses to close. The effect is that jobs are lost, and the community loses the goods and/or services provided by the business. The American Family-Owned Business Act carefully targets estate tax relief to estates whose major asset is its business and whose family members will materially participate in the business in the coming years.

By Mr. BREAUX:

S. 1300. A bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits; to the Committee on Finance.

THE DISTILLED SPIRITS TAX PAYMENT SIMPLIFICATION ACT OF 1995

• Mr. BREAUX. Mr. President. I introduce the Distilled Spirits Tax Payment Simplification Act of 1995, a bill more readily known as all-in-bond. The bill would streamline the way in which the Government collects the Federal excise tax on distilled spirits by extending the current system of collection now applicable only to imported products to domestic products as well.

Today wholesalers purchase foreign bottled distilled spirits in bond—tax-free—paying the Federal excise tax directly after sale to a retailer. In contrast, when the wholesaler buys domestically bottled spirits—nearly 86 percent of total inventory—the price includes the Federal excise tax, prepaid by the distiller. This means that hundreds of U.S. family owned wholesale businesses increase their inventory carrying costs by 40 percent when buying U.S. products, which must be financed through borrowing.

Under my bill, wholesalers would be allowed to purchase domestically bottled distilled spirits in-bond from distillers just as they are now permitted to purchase foreign produced spirits. Products would become subject to tax on removal from the wholesale premises. Additionally, the Federal tax collection process would be simplified by providing that only one Federal agency collect the tax.

All-in-bond is an equitable and sound way in which to remove the burden of prepayment of the Federal excise tax on domestically bottled spirits while streamlining our tax collection system. I hope my colleagues will join me in cosponsoring this important legislation.•

By Mr. SPECTER:

S. 1301. A bill to amend the Goals 2000: Educate America Act to eliminate the National Education Standards and Improvement Council and requirements concerning opportunity-to-learn standards, to limit the authority of the Secretary of Education to review and approve State plans, to permit certain local educational agencies to receive funding directly from the Secretary of Education, and for other purposes; to the Committee on Labor and Human Resources.

GOALS 2000 LEGISLATION

Mr. SPECTER. Mr. President, back in 1983, when President Reagan's Education Secretary, Terrell Bell, issued that now-famous report on the problems of education in this country he called that report "A Nation at Risk." Not a school district at risk. Not a State at risk. But a nation at risk.

Recognizing the need to improve educational achievement of this Nation's children, Governors of both parties launched a program to raise the achievement standards in American schools and a national education goals effort was embraced at the 1989 education summit in Charlottesville.

That effort culminated early last year, when a bipartisan majority in Congress voted to approve Goals 2000 legislation. That legislation supports development of model national academic standards in 13 subjects, standards that any school district may use as guides.

The Goals 2000 legislation also authorizes grants to States to help reform their schools so they can achieve their education goals. Participating States must develop challenging State content and performance standards and assessments aligned with those standards.

Since the passage of Goals 2000, 48 States have applied for and received funding. Two States, Virginia and New Hampshire, have refused the funds and have taken issue with the intent of Goals 2000, citing fears of Federal intrusion. A third State, Montana, has declined to receive 2d year funding; and a fourth State, Alabama, announced last week that it was ending its participation. In addition, a number of organizations have leveled a wide assortment of charges against Goals 2000.

Some say the legislation usurps State and local control over education. Others say it does no such thing and represents unprecedented flexibility in Federal legislation.

All of the concerns expressed, however, ultimately focus on what is the most appropriate and effective Federal role in elementary and secondary education.

By way of background and to help put this in context, let me review a few facts.

States now contribute about 36 percent of the cost of running our schools; local agencies contribute 26 percent, and private institutions account for 30 percent. The Federal Government's financial stake amounts to less than 10 percent.

If one agrees with the old adage that money is power, then it appears that the principal responsibility for running our schools continues to rest with the States and with local communities.

Where the Federal Government has traditionally played an important role is in helping to build partnerships among States, communities, and private institutions; and in helping to disseminate information on what works in one part of the country to others which may be struggling with the same problem. In that regard, I have always believed that the Federal Government can play an important part in helping to ensure a degree of fairness and equity for all our children.

The Labor, Health, and Human Services and Education Subcommittee which I chair recently held a hearing on the Goals 2000 issue. To help us better understand the controversy surrounding goals, the subcommittee heard from two witnesses.

Our first witness was Education Secretary Richard Riley, who testified in support of the Goals 2000 legislation and the administration's request of $750 million for fiscal year 1996.

Our second witness was Mr. Ovide Lamontagne, who chairs the New Hampshire State Board of Education. Specifically, Mr. Lamontagne raised concerns about the Secretary of Education's ability to review and approve a State's plan for its entire educational system, which he considered unprecedented. After much discussion with Mr. Lamontagne and Secretary Riley, the Secretary seemed to think he could live without that provision. Mr. Lamontagne also stated that eliminating secretarial review and approval would go a long way toward improving the legislation.

We also addressed the issue of school districts receiving funds directly from the Secretary, if their States chose not to participate in Goals 2000. In addition, discussions were held concerning the National Education Standards and Improvement Council [NESIC] and both the Secretary and Mr. Lamontagne agreed that eliminating the Council would be desirable.

The legislation which I am introducing today addresses the concerns of States that have chosen not to participate in Goals 2000. Specifically, the legislation:

Permits school districts, in States that elect not to participate in the Goals 2000 Program, to apply directly to the Secretary of Education for Goals 2000 funding.

Eliminates the requirement that States submit their plans to the Secretary of Education.

Removes the authority of the Secretary of Education to review and approve State plans.

Deletes the requirements for the composition of State and local panels that develop State and local improvement plans.

Eliminates the National Education Standards and Improvement Council [NESIC], which was to certify national and State standards, and which some viewed as a national school board.

Removes the requirement for States to develop opportunity-to-learn standards. These standards would specify the educational resources—such as funding, facilities, and materials—deemed necessary for local schools to achieve State or national content and performance standards.

It is my hope that this legislation will improve Goals 2000 so that all States will feel they are able to participate in this important program because it strikes the proper balance between State and local responsibility for education and Federal leadership.

By Ms. MIKULSKI:

S. 1302. A bill to restore competitiveness to the sugar industry by reforming the Federal Sugar Program and thereby ensuring that consumers have an uninterrupted supply of sugar at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE SUGAR COMPETITIVENESS ACT OF 1995

• Ms. MIKULSKI. Mr. President, today I may introducing legislation to dramatically reform the sugar program run by the Department of Agriculture. My bill, the Sugar Competitiveness Act, is designed to restore competitiveness to the sugar industry by reducing Government intervention in the marketplace.

Since the present sugar policy was enacted in 1981 we have seen 10 of the sugar refining industry's 22 refineries close. Another refinery is scheduled to close permanently in the near future. The industry has lost over 40 percent of its capacity, not to mention the thousands of blue-collar jobs that go with it.

My own hometown of Baltimore is home to a sugar refining plant. Generations of workers have walked through the gates of Domino sugar every morning to give an honest day's work for an honest day's pay. My bill is designed to save those jobs and preserve the future of the sugar refining industry.

Today, refiners are being forced to operate under an absurd situation in which the Department of Agriculture is forcing up the price of their raw material—raw cane sugar—to a level higher than the price of refined beet sugar. The USDA creates this artificial shortage by tightly restricting imports.

As a result of this Government-inflicted shortage of raw sugar, it has become impossible for refiners to compete. All refiners have been losing money for months.

Recently, refiners have been forced to pay 24 to 25 cents per pound for raw sugar, while their competitors, the beet sugar processors, have been selling refined sugar at those levels. It is impossible for refiners to cover these increased raw sugar costs in the refined sugar market.

But, there is more at stake here than the survival of the refining industry and its labor. Refiners provide over 50 percent of the sugar marketed in the United States. They play an important and unique role in ensuring that food processors and consumers have an uninterrupted supply of sugar under all circumstances.

When there is a domestic crop shortage, caused by a freeze or drought, as there often is, food processors depend upon the refiners to fill the void by importing more sugar. Any further loss of refining capacity will seriously endanger the Nation's sugar supply, to the detriment of consumers and food processors throughout the country.

The first thing my bill would do is eliminate USDA marketing allotments. These allotments limit the amount of sugar that domestic surgarcane and sugar beet processors can sell.

The second thing the bill does is to reduce the raw sugar cane loan rate from 18 cents to 12 cents per pound in stages, 2 cents per year for 3 years. Currently the USDA offers loans at a floor of 18 cents per pound for raw cane sugar, which is nearly double the world price of sugar. These loans set minimum prices that sugar processors must pay to producers, which drive up the cost of sugar for consumers.

Third, my bill regulates sugar imports to ensure that the market for raw cane sugar does not exceed the loan rate or the world market price, whichever is higher. Because the sugar program is designed as a no-net-cost subsidy, and the loans are non-recourse, the USDA keeps the market price for sugar processors much higher than necessary.

The fourth effect this legislation would have is to provide for 3-month CCC loans, and convert those loans from a non-recourse to a recourse basis. Under the current loan structure, sugar processors must put up sugar as collateral for loans. At the end of the present 9-month loan, the processor must decide to do one of two things, pay back the loan with interest or forfeit the sugar they put up as collateral. Processors can choose to simply hold on to the Government's money and forfeit the sugar collateral if it is more profitable.

If the processor forfeits, the disposition of the collateral sugar would fall to USDA. In order to avoid that possibility USDA maintains the market price much higher than the loan rate. Why should the taxpayer subsidize nonrecourse loans to corporations? My bill would correct the situation to the benefit of consumers by changing the loan structure to a recourse loan, which requires that processors repay the loan instead of simply forfeiting the sugar to USDA.

Finally, the proposed legislation increases the sugar marketing assessment, and extends it to imported sugar. The sugar marketing assessment is a fee paid by domestic processors to the CCC. Currently foreign processors who are allowed to sell limited amounts of sugar in the United States do not have to pay this. This bill levels the playing field between foreign and domestic processors.

Mr. President, America is at the crossroads. Over the past decade we

Man and its crewmen would be lost over Bremen, Germany.

Lieutenant Stewart's coolness under fire, excellent judgment under pressure, courageous determination to reach the target, and his magnificent and inspiring leadership were of paramount value in the accomplishment of this dangerous mission. His service was such as to reflect great credit upon himself, the crew members of Utah Man, his home State of Utah, the University of Utah—his affinity for his alma mater is reflected in the name of his plane, his church, and his country.

Today, Walter Stewart is a highly cherished member of his church and community, an enormously respected businessman and farmer, a former missionary, a musician, the husband of 51 years to his beloved wife Ruth, a devoted father to his 5 children, and a loving grandfather to his 23 grandchildren.

Today, as in 1943, Walter Stewart exemplifies the American qualities of courage, hard work, integrity, and faith.

I am proud to serve citizens like Walter Stewart in the Senate and proud to call my colleagues attention to this man's distinguished service to our country. I am delighted that he is finally to be awarded this significant military honor.

THE 50TH ANNIVERSARY OF THE END OF WORLD WAR II

Mr. DOLE. For the information of all Senators, the proceedings from this morning's joint meeting to commemorate the 50th anniversary of the end of World War II will be printed under the record of House proceedings. The cost of printing the transcripts of speeches for the records of both Chambers is prohibitively expensive. I urge my colleagues who were unable to attend to take special notice of this tribute to Americans who selflessly served their country.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about another go, as the British put it, with our pop quiz. Remember? One question, one answer.

The question: How many millions of dollars does it take to add up a trillion dollars? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.9 trillion.

To be exact, the total Federal debt—down to the penny—stands at $4,969,404,416,914.25, of which, on a per capita basis, every man, woman, and child in America owes $18,863.94.

Mr. President, back to our pop quiz, how many million in a trillion: There are a million million in a trillion.

The PRESIDING OFFICER. Who seeks recognition?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

JOB CORPS AMENDMENTS

Mr. INHOFE. Mr. President, this afternoon we are going to be discussing some of the amendments to the current Job Corps Program. One of those amendments will be offered by Senators SPECTER and SIMON in a bipartisan fashion.

There is something that is unique about this program. I have had some personal experiences with the Job Corps Program formerly as mayor of the city of Tulsa. We were able to use the participants of this program in doing massive public works within our city. Somehow none of this ever shows up to the credit of the Job Corps Program.

While I am the strongest supporter of virtually every element of the Contract With America, I do believe that there are some areas where we should give serious consideration to allowing a program to exist where it can breathe more freely across State lines, and this just might be the case as opposed to sending it in block grants back to the States.

The construction industry is an industry that, First, is cyclical and, second, varies from State to State. One of the problems that exists right now in the construction industry is that it is very difficult to find young people who will go into the construction industry, into carpentry, into masonry, some of these areas where perhaps the future does not look as glamorous as it would in some type of highly skilled or high-technology position. As a result of that, many people do not choose this except when there is a building boom going on.

One of the problems we have is that nationwide we could have a building boom in Pennsylvania and there could be a slump in Oklahoma. By the time you gear up to the boom in Pennsylvania, it could be in a slump again. Consequently, it has worked quite well to have these programs in a national scope where they do provide for a ready supply of skilled labor jobs, carpentry jobs, masonry jobs, and jobs that are critical to the building industry.

It is my understanding that the Specter-Simon amendment will not be scored, and if that is the case I would urge some of my conservative colleagues to give serious consideration to supporting the Specter-Simon amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

GOALS 2000

Mr. SPECTER. Mr. President, I have sought recognition to discuss further legislation which I introduced yesterday to amend Goals 2000 to make some changes which may satisfy a number of States which are concerned about excessive Federal intrusion under Goals 2000.

It is my view that there are no excessive intrusions at the present time. But in order to eliminate any concern about that issue, it was my thought that legislation might ease the concerns of some in the country who think there are too many intrusions.

The House of Representatives, in the Labor, Health and Human Services and Education appropriations bill, has eliminated the funding for the Goals 2000 Program. President Clinton has asked for an appropriation of $750 million and the Appropriations Subcommittee, which I chair, which includes funding for Department of Education, has recommended an appropriation slightly more than one-half of what the President has requested. This is because of the overall budget constraints.

But as we move forward in the legislative process and look ultimately to a conference with the House of Representatives, it is my view that we can ease many concerns, regarding Goals 2000, by a number of amendments which are incorporated into my proposed legislation, and at the same time make moneys available to a number of States which have not taken the funding.

Last year, two States, New Hampshire and Virginia, declined to participate in the Goals 2000 Program, and this year notice has been given by Montana and Alabama that they will not be participating.

The Labor-HHS-Education Subcommittee held a hearing on September 12, 1995 to bring together Secretary Riley and Mr. Ovide Lamontagne, who is the chairman of the Board of Education of the State of New Hampshire, to consider the matter before we had the markup by the subcommittee. At that time, a number of suggestions were made which might bridge the gap.

Again, I wish to emphasize my own personal view that there are not excessive strings, but in order to satisfy any concerns, we are seeking to move in a number of directions.

One of them would be to eliminate the National Education Standards and Improvement Council, which was designed to certify national and State standards. Some view this as a national school board, which I do not think it is, but the Secretary of Education, Richard Riley, thought we might eliminate it and still maintain the central thrust of the legislation; and that is that there ought to be some standards and goals, but to let the States establish their own standards and goals.

This program, Goals 2000, was very carefully crafted after a 1983 report by then-Secretary of Education Terrell Bell, a very conservative educator, who found something we all know: That the American educational system is in a state of disarray.

Some schools are very good, like the high school I went to in Russell, KS, with 400 people, small classes, a good debating team, and a first-rate education. Notwithstanding other distinguished universities which I have attended—the University of Oklahoma, the University of Pennsylvania, Yale Law School—I think my best educational days were in high school, which underscores, at least my view, that some schools are very good. It also emphasizes the importance of elementary school.

But educational standards across the country are in a state of disrepair. Remedial action is necessary. Some of the items coming out of our subcommittee involve experimentation with privatization to take over the public school system, not competing with private school systems, but trying to eliminate the bureaucracies in schools in cities like Washington, DC, or in Baltimore, MD, Boston, MA, Hartford, CT, some schools in Florida.

I am not saying that privatization is the answer, or the charter school concept, which is also a program contained in the bill coming out of my subcommittee. But I think it is clear that the basic concept of goals is a valid one; that there ought to be a measurement, illustratively into the 4th year, at the end of the 8th year, at the end of the 12th year, but they do not have to be necessarily Federal standards.

I compliment a distinguished legislator in the State of New Hampshire, the Honorable Neals Larson, who is the chairman of the house of representatives education committee. Representative Larson is trying very, very hard to see to it that New Hampshire would accept funding under Goals 2000 in its current form.

Candidly, I agree with Representative Larson that there are no strings attached which are intrusive and that, if you take a look at other Federal funding for the disadvantaged, for school to work, that it is not unusual to have some articulation of standards. But notwithstanding all of that, let us see if we cannot move ahead and find a way to accommodate those who may have a contrary view.

The PRESIDING OFFICER. Under a previous order, time is limited to 5 minutes and time has expired.

Mr. SPECTER. Mr. President, I ask unanimous consent to be permitted to proceed for 2 additional minutes.

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

Mr. SPECTER. I thank the Chair. Mr. President, stated very briefly, and the statement which was submitted yesterday will amplify these comments, this legislation will eliminate the requirement that the Secretary of Education approve and review State plans. Secretary Riley has been very accommodating and cooperative. He has expressed some concerns about this legislation. There may be others who will have concerns, others who were involved in the original Goals 2000 legislation, and we will make an effort to work with them on those concerns.

As a result of a public meeting which I participated in at Nashua High School back on September 9, an interesting thought was advanced, and that is to have funds go directly to local school boards for those States which decline to accept Goals 2000 funds.

Mr. Ovide Lamontagne, the chairman of the New Hampshire State Board of Education, thought that was an idea which would be acceptable. I am not suggesting that he made a final commitment to it, but at least from his point of view, it had merit subject to the power of the State to intervene if something extraordinary was done which was contrary to the State's views.

So, Mr. President, I urge my colleagues to take a look at the legislation as a way to amend Goals 2000, as a way of seeking an adjustment and accommodation with the House on the appropriations process and encouraging States which are not now entering into compliance with the ultimate view that we have to better the education of school children in America.

I thank the Chair and yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WORK FORCE DEVELOPMENT ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 143, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kassebaum amendment No. 2885, in the nature of a substitute.

Ashcroft amendment No. 2893 (to amendment No. 2885), to establish a requirement that individuals submit to drug tests, and to ensure that applicants and participants make full use of benefits extended through work force employment activities.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the pending Ashcroft amendment be set aside for the consideration of the amendment being offered by Senator SPECTER and Senator SIMON.

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

AMENDMENT NO. 2894 TO AMENDMENT NO. 2885

(Purpose: To maintain a national Job Corps Program, carried out in partnership with States and communities)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. SIMON, Mr. HATCH, and Mr. JOHNSTON, proposes an amendment numbered 2894 to amendment No. 2885.

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

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

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

Mr. SPECTER. Mr. President, in the interest of time—and I understand my distinguished cosponsor, Senator SIMON, will be arriving in the Chamber shortly—I will proceed with some of the opening considerations.

This is a carefully crafted amendment which builds upon the work of the distinguished chairman of the committee, Senator KASSEBAUM. It is responsive to concerns raised by the General Accounting Office to maintain the Job Corps Program in its current structural form with reforms addressing many of the needs identified by Senator KASSEBAUM and the GAO report.

In my capacity as chairman of the appropriations subcommittee which has the responsibility for funding Job Corps, I have been intimately familiar with the operation of Job Corps. During the 15 years that I have been in the U.S. Senate, I have been an advocate for its implementation and have worked to secure funding of almost $1.1 billion for the program.

It is my view, after seeing the application of the Job Corps in my home State of Pennsylvania and in other States, after working assiduously with my former colleague, Senator Heinz, for the opening of a major Job Corps center in Pittsburgh and having seen the successful implementation of the other three Job Corps centers in Pennsylvania, that the current requirements operating as a Federal program ought to be maintained.

I appreciate the general concept of block grants, but it is a concern of

SUMMARY OF SENATOR SPECTER'S BILL TO AMEND GOALS 2000

My bill addresses the concerns raised by several States about perceived intrusion of the Federal government into State and local education responsibilities through the Goals 2000: Educate America Act.

On September 12, 1995, I held a hearing on Goals 2000 to discuss some of these concerns and to try to work out some solutions. I heard the perspectives of the Secretary of Education, Richard Riley, and the Chairman of the New Hampshire State Board of Education, Ovide Lamontagne. I think we were successful in establishing some common ground on which to improve Goals 2000.

The legislation before the Senate today addresses many of the concerns raised about Goals 2000 by strengthening State and local control over the program. I think my bill restores the proper balance between local, State, and Federal responsibilities for education reform.

Specifically, my bill:

-- Permits school districts, in States that elect not to participate in the Goals 2000 program, to apply directly to the Secretary of Education for Goals 2000 funding.

-- Eliminates the requirement that States submit their plans to the Secretary of Education.

-- Removes the authority of the Secretary of Education to review and approve State plans.

-- Deletes the requirements for the composition of State and local panels that develop State and local improvement plans.

-- Eliminates the National Education Standards and Improvement Council (NESIC), which was to certify national and State standards, and which some viewed as a national school board.

-- Removes the requirement for States to develop opportunity-to-learn standards. These standards would specify the educational resources (such as funding, facilities, and materials) deemed necessary for local schools to achieve State or national content and performance standards.

SENATOR ARLEN SPECTER
GOALS 2000
OCTOBER 10, 1995

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Our first witness was Education Secretary Richard Riley, who testified in support of the Goals 2000 legislation and the Administration's request of $750 million for fiscal year 1996.

Our second witness was Mr. Ovide M. Lamontagne, who chairs the New Hampshire State Board of Education. Specifically, Mr. Lamontagne raised concerns about the Secretary of Education's ability to review and approve a State's plan for its entire educational system, which he considered unprecedented. After much discussion with Mr. Lamontagne and Secretary Riley, the Secretary seemed to think he could live without that provision. Mr. Lamontagne also stated that eliminating Secretarial review and approval would go a long way toward improving the legislation.

We also addressed the issue of school districts receiving funds directly from the Secretary, if their States chose not to participate in Goals 2000. In addition, discussions were held concerning the National Education Standards and Improvement Council (NESIC) and both the Secretary and Mr. Lamontagne agreed that eliminating the Council would be desirable.

The legislation which I am introducing today addresses the concerns of States that have chosen not to participate in Goals 2000. Specifically, the legislation:

-- Permits school districts, in States that elect not to participate in the Goals 2000 program, to apply directly to the Secretary of Education for Goals 2000 funding.

-- Eliminates the requirement that States submit their plans to the Secretary of Education.

-- Removes the authority of the Secretary of Education to review and approve State plans.

-- Deletes the requirements for the composition of State and local panels that develop State and local improvement plans.

-- Eliminates the National Education Standards and Improvement Council (NESIC), which was to certify national and State standards, and which some viewed as a national school board.

-- Removes the requirement for States to develop opportunity-to-learn standards. These standards would specify the educational resources (such as funding, facilities, and materials) deemed necessary for local schools to achieve State or national content and performance standards.

It is my hope that this legislation will improve Goals 2000 so that all States will feel they are able to participate in this important program because it strikes the proper balance between State and local responsibility for education and Federal leadership.

104TH CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To amend the Goals 2000: Educate America Act to eliminate the National Education Standards and Improvement Council and requirements concerning opportunity-to-learn standards, to limit the authority of the Secretary of Education to review and approve State plans, to permit certain local educational agencies to receive funding directly from the Secretary of Education, and for other purposes.

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

SECTION 1. ELIMINATION OF THE NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL AND OPPORTUNITY-TO-LEARN STANDARDS.

The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(1) by repealing part B of title II (20 U.S.C. 5841 et seq.);

(2) by redesignating parts C and D of title II (20 U.S.C. 5861 et seq. and 5871 et seq.) as parts B and C, respectively, of title II; and

(3) in section 241 (20 U.S.C. 5871)—

(A) in subsection (a), by striking "(a) NATIONAL EDUCATION GOALS PANEL.—"; and

(B) by striking subsections (b) through (d).

SEC. 2. STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT.

(a) PANEL COMPOSITION; OPPORTUNITY-TO-LEARN STANDARDS; AND SUBMISSION OF PLAN TO THE SECRETARY FOR APPROVAL.—

(1) STATE IMPROVEMENT PLAN.—Section 306 of the Goals 2000: Educate America Act (20 U.S.C. 5886) is amended—

(A) by amending subsection (b) to read as follows:

"(b) Plan Development.—A State improvement plan under this title shall be developed by a broad-based State panel in cooperation with the State educational agency and the Governor.";

(B) by striking subsection (d);

(C) by striking subsection (n);

(D) by amending subsection (p) to read as follows:

"(p) Amendments to Plan.—Each State educational agency shall periodically review its State improvement plan and revise such plan, as appropriate."; and

(E) by striking subsection (q).

(2) Secretary's review of applications.—Section 307 of such Act (20 U.S.C. 5887) is amended—

(A) by amending subsection (a) to read as follows:

"(a) First Year.—The Secretary shall approve the State educational agency's first year application under section 305(b) if the Secretary determines that such application meets the requirements of this title."; and

(B) in subsection (b), by striking "(1)(A)" and all that follows through "(B) the Secretary" and inserting "(1) the Secretary".

(b) LOCAL PANEL COMPOSITION.—Section 309(a)(3)(A) of such Act (20 U.S.C. 5889(a)(3)(A)) is amended—

(1) in the matter preceding clause (i), by striking "that—" and inserting a semicolon; and

(2) by striking clauses (i) and (ii).

(c) LOCAL BYPASS.—Section 304 of such Act (20 U.S.C. 5884) is amended by adding at the end the following new subsection:

"(e) LOCAL BYPASS.—

"(1) LOCAL GRANTS AUTHORIZED.—Notwithstanding any other provision of law, if a State does not participate in the program authorized under this title, the Secretary is authorized to use the allotment such State would have received under this section to award grants, through a competitive process, to local educational agencies in such State that have applications approved under paragraph (2).

"(2) APPLICATION REQUIRED.—Each local educational agency described in paragraph (1) desiring a grant under such paragraph shall submit an application to the Secretary at such time, in such manner and accompanied by such information, as the Secretary may require. Each such application shall contain assurances that the local educational agency will develop a local improvement plan that meets such requirements applicable to a State educational agency under section 306, and will meet such other requirements applicable to a State educational agency under this title, as the Secretary determines are appropriately applied to a local educational agency under this subsection.".

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) GOALS 2000: EDUCATE AMERICA ACT.—

(1) The table of contents for the Goals 2000: Educate America Act is amended, in the items relating to title II—

(A) by striking the items relating to part B;

(B) by striking "PART C" and inserting "PART B"; and

(C) by striking "PART D" and inserting "PART C".

(2) Section 2 of such Act (20 U.S.C. 5801) is amended—

(A) in paragraph (4)—

(i) in subparagraph (B), by inserting "and" after the semicolon;

(ii) by striking subparagraph (C); and

(iii) by redesignating subparagraph (D) as subparagraph (C); and

(B) in paragraph (6)—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively.

(3) Section 3(a) of such Act (20 U.S.C. 5802) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (14) as paragraphs (7) through (13), respectively.

(4) Section 201(3) of such Act (20 U.S.C. 5821(3)) is amended by striking ", voluntary national student performance" and all that follows through "such Council" and inserting "and voluntary national student performance standards".

(5) Section 202(j) of such Act (20 U.S.C. 5822(j)) is amended by striking ", student performance, or opportunity-to-learn" and inserting "or student performance".

(6) Section 203 of such Act (20 U.S.C. 5823) is amended—

(A) in subsection (a)—

(i) by striking paragraphs (2) and (3);

(ii) by redesignating paragraphs (4) through (6) as paragraphs (2) through (4), respectively; and

(iii) by amending paragraph (2) (as redesignated by clause (ii)) to read as follows:

"(2) review voluntary national content standards and voluntary national student performance standards;"; and

(B) in subsection (b)(1)—

(i) in subparagraph (A), by inserting "and" after the semicolon;

(ii) in subparagraph (B), by striking "; and" and inserting a period; and

(iii) by striking subparagraph (C).

(7) Section 204(a)(2) of such Act (20 U.S.C. 5824(a)(2)) is amended—

(A) by striking "voluntary national opportunity-to-learn standards,"; and

(B) by striking "described in section 213(f)".

(8) Section 304(a)(2) of such Act (20 U.S.C. 5884(a)(2)) is amended—

(A) in subparagraph (A), by adding "and" after the semicolon;

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(9) Section 306(o) of such Act (20 U.S.C. 5886(o)) is amended by striking "State opportunity-to-learn standards or strategies,".

(10) Section 308 of such Act (20 U.S.C. 5888) is amended—

(A) in subsection (b)(2)—

(i) in the matter preceding clause (i) of subparagraph (A), by striking "State opportunity-to-learn standards,"; and

(ii) in subparagraph (A), by striking "including—" and all that follows through "part B of title II;" and inserting "including through consortia of States;"; and

(B) in subsection (c), by striking "306(b)(1)" and inserting "306(b)".

(11) Section 312(b) of such Act (20 U.S.C. 5892(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(12) Section 314(a)(6)(A) of such Act (20 U.S.C. 5894(a)(6)(A)) is amended by striking "certified by the National Education Standards and Improvement Council and".

(13) Section 315 of such Act (20 U.S.C. 5895) is amended—

(A) in subsection (b)—

(i) in paragraph (1)(C), by striking ", including the requirements for timetables for opportunity-to-learn standards,";

(ii) by striking paragraph (2);

(iii) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(iv) in paragraph (1)(A), by striking "paragraph (4) of this subsection" and inserting "paragraph (3)";

(v) in paragraph (2) (as redesignated by clause (iii))—

(I) by striking subparagraph (A);

(II) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(III) in subparagraph (A) (as redesignated by subclause (II)) by striking ", voluntary natural student performance standards, and voluntary natural opportunity-to-learn standards developed under part B of title II of this Act" and inserting "and voluntary national student performance standards";

(vi) in subparagraph (B) of paragraph (3) (as redesignated by clause (iii)), by striking "paragraph (5)," and inserting "paragraph (4),"; and

(vii) in paragraph (4) (as redesignated by clause (ii)), by striking "paragraph (4)" each place it appears and inserting "paragraph (3)";

(B) in the matter preceding subparagraph (A) of subsection (c)(2)—

(i) by striking "subsection (b)(4)" and inserting "subsection (b)(3)"; and

(ii) by striking "and to provide a framework for the implementation of opportunity-to-learn standards or strategies"; and

(C) in subsection (f), by striking "subsection (b)(4)" each place it appears and inserting "subsection (b)(3)".

(14)(A) Section 316 of such Act (20 U.S.C. 5896) is repealed.

(B) The table of contents for such Act is amended by striking the item relating to section 316.

(15) Section 317 of such Act (20 U.S.C. 5897) is amended—

(A) in subsection (d)(4), by striking "promote the standards and strategies described in section 306(d),"; and

(B) in subsection (e)—

(i) in paragraph (2), by inserting "and" after the semicolon;

(ii) by striking paragraph (3); and

(iii) by redesignating paragraph (4) as paragraph (3).

(16) Section 503 of such Act (20 U.S.C. 5933) is amended—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) in the matter preceding subparagraph (A), by striking "28" and inserting "27";

(II) by striking subparagraph (D); and

(III) by redesignating subparagraphs (E) through (G) as subparagraphs (D) through (F), respectively;

(ii) in paragraphs (2), (3), and (5), by striking "subparagraphs (E), (F), and (G)" each place it appears and inserting "subparagraphs (D), (E), and (F)";

(iii) in paragraph (2), by striking "subparagraph (G)" and inserting "subparagraph (F)";

(iv) in paragraph (4), by striking "(C), and (D)" and inserting "and (C)"; and

(v) in the matter preceding subparagraph (A) of paragraph (5), by striking "subparagraph (E), (F), or (G)" and inserting "subparagraph (D), (E), or (F)"; and

(B) in subsection (c)—

(i) in paragraph (1)(B), by striking "subparagraph (E)" and inserting "subparagraph (D)"; and

(ii) in paragraph (2), by striking "subparagraphs (E), (F), and (G)" and inserting "subparagraphs (D), (E), and (F)".

(17) Section 504 of such Act (20 U.S.C. 5934) is amended—

(A) by striking subsection (f); and

(B) by redesignating subsection (g) as subsection (f).

(b) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(1) Section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311) is amended—

(A) in subsection (b)(8)(B), by striking "(which may include opportunity-to-learn standards or strategies developed under the Goals 2000: Educate America Act)";

(B) in subsection (f), by striking "opportunity-to-learn standards or strategies,";

(C) by striking subsection (g); and

(D) by redesignating subsection (h) as subsection (g).

(2) Section 1116 of such Act (20 U.S.C. 6317) is amended—

(A) in subsection (c)—

(i) in paragraph (2)(A)(i), by striking all beginning with ", which may" through "Act"; and

(ii) in paragraph (5)(B)(i)—

(I) in subclause (VI), by inserting "and" after the semicolon;

(II) in subclause (VII), by striking "; and" and inserting a period; and

(III) by striking subclause (VIII); and

(B) in subsection (d)—

(i) in paragraph (4)(B), by striking all beginning with ", and may" through "Act"; and

(ii) in paragraph (6)(B)(i)—

(I) by striking subclause (IV); and

(II) by redesignating subclauses (V) through (VIII) as subclauses (IV) through (VII), respectively.

(3) Section 1501(a)(2)(B) of such Act (20 U.S.C. 6491(a)(2)(B)) is amended—

(A) by striking clause (v); and

(B) by redesignating clauses (vi) through (x) as clauses (v) through (ix), respectively.

(4) Section 10101(b)(1)(A)(i) of such Act (20 U.S.C. 8001(b)(1)(A)(i)) is amended by striking "and opportunity-to-learn standards or strategies for student learning".

(5) Section 14701(b)(1)(B)(v) of such Act (20 U.S.C. 8941(b)(1)(B)(v)) is amended by striking "the National Education Goals Panel," and all that follows through "assessments)" and inserting "and the National Education Goals Panel".

(c) GENERAL EDUCATION PROVISIONS ACT.—Section 428 of the General Education Provisions Act (20 U.S.C. 1228b), as amended by section 237 of the Improving America's Schools Act of 1994 (Public Law 103–382), is amended by striking "the National Education Standards and Improvement Council,".

(d) EDUCATION AMENDMENTS OF 1978.—Section 1121(b) of the Education Amendments of 1978 (25

U.S.C. 2001(b)), as amended by section 381 of the Improving America's Schools Act of 1994 (Public Law 103–382), is amended by striking “213(a)” and inserting “203(a)(2)”.

Procter & Gamble

One Procter & Gamble Plaza
Cincinnati, OH 45202-3315

To: Mike Cohen
Company: U.S. Dept. of Education
Fax: (202) 401-0596

From: Robert L. Wehling
Phone: (513) 945-8100
Fax: (513) 945-8250

Date: 4/24/96
Pages including this cover page: 3

Comments:

Mike Cohen

As we discussed.

Bob Wehling

If you experience any problems with this transmission, please contact:
Eileen Jennings (513) 945-8120 or FAX number (513) 945-8250

ARLEN SPECTER
PENNSYLVANIA

Mike Cox as we discussed. B Wehling

for

United States Senate
WASHINGTON, DC 20510-3802

COMMITTEES:
INTELLIGENCE
JUDICIARY
APPROPRIATIONS
VETERANS' AFFAIRS

APR 15 '96

April 4, 1996

~~[illegible]~~

On the whole, good modifications I believe.
Pepper

Mr. John Pepper
One Procter & Gamble Plaza
Cincinnati, Ohio 45202

Dear Mr. Pepper:

Thank you for contacting my office regarding the Goals 2000: Educate America Act. I appreciate learning of your interest in this legislation.

As you may know, the Goals 2000: Educate America Act establishes eight national education goals and was signed into law on March 31, 1994. The Act provides grants to states for the development and implementation of systemic education reform plans. The legislation also established a National Education Standards and Improvement Council (NESIC), a presidentially appointed 19-member panel responsible for reviewing education standards submitted by the states that participate in the Goals 2000 program.

Several states, however, have expressed concern about the possible intrusion of the federal government into state and local education responsibilities through the Goals 2000 Act. In my role as Chairman of the Senate Labor, Health and Human Services, and Education Appropriations Subcommittee, I held a hearing on September 12, 1995 to discuss some of the concerns related to the Goals 2000 program and to try to work out some solutions. On October 10, 1995, I introduced legislation, S.1301, to address many of the concerns raised about Goals 2000 by strengthening state and local control over the program.

Specifically, my bill would: 1)permit school districts in states electing not to participate in the Goals 2000 program to apply directly to the Secretary of Education for Goals 2000 funding; 2) eliminate the requirement that states submit their plan to the Secretary of Education; 3) remove the authority of the Secretary of Education to review and approve state plans; 4) delete the requirements for the composition of state and local panels to develop improvement programs; 5) eliminate the NESIC panel; and 6) remove the requirements for states to develop opportunity-to-learn standards that specify the educational resources necessary to achieve state or national content and performance standards.

I believe my bill will restore the proper balance between local, state and federal responsibility for education. It is my hope that this legislation will improve Goals 2000 so that all states will feel they are able to participate in the program.

Again, thank you for contacting my office. Please continue to keep me apprised of your views on this or any other matter of mutual concern.

Sincerely,

Arlen Specter
United States Senator

AS/hlc

DRAFT

GOALS 2000: EDUCATE AMERICA ACT AMENDMENTS

- **<u>Additional Ed-Flex states authorized</u>**

  The Secretary is authorized to grant six additional states, whose Goals 2000 plans are approved by the Secretary, Ed-Flex waiver authority. The amendments do not contain the large state/small state breakdown that governed the original ED-Flex designations.

- **<u>Alternative to Secretarial approval of state plans created</u>**

  In lieu of submitting its Goals 2000 state plan, or major amendments to the plan, to the Secretary for review and approval, a state may instead submit --

  (1) an assurance from the Governor and chief state school officer that it has a plan that meets the requirements of the Act and that is widely available throughout the state, and that any amendments will meet these requirements; and

  (2) benchmarks of improved student performance and of progress in implementing the plan, and timelines against which progress may be measured.

  States that chose this alternative submission option are not required to submit Goals 2000 annual reports to the Secretary, but would instead report annually to the public on the use of Goals 2000 funds, and of progress in meeting its benchmarks and timelines.

- **<u>Direct grants to local educational agencies in nonparticipating states authorized</u>**

  Local educational agencies in any state that was not participating in Goals 2000 as of October 20, 1995 may, with the state educational agency's approval, apply directly to the Secretary for a portion of their state's Goals 2000 allotment.

- **<u>Specific panel composition requirements eliminated</u>**

  The specific requirements governing the composition of the Goals 2000 state panels have been eliminated. The amendments merely provide that state plans must be developed by a broad-based state panel in cooperation with the state educational agency and the governor.

DRAFT

- <u>Permissible use of Goals 2000 funds for technology clarified</u>

  The amendments clarify that Goals 2000 funds may be used for the acquisition of technology and the use of technology-enhanced curricula and instruction.

- <u>References to opportunity-to-learn standards or strategies eliminated</u>

  References to opportunity-to-learn standards or strategies in the Goals 2000: Educate America Act, as well as in the Improving America's Schools Act, have been deleted.

- <u>Provisions authorizing a National Education Standards Improvement Council (NESIC) repealed</u>

  The amendments repeal the provisions in Goals 2000 that authorized the establishment of NESIC.

- <u>No mandates for outcomes-based education, school-based health clinics, or social service clarified</u>

  The amendments expressly state that Goals 2000 may not be construed to require a state, a local educational agency, or a school, as a condition of receiving Goals 2000 assistance --

  (1) to provide outcomes-based education, or
  (2) to provide school-based health clinics or social service.

The Conference report for the Omnibus Appropriations bill specifies that the conference agreement amends the Goals 2000: Educate America Act by including bill language which **"Eliminates the requirement that States submit their improvement plans to the Secretary for approval"**. This is accomplished as follows:

1. Section 305(b) of the Goals 2000: Educate America Act specifies that for first year funding, States need only submit an application to the Secretary for Goals 2000 funding, not a State improvement plan.

2. Section 306(b), as amended, requires a State improvement plan to be developed by a broad-based State panel in cooperation with the State educational agency (SEA) and the Governor.

3. Section 306(b), as amended, deletes the requirement that the SEA submit the original State improvement plan developed by the panel to the Secretary for approval (subsection 306(b)(7)).

4. Section 306(n), as amended, includes a provision on alternative submission (306(n)(4)) which specifies that an SEA may, in lieu of submitting its State improvement plan to the Secretary for approval, provide the Secretary an assurance that (1) the State has a plan that meets the requirements of the section and that is widely available throughout the State, (2) any amendments to the plan will meet the requirements of the section, and (3) the State's benchmarks are measurable. This amended section also requires SEAs using the alternative submission provision to annually report to the public summary information on its use of funds and progress towards meeting its benchmarks.

5. Section 305(c)(2), as amended, specifies that an SEAs application for subsequent year funding need not include a copy of the State improvement plan if the SEA uses the alternative submission provision in new Section 306(n)(4).

Therefore, sections 306(n)(1) & (2), which provide for Secretarial review and approval of State improvement plans, only apply if the State chooses to submit its plan for approval by the Secretary.

GOALS 2000 APPROPRIATIONS AMENDMENTS

<u>Summary of Amendments and Key Issues</u>

1. Authority to add 6 additional ED-Flex states, without regard to size.

- Maryland and New Mexico are in line
  - Maryland needs to send letter requesting to be considered
- Do we continue to award on first-come, first-serve basis, or is there some way to make the process more competitive (without damaging chances for New Mexico and Maryland)?

2. Eliminate NESIC

3. Elimate OTL standards

4. Eliminate specific planning panel requirements

5. Substitute public accountability for ED plan review

- Determine procedures states need to use to provide required assurances and notify ED that they are using this option

- Clarify that states using this provision remain eligible for funding after Year 2

- Decide whether/how to assist/encourage states to undertake peer review anyway

- Clarify that states using this provision are <u>not</u> eligible for Ed-Flex, because they will not meet the requirement of having an approved plan

6. State by-pass

- Determine the states affected by this provision (Virginia, New Hampshire, Alabama, California, Montana, Oklahoma)

- Determine procedures and timeline for grants competition to LEA's in each state
  - to what extent can we work with each SEA to (1) determine priorities for the state; (2) review grant applications and make recommendations to Secretary;

  - how will we involve other from state in process (e.g., Schld Bds Assoc?) of setting priorities for state--especially since we need to move very fast to get the money out;

  - set deadline for affected states to notify us of their plan to: (1) participate in Goals; (2) approve local participation through by-pass provision; or, (3) continue to not participate and to not approve of independent local participation

- o for state electing option (3), reallocate immediately. Do we want to indicate that we will also reallocate Yr. 3 funds when they become available?

7. Clarifying that Goals 2000 does not require OBE, health clinics, etc.

Key Actions

1. Within the week of enactment, letter from Secretary to all chiefs and governors (except in affected states) notifying them (1) of continued funding for Goals; (2) of amendments to Goals; (3) of explanation of amendments and their implications for program administration; (4) that further guidance will be made available shortly.

2. Within days of enactment, letter from Secretary to chiefs in nonparticipating states, informing them of all amendments, and giving them a deadline to (1) challenge determination that they were not participating as of Oct. 20; (2) inform us of intent to participate or approval of local bypass (with specific deadlines for filing application or taking other steps as appropriate) or Yr 2 funds will be reallocated;

3. Immediate state-by-state strategy of notification of key friends before letters are sent. (initial calls will affect need for, content and timing of subsequent ones)

- o **New Hampshire:** Betty Twomey, Dick Goodman, Nils Larsen, Dem. Sen

- o **Virginia:** Jim Jones, Paul Council, Don Byers, School Boards Association, Bill Bosher

- o **Montana:** Nancy Keenan, Gov.

- o **California:** Delaine Eastin, Gray Davis, Jerry Jacobs/Van Skilling, Maureen DiMarco

- o **Alabama:** Ed Richardson, Anne Jolly, Bus. Group

- o **Oklahoma:** Sandy Garrett

4. Communications strategy

- o Internal to Department:
  - o Briefing and talking points for Senior Officers
  - o Briefing, talking points, and strategy session with SRR's

- o Press statement on Goals 2000 from Secretary

- National media op-ed--problems in Goals are now fixed (Diane Ravitch? Bob Jones? other business leader? current/former R. Gov (McKernan)

- Local op-eds in battle ground states (work with SRR's, and allies in each state)

"(K) Section 6166(b)(3) (relating to farmhouses and certain other structures taken into account).

"(L) Subparagraphs (B), (C), and (D) of section 6166(g)(1) (relating to acceleration of payment)."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 is amended by inserting after the item relating to section 2033 the following new item:

"Sec. 2033A. Family-owned business exclusion."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1995.

TITLE VI—SPENDING REDUCTIONS

SEC. 6001. SHORT TITLE.

This title may be cited as the "Spending Reductions Act of 1995".

SEC. 6002. SERVICE CONTRACTS.

Notwithstanding any other provision of law, of the funds available for fiscal year 1996, the total amount available for service contracts shall not exceed $105,000,000,000.

SEC. 6003. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

Notwithstanding any other provision of law, of the funds available for the Department of Defense for fiscal year 1996, the total amount available for procurement of work from federally funded research and development centers shall not exceed $1,000,000,000.

SEC. 6004. FOREIGN MILITARY FINANCING.

Notwithstanding any other provision of law, of the funds available for fiscal year 1996, the total amount available for the Foreign Military Financing Program under section 23 of the Arms Export Control Act shall not exceed $3,500,000,000.

BOOST—FIVE-POINT PLAN

1. Taxpayer Bill of Rights 2 (T2). Laws ensuring the IRS treats taxpayers with respect are the key to making our tax system work. The original Taxpayer Bill of Rights, enacted in 1988, took the first step in the battle to achieve this goal. T2 is the next natural step toward requiring the IRS to meet new standards of timeliness, accuracy, and accountability.

2. 100% Health Care Deduction for Self-Employed. Today, large corporations may deduct 100% of the cost of their employees' health care premiums while the self-employed may deduct only 30% of their health insurance costs. There is no reason for treating self-employed workers differently than large corporations. BOOST provides a 75% deduction in 1996 and a permanent 100% deduction for 1997 and thereafter for the self-employed.

3. S Corporation Reform Act. In 1958, S Corporations were first created in the tax law to help small U.S. companies. The S corp rules have been extremely helpful to small businesses. Today, close to $2 million U.S. companies are S Corps. However, as written in 1958, S corps are very limited and operating as an S corp contains many pitfalls. The S Corporation Reform Act overhauls these outdated rules so small business can better compete in today's financial environment.

4. Small Businesses Pensions. In businesses with less than 25 employees, only 19.6% of the employees have any employer provided pension available, and only 15% of these employees participated in the plan. A major contributing factor to this dismal statistic is the sky-high cost of establishing and maintaining a pension plan for a small business. BOOST provides a maximum $1000 tax credit for the start-up costs of providing a new plan for employers with 50 or fewer employees, and it slashes annual nondiscrimination testing requirements for firms where no employee is highly compensated. Thus, BOOST alleviates high cost barriers for small businesses wishing to provide employees a pension.

5. American Family-Owned Business Act. The impact of the estate tax on a family-owned business is devastating because of one simple fact—the rates are too high. On top of this, the tax bill oftentimes comes due abruptly and at a time when the business has lost one of its key assets. The tremendous financial strain causes many family-owned businesses to close. The effect is that jobs are lost, and the community loses the goods and/or services provided by the business. The American Family-Owned Business Act carefully targets estate tax relief to estates whose major asset is its business and whose family members will materially participate in the business in the coming years.

By Mr. BREAUX:

S. 1300. A bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits; to the Committee on Finance.

THE DISTILLED SPIRITS TAX PAYMENT SIMPLIFICATION ACT OF 1995

• Mr. BREAUX. Mr. President, I introduce the Distilled Spirits Tax Payment Simplification Act of 1995, a bill more readily known as all-in-bond. The bill would streamline the way in which the Government collects the Federal excise tax on distilled spirits by extending the current system of collection now applicable only to imported products to domestic products as well.

Today wholesalers purchase foreign bottled distilled spirits in bond—tax-free—paying the Federal excise tax directly after sale to a retailer. In contrast, when the wholesaler buys domestically bottled spirits—nearly 86 percent of total inventory—the price includes the Federal excise tax, prepaid by the distiller. This means that hundreds of U.S. family owned wholesale businesses increase their inventory carrying costs by 40 percent when buying U.S. products, which must be financed through borrowing.

Under my bill, wholesalers would be allowed to purchase domestically bottled distilled spirits in-bond from distillers just as they are now permitted to purchase foreign produced spirits. Products would become subject to tax on removal from the wholesale premises. Additionally, the Federal tax collection process would be simplified by providing that only one Federal agency collect the tax.

All-in-bond is an equitable and sound way in which to remove the burden of prepayment of the Federal excise tax on domestically bottled spirits while streamlining our tax collection system. I hope my colleagues will join me in cosponsoring this important legislation.•

By Mr. SPECTER:

S. 1301. A bill to amend the Goals 2000: Educate America Act to eliminate the National Education Standards and Improvement Council and requirements concerning opportunity-to-learn standards, to limit the authority of the Secretary of Education to review and approve State plans, to permit certain local educational agencies to receive funding directly from the Secretary of Education, and for other purposes; to the Committee on Labor and Human Resources.

GOALS 2000 LEGISLATION

Mr. SPECTER. Mr. President, back in 1983, when President Reagan's Education Secretary, Terrell Bell, issued that now-famous report on the problems of education in this country he called that report "A Nation at Risk." Not a school district at risk. Not a State at risk. But a nation at risk.

Recognizing the need to improve educational achievement of this Nation's children, Governors of both parties launched a program to raise the achievement standards in American schools and a national education goals effort was embraced at the 1989 education summit in Charlottesville.

That effort culminated early last year, when a bipartisan majority in Congress voted to approve Goals 2000 legislation. That legislation supports development of model national academic standards in 13 subjects, standards that any school district may use as guides.

The Goals 2000 legislation also authorizes grants to States to help reform their schools so they can achieve their education goals. Participating States must develop challenging State content and performance standards and assessments aligned with those standards.

Since the passage of Goals 2000, 48 States have applied for and received funding. Two States, Virginia and New Hampshire, have refused the funds and have taken issue with the intent of Goals 2000, citing fears of Federal intrusion. A third State, Montana, has declined to receive 2d year funding; and a fourth State, Alabama, announced last week that it was ending its participation. In addition, a number of organizations have leveled a wide assortment of charges against Goals 2000.

Some say the legislation usurps State and local control over education. Others say it does no such thing and represents unprecedented flexibility in Federal legislation.

All of the concerns expressed, however, ultimately focus on what is the most appropriate and effective Federal role in elementary and secondary education.

By way of background and to help put this in context, let me review a few facts.

States now contribute about 36 percent of the cost of running our schools; local agencies contribute 26 percent, and private institutions account for 30 percent. The Federal Government's financial stake amounts to less than 10 percent.

If one agrees with the old adage that money is power, then it appears that the principal responsibility for running our schools continues to rest with the States and with local communities.

Where the Federal Government has traditionally played an important role is in helping to build partnerships among States, communities, and private institutions; and in helping to disseminate information on what works in one part of the country to others which may be struggling with the same problem. In that regard, I have always believed that the Federal Government can play an important part in helping to ensure a degree of fairness and equity for all our children.

The Labor, Health, and Human Services and Education Subcommittee which I chair recently held a hearing on the Goals 2000 issue. To help us better understand the controversy surrounding goals, the subcommittee heard from two witnesses.

Our first witness was Education Secretary Richard Riley, who testified in support of the Goals 2000 legislation and the administration's request of $750 million for fiscal year 1996.

Our second witness was Mr. Ovide Lamontagne, who chairs the New Hampshire State Board of Education. Specifically, Mr. Lamontagne raised concerns about the Secretary of Education's ability to review and approve a State's plan for its entire educational system, which he considered unprecedented. After much discussion with Mr. Lamontagne and Secretary Riley, the Secretary seemed to think he could live without that provision. Mr. Lamontagne also stated that eliminating secretarial review and approval would go a long way toward improving the legislation.

We also addressed the issue of school districts receiving funds directly from the Secretary, if their States chose not to participate in Goals 2000. In addition, discussions were held concerning the National Education Standards and Improvement Council [NESIC] and both the Secretary and Mr. Lamontagne agreed that eliminating the Council would be desirable.

The legislation which I am introducing today addresses the concerns of States that have chosen not to participate in Goals 2000. Specifically, the legislation:

Permits school districts, in States that elect not to participate in the Goals 2000 Program, to apply directly to the Secretary of Education for Goals 2000 funding.

Eliminates the requirement that States submit their plans to the Secretary of Education.

Removes the authority of the Secretary of Education to review and approve State plans.

Deletes the requirements for the composition of State and local panels that develop State and local improvement plans.

Eliminates the National Education Standards and Improvement Council [NESIC], which was to certify national and State standards, and which some viewed as a national school board.

Removes the requirement for States to develop opportunity-to-learn standards. These standards would specify the educational resources—such as funding, facilities, and materials—deemed necessary for local schools to achieve State or national content and performance standards.

It is my hope that this legislation will improve Goals 2000 so that all States will feel they are able to participate in this important program because it strikes the proper balance between State and local responsibility for education and Federal leadership.

By Ms. MIKULSKI:

S. 1302. A bill to restore competitiveness to the sugar industry by reforming the Federal Sugar Program and thereby ensuring that consumers have an uninterrupted supply of sugar at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE SUGAR COMPETITIVENESS ACT OF 1995

• Ms. MIKULSKI. Mr. President, today I may introducing legislation to dramatically reform the sugar program run by the Department of Agriculture. My bill, the Sugar Competitiveness Act, is designed to restore competitiveness to the sugar industry by reducing Government intervention in the marketplace.

Since the present sugar policy was enacted in 1981 we have seen 10 of the sugar refining industry's 22 refineries close. Another refinery is scheduled to close permanently in the near future. The industry has lost over 40 percent of its capacity, not to mention the thousands of blue-collar jobs that go with it.

My own hometown of Baltimore is home to a sugar refining plant. Generations of workers have walked through the gates of Domino sugar every morning to give an honest day's work for an honest day's pay. My bill is designed to save those jobs and preserve the future of the sugar refining industry.

Today, refiners are being forced to operate under an absurd situation in which the Department of Agriculture is forcing up the price of their raw material—raw cane sugar—to a level higher than the price of refined beet sugar. The USDA creates this artificial shortage by tightly restricting imports.

As a result of this Government-inflicted shortage of raw sugar, it has become impossible for refiners to compete. All refiners have been losing money for months.

Recently, refiners have been forced to pay 24 to 25 cents per pound for raw sugar, while their competitors, the beet sugar processors, have been selling refined sugar at those levels. It is impossible for refiners to cover these increased raw sugar costs in the refined sugar market.

But, there is more at stake here than the survival of the refining industry and its labor. Refiners provide over 50 percent of the sugar marketed in the United States. They play an important and unique role in ensuring that food processors and consumers have an uninterrupted supply of sugar under all circumstances.

When there is a domestic crop shortage, caused by a freeze or drought, as there often is, food processors depend upon the refiners to fill the void by importing more sugar. Any further loss of refining capacity will seriously endanger the Nation's sugar supply, to the detriment of consumers and food processors throughout the country.

The first thing my bill would do is eliminate USDA marketing allotments. These allotments limit the amount of sugar that domestic surgarcane and sugar beet processors can sell.

The second thing the bill does is to reduce the raw sugar cane loan rate from 18 cents to 12 cents per pound in stages, 2 cents per year for 3 years. Currently the USDA offers loans at a floor of 18 cents per pound for raw cane sugar, which is nearly double the world price of sugar. These loans set minimum prices that sugar processors must pay to producers, which drive up the cost of sugar for consumers.

Third, my bill regulates sugar imports to ensure that the market for raw cane sugar does not exceed the loan rate or the world market price, whichever is higher. Because the sugar program is designed as a no-net-cost subsidy, and the loans are non-recourse, the USDA keeps the market price for sugar processors much higher than necessary.

The fourth effect this legislation would have is to provide for 3-month CCC loans, and convert those loans from a non-recourse to a recourse basis. Under the current loan structure, sugar processors must put up sugar as collateral for loans. At the end of the present 9-month loan, the processor must decide to do one of two things, pay back the loan with interest or forfeit the sugar they put up as collateral. Processors can choose to simply hold on to the Government's money and forfeit the sugar collateral if it is more profitable.

If the processor forfeits, the disposition of the collateral sugar would fall to USDA. In order to avoid that possibility USDA maintains the market price much higher than the loan rate. Why should the taxpayer subsidize nonrecourse loans to corporations? My bill would correct the situation to the benefit of consumers by changing the loan structure to a recourse loan, which requires that processors repay the loan instead of simply forfeiting the sugar to USDA.

Finally, the proposed legislation increases the sugar marketing assessment, and extends it to imported sugar. The sugar marketing assessment is a fee paid by domestic processors to the CCC. Currently foreign processors who are allowed to sell limited amounts of sugar in the United States do not have to pay this. This bill levels the playing field between foreign and domestic processors.

Mr. President, America is at the crossroads. Over the past decade we

Man and its crewmen would be lost over Bremen, Germany.

Lieutenant Stewart's coolness under fire, excellent judgment under pressure, courageous determination to reach the target, and his magnificent and inspiring leadership were of paramount value in the accomplishment of this dangerous mission. His service was such as to reflect great credit upon himself, the crew members of Utah Man, his home State of Utah, the University of Utah—his affinity for his alma mater is reflected in the name of his plane, his church, and his country.

Today, Walter Stewart is a highly cherished member of his church and community, an enormously respected businessman and farmer, a former missionary, a musician, the husband of 51 years to his beloved wife Ruth, a devoted father to his 5 children, and a loving grandfather to his 23 grandchildren.

Today, as in 1943, Walter Stewart exemplifies the American qualities of courage, hard work, integrity, and faith.

I am proud to serve citizens like Walter Stewart in the Senate and proud to call my colleagues attention to this man's distinguished service to our country. I am delighted that he is finally to be awarded this significant military honor.

THE 50TH ANNIVERSARY OF THE END OF WORLD WAR II

Mr. DOLE. For the information of all Senators, the proceedings from this morning's joint meeting to commemorate the 50th anniversary of the end of World War II will be printed under the record of House proceedings. The cost of printing the transcripts of speeches for the records of both Chambers is prohibitively expensive. I urge my colleagues who were unable to attend to take special notice of this tribute to Americans who selflessly served their country.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about another go, as the British put it, with our pop quiz. Remember? One question, one answer.

The question: How many millions of dollars does it take to add up a trillion dollars? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.9 trillion.

To be exact, the total Federal debt—down to the penny—stands at $4,969,404,416,914.25, of which, on a per capita basis, every man, woman, and child in America owes $18,863.94.

Mr. President, back to our pop quiz, how many million in a trillion: There are a million million in a trillion.

The PRESIDING OFFICER. Who seeks recognition?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

JOB CORPS AMENDMENTS

Mr. INHOFE. Mr. President, this afternoon we are going to be discussing some of the amendments to the current Job Corps Program. One of those amendments will be offered by Senators SPECTER and SIMON in a bipartisan fashion.

There is something that is unique about this program. I have had some personal experiences with the Job Corps Program formerly as mayor of the city of Tulsa. We were able to use the participants of this program in doing massive public works within our city. Somehow none of this ever shows up to the credit of the Job Corps Program.

While I am the strongest supporter of virtually every element of the Contract With America, I do believe that there are some areas where we should give serious consideration to allowing a program to exist where it can breathe more freely across State lines, and this just might be the case as opposed to sending it in block grants back to the States.

The construction industry is an industry that, first, is cyclical and, second, varies from State to State. One of the problems that exists right now in the construction industry is that it is very difficult to find young people who will go into the construction industry, into carpentry, into masonry, some of these areas where perhaps the future does not look as glamorous as it would in some type of highly skilled or high-technology position. As a result of that, many people do not choose this except when there is a building boom going on.

One of the problems we have is that nationwide we could have a building boom in Pennsylvania and there could be a slump in Oklahoma. By the time you gear up to the boom in Pennsylvania, it could be in a slump again. Consequently, it has worked quite well to have these programs in a national scope where they do provide for a ready supply of skilled labor jobs, carpentry jobs, masonry jobs, and jobs that are critical to the building industry.

It is my understanding that the Specter-Simon amendment will not be scored, and if that is the case I would urge some of my conservative colleagues to give serious consideration to supporting the Specter-Simon amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

GOALS 2000

Mr. SPECTER. Mr. President, I have sought recognition to discuss further legislation which I introduced yesterday to amend Goals 2000 to make some changes which may satisfy a number of States which are concerned about excessive Federal intrusion under Goals 2000.

It is my view that there are no excessive intrusions at the present time. But in order to eliminate any concern about that issue, it was my thought that legislation might ease the concerns of some in the country who think there are too many intrusions.

The House of Representatives, in the Labor, Health and Human Services and Education appropriations bill, has eliminated the funding for the Goals 2000 Program. President Clinton has asked for an appropriation of $750 million and the Appropriations Subcommittee, which I chair, which includes funding for Department of Education, has recommended an appropriation slightly more than one-half of what the President has requested. This is because of the overall budget constraints.

But as we move forward in the legislative process and look ultimately to a conference with the House of Representatives, it is my view that we can ease many concerns, regarding Goals 2000, by a number of amendments which are incorporated into my proposed legislation, and at the same time make moneys available to a number of States which have not taken the funding.

Last year, two States, New Hampshire and Virginia, declined to participate in the Goals 2000 Program, and this year notice has been given by Montana and Alabama that they will not be participating.

The Labor-HHS-Education Subcommittee held a hearing on September 12, 1995 to bring together Secretary Riley and Mr. Ovide Lamontagne, who is the chairman of the Board of Education of the State of New Hampshire, to consider the matter before we had the markup by the subcommittee. At that time, a number of suggestions were made which might bridge the gap.

Again, I wish to emphasize my own personal view that there are not excessive strings, but in order to satisfy any concerns, we are seeking to move in a number of directions.

One of them would be to eliminate the National Education Standards and Improvement Council, which was designed to certify national and State standards. Some view this as a national school board, which I do not think it is, but the Secretary of Education, Richard Riley, thought we might eliminate it and still maintain the central thrust of the legislation; and that is that there ought to be some standards and goals, but to let the States establish their own standards and goals.

This program, Goals 2000, was very carefully crafted after a 1983 report by then-Secretary of Education Terrell Bell, a very conservative educator, who found something we all know: That the American educational system is in a state of disarray.

Some schools are very good, like the high school I went to in Russell, KS, with 400 people, small classes, a good debating team, and a first-rate education. Notwithstanding other distinguished universities which I have attended—the University of Oklahoma, the University of Pennsylvania, Yale Law School—I think my best educational days were in high school, which underscores, at least my view, that some schools are very good. It also emphasizes the importance of elementary school.

But educational standards across the country are in a state of disrepair. Remedial action is necessary. Some of the items coming out of our subcommittee involve experimentation with privatization to take over the public school system, not competing with private school systems, but trying to eliminate the bureaucracies in schools in cities like Washington, DC, or in Baltimore, MD, Boston, MA, Hartford, CT, some schools in Florida.

I am not saying that privatization is the answer, or the charter school concept, which is also a program contained in the bill coming out of my subcommittee. But I think it is clear that the basic concept of goals is a valid one; that there ought to be a measurement, illustratively into the 4th year, at the end of the 8th year, at the end of the 12th year, but they do not have to be necessarily Federal standards.

I compliment a distinguished legislator in the State of New Hampshire, the Honorable Neals Larson, who is the chairman of the house of representatives education committee. Representative Larson is trying very, very hard to see to it that New Hampshire would accept funding under Goals 2000 in its current form.

Candidly, I agree with Representative Larson that there are no strings attached which are intrusive and that, if you take a look at other Federal funding for the disadvantaged, for school to work, that it is not unusual to have some articulation of standards. But notwithstanding all of that, let us see if we cannot move ahead and find a way to accommodate those who may have a contrary view.

The PRESIDING OFFICER. Under a previous order, time is limited to 5 minutes and time has expired.

Mr. SPECTER. Mr. President, I ask unanimous consent to be permitted to proceed for 2 additional minutes.

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

Mr. SPECTER. I thank the Chair. Mr. President, stated very briefly, and the statement which was submitted yesterday will amplify these comments, this legislation will eliminate the requirement that the Secretary of Education approve and review State plans. Secretary Riley has been very accommodating and cooperative. He has expressed some concerns about this legislation. There may be others who will have concerns, others who were involved in the original Goals 2000 legislation, and we will make an effort to work with them on those concerns.

As a result of a public meeting which I participated in at Nashua High School back on September 9, an interesting thought was advanced, and that is to have funds go directly to local school boards for those States which decline to accept Goals 2000 funds.

Mr. Ovide Lamontagne, the chairman of the New Hampshire State Board of Education, thought that was an idea which would be acceptable. I am not suggesting that he made a final commitment to it, but at least from his point of view, it had merit subject to the power of the State to intervene if something extraordinary was done which was contrary to the State's views.

So, Mr. President, I urge my colleagues to take a look at the legislation as a way to amend Goals 2000, as a way of seeking an adjustment and accommodation with the House on the appropriations process and encouraging States which are not now entering into compliance with the ultimate view that we have to better the education of school children in America.

I thank the Chair and yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WORK FORCE DEVELOPMENT ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 143, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kassebaum amendment No. 2885, in the nature of a substitute.

Ashcroft amendment No. 2893 (to amendment No. 2885), to establish a requirement that individuals submit to drug tests, and to ensure that applicants and participants make full use of benefits extended through work force employment activities.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the pending Ashcroft amendment be set aside for the consideration of the amendment being offered by Senator SPECTER and Senator SIMON.

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

AMENDMENT NO. 2894 TO AMENDMENT NO. 2885

(Purpose: To maintain a national Job Corps Program, carried out in partnership with States and communities)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. SIMON, Mr. HATCH, and Mr. JOHNSTON, proposes an amendment numbered 2894 to amendment No. 2885.

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

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

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

Mr. SPECTER. Mr. President, in the interest of time—and I understand my distinguished cosponsor, Senator SIMON, will be arriving in the Chamber shortly—I will proceed with some of the opening considerations.

This is a carefully crafted amendment which builds upon the work of the distinguished chairman of the committee, Senator KASSEBAUM. It is responsive to concerns raised by the General Accounting Office to maintain the Job Corps Program in its current structural form with reforms addressing many of the needs identified by Senator KASSEBAUM and the GAO report.

In my capacity as chairman of the appropriations subcommittee which has the responsibility for funding Job Corps, I have been intimately familiar with the operation of Job Corps. During the 15 years that I have been in the U.S. Senate, I have been an advocate for its implementation and have worked to secure funding of almost $1.1 billion for the program.

It is my view, after seeing the application of the Job Corps in my home State of Pennsylvania and in other States, after working assiduously with my former colleague, Senator Heinz, for the opening of a major Job Corps center in Pittsburgh and having seen the successful implementation of the other three Job Corps centers in Pennsylvania, that the current requirements operating as a Federal program ought to be maintained.

I appreciate the general concept of block grants, but it is a concern of

GOALS 2000 APPROPRIATIONS AMENDMENTS

<u>Summary of Amendments and Key Issues</u>

1. Authority to add 6 additional ED-Flex states, without regard to size.

- o Maryland and New Mexico are in line
    - o Maryland needs to send letter requesting to be considered
- o Do we continue to award on first-come, first-serve basis, or is there some way to make the process more competitive (without damaging chances for New Mexico and Maryland)?

2. Eliminate NESIC

3. Elimate OTL standards

4. Eliminate specific planning panel requirements

5. Substitute public accountability for ED plan review

- o Determine procedures states need to use to provide required assurances and notify ED that they are using this option
- o Clarify that states using this provision remain eligible for funding after Year 2
- o Decide whether/how to assist/encourage states to undertake peer review anyway
- o Clarify that states using this provision are <u>not</u> eligible for Ed-Flex, because they will not meet the requirement of having an approved plan

6. State by-pass

- o Determine the states affected by this provision (Virginia, New Hampshire, Alabama, California, Montana, Oklahoma)
- o Determine procedures and timeline for grants competition to LEA's in each state
    - o to what extent can we work with each SEA to (1) determine priorities for the state; (2) review grant applications and make recommendations to Secretary;
    - o how will we involve other from state in process (e.g., Schld Bds Assoc?) of setting priorities for state--especially since we need to move very fast to get the money out;
    - o set deadline for affected states to notify us of their plan to: (1) participate in Goals; (2) approve local participation through by-pass provision; or, (3)

continue to not participate and to not approve of independent local participation

- for state electing option (3), reallocate immediately. Do we want to indicate that we will also reallocate Yr. 3 funds when they become available?

7. Clarifying that Goals 2000 does not require OBE, health clinics, etc.

Key Actions

1. Within the week of enactment, letter from Secretary to all chiefs and governors (except in affected states) notifying them (1) of continued funding for Goals; (2) of amendments to Goals; (3) of explanation of amendments and their implications for program administration; (4) that further guidance will be made available shortly.

2. Within days of enactment, letter from Secretary to chiefs in nonparticipating states, informing them of all amendments, and giving them a deadline to (1) challenge determination that they were not participating as of Oct. 20; (2) inform us of intent to participate or approval of local bypass (with specific deadlines for filing application or taking other steps as appropriate) or Yr 2 funds will be reallocated;

3. Immediate state-by-state strategy of notification of key friends before letters are sent. (initial calls will affect need for, content and timing of subsequent ones)

- **New Hampshire:** Betty Twomey, Dick Goodman, Nils Larsen, Dem. Sen

- **Virginia:** Jim Jones, Paul Council, Don Byers, School Boards Association, Bill Bosher

- **Montana:** Nancy Keenan, Gov.

- **California:** Delaine Eastin, Gray Davis, Jerry Jacobs/Van Skilling, Maureen DiMarco

- **Alabama:** Ed Richardson, Anne Jolly, Bus. Group

- **Oklahoma:** Sandy Garrett

4. Communications strategy

- Internal to Department:
  - Briefing and talking points for Senior Officers
  - Briefing, talking points, and strategy session with SRR's

- Press statement on Goals 2000 from Secretary

- National media op-ed--problems in Goals are now fixed (Diane Ravitch? Bob Jones? other business leader? current/former R. Gov (McKernan)
- Local op-eds in battle ground states (work with SRR's, and allies in each state)