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## Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, our Father, the true Source of stability in stress, we claim Isaiah's promise, that Your wisdom and knowledge will be the stability of our times.—Isaiah 33:6. Your faithfulness is our foundation as we begin this new day; You will guide and strengthen us each step of the way. Quiet our turbulent, anxious hearts so we can hear the guidance You want to impart. Fill us with profound inner peace so we may be still until we are sure of Your will.

Give us tough faith for troubled times that is rooted in confidence that You will help us untangle knotty problems, change difficult situations, and deal with troublesome pressures. We admit our need for You; we submit to direction from You; and we commit our lives to serve You. In the Name of our Lord and Savior. Amen.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

### THE PRAYER

Mr. JEFFORDS. Mr. President, first, let me thank the Chaplain for a powerful and an appropriate prayer.

### SCHEDULE

Mr. JEFFORDS. This morning there will be a period of debate until approximately 10:40 a.m. in relation to the higher education and Department of Defense conference reports. At the conclusion of that debate time, the Senate will proceed to three stacked votes, the

first on adoption of the higher education conference report, followed by a vote on the adoption of the Defense Appropriations conference report, followed by a cloture vote on the motion to proceed to the Internet tax bill.

Following these votes, the Senate will begin a period of morning business until 12:30 p.m. and then recess until 2:15 p.m. to allow the weekly party caucuses to meet. After the caucus meetings, the Senate will resume morning business until 3:15 p.m., at which time the Senate could consider any legislative or executive items cleared for action.

The leader reminds all Members that there will be no votes this afternoon and all day Wednesday in observance of the Jewish holiday.

I thank my colleagues for their attention.

### MEASURE PLACED ON CALENDAR—H.R. 4579

Mr. JEFFORDS. Mr. President, there is a bill at the desk that is due for its second reading.

The PRESIDING OFFICER (Mr. GORTON). The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the GASDI trust funds, and for other purposes.

Mr. JEFFORDS. I would object to further proceedings on the measure at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

### HIGHER EDUCATION AMENDMENTS OF 1998—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now

proceed to the consideration of the conference report accompanying H.R. 6, which the clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6) have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 25, 1998.)

The PRESIDING OFFICER. Time for debate on the conference report is limited to 30 minutes equally divided.

The Senator from Vermont is recognized.

### PRIVILEGE OF THE FLOOR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Pam Moran, a fellow with the Committee on Labor and Human Resources, be allowed the privileges of the floor during consideration of the conference report accompanying H.R. 6, the Higher Education Amendments of 1998.

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

Mr. JEFFORDS. Mr. President, I think all you need to do is take a look at the conference report as it sits on the desk to understand the amount of work that has gone into this bill. This is an extremely important bill, and I am extremely pleased that the Senate is on the verge of sending to the President the Higher Education Amendments of 1998.

Today marks the culmination of 18 months of hard work that, for me, began with the Labor Committee's hearing in Burlington, Vermont last February.

The Higher Education Act is among the most significant statutes under the jurisdiction of the Committee on Labor and Human Resources. Since its inception in 1965, the Act has been focused

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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on enhancing the opportunities of students to pursue postsecondary education. The grant, loan, and work study assistance made available by this Act has made the difference for countless millions in pursuing their dreams for a better life. The legislation we are considering today builds on the proud legacy of this Act.

In the face of rising college costs, Congress will provide students with the lowest cost loans in nearly two decades. With increasing concern about the quality of our nation's teachers, this bill will take giant steps in improving teacher preparation. And with students, parents, and—frankly—Senators concerned about the delivery of student aid, this bill completely overhauls the federal role by placing it in the hands of a professional and accountable agency within the Department of Education.

Getting to this point has been a challenging, but rewarding, journey. The process in both the House and Senate has been characterized by a spirit of bipartisanship, with members sharing the basic objective of making higher education programs work better for students and their families. I commend the work of the chairman of the House Committee on Education and the Workforce, Representative BILL GOODLING, and the committee's ranking member Representative BILL CLAY. The House subcommittee leadership, Representative BUCK McKEON, and ranking member Representative DALE KILDEE have also done a yeoman's job throughout the process.

I would also like to acknowledge in particular the contributions of the labor committee's ranking minority member, Senator KENNEDY, and the efforts of Senator COATS and of Senator DODD. From the beginning, these three members have been steadfast in their commitment to work through differences and to craft a solid piece of legislation.

At the start of the reauthorization process, we set out to achieve a number of important goals designed to strengthen higher education programs. I am pleased to say that this conference report achieves the major objectives identified at the beginning of our efforts: to assist students, to improve the quality of teaching, to maintain two viable loan programs, and to improve the delivery of student financial aid.

First, the final bill preserves the focus on students—who are the primary reason we have a Higher Education Act in the first place. Students now in school will be assured of receiving the lowest interest rate in nearly two decades on their loans.

Students now in high school who aspire to a college education will benefit from an expanded early intervention program known as GEAR UP, as well as continuing to receive services from the time-tested and highly regarded TRIO programs. The new GEAR UP program combines features of the ex-

isting National Early Intervention Scholarship Program, which I sponsored in 1992, with recommendations proposed by the Administration and included in the House bill. The GEAR UP program preserves the best features of the program now operating successfully in 9 states, while expanding the pool of participants and approaches involved in early intervention.

Students who have graduated and are faced with exceptionally high loan burdens will be able to take advantage of extended repayment options under the guaranteed loan program. In addition, the measure provides a four-month window within which students may obtain Direct consolidation loans at an interest rate set at the 91-day Treasury bill rate plus 2.3 percent.

Recognizing the toll which ever increasing colleges costs are placing on students, the bill builds on recommendations of the National Commission on the Cost of Higher Education so that students and their families can obtain useful cost information.

Second, perhaps the most exciting and far-reaching innovation in this legislation is its provisions dealing with teacher preparation. Numerous small, categorical—and unfunded—teacher training programs are repealed and replaced with a comprehensive model for change and improvement. The teacher quality provisions included in Title II of H.R. 6 are an important first step towards really improving teacher training. Working at both the state level to promote system-wide reforms and at the local level to develop partnerships to enhance the quality of teacher training, the bill offers a comprehensive and systematic approach to this pressing national need.

At its foundation, these provisions embrace the notion that investing in the preparation of our nation's teachers is a good one. Well prepared teachers play a key role in making it possible for our students to achieve the standards required to assure both their own well being and the ability of our country to compete internationally. In fact, the continued health and strength of our nation depends on our country's ability to improve the education of our young people. Integral to that is the strength and ability of our nation's teaching force. Without a strong, competent, well prepared teaching force, other investments in education will be of little value. I think these provisions will be viewed as one of the lasting achievements of this reauthorization.

In addition, the legislation provides loan forgiveness for students who go into teaching. It is my hope that this new benefit will expand the number of talented teachers serving school districts with large numbers of low-income children.

Third, this bill reflects a strong commitment to the maintenance of two viable loan programs—the guaranteed or Federal Family Education Loan Program (FFELP) and the Direct Loan Program. To the extent possible within

budgetary constraints, the bill "levels the playing field" to assure the continuation of fair and healthy competition between the two programs. This bill extends the provisions of the Emergency Student Loan Consolidation Act of 1997 which permit Direct loans to be included in FFELP consolidation packages. Following a four-month period (October 1, 1998, to January 31, 1999) in which Direct consolidation loans will be set at the 91-day Treasury bill rate plus 2.3 percent, Direct and FFELP consolidation loans will carry the same interest rate. That rate will be the weighted average of the loans consolidated, rounded up to the nearly one-eighth of a percent and capped at 8.25 percent.

Among the most challenging tasks facing the committee was developing a student loan interest rate which could offer the lowest viable interest to students while assuring sufficient lender participation to preserve full access to loans. After extensive consultation with students, lenders, representatives of the higher education community, the administration and financial services experts, a compromise interest rate package was developed. Lender yield is reduced by 30 basis points, while students receive the significant interest rate reduction they have anticipated. This solution is by no means perfect, but it promises to preserve the stability of the FFEL program for the nearly 4 million students and their families who depend upon these loans each year.

Fourth, the legislation includes a number of initiatives designed to improve the delivery of student financial aid services. It includes a new guaranty agency financing model—the goal of which is to achieve cost savings and efficiencies in the delivery and administration of student aid while ensuring that students, lenders, the Federal government, and institutions of higher education receive high quality service. Additional efforts to improve the delivery of student aid programs include the development of a Performance Based Organization (PBO) to strengthen the management of key systems within the Department of Education. A number of provisions in the legislation also pave the way toward taking advantage of the efficiencies made possible through electronic processing and other technological advances.

Looking toward the future, the bill contains several provisions dealing with the Year 2000 computer problem. The Office of Management and Budget has raised serious questions about the Department of Education's ability to meet the timetable outlined by the General Accounting Office for the testing of software renovation work. Failure to renovate all mission critical systems could result in disruptions in the management and delivery of student financial aid to more than 8 million students. This is an area which the committee will be following closely in the months ahead.

Finally, I would point out that this legislation complies with the Budget Act. In order to bring the bill into balance, the conferees had to make a number of difficult decisions. In making these decisions, we attempted to select options which would maintain the lowest possible interest rates for students and which would preserve new student benefits such as extended repayment options under the guaranteed loan program and teacher loan forgiveness. I recognize that particular concern has been raised about provisions in the bill which eliminate a provision of the bankruptcy law that permits individuals filing for bankruptcy to have their student loans canceled if the loans have been in repayment for seven years or longer. Individuals who file for bankruptcy may still have their student loans canceled if the bankruptcy court determines that repaying the loans would cause undue hardship. Currently, the undue hardship option accounts for 70 percent of all student loan discharges. In addition, a number of options are available to assist borrowers who are having difficulties repaying their loans, including deferment, forbearance, cancellation and extended, graduated, income-contingent and income-sensitive repayment options. In just about every case, these options are preferable to declaring bankruptcy.

Over the years, the federal effort in higher education has been substantial, and this legislation will assure that it will continue to be so. The Higher Education Act currently provides \$48.5 billion in student financial assistance for 8.5 million students and \$216 million for institutional development. In 1995-96, 55 percent of undergraduate students received financial aid under this Act. Over the next ten years, the Federal government will guarantee over 88 million student loans—totaling over \$383.5 billion. Over the next five years, the Federal government will provide more than 25.4 million Pell Grants.

As I said before, Mr. President, this conference report to the Higher Education Amendments of 1998 is the culmination of almost two years of good bipartisan work. Not only does it represent a huge victory for America's students, but it represents a victory for all Americans as it shows that Democrats and Republicans can work together when it comes to the needs of our next generation. This legislation gives millions of students the financial key to unlock the door to higher education. By lowering the interest rate for student loans to the lowest levels in nearly 20 years and by increasing the level of Pell grants, we are allowing higher-learning to mean higher-earnings for more of our children. Vermont has a proud tradition when it comes to higher education in the United States Senate, from Bob Stafford to Justin Smith Morrill. I can only hope that, with the passage of this legislation, I will have helped continue that tradition.

By increasing the access and quality of higher education, this bill will help ensure that our nation remains a leader in educational excellence for all of our citizens. It deserves the support of all members of the Senate.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, as I understand it we have 15 minutes; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I yield 4 minutes to the Senator from Connecticut, 4 minutes to the Senator from Rhode Island, and I will yield myself, now, 4 minutes.

Mr. President, I want first of all to express my appreciation to my friend and colleague from Vermont, Senator JEFFORDS, for his leadership in this area. It follows a long tradition of Vermont Senators being committed to education policy. Senator Stafford, a long-time friend, was strongly committed to education. At a time when there are differences that are all too obvious between the two political parties, Senator JEFFORDS constancy and commitment in the area of higher education, I think, have been very, very impressive. All of us have enjoyed the opportunity to work with him.

I commend my friend and colleague, Senator DODD, who has been extremely active and involved in the workings of the higher education legislation, both in the committee and the conference, and has been a key player in his involvement and commitment in higher education.

I see, as well, my friend Senator REED, who has a particular interest in teacher training programs and has a long tradition, with Senator Pell of Rhode Island, and also in the House, of commitment to higher education. We have a number of others who I will describe in greater detail as time permits, but I am particularly appreciative of my colleagues' strong support.

The Education Act of 1998 is a strong and bipartisan bill that deserves the support of all Members. It renews our commitment to make higher education more affordable and more accessible to qualified students. The House and Senate passed the original versions of the bill almost unanimously, and the conference report preserves most of the best features of both bills. It enhances benefits for students, particularly for students who want to be teachers. It increases the maximum authorization for the Pell grants for the neediest students and expands the formula for calculating their financial need in order to protect a larger amount of income for working parents and students with greater opportunity for eligibility for those Pell grants.

The bill also reduces the cost of Pell grants by almost 1 percentage point. This reduction can make a significant difference for students who may face a mountain of debt when they graduate. This change will result in savings of

\$700 on the average debt of \$13,000, and savings of over \$1,000 on a debt of \$20,000, which is enormously important to make these loans—and college—accessible for the sons and daughters of working families.

I am disappointed, however, we could not extend this benefit to all recent graduates. Under the bill, the rates for consolidation loans will be permanently lowered in both programs from their previous statutory rates. The bill does create a short time window for recent graduates to consolidate their existing loans under the Direct Lending Program at the same low rates applicable for new loans. This opportunity will be available for another 4 months in addition to the 3-month window already in effect, so the students will have a total of 7 months to consolidate their loans. Many of us would have liked to have had a longer period of time, but budgetary restraints constricted us. I think it is going to be enormously important that students and their parents look into the consolidations that can save them a great deal of money.

One of the key features of the bill is improving the training of teachers. The legislation supports local partnerships that include elementary-secondary schools and colleges and provides competitive grants to States. This assistance is urgently needed to strengthen teacher training. If we are to find an area of greatest need, probably in our whole education system, it is putting a well-qualified teacher in every classroom in this country.

Mr. President, I reserve the remainder of my time and I yield 4 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague from Massachusetts.

Let me quickly join with those who will commend our colleagues from Vermont and Massachusetts, the chair and the ranking member of the full committee, for their terrific work. I also want to thank our colleague from Indiana, Senator COATS, and others, whom the chairman of the committee put together to work on this bill as sort of a working group on higher education. Certainly without their efforts we would not be at the point we are today in proposing what I think is a good bill.

You can ask families all over this country what concerns them the most. And the answer, time and time again, is education—particularly higher education. Families know that there is little as important to their children's lifelong success as achievement in post-secondary education.

And families today are worried about higher education. They worry about its cost—which is growing in many instances at outrageous levels. They worry that too many students give up the dream of college long before graduation from high school. And they worry that colleges are not keeping up

and educating their children for the next century.

These are fundamental concerns and they have been the driving force behind this strong legislation. For two years, I have been working with Senator KENNEDY, Senator JEFFORDS, Senator COATS and the other members of the Labor and Human Resources Committee, and, in the past few months with the House Education and Workforce Committee, to complete this important bill. And I think our bipartisan efforts have helped produce a bill that will help America's students and families.

It is a bill that, frankly, I think could have been better—but I believe that we have done a good job with the realities that we face.

This bill does four things that I think are commendable. One, it addresses the issues of college costs head-on—really for the first time in my memory here that we address this issue. Many of my colleagues may not be aware that over the past 20 years the cost of college has gone up 304 percent as compared to every other area of our economy where inflation has risen about 165 percent. So we are looking at a tremendous increase in college costs for families all across this Nation.

For the first time, this bill will ensure that families have access to comprehensive, comparable information on cost. I am particularly pleased that these disclosure provisions will be enforced by the Secretary with the strong fine that I authored in the Senate bill. We also authorize a follow-up study on why costs are escalating, as recommended by the Cost of College Commission, and we direct the Bureau of Labor Statistics to develop a market-basket for higher education so that we finally have a workable yardstick with which to judge college costs.

I think that is a critical issue. Every year we see these costs go up, parents legitimately ask the question why. And while individual institutions can give some reasons, I think we need to get a better handle on that. The provisions in this bill are simply a first step and a warning to colleges: We are serious about this effort and will no longer sit idly by while costs increase far faster than inflation.

Second, the bill goes right to the heart of the student aid issue. We provide students with significantly improved loan rates, with a reduction in interest of nearly one percent. As a result of lowering the loan rates, students in my State could save as much as \$650 a year. That may not seem like a lot to some, but to middle-income families in my State that kind of savings can make a huge, huge difference.

I would also point out this bill, of course, raises the maximum amount that can be received under a Pell grant to \$4,500. That makes a huge difference, again, for families that fall within the category of receiving that kind of assistance. So we really reach right out to those families with this bill and make a difference for them.

We also afford students with the largest loans new repayment options that will allow them to extend the time of repayment. And we provide new teachers serving in needy districts with loan forgiveness.

Third, we finally really understand the role here of the nontraditional student, which is critically important. The nontraditional student, candidly, is becoming the traditional student. The traditional student is the one who goes to college for 3 or 4 years without interruption. Today, more and more students are ones who work, who take a year off from studies while they work to save money to pay for the next year of education. People need education throughout their lives, so they go back to school. This bill really reaches into that community and provides some wonderful opportunities, including things like distance learning.

Senator KENNEDY of Massachusetts has for years talked about the importance of providing educational opportunity for people who do not have the time or the resources to go to a traditional setting but can, through distance learning, acquire the knowledge and skills necessary to improve not only the quality of their lives, but the quality of all of our lives through enhanced educational opportunity.

This bill would also help the non-traditional student through the high-quality, affordable campus-based child care programs for low-income students which I offered.

Last, beyond meeting the fundamental concerns of students, this bill will strengthen our educational institutions themselves. This bill fundamentally restructures federal support for teacher training and focuses support on high quality reforms that bring and keep excellent teachers in our classrooms. Plus, we restructured and improved federal support for developing institutions, like community colleges and colleges serving at-risk minority populations.

I am disappointed we did not include the Wellstone amendment on TANF eligibility for those pursuing post-secondary education. It is clear that education is the best long term solution to ending welfare dependency, but we were frankly unable to move the House conferees on this issue. I want to continue to work to move this initiative forward and pledge to work with Senator WELLSTONE to identify other legislative vehicles for this important reform. I was also disappointed that we were forced to adopt two provisions—eliminating the bankruptcy discharge of student loans after seven years of repayment and increasing the fee on Ginnie Mae loans—outside of our committee's jurisdiction to ensure that this bill was budget neutral.

Again, I admit that this legislation is not perfect. But on the whole, I think that this is a very good bill that will help American students and families, and it is evidence of what we are capable of doing when we all work together.

I ask unanimous consent the list of staff, key staff people who worked on this bill, be printed in the RECORD.

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

Senator Jeffords' staff: Susan Hattan, Scott Giles, and Jenny Smulson.

Senator Kennedy's staff: Marianna Pierce and Jane Oates.

Senator Coats' staff: Townsend Lange.

Senator Dodd's staff: Suzanne Day.

Mr. KENNEDY. I yield 4 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes.

Mr. REED. Mr. President, I first want to thank Senator KENNEDY for yielding me time and I add my commendation along with that of my colleagues to both Senator JEFFORDS and Senator KENNEDY for the remarkable work they have done. This has been a long process, but it has been one that has been very positive, collaborative, and collegial. Senator JEFFORDS and Senator KENNEDY have been very supportive of efforts by all the members of the committee and Members of this Senate to incorporate, to improve, and to bring forth today legislation of which I think we can all be proud.

This legislation does so much to improve the quality of educational opportunity in the United States. One of the keys to our country, not just its economic prowess but its social progress, is the ability of all of our citizens to go on to higher education. This bill will advance that goal significantly. I applaud all of those who participated in this process.

As my colleagues have mentioned, there are many important aspects of this legislation that should be noted. First of all, there is an increase in the authorization of the Pell grant, which will allow, particularly many low-income students, further access to higher education. There is a reduction in the interest rates which students will pay on loans, which will help them bear the burden of the ever-increasing cost of college. There is loan forgiveness for teachers, a revamping of our early intervention efforts, and a strengthening of the TRIO Program, which is a very important program that targets low-income students who will be the first in their family to attend college. Without TRIO, these students may not have the guidance, the information, and the support to make it into and stay in college. Also, there has been some significant effort to begin to address cost issues with respect to college education.

All of these are commendable, but there are two very important issues which I would like to stress. First, this Senate last year restored the State Student Incentive Grant Program, a very important program which takes limited Federal resources, matches them with State dollars, and provides grants to needy undergraduate and graduate students. The Conference Report contains legislation I introduced

with Senator COLLINS to reform this program. It is now the LEAP Program, the Leveraging Educational Assistance Partnership Program. This revamped program will be a continuation and a strengthening of our commitment to ensure that all Americans have access to quality higher education.

Also, there is a very, very strong teacher training title in this bill. Again, I thank both Senator JEFFORDS and Senator KENNEDY for their efforts in this regard. We built on legislation I proposed, and we created a situation in which now there will be incentives for teacher colleges to have active partnerships with elementary and secondary schools.

We are trying to move in a direction of more clinical training for teachers. One of the sad commentaries I have heard—and I am sure my colleagues have also—is that for so many teachers, on the first day of school, it is practically their first day in a classroom as a teacher. This should change. This approach of partnerships between higher education institutions and elementary and secondary schools, particularly one partnership model known as professional development schools, is a positive way to increase the professional development of our teachers, which could be the single most important factor in improving and reforming education in the United States today.

This legislation is not perfect, but it is a remarkable achievement based upon cooperation and a collegial approach to this issue.

I commend and thank my colleagues, particularly the chairman, Senator JEFFORDS, and the ranking member, Senator KENNEDY, for all of their work. I look forward to the speedy acceptance of this conference report.

I yield back my time to the Senator from Massachusetts.

#### INCLUSION OF THE FACULTY RETIREMENT INCENTIVE PROVISION

Mr. MOYNIHAN. Mr. President, I would like to bring to the attention of my colleagues a small, but important, provision included in the reauthorization of the Higher Education Act. Title IX clarifies existing law by making it permissible for colleges and universities to offer voluntary, age-based retirement incentives to tenured faculty in addition to their regular retirement benefits.

The inclusion of the Faculty Retirement Incentive Act in the Reauthorization of the Higher Education Act will provide a “safe harbor” for colleges and universities by clarifying that the early retirement incentives are permitted by the Age Discrimination in Employment Act. The faculty retirement incentive provision will benefit colleges and universities, as well as those faculty who choose to participate. As officials for the American Association of University Professors have stated, this provision will “provide greater flexibility in faculty retirement planning, offer a substantial retirement benefit to those professors

who choose to retire under the terms of an incentive plan, and leave other professors whole in their choice to continue their careers.”

At the beginning of the 105th Congress, Senator ASHCROFT and I introduced legislation similar to the age-based retirement incentives language the House included in its Higher Education reauthorization bill. I was very pleased to learn of the diligent effort of those on the House Education and Work Force Committee to add this provision to their bill.

I thank the members of the Senate Labor and Human Resources Committee for working with Senator ASHCROFT and me on this issue. I especially thank Chairman JEFFORDS and Senator KENNEDY for their thoughtful consideration of this measure and for allowing it to remain in the bill during conference. Lastly, I express my appreciation to Senator ASHCROFT for working closely with me on getting the Faculty Retirement Incentive bill into law.

Mr. HARKIN. Mr. President, few individual pieces of legislation embody the spirit of the American dream as does the Higher Education Act. First passed in 1965, this legislation opened the doors of college and a more prosperous future to millions of students. Without federal college grants and loans, most Americans would not be able to get the postsecondary education that is essential in today’s competitive international economy.

The pending legislation—the Higher Education Amendments of 1998—strengthens our nation’s commitment to a higher education and I am pleased to support this important piece of legislation. I congratulate Senators JEFFORDS, COATS, KENNEDY, and DODD for crafting a genuinely bipartisan bill. I appreciate their leadership and commitment to ensuring access to college for millions of Americans.

My colleagues have extolled the many fine features of this legislation—lower interest rates for students, improved teacher preparation programs and a modernization of the system for delivering student aid. I am in full agreement on the positive aspects of this legislation.

However, as we all know, legislation involves many compromises and I would feel remiss if I did not also express my disappointment about two provisions in the legislation.

We are all acutely aware of the soaring debt accumulated by U.S. students. The reduction in the interest rate by nearly eight tenths of a point, will provide critical relief to students. As a result, they will save hundreds of dollars.

The bill also allows individuals to refinance outstanding loans at a lower interest rate by extending the current interest rate on direct loans for four more months. Thereafter, the interest rate on consolidation loans will increase to the weighted average of the outstanding loans with a cap of 8.25%. The conferees rejected attempts to pro-

vide a longer period for consolidation at the lower interest rate with means that many students will be unable to refinance their loans to get more favorable rates.

Modest cuts in the generous subsidies to lenders and guarantee agencies would have enabled us to provide a longer window for consolidation. It is my sincere hope that we will continue to work together to extent this important benefit to make it easier for individuals to pay off their students loans.

Secondly, to pay for a lender subsidy for students, the legislation increased the fee that FHA mortgage borrowers will pay to Ginnie Mae in the future from 6 to 9 basis points. If not overturned at a later point, this provision will cost hundreds of extra dollars to modest income homebuyers in order to acquire a mortgage. Clearly, Ginnie Mae which makes insures the mortgages does not need the funding. This is a straightforward tax on modest income homebuyers, often making \$25,000 to \$40,000 per year inserted into this measure. The conferees may talk about their hope that the 3 basis points will be absorbed by mortgage bankers. But, given that competitive market, most of that cost will be passed on. I will work to overturn this inappropriate source of funds.

Even though I have reservations about some provisions in this legislation, I believe it is a strong bill and worthy of our support. The bill strengthens Federal student aid programs for the future, and I urge my colleagues to support the Higher Education Amendments of 1998.

Mr. TORRICELLI. Mr. President, I rise today to offer my appreciation to my colleagues on the Labor Committee for their hard work on the Higher Education Reauthorization Act of 1998. I am especially grateful to the Chairman and Ranking Member, Senator JEFFORDS and Senator KENNEDY, for their inclusion of two provisions I authored which are critical to the people of this Nation and of my state of New Jersey.

The first addresses the issue of campus safety. Mr. President, every year, over 10 million students and their parents agonize over where to attend college. They spend months researching schools and visiting campuses in an effort to find the perfect fit. Just as information is the key to making an informed choice about professors or scholarships, it is the key to choosing a safe learning environment. Currently, students and their parents do not have access to all the information.

Current law requires colleges and universities to report statistics on crimes that occur on their campuses. Reports of hate crimes, however, is limited to only those that result in murder, rape, or aggravated assault. This is the law notwithstanding the fact that these 3 categories of crimes only represent 16 percent of the total number of hate crimes that occur on college campuses every year. Over 80% take the form of other crimes, including simple assault and robbery.

An amendment I offered, which is now part of the Higher Education Act, will ensure that students and their parents have all the information necessary to choose a safe school. This amendment will require colleges and universities to report all hate crimes that involve either bodily injury or a serious property crime such as burglary or arson. It also expands the definition of a hate crime to protect women and the disabled. Current law only protects against crimes motivated by prejudice based on race, ethnicity, religion, or sexual orientation.

Our children are our future. Their college years are among the most exciting and formative of their lives. Expanding the types of hate crimes colleges and universities must report will empower students and parents with all of the information necessary to ensure that those years are as safe as possible.

I would also like to thank Senators JEFFORDS and KENNEDY for their inclusion of another amendment I authored which will freeze the status of a student reservist's grace period for paying back their education loans until they return from active duty service. All students are permitted a grace period of up to nine months after graduating or withdrawing from class before they must begin to repay their student loans. However, the typical length of active duty service for a reservist is currently 270 days, meaning that a student's grace period has often expired by the time they return home from military service.

We should not welcome our courageous men and women in uniform home from active duty by handing them a bill. Students who serve their country in the armed forces should at least have the peace of mind of knowing that their student loans are not increasing while they are abroad. This provision will provide them with that peace of mind.

For these two provisions and for all their hard work on this very important piece of legislation, I thank Senator JEFFORDS, Senator KENNEDY and all of my colleagues on the Labor Committee.

Mr. SHELBY. Mr. President, I would like to ask the distinguished floor manager of the bill a question.

Mr. JEFFORDS. Certainly, I will be happy to answer my colleague's question.

Mr. SHELBY. Under Title II of the pending legislation, entitled Improving Teacher quality, the Secretary of Education is authorized to make teacher training partnership grants. These partnerships may include non-profit education organizations, businesses and teacher organizations.

Mr. JEFFORDS. That is correct. The effort is to bring a broad range of opportunities to teacher preparedness and training.

Mr. SHELBY. I know that the Senator from Vermont is quite familiar with the work of the State Humanities Councils and he is aware of the exten-

sive number of teacher institutes which they have supported over the past few years. In Virginia, for example, the council has sponsored teacher institutes on local and regional history. The Alabama Humanities Foundation's SUPER (School and University Partners for Educational Renewal) reached more than 800 Alabama teachers over a two year period.

Mr. JEFFORDS. Yes, I am well aware of the efforts of the state councils with respect to teacher institutes. Many of the Councils have worked closely with the school systems and local colleges and universities to present relevant and cost-effective teacher institutes. They have a long history in this effort and considerable experience.

Mr. SHELBY. I agree. Consequently, I simply wanted to make certain that state councils, which are non-profit entities, would qualify for participation in the teacher training partnerships.

Mr. JEFFORDS. I think they would certainly qualify and I would urge them to participate whenever they can.

Mr. SHELBY. I thank the chairman of the committee and I appreciate his response.

Mr. KERREY. Mr. President, I rise in support of H.R. 6, the Higher Education Amendments of 1998. As our economy becomes increasingly knowledge-based, this legislation represents an important step in helping individuals achieve the American Dream.

A college degree expands learning horizons and increases professional opportunities. One of the most satisfying efforts we can make as public officials and legislators is helping Americans acquire the knowledge and skills needed to seize these opportunities. This bipartisan conference agreement makes important strides both in improving the education students receive within colleges and universities and in increasing access to higher education.

Nationwide we have about 10 million students enrolled in four-year and two-year public colleges and universities. About 83,000 of those students are in school in Nebraska. We have about 2.5 million in private institutions—19,000 in Nebraska. This legislation helps those students stay in college and also opens the door for more students to obtain a college degree.

Approximately \$50 billion in this bill is devoted to postsecondary grants and loans for students. This is a wise investment for all Americans because this financial assistance to obtain higher education helps individuals increase their earning power once they graduate. When we increase the income of Americans, we reduce spending and in turn reduce the tax burden on our citizens.

According to the US Census, college graduates make an average of \$600,000 more over their lifetime than do individuals without a college degree. That differential has doubled in the last 15 years.

An individual with a bachelors degree can expect to earn \$1.4 million over the

course of a lifetime. With a professional degree, that person can earn over \$3 million in a lifetime.

But currently, only 60% of high school graduates go on to college, and by the time they are 25 years old, only about 25% have a college degree. We need to focus more attention on those students who do not enroll in four-year institutions. For those students we need to create a more seamless transition from high school to the workplace, and we need to encourage those students to take advantage of the opportunities that community colleges offer.

For those students who choose to seek a college degree, this legislation helps to make college more affordable. For instance, it cuts the student loan interest rate from 8.25% to 7.46%, which will save approximately \$11 billion for students over the life of their loans. In addition it increases aid to the neediest of students by increasing the authorization for maximum Pell Grants to \$4,500 for 1999–2000. We still have much work to do as we try to figure out how to make higher education more affordable, but this bill is a step in the right direction.

The bill also authorizes \$300 million to make significant improvements in teacher training. It establishes grants to partnerships between teacher education institutions and school districts to produce highly skilled teachers who are competent not only in their content area but also in the use of technology. It also encourages partnerships that recruit and train teachers to serve in high-need schools. In addition, it supports state-level efforts to improve teacher quality through State Teacher Quality Enhancement grants, which strengthen teacher certification standards and create alternative pathways into the teaching profession.

I am also pleased to contribute personally to this legislation in a number of ways. The bill authorizes a Web-Based Education Commission which will study the issue of quality control in educational software and determine the need for a Federal role in helping parents, students, and teachers identify high-quality educational software.

With Senator WELLSTONE and others, I helped expand student-aid eligibility for distance learning programs so that more non-traditional students will be able to obtain a college degree. We also worked together to achieve a \$10 million authorization for Learn Anytime Anywhere Partnerships, which will provide competitive grants to partnerships between schools, community organizations, and other public and private institutions to develop innovative distance education models.

Mr. President, this is a good piece of legislation, and I am happy to be a part of it.

Mrs. FEINSTEIN. Mr. President, I am pleased today to support the conference agreement on H.R. 6, the Higher Education Act bill.

The bill has a number of provisions that will be helpful to my state:

It authorizes \$300 million in new initiatives to strengthen teacher training for elementary and secondary.

It continues student loans and increases the maximum authorized Pell grant from \$4,500 to \$5,800 by 2003 to help low-income students get a college education.

It continues federal support for colleges and universities, such as science and engineering programs and graduate fellowships.

The opportunity to pursue an education, particularly a college education, has long been a hallmark of American society. In California, shifts in the economy make higher education more important than ever. Service-related jobs, such as those in high tech industries, have displaced many traditional manufacturing jobs. These new jobs require a level of knowledge and skill that can for the most part only be gained by a college education.

California has long been a leader in providing a strong higher education system. The University of California (UC) has nine campuses that serve 132,000 students. Total enrollment at UC is projected to grow by about 36,500 students by fall 2006.

The California State University System (CSU) consists of 22 regional campuses with 286,000 students. Enrollment is expected to grow by 31.4 percent or 105,809 students by year 2006.

Another important element of higher education in California is the California community college system, the largest community college system in the world. Its 106 campuses provided vocational, academic, and community service programs to over 1.5 million students of varying ages, income levels and educational backgrounds in 1997. Roughly three of four public postsecondary students were in enrolled in community colleges. The system is expected to increase by 28.9 percent as its attendance is projected to be over 1.8 million by fall 2006.

California faces huge challenges in higher education in the coming years:

First, enrollment in California's public schools, the college generation of the future, is growing at three times the national rate. Enrollment in the three major segments of higher education will increase by 28.9 percent, or by 549,144 students, between 1996 and 2006, according to the state's Department of Finance.

California will have this surge in college applicants because (1) the number of high school graduates has increased by 22 percent since 1993; (2) many adult workers are changing careers by choice because of organization restructuring, or to enhance their employment skills; (3) migration to California from other states and countries is continuing; and (4) more Californians over 40 are pursuing lifelong learning.

Second, California has 21,000 teachers on emergency credentials and will need up to 300,000 new teachers in the next decade.

Third, California has many first generation, bilingual and "nontraditional"

students. California State University, for example, has a large number of "nontraditional" students, students who are older than the usual college age. This is because many community college graduates transfer to CSU and many CSU students are working people seeking to progress professionally or maintain technical proficiency. Similarly, approximately 41 percent of community college students are in the 20-29 age group.

I am pleased that the House-Senate conferees accepted several provisions that I authored to help students and institutions in my state:

First, the 5th year Pell grant: That authorizes the Secretary of Education to award on a case-by-case basis Pell grants for disadvantaged students for the fifth year of teacher education required in California to get a teaching credential. This could enable 12,000 disadvantaged students to become teachers in California, according to the Congressional Budget Office, at a time when we are facing a severe teacher shortage and have 21,000 teachers in the classroom on emergency credentials.

Second, distance learning: The bill also includes two of my amendments to the distance learning demonstration (teaching away from the traditional campus via a computer, teleconferencing or other technologies). The first, clarifies that university "systems" (e.g., UC system, CSU system) would be eligible and the bill increases the number of demonstration sites from five to fifteen.

Third, school districts with high numbers of limited English proficient students: The bill authorizes state grants for innovative ways to reduce teacher shortages in high poverty areas. At my suggestion, the bill includes as eligible or target areas, school districts with disproportionate numbers of limited English speaking children. In California, 1.3 million students have limited English proficiency, a tripling since 1986 and at least 87 languages are spoken.

Fourth, study of few borrowers: The bill provides that schools whose student loan default rate exceeds 25% for three years will be ineligible to participate in the student loan program. For schools like California's community colleges, that have just a few borrowers, this method gives the appearance of having a very high default rate. For example, if the school has only four borrowers but two defaulters, they would have a 50 percent default rate. The manager's amendment includes my suggestion of a study of the effectiveness of this measurement method by September 30, 1999.

Student financial aid is essential to enabling millions of students to get a higher education. The California Postsecondary Education Commission estimates that 50-55 percent of students at California's public and private institutions are receiving some form of state, federal or institutional financial as-

sistance. Expenses for tuition and supplies at California's postsecondary institutions, public and private, averaged \$19,500 during the 1997-98 school year. Most families have a hard time saving that kind of money.

By continuing federal student grant and loan programs, this bill will continue to open doors to education for many Californians.

The higher education bill is a bipartisan and constructive bill that will help our nation provide a college education to millions of Americans. I hope my colleagues and the President to join me in enacting this important bill.

Mr. DASCHLE. Mr. President, I am pleased to join my colleagues in support of the conference report on the Higher Education Act. This bipartisan legislation takes important steps to lower interest rates on student loans, recruit and train new teachers, and strengthen and preserve the federal commitment to reducing the cost of obtaining a college education. I commend Senator JEFFORDS and Senator KENNEDY for their good work and cooperation on this bill.

The importance of Higher Education Act cannot be understated. In our increasingly sophisticated economy, access to higher education can be the key to a brighter future for many young people. Our federal student aid programs, including Pell grants, student loans, campus-based aid and other programs have helped millions of students afford a college education. Through these programs, we provide \$38 billion in financial assistance to more than 19.4 million students in postsecondary education institutions.

The legislation we are sending to the President improves these programs in a number of important ways. The maximum Pell Grant is increased to \$4,500 in 1999, stepping up to \$5,800 by 2004. Interest rates on student loans are cut from 8.25 percent to 7.46 percent, reducing the total cost to students by \$11 billion. Borrowers will also be able to consolidate and refinance their loan balances at the new rate for four months. In addition, the bill creates a new program to provide help to disadvantaged students to make sure they know about higher education opportunities and are in a position to take advantage of them.

Other key aspects of this bill are provisions to improve teacher training and recruitment and to expand professional development opportunities for teachers. Grants will be available to develop partnerships between teaching colleges and school districts to improve teaching skills and integrate technology into the classroom. Support will also be available for partnerships that will recruit and train teachers willing to serve in high-need schools. We know that putting students in a classroom with a well-trained, qualified teacher is one of the most effective ways to help them achieve to the best of their abilities.

I am particularly pleased that the new law will expand opportunities for

distance learning. This will help many people—especially those in rural areas, those with disabilities, and nontraditional students—gain access to programs in which they otherwise might not be able to participate.

The conference report retains a proposal, which I cosponsored, to encourage colleges to establish campus-based child care for low-income students. I also support provisions to help reduce binge-drinking on college campuses and reduce campus crime levels.

Finally, I strongly support the provision creating a new grant program for Tribal Colleges and Universities. These institutions do a remarkable job of creating educational opportunities for Native Americans. They need and deserve federal support. I call on the Appropriations Committee to fund these programs so that Native American students can have access to a higher education to advance their own skills and help their communities address the many challenges that exist today in Indian country.

I also would like to commend the conferees for their efforts to maintain a balance between the Family Federal Education Loan program and the Direct Loan program. There is strong evidence that a healthy competition between these two programs has strengthened both programs and ultimately been good for students, and I believe it is important that we work to maintain this balance.

I am disappointed about several aspects of this bill. It is unfortunate that resources were not available to reduce costs further for students and to extend the period for loan consolidation beyond four months.

I am also disappointed that Senator WELLSTONE's amendment, which would have enabled those receiving Temporary Assistance for Needy Families to attend post-secondary programs for 24 months and meet the work requirement, was not included in the final bill. I believe this proposal should be revisited because of the positive impact higher education degrees have been shown to exert on earnings, on access to health insurance, and on children's achievement levels, and because of the increased flexibility it offers for states. In South Dakota, access to higher education is particularly important on the reservations, where very few low-skill jobs are available. College degrees have empowered Native Americans to assume leadership and professional positions in their own tribes, and have enabled many to escape the path of poverty, lack of education and under-employment that traps too many living on the reservations. I appreciate the conference committee's willingness to give Senator WELLSTONE's proposal careful consideration, and I am hopeful that the awareness raised during this debate will eventually lead to expanded educational opportunities for low-income Americans struggling to become self-sufficient.

Despite these reservations, Mr. President, I believe this is a good bill that

will continue our efforts to lower the cost barriers to higher education. The Higher Education Act is a vital investment in our Nation's future. By enacting this legislation, we will help millions of young people gain skills and develop their talents, and help our Nation build a strong work force, develop our intellectual capital, and nurture the leaders of the next generation. I urge my colleagues to join me in supporting this very important piece of legislation.

Mr. DOMENICI. Mr. President, I rise today in support of the Higher Education Act Amendments of 1998. By reauthorizing the Higher Education Act (HEA) the Senate is making a down-payment on our nation's future.

I would begin by saying: it is a simple fact that the future is prejudicial in favor of those who can read, write, and do math. A good education is a ticket to the secure economic future of the middle class. As the earning gap between brains and brawn grows ever larger almost no one doubts the link between education and an individual's prospects.

And that is what the Senate is doing today, improving the post-secondary educational system of our country.

What does the bill do in a nutshell? It improves financial aid opportunities for students, creates a unified program to promote excellence in the teachers our schools produce, and streamlines HEA by consolidating overlapping programs and eliminating unnecessary regulatory requirements.

Mr. President, before I make some specific comments about provisions in the bill, I would like to first talk about how important the bill is for New Mexico.

Approximately 100,000 students are enrolled in New Mexico's public colleges and universities, with about 53,000 students enrolled in community colleges and about 47,000 enrolled in universities. However, the number of high school graduates is expected to increase during the next decade and members of the current workforce are also expected to seek additional education during that period.

Consequently, the state must have a high-quality, low-cost college education available to a growing number of students, regardless of income level, ethnic background or place of residence.

Students attending New Mexico institutions received more than \$200 million in financial aid, counting grants and loans from all sources, during the 1995–96 academic year. About 78 percent of that assistance came from federal sources, and during 1995–96, New Mexico students contracted for about \$110 million in federal loans.

Thus, I believe that educational performance is a crucial element in New Mexico's capacity to prosper in the extremely competitive national and international economy.

New Mexico's colleges and universities directly and indirectly con-

tribute to the economic vitality of the state, as they produce graduates with considerable intellectual depth and breadth, workers whose skills allow them to meet the demands of their employers, and first-rate research that helps to expand the boundaries of human knowledge.

Mr. President, I would now like to turn and make a few comments about several of the provisions in the bill and especially one that will benefit New Mexico.

Title V establishes a new part dedicated solely to supporting the needs of Hispanic Serving Institutions that is authorized at \$62.5 million for fiscal year 1999. The funds may be used for construction or maintenance of instructional facilities, support of faculty exchanges and faculty development initiatives, the purchase of books and periodicals, technological and management improvements, and improving and expanding graduate and professional opportunities for Hispanic students.

New Mexico has 17 designated Hispanic Serving Institutions that serve more than 23,500 Hispanic students. These schools include Albuquerque Technical Vocational Institute, College of Santa Fe, College of the Southwest, Eastern New Mexico University-Roswell, Luna Vocational Technical Institute, New Mexico Highlands University (NMHU), New Mexico Junior College, New Mexico State University (NMSU) Las Cruces, NMSU-Carlsbad, NMSU-Doña Ana, NMSU-Grants, Northern New Mexico Community College (NNMCC), Santa Fe Community College, University of New Mexico (UNM)-Los Alamos, UNM-Taos Education Center, UNM-Vallencia County Branch, and Western New Mexico University.

Title II, entitled Teacher Quality, focuses on improving teacher quality and the recruitment of highly qualified. First, the bill seeks to improve student achievement, through quality improvement of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities. Second, the bill seeks to increase the number of students who complete high-quality teacher preparation programs.

Title III or the Institutional Aid Title creates a new grant program for Tribal Colleges and Universities to strengthen services to Native American students. I am especially pleased with this new program because of my longstanding involvement with the issues affecting Native Americans. Tribally-controlled colleges in New Mexico like the Crownpoint Institute of Technology, the Institute of American Indian Arts in Santa Fe, the new Navajo Community College in Shiprock, and the Southwest Indian Polytechnic Institute (SIPI) in Albuquerque could potentially benefit.

Student financial aid is given a huge boost through several changes. First, the bill increases the maximum Pell

Grant levels to the following amounts: \$4,500 for academic year 1999–2000; \$4,800 for academic year 2000–2001; \$5,100 for academic year 2001–2002; \$5,400 for academic year 2002–2003 and \$5,800 for academic year 2003–2004.

The Federal TRIO Programs are given a boost through changes to the Student Assistance section in Title IV. I have always been a strong supporter of TRIO and most pleasing is how much the students, schools, and communities of New Mexico will benefit.

The 1,900 current TRIO programs provide benefits to 700,000 students nationwide. Two-thirds of participating students come from families where neither parent attended college and whose incomes are below \$24,000.

The Dissemination/Partnership provision would encourage partnerships between TRIO programs and other community based organizations offering programs or activities serving at-risk students.

The Federal Family Education Loan Program (FFEL) is stabilized in the following way. Student loan rates will be equal to the 91-day-T-bill-plus-1.7-percent while students are in school, and plus-2.3-percent during repayment after graduation. The interest amount is capped at 8.25 percent and for PLUS loans, rates will be the 91-day-T-bill-plus-3.1 percent, capped at 9 percent for borrowers and lenders.

An innovative loan forgiveness program is also included for teachers. Up to \$5,000 of a teacher's loans will be forgiven after five years of teaching for those choosing to teach in urban or rural school districts that serve large populations of low-income children.

Mr. President, in closing I believe we are taking an important step forward today by making an investment in our Nation's future with the reauthorization of the Higher Education Act.

**Mr. AKAKA.** Mr. President, I rise in support of the conference report to H.R. 6, the Higher Education Reauthorization Act. Passage of this important measure will ensure that access to higher education remains attainable for all Americans.

The increase in the Pell Grant eligibility included in the bill will help families and students offset the growing cost of higher education. This successful program has helped ensure that low-income and disadvantaged students have the opportunity to pursue a post-secondary education.

The bill also includes the continuation of the concept of the State Student Incentive Grants (SSIGs). The new modified program, Leveraging Educational Assistance Partnership Program, will continue the worthwhile effort of encouraging additional financial opportunities for students seeking a higher education.

The decrease in the student loan interest rate is another effort to ensure that students and their families are able to obtain a quality higher education. The decrease in the student loan interest rate helps students re-

duce the financial burden of higher education. Too often students are forced to choose between their education and the enormous financial hardship they must overcome to obtain the education they need to improve their lives. The agreement included in the bill helps to reduce the financial burden for students and their families.

Mr. President, the provisions in the bill relating to teacher development and preparation are important to ensure that we have the quantity and quality of teachers needed for the next generation of students. Across the country the shortage of teachers, particularly in critical subjects such as special education, math and science where there is serious demand, is having an adverse impact on our students. However, the problem is not just recruiting students to become teachers, the problem is making sure that students have the support and encouragement once they have chosen this honorable profession. Teacher development and preparation programs are essential if we are to stem the tide of teachers leaving the profession before retirement. Too many teachers are leaving to seek employment opportunities outside of the teaching profession because administrators and communities are failing to provide the support they need. The teacher development and preparation programs included in the bill will help to address this important issue.

Ensuring that our teachers obtain the educational background needed to achieve academic success must start at higher education institutions. Colleges and universities should not complain about the caliber of students pursuing higher education, while denying their educational degree programs the resources and the support that they need. The caliber of teachers leaving these institutions has a direct impact on the quality of students coming through the front door. The provisions in this bill help to address these concerns.

Mr. President, I would like to thank the Chairman, Senator JEFFORDS, and Senator KENNEDY, the Ranking Member, for their support on resolving the eligibility concerns surrounding the students from the Federated Associated States (FAS). The House, unfortunately, attempted to terminate the eligibility of college students from FAS for Pell Grants, Supplemental Education Opportunity Grants, and College Work Study.

The House provision would have upset the unique relationship the United States has with the FAS and violated the legal and moral obligation we have with the countries under the U.S. Compact of Free Association with the Republic of Palau and the U.S. Compact of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands. It would have been an embarrassment if the U.S. failed to live up to its moral obligations in ensuring that FAS citizens were given the educational assistance necessary to be-

come self-governing. The agreement worked out in conference ensures continued federal financial aid eligibility for FAS students and does not preclude the inclusion of such eligibility in the renegotiation of the Compact with the FAS.

Mr. President, I appreciate the opportunity to express my support for this important measure and look forward to its passage. Thank you, Mr. President, I yield the floor.

**The PRESIDING OFFICER.** Who yields time?

**Mr. KENNEDY** addressed the Chair.

**The PRESIDING OFFICER.** The Senator from Massachusetts.

**Mr. KENNEDY.** Mr. President, the Higher Education Act of 1998 is a strong, bipartisan bill that deserves the support of all Members of the Senate. It renews our commitment to make higher education more affordable and more accessible for all qualified students.

The House and Senate passed their original versions of the bill almost unanimously, and the conference report preserves most of the best features of both bills. It enhances benefits for students, and particularly for students who want to be teachers. It increases the maximum authorization for Pell grants for the neediest students, and expands the formula for calculating their financial need in order to protect a larger amount of income of working parents and students.

The bill also reduces the cost of student loans by almost one percentage point. This reduction can make a significant difference for students who may face a mountain of debt when they graduate. This change will result in savings of \$700 on the average debt of \$13,000, and savings of over \$1,000 on a debt of \$20,000.

I am disappointed, however, that we could not extend this benefit to all recent graduates. Under the bill, the rates for consolidation loans will be permanently lowered in both programs from their previous statutory rates. The bill does create a short window for recent graduates to consolidate their existing loans under the Direct Lending program at the same low rates applicable for new loans. This opportunity will be available for another 4 months, in addition to the 3 month-window already in effect, so students will have a total of 7 months to consolidate their loans.

One of the key features of the bill is improving the training of teachers. The legislation supports local partnerships that include elementary and secondary schools and colleges, and it also provides competitive grants to states. This assistance is urgently needed to strengthen teacher training. The bill also provides assistance for recruitment of new teachers, a critical need for many school districts. In addition, it provides loan forgiveness on student loans of up to \$5,000 for those who teach for five years in high-need schools. I hope that we can build on

this incentive in future years, as an important way to encourage more students to become teachers.

The bill also includes an early intervention initiative to encourage more middle-school students to understand that college is not out of reach. It incorporates ideas from the Administration and from Senator JEFFORDS in a new program, "Gear Up." We need to reach out to middle-school children to help them understand that a college education is attainable and affordable.

The bill also continues the program of Graduate Assistance in Areas of National Need, as a critical investment in graduate education. I am particularly pleased that the conference report preserves the portable Javits Fellowships for talented students in the arts, humanities, and social sciences.

The bill contains a new program based on initiatives sponsored by Congresswoman MEEK in the House and by myself in the Senate to encourage a higher quality of college teaching for students with disabilities. In recent years, it has become possible for many more students with disabilities to achieve the dream of a college education, and we need to do more to ensure that faculty members have the experience to teach them. This bill reaches out to all colleges and universities, and can include training for graduate teaching assistants—the faculty of the future.

The bill also expands federal aid for learning through distance education. Distance learning can open the doors of higher education to many students who cannot attend classes on college campuses because they live in remote areas, or because of their job and family responsibilities. The Department of Education will monitor the institutions participating in the distance program, and report to Congress on the results. Our goal is to ensure that distance education is of the same high quality as traditional education.

The bill also helps improve the delivery of federal financial aid, by creating a Performance Based Organization in the Department of Education. Its goal is to streamline and improve the financial aid functions of the Department, and give it more flexibility to deal with many aspects of federal aid. A principal goal of the PBO is to improve services for students, and the bill creates a new position called the Student Loan Ombudsman, which student groups have urged.

The bill also encourages improvements by guaranty agencies, by enabling them to enter into voluntary, flexible agreements with the Secretary of Education. Under these agreements, the agencies can do more to prevent defaults, instead of collecting from students after they have defaulted on loans. These voluntary flexible agreements will encourage the agencies to be more business-like and responsive to students.

This bill sets the stage for future reforms in student loans. The con-

troversy about what level to set interest rates on these loans makes clear that Congress should stop setting the rates for banks. The best solution is to accept a market-based system for student loans, and let competition set the rates for lenders.

Many Members on both sides of the aisle and in both Houses are interested in this fundamental change, and I am pleased that the bill calls for a study of competitive mechanisms for the loans. This study will help Congress make thoughtful changes in a system that is now far too costly and inefficient.

I am disappointed that the conference report does not contain the amendment to the welfare reform act proposed by Senator WELLSTONE and passed by the Senate. Senator WELLSTONE's amendment would help welfare recipients attend college for two years. We have heard from many students who have been forced to abandon their pursuit of college education because of the harsh provisions of the welfare reform law. Senator WELLSTONE's amendment is well-designed to reduce this serious problem, and it deserves to be enacted.

Overall, the numerous positive changes in this legislation will strengthen higher education. I commend the constructive bipartisan spirit that has brought us to this point. It is fitting to enact this legislation at the beginning of the academic year, and I look forward to its adoption and its successful implementation.

Mr. President, on the teacher training provisions of this Act, which our friend and colleague, Senator REED, is so very interested in, one of the new features is a loan forgiveness program—\$5,000 for a teacher who teaches for 5 years. This is a very modest forgiveness, but it really builds on the old National Health Service Corps which provided loan forgiveness for doctors to go into underserved areas. The forgiveness program was an important incentive and was really very, very important and has been effective. We hope this program will be as well.

Also, I want to mention the new program that builds on some initiatives of Senator JEFFORDS and the TRIO Program, which targets middle school classes to move the whole class toward continuing education. This has worked in different parts of the country. Now we have a program to encourage other schools to do that.

If any one of us goes to any school in this country, in an elementary and secondary class, and asks children, even in the most underserved part of our Nation, how many want to go to college, before you even get the words out of your mouth, every hand goes up. They get discouraged in later years. If they know they have the opportunity to continue their education if they apply themselves to their studies, it can have a dramatic impact in reducing dropouts and also antisocial behavior. This is a modest program, but it is very important.

I want to also mention, Mr. President, that this bill sets the stage for future reforms in student loans. The controversy over what level to set interest rates on these loans makes clear that Congress should stop setting the rates for banks. The best solution is to accept a market-based system for student loans and let competition set the rate for the lenders. We believe in competition. This is a good area in which to try it. We have many examples in different public policy areas of where auctions work. There is an excellent initiative in the House of Representatives by Republican Congressman PETRI to try an auction-based system. I am very hopeful we can find a bipartisan effort in this area to find the savings and return them to the students. It makes sense. That is a way we should proceed. We have a study of that program in this conference report.

Finally, I agree with my other colleagues. I am disappointed the conference did not accept what I think is the superb amendment of Senator WELLSTONE, which was adopted in this body, about continuing education and how this dovetails with the welfare reform program. Senator WELLSTONE will be over here to speak to that issue later on. I regret he was not successful, and I will certainly support his efforts later on to try to implement that program.

The PRESIDING OFFICER. All time has expired.

Mr. JEFFORDS. I yield the Senator 1 minute.

Mr. KENNEDY. Mr. President, I commend my colleagues on the Labor Committee for their skillful work on this bill. Senator JEFFORDS worked hard to accommodate all the concerns of all the members of the Committee, and kept the interests of students firmly in mind. Senator COATS and Senator DODD likewise contributed to the bipartisan spirit.

I also thank the following:

On Senator JEFFORD'S staff, Susan Hattan, Jenny Smulson, Scott Giles, Cory Heyman, and Pam Moran.

From Senator COATS' staff, Townsend Lange.

From Senator DODD'S staff, Suzanne Day and Megan Murray.

From my own office, Marianna Pierce, Jane Oates, and former fellows Gloria Corral, Jennifer Kron, Maria McGarrity, and Eileen O'Leary.

I also thank Debb Kalcevik from CBO; Margot Schenet, Jim Stedman, and Barbara Miles from CRS; and Mark Sigurski from the office of legislative counsel.

They have all done an excellent job, and deserve a large share of the credit for this achievement.

Mr. President, I want to single out, in particular, Marianna Pierce who is my chief of staff in the area of education. The members of the staff performed absolutely superbly and have played an indispensable role in helping all of us reach this point. I am enormously grateful to her and the other staff.

Mr. JEFFORDS addressed the Chair.  
The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I am proud to say again that this bill preserves the focus on students, who are the primary reason we have a Higher Education Act in the first place. Students now in school will be assured of receiving the lowest interest rate on their loans in nearly two decades.

Students now in high school who aspire to a college education will benefit from an expanded early intervention program known as Gear Up, as well as continuing to receive services from the time-tested and highly regarded TRIO programs. The new Gear Up Program combines features of the existing National Early Intervention Scholarship Program, which I sponsored in 1992, with recommendations proposed by the administration and included in the House bill.

The Gear Up Program preserves the best features of the program now operating successfully in nine States while expanding the pool of participants and approaches involved in early intervention.

Students who have graduated and are faced with exceptionally high loan burdens will be able to take advantage of extended repayment options under the Guaranteed Loan Program. In addition, the measure provides a 4-month window within which borrowers now in repayment may refinance their loans through either the Federal Direct Loan Program or the Federal Family Education Loan Program.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Seven minutes 54 seconds.

Mr. JEFFORDS. Mr. President, Senator COATS is on his way. Let me, in the interim, mention that education, as we know now, is a top interest in poll after poll of Americans. They want to see their educational system reformed in a way that can lead them into a position where this Nation has the best educational system in the world. Unfortunately, that is not the case right now. But we are taking a huge step forward with the higher education bill, not just in that matter which affects the students in higher education, but also the second title of the bill which deals with reforming teacher preparation.

Nothing is going to change in the classroom until the teacher changes, and the teacher isn't going to change until the teacher knows what he or she has to do in order to make our system better.

As we move into the Elementary and Secondary Education Act reauthorization next year, we want to make sure that the universities are aware that they have a role to play in ensuring that every new teacher who comes into the system is ready for the changes which are necessary to make our educational system the best in the world.

I look forward, as we move forward into next year, to continuing the effort

that our committee has taken to make this Nation's educational system the best in the world. I am confident we can do that.

But right now we do know we have much left to do. But hopefully working first with those who are teaching the teachers, we can make sure that we stop the flow in of young people who want to teach but do not have an adequate education at the universities and colleges that they should have in this day and age.

Mr. COATS. Mr. President, I am happy to rise today to speak in support of the conference report for the Higher Education Act Amendments of 1998. This higher education bill has been two years in the making and I know I join the rest of my colleagues in the Labor Committee, and in the Senate, in full support of this very important legislation.

This bill represents a strong bipartisan consensus in the Congress to ensure that students maintain access to post-secondary education through vital student opportunity programs, such as TRIO; healthy, stable, and streamlined loan programs; and a simplified student aid process. I am pleased to have had the opportunity to contribute to this important bill.

This conference report, like the underlying Senate bill, was developed with several fundamental principles. Our first, and most important theme, was to maintain the primary focus of the Higher Education Act since its inception in 1965—to ensure that students have access and opportunity to pursue higher education.

One of the most important elements of this bill aimed at ensuring student access and opportunity is the new, low interest rate for student loans. This legislation sets a student loan repayment interest rate of 7.43 percent which represents a significant reduction in the interest rate for students. The interest rate that was scheduled to take effect on July 1, 1998 would have destabilized the successful Federal Family Loan Program by causing thousands of lenders to stop making student loans, resulting in high numbers of students without student loans for this school year. The interest rate included in this conference report provides a significant reduction to students while maintaining the long-term viability of the student loan programs and ensuring that students will continue to have access to private loans at the lowest interest rate in 17 years. Depending on the size of their loan, this low interest rate will save students hundreds, even thousands, of dollars over the course of the loan.

The conference report also offers students a low interest rate for consolidation loans.

This conference report strengthens the major student opportunity programs in the act by focusing much needed attention and resources on these vital programs, with particular attention to the needs of low-income

students. This conference report reauthorizes the Pell Grant Program at its highest level ever, with maximum grant awards at \$4,500 in the 1999–2000 school year and increasing to \$5,800 in the 2003–2004 academic year. This bill also makes needed reforms to the TRIO program, which helps disadvantaged children prepare for college, and increases its authorization to \$700 million.

The vital work-study programs are also continued and expanded in this conference report. The authorization for the College Work-Study Program is increased to \$1 billion for fiscal year 1999 from the current funding level of \$830 million.

The need analysis formula is also revised to ensure that the growing percentage of independents students will be able to retain a greater portion of their income.

Another critical principle for these amendments was the improvement and modernization of the student aid delivery system. This legislation creates a Performance-Based Organization (PBO) within the Department of Education aimed at providing quality service to students and parents. The utilization of this PBO which will incorporate the best and most successful practices in the private financial sector, coupled with other reforms aimed at streamlining the student aid regulatory requirements will result in a better managed and higher quality federal student aid system.

In addition to the development of the PBO, this bill includes significant reforms to the Federal Family Education Loan Program (FFELP), and specifically to guaranty agencies. This bill restructures the guaranty agency system to ensure that these important participants in the private loan program are given the flexibility they need to help students avoid defaulting on their loans while operating in a more cost effective and efficient manner which will benefit taxpayers as well as students and their families.

A third principle which guided these amendments was the need for much-needed reform of teacher preparation programs. I am very pleased that this bill includes a new initiative for teacher training and professional development aimed at addressing the shortage of qualified teachers in this country which replaces the existing teacher preparation programs with a single authorization for three separate grant programs.

This initiative encourages state level reforms intended to produce well trained and highly competent teachers, local level partnerships intended to improve under-performing teacher education programs, and provides a separate grant for States and partnerships to compete for funds specifically targeted toward teacher recruitment.

States will compete to receive 45 percent of these teacher training dollars and can use the grants to strengthen their teacher certification requirements, create or expand alternative

certification programs to attract highly qualified people from other occupations to the teaching profession, to decrease the shortage of highly qualified teachers in high need areas, or to develop programs which reward excellent teachers and remove unqualified teachers.

Partnerships will compete for 45 percent of the funds as well, while 10 percent of the funds is reserved for recruitment grants.

This reauthorization was also guided by a strong desire to promote college cost-cutting measures, utilizing some of the recommendations of the Commission on the Cost of Higher Education which presented its findings earlier this year. This legislation includes initiatives to ensure that parents and students are kept apprised of college costs and provide with comparative data to keep colleges accountable and higher education affordable; burdensome federal regulations are reduced; and the national role in encouraging affordable higher education is strengthened.

This bill also streamlines and consolidates the many programs and activities which are found in the Higher Education Act. This act has become increasingly complex over the years and these amendments make great strides in simplifying the act and better targeting its programs and activities.

It has been a pleasure to be part of the development of this critical legislation. I have found the bipartisanship displayed throughout this process encouraging and I would like to thank the staff who have worked on this important legislation for the last two years: on Senator JEFFORD'S staff, Susan Hattan, Jenny Smulson, Scott Giles, Cory Heyman, and Pam Moran have done excellent work on this bill. In addition, Marianna Pierce with Senator KENNEDY and Suzanne Day with Senator DODD have worked diligently to ensure that this bill represents a strong bipartisan consensus. Thank you all so much for your long hours and excellent work.

Again, I am pleased to have been a part of crafting this important legislation.

#### STUDY OF MARKET MECHANISMS IN FEDERAL STUDENT LOAN PROGRAMS

Mr. DOMENICI. I would like to call attention to a study of market mechanisms in federal student loan programs, Section 801 of the conference report. I was pleased to see this issue addressed in the context of the Higher Education Act. As you know, Chairman JEFFORDS, our fiscal year 1999 Senate budget resolution raised concerns about the federal government setting interest rates for student loans and encouraged your Committee to look for a long term solution to the difficult problem of Congress setting these rates. I believe this study is a good first step and hopefully will give a good data on which to access where we go after the newly adopted student and lender rates sunset in 2003.

One matter I wish to clarify with the Chairman is the participation of the Congressional Budget Office (CBO) in this study. CBO is a critical non-partisan analytical body on which we in Congress rely. By law they can not recommend specific policies or endorse the policy recommendations of others. I would assume then that the purpose for which you seek CBO's participation in the study for their expertise on student loans, and in general, study design and analysis.

Mr. JEFFORDS. It is my understanding that the Budget Committee has asked CBO to conduct a broader-based study on student loan interest rates, subsidies, and the larger student aid program. I expect that study to be a valuable as well, and it is my view that the knowledge gained through this work could be of great benefit to the Department of Education and the Comptroller General as they undertake their own study. The role of CBO in the study contained in the conference agreement is to assist the other participants ask the right kinds of questions, use valid research and analytical tools, analyze the validity of the study's design or conclusions, where objective analysis can be brought to bear, and be an overall, non-partisan, resource for participants in the study.

Mr. DOMENICI. I appreciate the Chairman's clarification. The study language makes reference to additional or dissenting views. Is it the intent of the Committee that all members of the study group, including CBO, shall have the opportunity to express independent concurring or dissenting views within the context of the preliminary as well as final report to Congress.

Mr. JEFFORDS. That is correct.

Mr. DOMENICI. I thank the Chairman.

Mr. JEFFORDS. Mr. President, in closing, I am extremely pleased that the Senate with this vote, will have completed action on the conference report accompanying H.R. 6, the Higher Education Amendments of 1998.

The scope of the Higher Education Act is so broad that the reauthorization of all the programs it covers is necessarily a demanding and time-consuming task. Bringing this process to a conclusion would not have been possible without the concerted efforts of members of both parties in both the House and the Senate.

I express my particular gratitude to the members of the Labor and Human Resources Committee and their staffs, who have pulled together over the past 18 months to help shape a bill which will help ensure that our nation remains a leader in educational excellence for all of our citizens.

Each and every member of the committee made a positive contribution to the development and refinement of this measure. I very much value the time, effort, and commitment they have brought to this task.

I also extend my sincerest thanks to the many staff people who contributed to this product.

I particularly recognize the efforts of Marianna Pierce and Jane Oates with Senator KENNEDY, Townsend Lange with Senator COATS, and Suzanne Day and Megan Murray with Senator DODD. These individuals—along with my own staff members, Scott Giles, Susan Hattan, Cory Heyman, Pamela Moran, and Jenny Smulson—went “above and beyond” in terms of their diligent work on each and every aspect of this measure. I would also like to acknowledge the work of Heidi Scheuerman, Carolyn Dupree, and Leah Booth of my staff—who brought a semblance of control to the vast quantities of paper produced throughout this process.

I also recognize and thank the staff of other members of the committee—all of whom have shown great dedication to this cause:

Jackie Cooney with Senator GREGG;  
Lori Meyer with Senator FRIST;  
John Connelly with Senator DEWINE;  
Chad Calvert with Senator ENZI;  
Jenny Saunders and Rhett Butler with Senator HUTCHINSON;

Julian Haynes with Senator COLLINS;  
Angie Stewart and Chas Phillips with Senator WARNER;

Robin Bowen and Holly Hacker with Senator McCONNELL;

Bev Schroeder with Senator HARKIN;  
Deborah Connally with Senator MIKULSKI;

Alexander Russo and Rena Subotnik with Senator BINGAMAN;

Roger Wolfson and Robin Burkhardt with Senator WELLSTONE;

Mike Egan with Senator MURRAY; and

Elyse Wasch with Senator REED.

I want to acknowledge the extraordinary assistance offered by Debb Kalcevic, Robin Seiler, Josh O'Hara, and Justin Latus with the Congressional Budget Office, Mark Sigurski with Senate Legislative Counsel, and Margot Schenect, Jim Stedman, and Barbara Miles, with the Congressional Research Service.

This process has been a collaborative and bipartisan one every step of the way. It has produced a measure of which we can all be proud.

Mr. President, I have no other requests for time. I yield back the remainder of my time.

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#### DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report to accompany H.R. 4103, which the clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.