

University College of Medicine Student Council's Award for Excellence in Teaching, the George Washington Carver Research Foundation Student Award, and an American Council on Education Fellowship.

For this lifetime of service to education and commitment to community involvement, I rise today to recognize and salute Dr. David B. Henson as he becomes the seventeenth President of Lincoln University. I think I speak for all Missourians when I say that we are grateful that he has chosen a Missouri university to continue his service to higher education.

#### MESSAGES FROM THE HOUSE

At 12:07 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3246. An act to assist small businesses and labor organizations in defending themselves against Government bureaucracy; to ensure that employees entitled to reinstatement get their jobs back quickly; to protect the right of employers to have a hearing to present their case in certain representation cases; and to prevent the use of the National Labor Relations Act for the purpose of disrupting or inflicting economic harm on employers.

H.R. 3310. An act to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BURNS:

S. 1879. A bill to provide for the permanent extension of income averaging for farmers; to the Committee on Finance.

By Mr. CLELAND:

S. 1880. A bill to provide States with the authority to permit certain employers of domestic workers to make annual wage reports; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 1881. A bill to amend title 49, United States Code, relating to the installation of emergency locator transmitters on aircraft; to the Committee on Commerce, Science, and Transportation.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. COATS, and Mr. DODD):

S. 1882. A bill to reauthorize the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KEMPTHORNE (for himself, Mr. ABRAHAM, Mr. AKAKA, Mr. BINGA-

MAN, Mrs. BOXER, Mr. BROWNBACK, Mr. BRYAN, Mr. BURNS, Mr. CAMPBELL, Mr. CHAFEE, Mr. COCHRAN, Ms. COLLINS, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. ENZI, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. GLENN, Mr. GORTON, Mr. GRAMM, Mr. GREGG, Mr. HAGEL, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MCCAIN, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mrs. MURRAY, Mr. NICKLES, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of Oregon, Mr. SMITH of New Hampshire, Mr. THURMOND, Mr. TORRICELLI, Mr. WARNER, and Mr. WELLSTONE):

S. Res. 201. A resolution to commemorate and acknowledge the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers; to the Committee on the Judiciary.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 202. A resolution to authorize representation by the Senate Legal Counsel; considered and agreed to.

#### STATEMENTS ON INTRODUCED BILLS AND JOINTS RESOLUTIONS

By Mr. BURNS:

S. 1879. A bill to provide for the permanent extension of income averaging for farmers; to the Committee on Finance.

##### FARMERS' LEGISLATION

Mr. BURNS. Mr. President, I introduced an amendment to the Revenue Reconciliation Act of 1997 back in 1997. It extended to our agriculture producers—farmers and ranchers—the ability to average their income over a 3-year period. The amendment was included and made part of the U.S. Tax Code, but only after further negotiations, sunset the provision after 3 year which would make it run out in 2001.

Today, I would like to introduce a bill that would make income averaging for our agriculture producers permanent in the U.S. Tax Code. This bill will give our agriculture producers—farmers and ranchers—a fair tool to offset the unpredictable nature of their business.

Our man in the chair this morning from the great agricultural State of Nebraska, and the rest of us in the breadbasket of this country understand what farmers and ranchers go through. It has always been a good business and at times it is a great business. But we are going through some times now that are very stressful. As a friend of mine said the other day, there is nothing wrong down on the farm except the price. That is what we have now.

There are not very many segments of the American economy that are taking in the same amount of money for their commodity today as they were taking when World War II ended, some 50 years ago. However, they are expected to keep producing food not only in generous proportions but also the safest,

the best quality and nutritious food in the world.

What makes this Nation unique is, we not only produce it, but we have the infrastructure that allows distribution—our processors, purveyors, transportation, grocery stores, everything from the breakfast table of America all the way back to the first seed that goes into the ground is unmatched anywhere in the world. It is something of a great marvel in this country. And it is also true that every one of us alive today in this country goes about our daily business of feeding the Nation. Somewhere along the line, we are participants in this great infrastructure to deal with our own subsistence.

But basically, I want to talk about—the production level, I don't think there is a commodity today that is not hurting when it comes to the marketplace and to the whims of Mother Nature's elements that she rains down on agriculture. Agriculture production is a 7-day-a-week job as anybody that has ever worked on a dairy farm knows. I assumed that most Americans knew that, but I am finding out that I was wrong. They think milk cows take off the weekend, too, but they don't. Farming is an ongoing situation—7 days a week, 52 weeks a year. Farmers and ranchers take pride in their work. They produce as economically as they possibly can, knowing that they fall under the old philosophy that they although they sell wholesale, they have to buy retail, and they pay the freight both ways, knowing that agriculture has always been in that kind of a predicament.

Not only do they take great pride in what they produce, but probably no other segment of the American public has a greater understanding of land stewardship and the environmental problems that face our country today. Yet, very few of them are ever asked their advice on how to deal with an environmental problem. Several colleagues that serve in this body, who grew up on a farm or a ranch, certainly understand the frustration of the business. They only get paid about two, maybe three times a year. So it is a crucial time for the farm families across this country when we take a look at the situation we find ourselves in now. With the financial collapse of many Asian markets in the Pacific rim, we see wheat at an all-time low. Our corn and soybeans will suffer. As far as export trade is concerned, we export a lot more than we receive. We also see a time when we fall whim to the psychology of the market more than the market itself.

With the recent passage of the freedom to farm bill, we told farmers that subsidies were going to go away, that they were going to have to stand on their own. We also said that we would give them the tools with which to operate their farms.

Market forces are unique. We still fall victim to flood and drought, disease, new infestations which are far,

far beyond the control of the producer himself. Farmers make money one year, but may break even the next year, and then lose money the next two years. If you take market elements and Mother Nature into consideration, farmers fall outside of the business of control. So, at best, they are lucky to break even 2 years in a row, and if they have done that, they think they are really ahead.

The business is capital intensive, and labor intensive. To give you an idea just why this is an important thing, many young people right now due to death taxes—in other words, estate taxes—agriculture producers usually find themselves in the situation where they are land rich but they are cash poor. Passing the farm and ranch on to the next generation is hard when the tax situation is where they cannot do it. They may have exceeded the limit and heavy estate taxes prevent that. With increases in the top marginal tax and with a record of high commodity taxes, it is time to allow some of that income that goes back to the farm to be retained and to allow them to average their income over 3 years at those marginal tax rates.

We made a deal with agriculture when we passed the Freedom to Farm Act. We made a deal with them that there would be no more subsidies, but we would give them income averaging and all the tools that it would take to hang on to their money so that they could invest in next year's crop. If you want to really measure a man's faith, have him take his money, his time, his

efforts, and his investment and have him put a seed in the ground in hopes that it will just sprout, let alone harvesting a crop.

That is faith, we have always had it in agriculture, and it has always been the backbone of every State economy and it still is. When things are good in agriculture, they are usually good for the rest of the country. But I would say this economy right now, the one we are experiencing that everybody raves about is still riding the backs of those who are in the business of producing a raw commodity.

So, Mr. President, I offer this bill to put in a permanent place for income averaging for agriculture producers.

Mr. President, there will be letters coming out to my colleagues explaining what we have done here. I think it is very important. It is important to my State. It is important to all of us. It is important to the smaller communities of America, because if agriculture is not healthy, those communities suffer also. That is why we work very hard on communications infrastructure, and that is why we work awfully hard on power infrastructure. Smaller communities that rely so heavily on agricultural income must find ways to attract other economic opportunities and those two other parts are very important to their infrastructure in the future.

I appreciate the time from my friend from Wyoming. I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

[In millions of dollars]

Item	Fiscal years—						
	1998	1999	2000	2001	2002	1998–2002	1998–2007
Permanent extension of income averaging for farmers .....				-2	-21	-23	-138

I hope this information is helpful to you. If we can be of further assistance, please let me know.

Sincerely,

LINDY L. PAULL.

By Mr. CLELAND:

S. 1880. A bill to provide States with the authority to permit certain employers of domestic workers to make annual wage reports; to the Committee on Finance.

DOMESTIC WORKERS LEGISLATION

Mr. CLELAND. Mr. President, I rise today to introduce important legislation which will remove a significant tax filing burden currently imposed on employers of domestic workers.

In 1994, Congress adopted legislation reforming the imposition of Social Security and Medicare taxes on domestic employees. These new rules introduced more rationality into the tax system, and relieved reporting requirements of domestic employers.

Unfortunately, the legislation did not go as far as needed. By not fully reforming the federal unemployment tax (FUTA), Congress left in place a significant burden on domestic employers which previously existed. Today I urge

you to consider my legislation which would amend FUTA as well by removing the burden of filing quarterly state employment tax returns for employers of domestic workers.

The Social Security Domestic Employment Reform Act of 1994, Public Law 103-387, changed the Social Security and Medicare tax rules. The new law provides that domestic employers (employing maids, gardeners, babysitters, and the like) no longer owe these taxes for any domestic employee who earned less than \$1,000 per year from the employer.

In addition, the Act aimed to ease reporting requirements. Under the act, domestic employers need no longer file quarterly returns regarding Social Security and Medicare taxes nor the annual FUTA return. Rather, all federal reporting is now consolidated on an annual Schedule H filed at the same time as the employer's personal income tax return.

Nevertheless, the goal of the 1994 act—to substantially reduce reporting requirements for domestic employers—has not been fully accomplished for employers who endeavor to comply with all aspects of the law. Under

Mr. THOMAS. Mr. President, thank you very much. I thank the Senator from Montana for his comments with respect to income averaging and agricultural activity. I certainly support that. I think, as evidenced by its passage last year, it is generally supported.

Mr. BURNS. Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

CONGRESS OF THE UNITED STATES,  
JOINT COMMITTEE ON TAXATION,  
Washington, DC, March 19, 1998.

Hon. CONRAD BURNS,  
U.S. Senate, Washington, DC.

DEAR SENATOR BURNS: This is in response to your letter of March 16, 1998, requesting a revenue estimate for a permanent extension of income averaging for farmers.

Under present law, an individual taxpayer generally is allowed to elect to compute current year tax liability by averaging, over the prior three-year period, all or a portion of the individual's taxable income from the trade or business of farming. The election applies to taxable years beginning after December 31, 1997, and before January 1, 2001.

Under your proposal, the election to average farm income over a three-year period would be extended permanently. The proposal would become effective on the date of enactment.

For the purpose of preparing a revenue estimate for your proposal, we have assumed that enactment will occur during calendar year 1998. Estimated changes in Federal fiscal year budget receipts are as follows:

FUTA, employers must make quarterly reports and payments to state unemployment agencies, then pay an additional sum of federal tax (now once a year, as part of schedule H). In addition, The Social Security Act continues to require that employers report wages quarterly to the states regarding all employees. In other words, despite the 1994 act, a domestic employer who abides by the law must still keep track of all domestic employees, and must still fill out forms and send tax payments on a quarterly basis to his or her state employment agency.

Congress was not unaware of the relationship of FUTA to Social Security taxes at the time it passed the 1994 act. Besides eliminating the separate FUTA return for domestic employers, the act also added a provision which permits the Secretary of the Treasury to enter agreements with States to permit the federal government to collect unemployment taxes on behalf of the States, along with all other domestic employee taxes, once a year. That statute, if used, would eliminate the need for domestic employers to report to state unemployment agencies. However, to

date no state has entered such an agreement. Undoubtedly, that is because the Social Security Act continues to require quarterly reports anyway.

The primary justification cited for the quarterly reporting requirement is that it makes information more accessible to state agencies that investigate unemployment claims. However the burden of this provision far outweighs its benefit. The number of household employer tax filings is relatively small. Representatives from the Georgia Department of Labor and their counterparts in other states are confident that the investigation of unemployment claims will not be hindered by annual rather than quarterly reporting requirements.

I suppose one could argue that the change this legislation proposes is unnecessary, since few people even bother to comply with the FUTA requirements for domestic employees. I believe that avoiding a change for that reason is an insult to citizens who endeavor to comply with all tax laws. For example, one Pennsylvania resident paid a 12 year old girl \$4 per hour during one quarter for her babysitting services. This resident was then required by law to record, then pay eight cents in tax on her behalf. Needless to say, this is ridiculous. The young babysitter would never claim unemployment compensation.

In short, the federal requirement of quarterly state employment tax reports for purely domestic employers should be eliminated. To ease the reporting burden on domestic employers, my legislation proposes that states be allowed to provide for annual filing of household employment taxes. Under my bill, any state which so chooses could retain quarterly reporting, but I believe few states would opt for such an unnecessary burden on its taxpayers. I urge my colleagues to join me in the effort to finish the job of rationalizing the taxpayer obligations for domestic employment taxes by supporting this bill. I ask unanimous consent that the text of my bill be inserted in the RECORD.

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

S. 1880

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

**SECTION 1. AUTHORIZATION FOR STATE TO PERMIT ANNUAL WAGE REPORTS.**

(a) IN GENERAL.—Section 1137(a)(3) of the Social Security Act (42 U.S.C. 1320b-7(a)(3)) is amended by inserting before the semicolon the following: “, and except that in the case of wage reports with respect to domestic service employment, a State may permit employers (as so defined) that make returns with respect to such service on a calendar year basis pursuant to section 3510 of the Internal Revenue Code of 1986 to make such reports on an annual basis.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to wage reports required to be submitted on and after the date of enactment of this Act.

By Mr. LIEBERMAN:

S. 1881. A bill to amend title 49, United States Code, relating to the installation of emergency locator transmitters on aircraft; to the Committee on Commerce, Science, and Transportation.

THE AIRPLANE EMERGENCY LOCATOR ACT

Mr. LIEBERMAN. Mr. President, I am pleased to rise today to introduce the Airplane Emergency Locator Act. This important legislation would require most small aircraft to have emergency locator transmitters. A similar bill was introduced in the House by Representative CHRISTOPHER SHAYS.

On Tuesday December 24, 1996 a Learjet with Pilot Johan Schwartz, 31, of Westport, Connecticut and Patrick Hayes, 30, of Clinton, Connecticut lost contact with the control tower at the Lebanon, New Hampshire airport. The crash occurred in poor weather and after an aborted landing. Despite efforts by the federal government, New Hampshire state and local authorities, and Connecticut authorities, extremely well organized ground searches failed to locate the two gentlemen or the airplane. The thick pines of the NH countryside have hampered the effort. This plane did not have an emergency locator transmitter, a device which could have made a difference in saving the lives of these two men.

The legislation I am introducing today is straightforward—the only aircraft that would be exempt from having emergency locator transmitter's would be planes used by manufacturers in development exercises and agricultural planes used to spread chemicals over crops. It is my strong belief that these devices will play a vital role in search efforts, where timing is so critical in any rescue mission.

I applaud my colleague CHRISTOPHER SHAYS for introducing similar legislation in the House and I urge my colleagues to join us in support of the Airplane Emergency Locator Act. Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1881

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Airplane Emergency Locator Act”.

**SEC. 2. FINDINGS.**

Congress finds that—

(1) on December 24, 1996, a plane piloted by Johan Schwartz and Patrick Hayes disappeared near Lebanon, New Hampshire;

(2) an extensive search was conducted by the States of New Hampshire, Connecticut, Vermont, New York, Maine, and Massachusetts, in cooperation with the Federal Government, in an unsuccessful effort to locate the plane and any survivors;

(3) the plane described in paragraph (1) was not required under law to carry an emergency locator transmitter; and

(4) emergency locator transmitters have been found to be very helpful in locating downed aircraft and saving lives.

**SEC. 3. APPLICABILITY OF REQUIREMENT.**

Section 44712(b) of title 49, United States Code, is amended to read as follows:

“(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

“(1) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft; or

“(2) the aerial application of a substance for an agricultural purpose.”.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. COATS, and Mr. DODD):

S. 1882. A bill to reauthorize the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

THE HIGHER EDUCATION AMENDMENTS OF 1998

Mr. JEFFORDS. Mr. President, I will be introducing a bill today in relation to the changes that we have worked on with members, of course, of both parties in our committee with respect to the higher educational programs.

There is nothing more important to this Nation than maintaining our international superiority as the country with the best higher education. That is the reason this Nation is where it is today. And if we allow that to sink, as we have allowed our k-12 to sink, then, Mr. President, we will be sliding down, in the next century, to a position of lesser importance.

I am introducing the bill today—with Senators KENNEDY, COATS, and DODD—the Higher Education Amendments of 1998. This legislation is a product of work begun by the Committee on Labor and Human Resources over a year ago.

The Higher Education Act is among the most significant statutes under the jurisdiction of the committee. Since its inception in 1965, the act has been focused 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 the countless millions in pursuing their dreams for a better life.

At the start of the reauthorization process, we set out to achieve a number of important goals designed to strengthen these programs. I am pleased to say that this legislation achieves the five major objectives identified at the beginning of our efforts.

First, the bill preserves the focus on students, who are the prime reason we have a Higher Education Act in the first place. Students now in school will be assured of receiving a lower interest rate on their loans and will see less of their own earnings penalized with respect to the Pell grant awards they receive. Students now in high school who aspire to a college education will continue to benefit from early intervention programs, including the National Early Intervention Scholarship Program—NEISP—and TRIO. 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 Student Loan Program.

Second, the bill takes a two-pronged approach to helping our Nation's elementary and secondary school teachers. They will be thoroughly prepared to offer the quality of instruction needed to assure that students achieve the standards we need and expect. 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. No longer will the Higher Education Act contain a collection of small, unfunded teacher training programs. Rather, the good ideas represented in these proposals—along with the many useful suggestions made by members of the committee—have been shaped into a broad approach. It is an approach which I hope will command the attention and support of Congress when we turn to the appropriations bill.

Third, the bill reflects a strong commitment to the maintenance of two viable loan programs—the guaranteed or Federal Family Education Loan Program, known as 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.

Fourth, the bill takes important steps to improve the delivery of student assistance programs. In cooperation with the administration, we have developed a performance-based organization—a PBO—designed to strengthen the management of key systems with the Department of Education. A number of provisions in the legislation also pave the way toward taking advantage of efficiencies made possible through electronic processing and other technological advances.

Finally, we have made every attempt to streamline programs, including the streamlining of the act itself. This bill takes nearly 50 programs off the books—off the books—and cuts in half the number of titles in the act. We have also attempted to relieve the regulatory burden on program participants while protecting the strong and effective integrity provisions included in the 1992 reauthorization.

Perhaps one of the most difficult issues to resolve has been the change in the student loan interest rate scheduled to take effect on July 1 of this year. This has, of course, been a strong concern of the Budget Committee. This legislation adopts the proposal approved a few weeks ago by the House Committee on Education and the Workforce. For several months, Members of the House and the Senate have grappled with the issue. The dilemma has been to balance the desire to offer students the lowest possible interest rate while assuring an uninterrupted flow of loan capital so that borrowing will be possible.

All analysts have concluded that allowing the scheduled rate to go into ef-

fect will mean the demise of the FFEL program. That outcome is unacceptable, given the substantial likelihood of program disruption.

The Direct Loan Program, which now handles only 30 percent of total loan volume, simply is not in a position to pick up the slack. To do anything to interrupt the ability of our young people to participate in the FFEL program would be a disaster at this time. The solution offered by the House committee included in the bill is by no means perfect. Like Winston Churchill's comments about democracy, however, I say: This proposal is the worst possible option, except for all others.

I am extremely appreciative of the hard work which my colleagues on the committee put into the development of this bipartisan bill. The committee will be considering this measure on Wednesday, and I hope that the full Senate will have the opportunity to debate it in the near future.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

#### HIGHER EDUCATION ACT AMENDMENTS OF 1998—SUMMARY

##### TITLE I: GENERAL PROVISIONS

Current Title I—Partnerships for Educational Excellence—is repealed, as programs authorized under the title have not been funded.

General Provisions, now included in Title XII, will be transferred to Title I.

Obsolete/unfunded sections of Title XII are repealed.

Language is added to require the Secretary to publish the expiration dates of terms of members of the National Advisory Committee on Institutional Quality and Integrity and to solicit nominations for vacancies on the Committee.

##### TITLE II: IMPROVING TEACHER QUALITY

The teacher education provisions from Title V will be moved to Title II. All unfunded programs are repealed and replaced with a comprehensive program whose purpose is to improve student achievement, to improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities, and to hold institutions of higher education accountable for preparing teachers who have necessary teaching skills and are highly competent in the academic content areas in which they plan to teach, including training in the effective use of technology in the classroom. The proposal provides a "top-down" and "bottom-up" approach for improving teacher quality.

States will be eligible to compete for Teacher Quality Enhancement Grants that would be used to institute state level reforms to ensure that current and future teachers possess the necessary teaching skills and academic content knowledge in the subject areas in which they are assigned to teach.

Teacher Training Partnership Grants will be made to local partnerships comprised of academic programs and education programs at institutions of higher education, local education agencies, K-12 schools, state education agencies, Pre-K programs, non-profit

groups, businesses and teacher organizations. Partnerships will be eligible to receive a "one time only" grant to encourage reform and improvement at the local level.

The proposal includes strong accountability measures for both Enhancement and Partnership grants. Grant recipients receiving assistance under this title will continue to receive support after the second year of the grant only if they have shown that they are making substantial progress in meeting such goals as improving student achievement, increasing the passage rate of teachers for initial state licensure or certification, and increasing the classes taught in core academic subject areas.

#### TITLE III: INSTITUTIONAL DEVELOPMENT

##### Part A—Strengthening Institutions

Encourage institutions to improve their technological capacity and make effective use of technology.

Allow institutions to use up to 20% of their awards to establish or expand an endowment fund.

Require a two-year wait out period between the receipt of consecutive grants.

Authorize at \$135 million for FY 1999 and such sums as may be necessary for each of the 4 succeeding years.

##### Section 316—Hispanic serving institutions

Simplify definition of Hispanic Serving Institution.

Allow institutions to use up to 20% of their awards to establish or expand an endowment fund.

Encourage institutions to collaborate with community-based organizations on projects that seek to reduce drop-out rates, improve academic achievement and increase enrollment in Higher Education.

Repeat the funding trigger which requires that funding for Title III, Part A grants exceed \$80 million before any funds may be provided for grants under Section 316.

Authorize at \$45 million for FY 1999 and such sums as may be necessary for each of the 4 succeeding years.

##### Part B—Historically Black Colleges and Universities

Allow institutions to use up to 20% of their awards to establish or expand an endowment fund under the terms and conditions of Part C.

Authorize at \$135 million for FY 1999 and such sums as may be necessary for each of the 4 succeeding years.

##### Section 326—Professional or graduate institutions

Clarify that eligible institutions must match only those funds received in excess of \$500,000.

Provide eligible institutions with multiple eligible graduate programs the flexibility to spend Sec. 326 funds on any qualified graduate program.

Authorize at \$30 million for FY 1999 and such sums as may be necessary for each of the 4 succeeding years.

##### Part C—Endowment challenge funds for institutions eligible for assistance under part A or part B.

Authorize at \$10 million for FY 1999 and such sums as may be necessary for each of the 4 succeeding years.

##### Part E—Historically black college and university capital financing

Move from current Title VII, Part B.

Expand the definition of capital project to include administrative facilities, student centers, and student unions.

Clarify that the Secretary may sell qualified bonds guaranteed under this provision to any party that the Secretary determines offers the best terms.