through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Federal Hospital Insurance Trust Fund surplus in any fiscal year covered by this resolution.

Mr. NICKLES. Mr. President, I would like to express some concerns I have regarding the Family Opportunity Act. I agree with Chairman GRASSLEY's position that it is critically important to make sure that our federal safety net programs do not create disadvantages for families to work and therefore earn their way off federal assistance. He has made the argument that it is wrong that families, who are currently served by public programs such as Supplemental Security Income, must decline promotions and raises which would improve their situation for fear of losing their health care coverage. I agree and will support an effort to address these inequities and help those families move off of federal programs. The legislation currently contemplated by Senators GRASSLEY and KENNEDY does not simply remove the work disincentive in SSI. In fact, the legislation applies to families who have never been on SSI nor would ever qualify for SSI. This legislation would open up Medicaid to a family who earns up to $51,000 for a family of four.

In this situation, these families would be competing against families who do qualify for SSI and are currently waiting, in some cases, up to 900 days to simply get on the program they desperately need. These are the poorest of the poor. They are the people for whom this program was designed but they are not being served effectively. In my opinion it is unacceptable to punish lower income Medicaid eligible persons presently waiting for needed assistance. There are many of us who would wonder about adding more applicants who would not be receiving the SSI benefit but rather just the certification for this Medicaid expansion to an overburdened system.

In recent years, we have seen a series of rifle shot expansions to the Medicaid program based on specific disease categories or groups. I am concerned that those expansions are not consistent with the intention of the program and undermine its purpose. It would be my hope that we could address these issues in the broader context of Medicaid reform and that the Finance Committee could responsibly evaluate any new federal entitlements to ensure that we are not duplicating existing health programs like SCHIP or discouraging private employer insurance.

This country has 43 million uninsured Americans. This bill, which costs $7.9 billion, impacts 200,000 kids; 60,000 of whom have, or have access to, employer sponsored insurance and many of whom have access to SCHIP as well. It is a higher priority to provide health care to the uninsured with no health options than to create multiple health insurance options for a select population.

I do commend Chairman GRASSLEY for his hard work with Senator KENNEDY on this bill. I know that they have been working on this program for a number of years now and hope we can work together in this process toward a final bill. I look forward to working with the chairman and others on the committee to ensure this bill addresses the issue it was designed to fix.

Mr. DOMENICI. We yield back any time in favor of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 237), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I wish to announce to everyone that we are down to three amendments on our side. There are a few more than that on the other side. I wonder if we could have just a little bit of time. I think it would permit us to work out a number of these. I am going to put in a quorum call. I think it might last as long as 10 or 15 minutes for those who are interested.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from New Mexico.

Mr. DOMENICI. First, I want to say to the Senate, we are getting very close. We only have about four amendments on each side. We think we can work them out. And if not, we would not have more than three or four votes on what we have remaining. We need some time to work on modifying these amendments to make them acceptable, in most cases. So we can do that properly, we need until about 12:30. We have consulted with the leadership. I ask unanimous consent that we now stand in recess until 12:30.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the chairman of the committee describes it very well. We have worked through a lot of amendments. We still have some outstanding that will require some additional staff time. Also, we need to do a careful analysis of where we are in terms of spending, where we are on a year-by-year basis. This additional time will help us do that final analysis so Senators, when we are voting on a final package, will have a very accurate picture of where we are in terms of the tax cut, in terms of spending, and in terms of debt reduction.

We hope we can take this time and then come back and finish our business expeditiously.

Mrs. BOXER. Reserving the right to object.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I have a question for either of the managers. My understanding is that we have a Senator who will not be back until 2:30. Is that affecting our voting schedule?

Mr. DOMENICI. From what I can tell, we need the time now to do some work. We can't move ahead with any dispatch now. We would like this time to work on it. There is no outside reason for this. It is our reason, internal to our work.

RECESS

The PRESIDING OFFICER. Without objection, the Senate stands in recess.

There being no objection, the Senate, at 11:10 a.m., recessed until 12:31 p.m., and reassembled when called to order by the Presiding Officer (Mr. INHOFE).

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—Continued

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

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

Mr. DOMENICI. Mr. President, we have been working diligently to get a series of amendments we can accept. We are operating on the premise that any of the amendments that were offered either from our side or the other side—that they be budget neutral in the language that is used to formulate them.

AMENDMENT NO. 214, AS MODIFIED

Mr. DOMENICI. Mr. President, I ask unanimous consent to modify amendment No. 214 offered by Senator COLLINS.

I send the amendment, as modified, to the desk.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. COLLINS, for herself, Mr. JOHNSON, and Mr. DASCHLE, proposes an amendment numbered 214, as modified.

The amendment, as modified, reads as follows:

(Purpose: To provide for a reserve fund for veterans' education)

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR VETERANS' EDUCATION.

If the Committee on Veterans' Affairs of the House or the Senate reports a bill that increases the basic monthly benefit under the Montgomery G.I. Bill to reflect the increasing cost of higher education, the Chairman of the Committee on the Budget of the House or Senate, as applicable, may increase the allocation of new budget authority and outlays to such committee by the amount of new budget authority (and the outlays resulting therefrom) provided by that measure for that purpose not to exceed $775,000,000 in new budget authority and outlays for fiscal year 2002, $4,300,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2006, and $9,900,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal years covered by this resolution.

Ms. COLLINS. Mr. President, I rise today to offer an amendment that will create a reserve fund for the improvement of veterans' education benefits under the Montgomery GI bill. I am delighted to be joined by my friend and colleague, Senator JOHNSON, in this effort.

This amendment will set aside funding for S. 131, the Veterans' Higher Education Opportunities Act, which Senator JOHNSON and I introduced earlier this year. Our legislation would provide a much-needed increase in the basic monthly benefit under the GI bill, a benefit that over the past 15 years has failed to keep pace with the ever-increasing cost of higher education.

Our legislation is very simple. It establishes a benchmark by which the basic Montgomery GI bill benefit will be calculated, allowing the benefit to increase as the cost of higher education increases. Endorsed by the Partnership for Veterans Education, a broad coalition including over 40 veterans service organizations and education associations, our legislation provides a new model for today's GI bill that is logical, fair, and worthy of a nation that values both higher education and our veterans.

While the Montgomery GI bill has served our country well since its passage in 1985, the value of the educational benefit assistance it provides has greatly eroded over time due to inflation and the escalating cost of higher education. Military recruiters indicate that the program's benefits no longer serve as a strong incentive to join the military; nor do they serve as a retention tool valuable enough to persuade men and women to stay in the military and defer the full or part-time pursuit of their higher education until a later date. Perhaps most important, the program is losing its value as a means to help our men and women in uniform readjust to civilian life after military service.

The basic benefit program of the Vietnam era GI bill provided $493 per month in 1981 to a veteran with a spouse and two children. Before the reforms of last year, a veteran in identical circumstances received only $43 more, a mere 8 percent increase over a time period when inflation has nearly doubled, and dollar buys only half of what it once purchased.

While we made progress last year in increasing stipend levels under the GI bill, the reforms fell short of allocating sufficient funds to cover the current cost of higher education. Moreover, the increase failed to establish a benchmark, the reform most needed to ensure that the GI bill provides sufficient funds for the education of our Nation's veterans long into the 21st century.

Our new model establishes a sensible, easily understood benchmark for GI bill benefits. The benchmark sets GI bill benefits at ''the average monthly costs of tuition and expenses for commuter students at public institutions of higher education that award baccalaureate degrees.'' This commonsense provision would serve as the foundation upon which future education stipends for all veterans would be based and would set benefits at a level sufficient to provide veterans the education promised to them at recruitment.

Today's GI bill is woefully underfunded and does not provide the financial support necessary for our veterans to meet their educational goals. This amendment would provide the budget authority necessary to ensure that GI bill benefits reflect the true cost of higher education. I am very pleased that our amendment has been agreed to by both sides of the aisle and that it will become part of this budget resolution.

Mr. JOHNSON. Mr. President, I am pleased today to join Senator COLLINS in offering an amendment to the budget resolution that provides a reserve fund for veterans' education. This reserve fund will allow for legislation to be passed later this year that would increase the monthly benefit under the Montgomery GI Bill to reflect the rising cost of education.

The 1944 GI Bill of Rights is one of the most important pieces of legislation ever passed by Congress. No program has been more successful in increasing educational opportunities for our country's veterans while also providing a valuable incentive for the best and brightest to make a career out of military service.

Unfortunately, the current Montgomery GI Bill can no longer deliver these results and fails in its promise to veterans, new recruits and the men and women of the armed services.

Over 96 percent of recruits currently sign up for the Montgomery GI Bill and pay $1,200 out of their first year's pay to guarantee eligibility. But only one-half of these military personnel use any of the current Montgomery GI Bill benefits.

There is consensus among national higher education and veterans associations that at a minimum, the GI Bill should pay the costs of attending the average four-year public institution as a commuter student. The current Montgomery GI Bill benefit pays a little more than half of that cost.

In addition to our reserve fund budget amendment, Senator Collins and I have introduced legislation called the Veterans' Higher Education Opportunities Act, S.131, which creates that benchmark by indexing the GI Bill to the costs of attending the average four-year public institution as a commuter student. This benchmark cost will be updated annually by the College Board in order for the GI Bill to keep pace with increasing costs of education.

The Veterans' Higher Education Opportunities Act is truly a bipartisan effort to address recruitment and retention in the armed forces. The Veterans' Higher Education Opportunities Act has the overwhelming support of the Partnership for Veterans' Education a coalition of the nation's leading veterans groups and higher education organizations including the VFW, the American Council on Education, the Non Commissioned Officers Association, the National Association of State Universities and Land Grant Colleges, and The Retired Officers Association.

As the parent of a son who serves in the Army, these military ''quality of life'' issues are of particular concern to me. Making the GI Bill pay for viable educational opportunity makes as much sense today as it did following World War II.

Congress took an important step last year toward improving the Montgomery GI Bill. These changes are long overdue, and the next step in restoring the effectiveness of the Montgomery GI Bill is through our veterans' education reserve fund amendment to the budget resolution and the Veterans' Higher Education Opportunities Act.

I urge my colleagues to support our amendment and ask unanimous consent that letters of support for the amendment be printed in the RECORD.

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

AMERICAN COUNCIL ON EDUCATION,
GOVERNMENT AND PUBLIC AFFAIRS,
Washington, DC, April 5, 2001.

Re amendment to improve educational opportunities for veterans.

DEAR SENATOR: On behalf of the American Council on Education, representing 1,800 two- and four-year public and private colleges and universities, I write to encourage you to support Senators Collins and Johnson with their amendment to the Senate budget resolution providing a reserve fund for enhancements to the Montgomery G.I. Bill.

While the G.I. Bill has allowed more than two million veterans to pursue the dream of a college education, inflation has severely diminished the value of this vital benefit. Despite the generous intentions of the G.I. Bill, it fails in its promise to help our veterans continue their education, and must be modernized to ensure its viability as education costs continue to increase.

As a member organization of the Partnership for Veteran's Education, we strongly support this amendment, which creates a benchmark for Montgomery G.I. Bill monthly benefits equal to the average cost of a

commuter student attending a four-year public institution. The benchmark would be updated annually by the College Board, thereby guaranteeing that G.I. Bill benefits meet the rising costs of higher education. This benchmark is currently reflected in the Veterans' Higher Education Opportunities Act of 2001 (S. 131).

We urge you to support the Collins-Johnson veteran's education amendment, which will ensure that we fulfill our promise to America's veterans.

Sincerely,

TERRY W. HARTLE,
Senior Vice President.

THE RETIRED OFFICERS ASSOCIATION,
Alexandria, VA, April 4, 2001.

Hon. TIM JOHNSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR JOHNSON: the Retired Officers Association (TROA) is writing to express support for the proposed amendment to the Senate Budget Resolution that you are cosponsoring with Senator COLLINS (R–ME) that would earmark in a reserve fund additional funds for needed increases in the Montgomery GI Bill (MGIB).

The ''Collins-Johnson Reserve Fund for Veterans Education Amendment'' to the FY2002 Budget Resolution would earmark $775 million in a reserve fund to support a potential increase in the MGIB under your bill, S. 131, the Veterans' Higher Education Opportunities Act of 2001. As you know, S. 131 has broad bi-partisan support including Senate Majority Leader LOTT and Senator Minority Leader DASCHLE. Should the Committee on Veterans' Affairs or the Senate favorably report legislation to increase the basic monthly benefit under the MGIB to reflect the rising cost of education for America's veterans, there would be new budget authority to cover the increase.

Indexing the MGIB to keep pace with the cost of higher education is a legislative goal of TROA and The Military Coalition. TROA supports the amendment you are co-sponsoring with Senator Collins to establish a reserve fund for veterans education and we will continue our efforts to urge passage of S. 131.

Sincerely,

STEVE STROBRIDGE,
Colonel, USAF (Ret.), Director, Government Relations.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, April 4, 2001.

Hon. TIM JOHNSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR JOHNSON: On behalf of the 1.9 million members of the Veterans of Foreign Wars, we extend our deepest thanks to you for your efforts in making veterans education a priority in S. 131, legislation offered jointly by you and Senator SUSAN COLLINS.

The Montgomery GI Bill has lost ground over the last few years. It is no longer able to meet the educational needs of today's veterans. The funding level has not kept pace with the rising costs of higher education. S. 131 abates the GI Bill's loss of value by creating an index system so funding can be increased as higher education costs rise.

We also thank you for your announced intention to offer an amendment to the Senate Budget Committee to create a reserve fund for veterans education. This amendment would provide the necessary funding to implement S. 131, resulting in a significant increase in funding for the Montgomery GI Bill.

The Montgomery GI Bill is in dire need of additional resources, and we fully support your efforts, both in the original bill, and in the amendment. We are committed to working with you to make this legislation a success.

Sincerely,

DENNIS CULLINAN,
Director, National Legislative Service.

THE AMERICAN LEGION,
Washington, DC, April 4, 2001.

Hon. TIM JOHNSON,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR JOHNSON: The American Legion thanks you for offering the Collins/Johnson Reserve Fund for Veterans' Education Amendment. We fully support this amendment to the Senate Budget Resolution that would provide a reserve fund for veterans' education.

The American Legion has long supported legislation that would base veterans' educational benefits on the average cost of attending a four-year public institution as a commuter student. The Collins/Johnson amendment will provide the budgetary requirements needed to reach this goal.

The educational enhancements contained in S. 131, the Veterans' Higher Education Opportunities Act, will help to transform the current Montgomery GI Bill (MGIB) program into a true veterans' benefit that parallels the quality of the original ''GI Bill of Rights''. A strong veterans' educational benefit program will not only strengthen national defense by improving recruitment, it will also prepare veterans for a smooth transition into the civilian workforce.

Once again, The American Legion fully supports the Collins/Johnson Reserve Fund for Veterans' Education Amendment and appreciates your continued leadership in addressing the issues that are important to veterans and active duty servicemembers.

Sincerely,

STEVE A. ROBERTSON,
Director,
National Legislative Commission.

Mr. DOMENICI. Mr. President, I believe the other side will concur. I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table.

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

The amendment (No. 214), as modified, was agreed to.

AMENDMENT NO. 182, AS MODIFIED

Mr. DOMENICI. Mr. President, I ask unanimous consent that amendment No. 182 be modified, and I send the modification to the desk. It is a Santorum amendment to amendment No. 170.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SANTORUM, proposes an amendment numbered 182 to Amendment No. 170.

The amendment is as follows:

(Purpose: To increase in funding $353,500,000 for fiscal year 2002 for Department of Defense basic research conducted in American universities)

On page 10, line 21, increase the amount by $353,500,000.

On page 10, line 22, increase the amount by $353,500,000.

On page 43, line 15, decrease the amount by $353,500,000.

On page 43, line 16, decrease the amount by $353,500,000.

Mr. SANTORUM. Mr. President, I rise today to address the urgent need for increased levels of Department of Defense basic research funding in fiscal year 2002. I offer an amendment which will significantly increase funding for Department of Defense basic research carried out in American universities.

This past September, then-Governor George W. Bush addressed an audience at The Citadel in South Carolina and raised the notion of skipping a generation of weapons systems and of making leap ahead advances in American military capabilities. Governor Bush recognized that 21st century threats facing the United States are qualitatively different than the threats that occupied our military and our industrial base during the cold war and in the decade that followed the downfall of the Soviet Union.

Since that speech, many others have articulated a need to transform our Nation's military to better respond to these threat trends. They note that our current military is ill equipped to meet threats such as incidents of terrorism, information warfare, biological warfare, and urban conflict. The only way to meet these challenges is to redouble our energies on meeting these challenges.

While procuring updated or evolutionary weapons systems might seem like the most expeditious way to meet these new threats, I believe that we need to work our way back and look first at the basic sciences and basic research efforts that will support the development of new weapons systems. Without critical investments in Department of Defense basic research we cannot hope to make key understandings that will drive leap ahead advances or spur on revolutionary weapons systems.

Oftentimes, the funding that supports basic research for the Department of Defense has been referred to as ''seed corn'' funding. It is funding that, when properly invested, will return advances in our understanding of what we know about a property, an entity, a phenomenon, or relationship. Not all of these investments are successful in outcome, and for this reason basic research can be classified as high-risk in nature. However, these basic research investments inevitably add to our knowledge base and improve our understanding of the world.

Regrettably, we have been taking funds from these crucial accounts and using them to pay for the near-term modernization or procurement needs of today's military. While this has proven to be a useful short-term fix, in the long-run, we have compromised those resources necessary to drive innovation and leap ahead advances, advances necessary to meet 21st century threats. Part of the problem lies in the nature of basic research. Unlike investments in applied research or advanced development research, the incubation period for basic research is perhaps as long as a decade. This requires the executive and legislative branches of government to maintain a long-term focus when making budgetary decisions.

American universities offer the Department of Defense the laboratories and knowledge base necessary to successfully complete this transformation objective. The Department of Defense has historically played a major federal role in funding basic research and has been a significant sponsor of engineering research and technology development conducted in American universities. For over 50 years, Department of Defense investment in university research has been a dominant element of the nation's research and development infrastructure and an essential component of the United states capacity for technological innovation.

According to recent figures, 54 percent of all Department of Defense-sponsored basic research is performed in American universities. Furthermore, in aeronautical, electrical and mechanical engineering, the Department of Defense's share of governmentwide investment exceeds 50 percent. In addition, with respect to the fields of mathematics and computer science, the Department of Defense accounts for nearly 50 percent of all federal investment. Moreover, Department of Defense basic research programs make a significant contribution to the national economy by educating new generations of scientists and engineers and by helping to maintain a university research infrastructure that is the envy of the world.

The unpredictability of long-term research in combination with shortened product cycles and an intense competition has led many private sector companies to retrench their research programs to focus on near-term product development. Only the Department of Defense and other Federal agencies can invest in university research at the levels required to meet future challenges to American security, prosperity and health.

Throughout the decades of the 1950's, 1960's, 1970's and 1980's, the Department of Defense and other Federal agencies sustained their commitments to these investments in American universities. This investment can be measured by the number of systems relied upon by America today to project power and maintain our interests around the globe. For example, fundamental stimulated emission basic research at Columbia University in the 1950's led to military advances in lasers necessary for precision weapon guidance capabilities. Department of Defense basic research funds supported activities at the California Institute of Technology in the 1970's which studied metal semiconductor field effect transistor gallium-arsenide devices now used in ballistic missile ground-based radar. Department of Defense basic research funding supported scientific study at the Massachusetts Institute of Technology and Stanford University on lightweight composite structural materials now utilized by the Marine Corps' AV–8B Harrier aircraft.

As I mentioned earlier, the incubation period for basic research can be as long as a decade. Companies competing in today's market-driven, global economy, are now reducing their investments in long-term, high-risk research. It is up to the federal government to make the critical investment in this high-risk, long-term research if we are to make revolutionary or leap ahead scientific breakthroughs.

Without increased investment in Department of Defense basic research, the number of graduate student opportunities to pursue Department of Defense research cannot increase. A decline in the pool of scientists, engineers, mathematicians, and skilled technicians will prevent the Department of Defense from achieving success in the pursuit of leap ahead technologies. In addition, our cadre of skilled scientists and engineers—cultivated by Department of Defense basic research funds—are the individuals who will drive innovation in the areas of our economy which depend on advances in science and technology.

In the end, there has to be a recognition by U.S. policy leaders that these critical funds are crucial to the U.S. military being able to meet future threats. A recent Defense Science Board (DSB) Task Force identified several key capabilities that would be necessary to allow our military forces to meet future warfighting challenges. The capabilities identified by the DSB Task Force were: Response to engineered biological threats; real-time surveillance and targeting, especially hidden and moving targets; and real-day projection of dominant U.S./Coalition military forces.

For advances to occur in these capabilities, we will first need to make wise investments in key enabling technologies. Department of Defense basic research can provide the stimulus to make this possible. Examples of key enabling technologies include: biotechnology; information technology; microsystems; and energy and materials. The DSB Task Force report observed that commercial sector investment in these technologies are short-term in nature, as opposed to long-term. In addition, the DSB Task Force recommended a focus on the interdisciplinary combinations of these technologies, as it is in these intersections that the truly revolutionary advances in military capabilities take place.

For fiscal year 2001, President Clinton requested $1.22 billion in funding for Department of Defense basic research. Congress, for fiscal year 2001, appropriated $1.35 billion for Department of Defense basic research. With this in mind, my amendment is quite reasonable and, I believe, quite modest. For fiscal year 2002, I propose investing an additional $353.5 million in Department of Defense basic research funding spent in American universities. This amendment begins the process of transforming our military to meet 21st century threats.

Given the importance of these funds in making leap ahead advances in our military capabilities and because our quality of life as Americans is tied to basic research, I believe this is an initiative Congress should support with great enthusiasm.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table.

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

The amendment (No. 182), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator TIM HUTCHINSON of Arkansas be added as a cosponsor of amendment No. 317.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 297

Mr. DOMENICI. Mr. President, we have a series of amendments that have been cleared. I repeat, none of these adds any spending money; they are budget neutral.

First is amendment No. 297, which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, proposes an amendment numbered 297.

The amendment is as follows:

(Purpose: To provide a reserve fund for refundable tax credits)

At the end of title II, insert the following:

SEC. . RESERVE FUND FOR REFUNDABLE TAX CREDITS.

In the Senate, if any bill reported by the Committee on Finance, amendment thereto, or conference report thereon, has refundable tax provisions that increase outlays, the Chairman of the Committee on the Budget may increase the amount of new budget authority (and outlays flowing therefrom) allocated to the Committee on Finance by the amount provided by such provisions and adjust the budget aggregates and reconciliation directions set forth in this resolution, as applicable, accordingly, but only to the extent that the increase in outlays and reduction in revenues resulting from such bill does not exceed the amounts specified in section 101.

Mr. DOMENICI. This is Senator BINGAMAN's amendment on scorekeeping. We have nothing further to add.

Mr. CONRAD. No objection on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 297) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 328, AS MODIFIED

Mr. DOMENICI. Mr. President, I have a modification on behalf of Senator CLINTON. I ask unanimous consent that it be appropriate to modify amendment No. 328. I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. CLINTON, proposes an amendment numbered 328, as modified.

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

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

The amendment is as follows:

(Purpose: To strengthen our national food safety infrastructure by increasing the number of inspectors within the Food and Drug Administration to enable the Food and Drug Administration to inspect high-risk sites at least annually, supporting research that enables us to meet emerging threats, improving surveillance to identify and trace the sources and incidence of food-borne illness, and otherwise maintaining at least current funding levels for food safety initiatives at the Food and Drug Administration and the United States Department of Agriculture)

On page 43, line 16, decrease the amount by $32,000,000.

On page 48, line 8, increase the amount by $40,000,000.

On page 48, line 9, increase the amount by $32,000,000.

Mr. DOMENICI. This affects food safety. We have no objection to the amendment.

Mr. CONRAD. We support the amendment on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 328), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 219

Mr. DOMENICI. Mr. President, on behalf of Senator REID, I call up amendment No. 219.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. REID, proposes an amendment numbered 219.

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

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

The amendment is as follows:

(Purpose: To express the sense of the Senate on the substitute amendment to H. Con. Res. 83 with respect to increasing funds for renewable energy research and development)

On page 16, line 5 after ''authority,'' strike ''$871,000,000'' insert ''$1,321,000,000 and, notwithstanding any other provisions of the Resolution, it is the Sense of the Senate that the levels in this Resolution assume:

(1) That renewable energy resources can provide the nation and the world with clean and sustainable sources of power;

(2) That renewable energy technologies developed and deployed in the U.S. and exported abroad will improve our environment and balance of trade;

(3) That increased reliance on renewable energy resources to satisfy the nation's growing need for power can provide jobs, reliable electricity supplies, and reduce conventional pollution and greenhouse gas emissions;

(4) That research and development of renewable energy resources should be supported strongly by the Federal government;

(5) That a minimum of $450 million in FY02 shall be allocated to accelerate the research, development and deployment of wind, photovoltaic, geothermal, solar thermal, biomass and other renewable energy technologies; and,

(6) Further, that the amount assumed for renewable energy research and development shall increase by greater than the rate of inflation for each subsequent year.

Mr. DOMENICI. This amendment has to do with energy research. We have nothing further to say on the amendment. It is acceptable on our side.

Mr. CONRAD. Mr. President, we strongly support the amendment on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 219) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 325

Mr. DOMENICI. Mr. President, on behalf of Senator DASCHLE, I ask that amendment No. 325 be called up.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DASCHLE, for himself, Mr. JOHNSON, Mrs. MURRAY, Mr. BINGAMAN, Mr. BAUCUS, Mr. DOMENICI, Mr. CONRAD, and Mr. INOUYE, proposes an amendment numbered 325.

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

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

The amendment is as follows:

(Purpose: To increase discretionary funding for the Indian Health Service by decreasing the size of the tax cut for the wealthiest Americans)

On page 2, line 17, increase the amount by $4,200,000,000.

On page 2, line 18, increase the amount by $4,580,000,000.

On page 3, line 1, increase the amount by $5,290,000,000.

On page 3, line 2, increase the amount by $5,790,000,000.

On page 3, line 3, increase the amount by $6,320,000,000.

On page 3, line 4, increase the amount by $6,890,000,000.

On page 3, line 5, increase the amount by $7,490,000,000.

On page 3, line 6, increase the amount by $8,160,000,000.

On page 3, line 7, increase the amount by $8,890,000,000.

On page 3, line 8, increase the amount by $9,650,000,000.

On page 3, line 13, decrease, the amount by $4,200,000,000.

On page 3, line 14, decrease, the amount by $4,580,000,000.

On page 3, line 15, decrease, the amount by $5,290,000,000.

On page 3, line 16, decrease, the amount by $5,790,000,000.

On page 3, line 17, decrease, the amount by $6,320,000,000.

On page 3, line 18, decrease, the amount by $6,890,000,000.

On page 3, line 19, decrease, the amount by $7,490,000,000.

On page 3, line 20, decrease, the amount by $8,160,000,000.

On page 3, line 21, decrease, the amount by $8,890,000,000.

On page 3, line 22, decrease, the amount by $9,650,000,000.

On page 4, line 3, increase the amount by $4,580,000,000.

On page 4, line 4, increase the amount by $5,290,000,000.

On page 4, line 5, increase the amount by $5,790,000,000.

On page 4, line 6, increase the amount by $6,320,000,000.

On page 4, line 7, increase the amount by $6,890,000,000.

On page 4, line 8, increase the amount by $7,490,000,000.

On page 4, line 9, increase the amount by $8,160,000,000.

On page 4, line 10, increase the amount by $8,890,000,000.

On page 4, line 11, increase the amount by $9,650,000,000.

On page 4, line 17, increase the amount by $4,580,000,000.

On page 4, line 18, increase the amount by $5,290,000,000.

On page 4, line 19, increase the amount by $5,790,000,000.

On page 4, line 20, increase the amount by $6,320,000,000.

On page 4, line 21, increase the amount by $6,890,000,000.

On page 4, line 22, increase the amount by $7,490,000,000.

On page 4, line 23, increase the amount by $8,160,000,000.

On page 5, line 1, increase the amount by $8,890,000,000.

On page 5, line 2, increase the amount by $9,650,000,000.

On page 28, line 23, increase the amount by $4,200,000,000.

On page 28, line 24, increase the amount by $4,200,000,000.

On page 29, line 2, increase the amount by $4,580,000,000.

On page 29, line 3, increase the amount by $4,580,000,000.

On page 29, line 6, increase the amount by $5,290,000,000.

On page 29, line 7, increase the amount by $5,290,000,000.

On page 29, line 10, increase the amount by $5,790,000,000.

On page 29, line 11, increase the amount by $5,790,000,000.

On page 29, line 14, increase the amount by $6,320,000,000.

On page 29, line 15, increase the amount by $6,320,000,000.

On page 29, line 18, increase the amount by $6,890,000,000.

On page 29, line 19, increase the amount by $6,890,000,000.

On page 29, line 22, increase the amount by $7,490,000,000.
On page 29, line 23, increase the amount by $7,490,000,000.
On page 30, line 2, increase the amount by $8,160,000,000.
On page 30, line 3, increase the amount by $8,160,000,000.
On page 30, line 6, increase the amount by $8,890,000,000.
On page 30, line 7, increase the amount by $8,890,000,000.
On page 30, line 10, increase the amount by $9,650,000,000.
On page 30, line 11, increase the amount by $9,650,000,000.
On page 43, line 15, decrease the amount by $4,200,000,000.
On page 43, line 16, decrease the amount by $4,200,000,000.
On page 48, line 8, increase the amount by $4,200,000,000.
On page 48, line 9, increase the amount by $4,200,000,000.

INDIAN HEALTH CARE AMENDMENT TO THE BUDGET RESOLUTION

Mr. DASCHLE. Mr. President, this amendment addresses a huge, but simple problem. American Indians and Alaska Natives were guaranteed health insurance. They are not getting it.

The Indian Health Service is supposed to provide full health coverage and care to every Indian in the country. In fiscal year 2002, the cost of that care is conservatively estimated at $6 billion. The IHS budget for those Personal Clinical Services is $1.8 billion. My amendment would give the Indian Health Service the $4.2 billion it needs to provide the basic, essential health coverage it is required to provide.

What is happening now without that critical funding? Health care is being rationed, often with tragic results. Indians are being told they face a literal ''life or limb'' test. They cannot see a doctor unless their life is threatened or they are about to lose a limb. They are told they have to wait until they get worse; then, if there is any money left, they might get treatment. Non-emergency care is routinely denied.

It's hard to believe this is happening in America in 2001, but it is.

And the pain is felt not just in Indian Country, but also in the surrounding areas where non-IHS facilities try to fill in some of the treatment gaps. Because IHS has no money to reimburse them, they are facing their own budget crises.

The problem is real; the solution is simple. Give the Indian Health Service the funds it needs to provide 2.45 million Native Americans the health benefits they have been promised.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as an original cosponsor.

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

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. Mr. President, I, too, want to be listed as an original cosponsor of the amendment.

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

Mr. CONRAD. This is an amendment that deals with Indian health and is strongly supported on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 325) was agreed to.

AMENDMENT NO. 246

Mr. DOMENICI. Mr. President, I ask that amendment No. 246 be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SMITH of Oregon, proposes an amendment numbered 246.

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

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

The amendment is as follows:

On page 5, line 8, decrease the amount by $100,000,000.
On page 4, line 3, increase the amount by $100,000,000.
On page 4, line 17 increase the amount by $100,000,000.
On page 17, line 23, increase the amount by $100,000,000.
On page 17, line 24, increase the amount by $100,000,000.
On page 18, line 2, increase the amount by $100,000,000.
On page 18, line 3, increase the amount by $100,000,000.
On page 43, line 15, decrease the amount by $100,000,000.
On page 43, line 16, decrease the amount by $100,000,000.

Mr. SMITH of Oregon. Mr. President, I rise today to introduce an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment would increase the construction funds available to the Bureau of Reclamation by $100 million annually in fiscal years 2002 and 2003.

Mr. President, there is a crying need for water infrastructure in the Western United States. Many existing Reclamation projects are over 40 years old and need improvements and rehabilitation. A new environmental ethic has caused projects to provide more water for the environment, or to be reconfigured to be more environmentally friendly. These types of construction projects include screening diversions, lining canals, and temperature control devices.

The 106th Congress authorized several new projects to be funded by the Bureau of Reclamation, including the Lewis and Clark Water Supply Project in South Dakota, and a reconfigured Dakota Water Supply Project for North Dakota. The views and estimates of the Senate Energy Committee also anticipated Committee action on a major Indian water settlement in Arizona, and the enactment of a CAL–FED authorizations bill.

In the face of these existing and anticipated demands on the Reclamation budget, construction funds available to the agency declined thirty-six percent over the last ten years. This bipartisan amendment would provide $100 million in additional construction funds for the Bureau of Reclamation in both 2002 and 2003. In 2002, the funds come from the function 920 account. In 2003, they come from the budget surplus.

As the National Urban Agricultural Council aptly stated: ''It is time to turn the corner on the funding for the Bureau and put it on a course so that the West is not left withering in the desert.'' I urge my colleagues' support of this amendment.

Mr. CONRAD. Mr. President, we do not have a copy of this amendment.

Mr. DOMENICI. Let's make it sound better and say we thought we had given it to the Senator but perhaps we did not.

Mr. CONRAD. The Senator may well have. As the Senator from New Mexico knows, we are dealing with a large number of amendments. We just do not have it in the stack of amendments.

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. We support this amendment on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 246) was agreed to.

Mr. DOMENICI. This is a zero effect amendment. It affects the Bureau of Reclamation without affecting the budget in any way. It is a neutral amendment.

Mr. CONRAD. We agree, Mr. President, that it is budget neutral.

Mr. DOMENICI. I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 283, AS MODIFIED

Mr. DOMENICI. Mr. President, we have reached agreement on a budget-neutral amendment, a modification to amendment No. 283. I ask unanimous consent that I be permitted to send a modification to amendment No. 283 to the desk. The principal sponsors are Mr. SMITH of Oregon, Mr. HARKIN, Mr. LEAHY, Ms. SNOWE, Mr. CRAPO, and Mrs. BOXER.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SMITH of Oregon, for himself, Mr. HARKIN, Mr. LEAHY, Ms. SNOWE, Mr. CRAPO, and Mrs. BOXER, proposes an amendment numbered 283, as modified.

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

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

The amendment, as modified, is as follows:

(Purpose: To provide an increase in funds of $1.3 billion in fiscal year 2002 for the promotion of voluntary agriculture and forestry conservation programs that enhance and protect natural resources on private lands and without taking from the HI Trust Fund)

On page 17, line 23, increase the amount by $1,300,000,000.

On page 17, line 24, increase the amount by $1,300,000,000.

On page 43, line 15, decrease the amount by $1,300,000,000.

On page 43, line 16, decrease the amount by $1,300,000,000.

Mr. SMITH of Oregon. Mr. President, I want to thank the distinguished Chairman and Ranking Member of the Senate Budget Committee for helping to reach this agreement to adopt this amendment today. While this modified version does not contain the $2.7 billion in fiscal year 2003 that the original did, it does call for the $1.3 billion increase in fiscal year 2002 for agriculture conservation under function 300 of the budget. This amount, combined with $350 million authorized under an amendment adopted yesterday, totals more than $1.6 billion for conservation activities in fiscal year 2002.

As our farmers and ranchers are faced with new environmental regulations and development pressures, agriculture conservation programs become even more important. Right now, demand for conservation assistance far outstrips available funding for such programs as the Environmental Quality Incentives Program. In addition, there is a need for more NRCS technical assistance support and a new incentives-based conservation initiative such as the Conservation Security Act.

I want to thank Senators HARKIN, LEAHY, SNOWE, CRAPO, BOXER, WYDEN, DAYTON, BINGAMAN, LEVIN, DURBIN, JOHNSON, and LANDRIEU who joined me in introducing this bipartisan amendment. I have enjoyed working with them and believe that we have a growing core of interest in agriculture conservation funding here in the Senate. I look forward to working closely with my friends on both sides of the aisle to pursue this funding in the upcoming conference on the budget as well as in future agriculture appropriations acts.

Mr. DOMENICI. We have no objection to the amendment, as modified, on this side.

Mr. CONRAD. We support the amendment, as modified, on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 283), as modified, was agreed to.

Mr. DOMENICI. I repeat, this amendment does not increase spending. It is a neutral amendment.

Mr. CONRAD. I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 197

Mr. DOMENICI. Mr. President, I have three amendments we want to voice vote. The first one is amendment No. 197 by Senator DORGAN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 197.

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

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

The amendment is as follows:

(Purpose: To increase budget authority and outlays in Function 450 (Community and Regional Development) by $2,300,000,000 to establish a venture capital fund to make equity investments in businesses with high job-creating potential located or locating in rural counties that have experienced economic hardship caused by net outmigration of 10 percent or more between 1980 and 1998 and are situated in States in which 25 percent or more of the rural counties have experienced net outmigration of 10 percent or more over the same period, based on Bureau of the Census statistics; to make available $200,000,000 to that fund for each of fiscal years 2002 through 2011; to require a substantial investment from State government and private sources and to guarantee up to 60 percent of each authorized private investment; and to express the sense of the Senate that this funding should be offset by a transfer of $2,300,000,000 from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $230,000,000.

On page 2, line 18, increase the amount by $230,000,000.

On page 3, line 2, increase the amount by $230,000,000.

On page 3, line 3, increase the amount by $230,000,000.

On page 3, line 4, increase the amount by $230,000,000.

On page 3, line 5, increase the amount by $230,000,000.

On page 3, line 6, increase the amount by $230,000,000.

On page 3, line 7, increase the amount by $230,000,000.

On page 3, line 8, increase the amount by $230,000,000.

On page 3, line 13, decrease the amount by $230,000,000.

On page 3, line 14, decrease the amount by $230,000,000.

On page 3, line 15, decrease the amount by $230,000,000.

On page 3, line 16, decrease the amount by $230,000,000.

On page 3, line 17, decrease the amount by $230,000,000.

On page 3, line 18, decrease the amount by $230,000,000.

On page 3, line 19, decrease the amount by $230,000,000.

On page 3, line 20, decrease the amount by $230,000,000.

On page 3, line 21, decrease the amount by $230,000,000.

On page 3, line 22, decrease the amount by $230,000,000.

On page 4, line 17, increase the amount by $230,000,000.

On page 4, line 18, increase the amount by $230,000,000.

On page 4, line 19, increase the amount by $230,000,000.

On page 4, line 20, increase the amount by $230,000,000.

On page 4, line 21, increase the amount by $230,000,000.

On page 4, line 22, increase the amount by $230,000,000.

On page 4, line 23, increase the amount by $230,000,000.

On page 5, line 1, increase the amount by $230,000,000.

On page 5, line 2, increase the amount by $230,000,000.

On page 25, line 6, increase the amount by $2,300,000,000.

On page 25, line 7, increase the amount by $230,000,000.

On page 25, line 11, increase the amount by $230,000,000.

On page 25, line 15, increase the amount by $230,000,000.

On page 25, line 19, increase the amount by $230,000,000.

On page 25, line 23, increase the amount by $230,000,000.

On page 26, line 3, increase the amount by $230,000,000.

On page 26, line 7, increase the amount by $230,000,000.

On page 26, line 11, increase the amount by $230,000,000.

On page 26, line 15, increase the amount by $230,000,000.

On page 26, line 19, increase the amount by $230,000,000.

On page 43, line 15, decrease the amount by $2,300,000,000.

On page 43, line 16, decrease the amount by $230,000,000.

On page 48, line 8, increase the amount by $2,300,000,000.

On page 48, line 9, increase the amount by $230,000,000.

At the end, add the following:

SEC. . SENSE OF THE SENATE ON THE USE OF FEDERAL RESERVE SURPLUSES.

It is the sense of the Senate that the levels in this resolution assume that the $2,300,000,000 increase in revenues over the 2002 through 2011 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal Reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we oppose this amendment, but we are willing to do this on a voice vote. I have nothing further to say. This adds money to function 470 of the budget. We are against it, but we will have a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 197.

The amendment (No. 197) was rejected.

AMENDMENT NO. 198

Mr. DOMENICI. I call up amendment No. 198 on behalf of Senator DORGAN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 198.

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

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

The amendment is as follows:

(Purpose: To eliminate the Bureau of Indian Affairs school construction backlog and to increase funding for Indian health services, by transferring funds from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $713,440,000.

On page 2, line 18, increase the amount by $713,440,000.

On page 3, line 1, increase the amount by $713,440,000.
On page 3, line 2, increase the amount by $713,440,000.
On page 3, line 13, decrease the amount by $713,440,000.
On page 3, line 14, decrease the amount by $713,440,000.
On page 3, line 15, decrease the amount by $713,440,000.
On page 3, line 16, decrease the amount by $713,440,000.
On page 4, line 3, increase the amount by $732,000,000.
On page 4, line 4, increase the amount by $732,000,000.
On page 4, line 5, increase the amount by $732,000,000.
On page 4, line 17, increase the amount by $713,440,000.
On page 4, line 18, increase the amount by $713,440,000.
On page 4, line 19, increase the amount by $713,440,000.
On page 25, line 6, increase the amount by $232,000,000.
On page 25, line 7, increase the amount by $213,440,000.
On page 25, line 10, increase the amount by $232,000,000.
On page 25, line 11, increase the amount by $213,440,000.
On page 25, line 14, increase the amount by $232,000,000.
On page 25, line 15, increase the amount by $213,440,000.
On page 25, line 18, increase the amount by $232,000,000.
On page 25, line 19, increase the amount by $213,440,000.
On page 28, line 23, increase the amount by $500,000,000.
On page 28, line 24, increase the amount by $500,000,000.
On page 29, line 2, increase the amount by $500,000,000.
On page 29, line 3, increase the amount by $500,000,000.
On page 29, line 6, increase the amount by $500,000,000.
On page 29, line 7, increase the amount by $500,000,000.
On page 29, line 10, increase the amount by $500,000,000.
On page 29, line 11, increase the amount by $500,000,000.
On page 43, line 15, increase the amount by $732,000,000.
On page 43, line 16, increase the amount by $713,440,000.
On page 48, line 8, increase the amount by $732,000,000.
On page 48, line 9, increase the amount by $713,440,000.

At the appropriate place, insert the following:

SEC. ___. USE OF FEDERAL RESERVE SURPLUSES.

It is the sense of the Senate that levels in this resolution assume that the $2,853,670,000 increase in revenue over the 2002 through 2005 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we oppose this amendment but are willing to do it on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 198.

The amendment (No. 198) was rejected.

AMENDMENT NO. 261

Mr. DOMENICI. Mr. President, we have a third amendment. We hope the same treatment befalls this amendment. This is Conrad amendment No. 261.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 261.

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

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

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

The PRESIDING OFFICER. The question is on agreeing to amendment No. 261.

The amendment (No. 261) was rejected.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 183

Mr. DOMENICI. Mr. President, we are prepared to proceed with some additional amendments. We call up amendment No. 183, the Kerry-Bond amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY, Mr. BOND, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, Mr. DASCHLE, Mr. LEAHY, and Mr. JOHNSON, proposes an amendment numbered 183.

Mr. DOMENICI. I ask unanimous consent reading of the amendment be dispensed.

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

The amendment is as follows:

(Purpose: To revise the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country's 24 million small businesses, and to restore and reasonably increase funding to specific programs at the Small Business Administration because the current budget request reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow)

On page 21, line 15, increase the amount by $264,000,000.
On page 21, line 16, increase the amount by $154,000,000.
On page 43, line 15, decrease the amount by $264,000,000.
On page 43, line 16, decrease the amount by $154,000,000.
On page 48, line 8, increase the amount by $264,000,000.
On page 48, line 9, increase the amount by $154,000,000.

Mr. DOMENICI. Mr. President, we accept that amendment and we are willing to do that at this time.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. If the distinguished managers would not object, I know Senator KERRY would like to add a brief statement.

A recent visitor to my Small Business Committee office spoke excitedly that his small business won a Government contract. But when he sought financing at a local bank, the bank would not lend to him unless he was willing to pay a 28-percent interest rate. It is odd to see the Government willing to do business with him but banks consider the small business too risky. The SBA fills that role, and this amendment will ensure that the SBA can continue to do that.

I urge adoption of this bipartisan amendment on SBA. The funds are critical for SBA programs such as HUBZones, 7(a) loan programs, and the BDC program.

Mr. KERRY. Mr. President, I am offering an amendment that ensures the small business programs at the Small Business Administration are adequately funded for FY 2002 and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs, such as the 7(a) loan program and the Women's Business Centers, at the SBA because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks surveyed have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. This amendment also shores up resources for the agency's management training and counseling programs, which are sometimes more important to the success of small businesses than loans.

This amendment is not controversial, and it is bipartisan. I want to thank my colleagues—Senators BOND, BINGAMAN, WELLSTONE, LANDRIEU, DASCHLE, LEAHY, JOHNSON, SCHUMER, COLLINS, LEVIN, and SNOWE—for cosponsoring what I consider sensible and realistic changes to the budget.

In order to foster small businesses creation and growth in this country, we need to restore $264 million to the SBA's budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we've been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation's job creators.

Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I ask unanimous consent that letters of support and a summary of the amendment be printed in the RECORD.

THE NATIONAL ASSOCIATION OF GOVERNMENT GUARANTEED LENDERS, INC.,
Stillwater, OK, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: I am writing on behalf of NAGGL's nearly 700 members in support of your amendment, number 183, to the Budget Resolution that would revise the proposed budget for the Small Business Administration in fiscal year 2002. Specifically, your amendment would restore $264 million to the SBA's budget in fiscal year 2002 of which $118 million is earmarked for the agency's 7(a) guaranteed loan program. We strongly believe it is in the best interest of small business that your amendment be adopted.

The present budget proposes no fiscal year 2002 appropriations for the 7(a) loan program and instead proposes to make the program self-funding through the imposition of increased fees. The previous SBA Administrator testified before the House Small Business Committee last year that the 7(a) program was already being run at a ''profit'' to the government. This statement was confirmed in a September 2000 Congressional Budget Office report entitled ''Credit Subsidy Reestimates, 1993–1999.'' Unfortunately, the budget as currently proposed would, in our view, have the effect of imposing additional taxes by increasing program fees. This result would be ironic given the Administration's push for tax cuts.

A recent survey of NAGGL's membership, who currently make approximately 80 percent of SBA 7(a) guaranteed loans, shows that if the budget were adopted as proposed, most lenders would significantly curtail their 7(a) lending activities. Therefore, small businesses would find it more difficult and expensive to obtain crucial long-term financing. The proposed budget would increase the lender's cost of making a loan by 75 percent and would increase the direct cost to the borrower by 12 percent. Any fee increase is unacceptable when the program is already profitable for the government.

The small business consequences of a slowdown in 7(a) guaranteed lending are manifold. Currently, according to statistics available from the Federal Deposit Insurance Corporation and the SBA, approximately 30 percent of all long-term loans, those with a maturity of 3 years or more, carry an SBA 7(a) guarantee. This is because lenders generally are unwilling to make long-term loans with a short-term deposit base. Therefore, reducing the availability of 7(a) capital to small businesses will have a significant effect on them and on the economy.

The average maturity for an SBA 7(a) guaranteed loan is 14 years. The average conventional small business loan carries an average maturity of one year or less. For those conventional loans with original maturities over one year, the average maturity is just three years. The majority of SBA 7(a) borrowers are new business startups or early stage companies. The longer maturities provided by the SBA 7(a) loan program give small businesses valuable payment relief, as the longer maturity loans carry substantially lower monthly payments.

For example, if a small business borrower had to take a 5 year conventional loan instead of a 10 year SBA 7(a) loan, the result would be a 35%–40% increase in monthly payments. The lower debt payments are critical to startup and early stage companies. Small business loans, where they can be found, would have vastly increased monthly payments. This at a time when the economy appears to be struggling and when bank regulators have spurred banks to tighten credit criteria, the current budget only proposes to worsen the situation for small business borrowers.

Your amendment would help mitigate this problem. It would provide small businesses far better access to long-term financing on reasonable terms and conditions at a time when their access to such capital is critical. We urge your colleagues to support your initiative and adopt your amendment.

Respectfully,
ANTHONY R. WILKINSON.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. HISPANIC CHAMBER OF COMMERCE,
Washington, DC, April 5, 2001.

Hon. JOHN F. KERRY,
Ranking Member, Senate Small Business Committee, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: We write in support of the Kerry/Bond Amendment to restore $264 million of the proposed cuts to the Small Business Administration's (SBA) budget. We further support the amendment's proposal to have these funds come out of the contingency fund and not the tax cut or the Medicare/Social Security trust fund. Your amendment would ensure that the small business programs at the SBA are adequately funded and continue to provide loan and business assistance to Hispanic-owned small businesses in this country.

The United States Hispanic Chamber of Commerce (USHCC) represents the interest of approximately 1.5 million Hispanic-owned businesses in the United States and Puerto Rico. With a network of over 200 local Hispanic chambers of commerce across the country, the USHCC stands as the preeminent business organization that promotes the economic growth and development of Hispanic entrepreneurs.

The SBA programs that are currently in jeopardy of losing funds have been extremely instrumental in helping our Hispanic entrepreneurs start and maintain successful businesses in the United States. Without these programs, the Hispanic business community will suffer huge setbacks to the strides we have been able to achieve over the years. It is therefore necessary to restore and increase funding to these programs so that the Hispanic business community will continue to experience economic growth and success in this country.

We support your efforts and urge other members of the Senate to support the Kerry/Bond amendment in restoring these necessary funds to the SBA.

Respectfully submitted,
MARITZA RIVERA,
Vice President for Government Relations.

INDEPENDENT COMMUNITY BANKERS OF AMERICA,
Washington, DC, April 5, 2001.

To: Members of the U.S. Senate.

From: Independent Community Bankers of America.

Re ICBA support the Kerry-Bond amendment to preserve small business loan programs and to prevent new fees.

On behalf of the 5,300 members of the ICBA, we support the Kerry-Bond amendment to the FY 2002 Budget and urge all Senators to join in support of this important bipartisan amendment. The amendment to be offered by Sens. John Kerry (D-Mass) and Christopher Bond (R-Missouri) would prevent new hidden taxes in the form of additional fees imposed on small business lenders and borrowers. The proposed FY 2002 Budget pending in the Senate would levy significant new fees on the SBA 7(a) loan program. These increased fees would jeopardize needed lending and credit to small business at the worst possible time as our economy has slowed dramatically and small business lending has become more difficult. Therefore, the Kerry-Bond amendment would restore the appropriation for the 7(a) small business loan program and prevent onerous new fees from being levied on borrowers and lenders.

This amendment shares bipartisan support. The Chairmen and Ranking Members of the Senate Small Business Committees oppose new taxes on small businesses in the form of higher loan fees. Specifically, Small Business Committee Chairman Chris Bond and Ranking Member John Kerry have asked for the $118 million appropriation to support the 7(a) loan program to be restored in the FY 2002 Budget. The ICBA applauds the bipartisan efforts of Sens. Kerry and Bond in offering their amendment.

We urge every Senators' support for the Kerry-Bond amendment so that small businesses have continued access to needed credit and that the 7(a) loan program is not devastated by taxing new fees.

ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS,
Burke, VA.

Hon. JOHN F. KERRY,
Ranking Minority Member, Senate Small Business Committee, Russell Senate Office Building, Washington, DC.

DEAR SENATOR: We wish to commend you for proposing an amendment to the Budget Resolution calling for the restoration of funding for the Small Business Development Center (SBDC) and 7(a) Guaranteed Loan Programs. During this period of economic downturn, it is even more important that funding for these two critically important programs not be compromised as hundreds of thousands of small businesses will need management and technical assistance and long term debt financing more than ever.

As for the SBDC Program specifically, we are proud to report that the most recent impact survey of the program found that in one year SBDC's helped small businesses create 92,000 new jobs, generate $630 million in new tax revenues, increased by 67,000 the number of entrepreneurs counseled above previous levels, and provided training to more than 84,000 small business owners than were trained during the last reporting period. In all, over 750,000 small business and preventure clients received SBDC assistance in the last fiscal year. And that was during good economic times.

Your seeking funding of $105,000,000 for the SBDC Program is bipartisan as Senator Kit Bond, Chairman of the senate Small Business Committee in his Views and Estimates letter to the Senate Budget Committee called for the same funding level. Likewise

Senator Bond opposed any funding cut for the 7(a) Guaranteed Loan Program. Both recommendations we applaud.

We also understand that your amendment would restore funding for the New Markets and PRIME programs. This association has taken no formal position regarding funding for these well intended programs.

thank you for soliciting our views. We appreciate your leadership regarding these two outstanding SBA programs.

Sincerely,

DONALD T. WILSON,
Director of Government Relations.

WESST CORP,
Albuquerque, NM, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: On behalf of the Association of Women's Business Centers, I am writing to voice our full support for the amendment you have introduced (#183) which would provide adequate funding for the Small Business Administration's programs targeted to lending and business assistance.

As you know, the SBA programs serve the credit and business development needs of women, minorities, and low-income entrepreneurs all across the United States and Puerto Rico. It is absolutely critical that these programs, particularly the Women's Business Centers Program, the Microloan Program, PRIME, and the National Women's Business Council, receive the funding you have recommended in your amendment so that existing and emerging entrepreneurs throughout the country continue to have opportunities to realize the American dream of business ownership.

As an advocate for tens of thousands of women business owners across the country, the AWBC applauds your vision and leadership in helping to ensure that these critical SBA programs continue to serve the entrepreneurial and credit needs of the American people.

We look forward to working with you in the months ahead to ensure the passage of this amendment.

Thank you very much for your ongoing support.

Sincerely,

AGNES NOONAN,
Chair, AWBC Policy Committee,
Executive Director.

THE ASSOCIATION OF
WOMEN'S BUSINESS CENTER,
Boston, MA, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: As the President of the Association of Women's Business Centers (AWBC), I am writing on behalf of the 80+ Women's Business Centers who have been funded by the Small Business Administration's Office of Women's Business Ownership. We write to support your amendment #183 to increase funding for the SBA programs and, in particular, to fund the Women's Business Center Program at $13.7 million.

The President's budget only provides level funding of $12 million for the WBC program, which is inadequate at this time as women are continuing to start two-thirds of all new businesses. Clearly, we need an increase in funding at this time to continue to ensure that we are keeping pace with this fast growth and providing services to as many women business owners as possible.

Thank you very much for your continued support and advocacy on our behalf.

Sincerely,

ANDREA C. SILBERT,
President, AWBC, and
CEO, Center for Women & Enterprise.

HOUSTON, TX,
April 5, 2001.

Senator JOHN KERRY,
Washington, DC.

DEAR SENATOR KERRY: Since I work with small business owners every day to help them obtain the financing they require to start a new business, acquire a business or expand an existing business, I wanted you to know that I strongly support you and your efforts regarding Amendment 183.

Thank you for your continued good work.

Sincerely,

CHARMIAN ROSALES.

SUMMARY OF AMENDMENT NO. 183

(Purpose: To amend the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs at the SBA because the current budget request reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow)

All funds are added to Function 376, which funds the SBA for FY 2002.

CREDIT PROGRAMS

$118 million for 7(a) loans, funding an $11 billion program.

$26.2 million for SBIC participating securities, will support a $2 billion program.

$750,000 for direct microloans, funding a $30 million program.

$21 million for new markets venture capital debentures, funding $150 million program.

Total request for credit programs=$166 million.

NON-CREDIT PROGRAMS

$4 million for the National Veterans Business Development Corporation.

$10 million for Microloan Technical Assistance, total of $30 million.

$30 million for the Small Business Development Centers, total of $105 million.

$30 million for New Markets Venture Capital Technical Assistance.

$15 million for the Program for Investment in Microenterprise.

$7 million for BusinessLINC.

$1.7 million for Women's Business Centers, bringing total to $13.7 million.

$250,000 for Women's Business Council, bringing total to $1 million.

Total request for non-credit program=$98 million.

Total request for credit and non-credit programs=$264 million.

Mr. KERRY. Mr. President, in conclusion, we have noticed in the last months small businesses have been severely constrained because banks are tightening up credit. This amendment is going to leverage some $13 billion worth of investment in the country. There isn't a State in the Nation where small business doesn't make an enormous difference. Small business represents 50 percent of the jobs in the private sector. By restoring these funds, we are going to help to turn around the slowness that people perceive in the economy today and I think give a lot of relief to an awful lot of businesses in the Nation.

I thank the managers for accepting this amendment.

Mr. DOMENICI. This also is budget neutral. We have no objection to the amendment.

Mr. CONRAD. Mr. President, it is supported on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 183) was agreed to.

AMENDMENT NO. 231, AS MODIFIED

Mr. DOMENICI. We call up Senator MURRAY's amendment No. 231, and I ask unanimous consent to send a modification to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. MURRAY, Mr. AKAKA, Mr. LIEBERMAN, Mr. EDWARDS, Mrs. LINCOLN, Ms. CANTWELL, Mrs. BOXER, and Mr. REID, proposes an amendment numbered 231, as modified.

(Purpose: To increase budget authority and outlays in Function 450 to provide adequate funding for Project Impact and FEMA Hazard Mitigation grants)

On page 25, line 6, increase the amount by $108,000,000.

On page 25, line 7, increase the amount by $108,000,000.

On page 43, line 15, decrease the amount by $108,000,000.

On page 43, line 16, decrease the amount by $48,000,000.

Mr. AKAKA. Mr. President, I am pleased to cosponsor the amendment offered by the Senator from Washington, Mrs. MURRAY, to reinstate FEMA's pre-disaster mitigation program, Project Impact. Established in 1997, Project Impact assists communities in identifying risks and vulnerabilities, developing programs to lessen risks, and involving the public and private sectors in the process. With over 250 community Project Impact partners nationwide and more than 2,500 business partners, Project Impact is the only Federal program that provides funds for pre-disaster mitigation.

In Hawaii, all four of the state's counties are Project Impact partners. For example, Maui County is using Project Impact to review community mitigation plans in regions that are more isolated than others to reduce disruptions during and after disasters. The County of Kauai is using funds to assist with retrofitting and hardening public structures to protect them from damaging hurricanes, and the state's most populous area, the City and County of Honolulu, is working on an aggressive public education and awareness program, developing a mitigation strategy to include a risk-vulnerability assessment, hardening and retrofitting essential facilities, and flood control measures.

My distinguished colleague from Washington described how Seattle has benefited from its partnership with Project Impact. I was interested that 6 months before the city's massive earthquake, Mayor Paul Schell said, ''Seattle Project Impact helps us realize we are not powerless against the threat of earthquakes. This public-private partnership is a stellar example of how local communities can work together to become disaster resistant.'' Ironically, the President's budget, which was released on the same day as the Seattle earthquake, proposed to terminate Project Impact from FEMA's fiscal year 2002 budget because the program ''has not proven effective.''

I would like to take a moment to discuss the effectiveness of this program. My first action was to ask OMB Director Mitchell Daniels and FEMA Director Joseph Allbaugh how they reached their decision to eliminate this successful program. During Director Allbaugh's confirmation hearing, he said that, with respect to the importance of disaster mitigation, ''taking my lead from Congress' enactment of the 2000 Stafford Act amendments, I plan to focus on implementing pre-disaster mitigation programs that encourage the building of disaster resistant communities. FEMA has made solid progress in this area, but more can be done to limit the human and financial toll of disasters.'' We must assume that the ''solid progress'' in pre-disaster mitigation refers to Project Impact since it is the only pre-disaster mitigation program funded by FEMA. Eliminating its funding will not meet the goal of doing more to ''focus on implementing pre-disaster mitigation programs'' and ''limit the human and financial toll of disasters.''

Director Daniels recently replied to my earlier letter. He expressed strong support for Project Impact but surprisingly indicated that funding would be eliminated. Instead he suggested that a new National Emergency Reserve fund would be used for disaster mitigation although the President's proposed budget blueprint makes clear that the reserve's funds are ''limited to expenditures that are sudden, urgent, unforeseen, and not permanent.'' His letter, which I ask unanimous consent be entered into the RECORD along with the description of the President's National Emergency Reserve fund, deepens my concern that this program's functions will not be funded. Consequently, there will be no funding for disaster mitigation programs in the President's budget.

I also was interested to learn that there has been no formal review by the General Accounting Office of the effectiveness of this program, either by itself or with respect to the other mitigation programs in FEMA. A March 2000 FEMA Inspector General report outlined some of the management difficulties Project Impact faced as a new and rapidly expanding program. The IG found several areas lacking or in need of reform, and the agency addressed each issue. Moreover, the report stated that many of the benefits derived from Project Impact could not be quantified, which is a never-ending burden of mitigation and prevention programs: a positive outcome results in a smaller effect, or none at all.

Supporters of the President's proposed budget cut may say that all we have heard is anecdotal evidence in support of Project Impact. However, I say that we have not heard any evidence, anecdotal or otherwise, against the program. We must consider qualitative results and benefits, such as public awareness, education and greater community-industry cooperation, when determining its effectiveness. These are very important to a community that hopes to sustain disaster preparedness measures long after the initial seed money is spent.

I urge my colleagues to support our amendment to reinstate the $25 million for Project Impact. With so many of our communities, especially smaller cities and towns, participating in this important program, I believe we must first determine its effectiveness before voting for its elimination. I am asking GAO to provide Congress with a detailed assessment of the program so that we may determined its effectiveness.

Mr. LIEBERMAN. Mr. President, I am pleased to cosponsor this amendment offered by Senators MURRAY and AKAKA to restore funding authorization for the Federal Emergency Management Agency's Project Impact and Hazard Mitigation grants. I have also indicated my opposition to the administration's cuts in these programs in a letter to Chairman DOMENICI and Senator CONRAD, pursuant to my obligation as ranking member of the Governmental Affairs Committee to express views on the President's budget as it affects matters within our jurisdiction.

The administration's proposed cuts in these programs would shift part or all of the funding burden for these programs back on the States, whose resources are already tightly stretched. Moreover, these programs are designed to reduce future losses that would in many cases greatly outstrip the Federal Government's original investment; as a result, we will spend more on recovery programs tomorrow than we will save today by eliminating these programs. Overall, my State of Connecticut is already receiving less federal funding for emergency management than it did in 1995, it will be hard for States like Connecticut to absorb these additional cuts and still maintain the current level of services.

Specifically, the amendment would restore funding authorization for ''Project Impact'' which the administration proposes to zero out. This is a $25 million pre-disaster mitigation and preparedness program that was recently instituted by FEMA. The agency partners with cities at risk for flooding and other disasters to create programs boosting awareness of how to prepare and lessen the damage from disasters. In Connecticut, for example, four cities have been included in this program: Westport, East Haven, Norwich, and Milford. Since Project Impact is new and still being implemented, it has not yet been fully evaluated; however, one of Project Impact's strengths is providing funding directly to cities. Zeroing this program out without providing something in its place is ''not prudent,'' according to Connecticut's Director of Emergency Management. Moreover, the program helps FEMA to achieve its Strategic Goal 1, which seeks to protect lives and prevent the loss of property by implementing pre-disaster mitigation and preparedness measures. Project Impact is a key part of this effort.

The amendment would also reverse the Administration's decision to cut the federal share of funding for hazard mitigation grants which are given for post-disaster mitigation to prevent future losses. Instead of providing funding to states on a 75–25 ratio, the Administration would reduce the federal government's share to 50 percent. Again, this places the burden back on the states to fund these efforts.

These two programs provide needed assistance to States and communities across the country that experience losses due to major disasters. The amount of money that would be saved by these proposed cuts is relatively small. I urge my colleagues to support this amendment and to restore funding authorization for these two worthy FEMA programs.

Mrs. MURRAY. Mr. President, the amendment Senator AKAKA and I have introduced today would restore funding for FEMA's Project Impact and maintain the existing 75 percent Federal cost-share for hazard mitigation grants. The Murray-Akaka amendment would not increase any funding. It would simply keep the same commitment the Federal Government has provided in previous years.

I would like to thank Senator AKAKA for his work on this important amendment, I would also like to thank Senators LIEBERMAN, EDWARDS, LINCOLN, CANTWELL, BOXER, REID, and MIKULSKI for cosponsoring the Murray-Akaka amendment.

On February 28 an earthquake measuring 6.8 on the Richter scale caused significant damage throughout western Washington State killing one person, injuring more than 400 people, and causing hundreds of millions of dollars in damage. It was a big scare. Everyone in western Washington has an earthquake story.

Some of the biggest stories involve a small program called Project Impact. My home State was very lucky the damage wasn't worse. But communities in my State created some of their own luck by being prepared. I am proud to say the Federal Government was a good partner in those efforts. Project Impact is a pre-disaster mitigation

program run by the Federal Emergency Management Agency. The premise is simple: in the 1990s, the Federal Government spent more than $20 billion responding to natural disasters. This sum doesn't count the loss of loved ones. It doesn't count the hardship Americans ensure when Mother Nature strikes.

Congress and the Clinton administration decided that simply responding to disasters wasn't enough. We made the decision to invest in communities that wanted to invest in limiting the damage caused by natural disasters. That philosophy has translated into real life results through Project Impact. But just hours before the earthquake in Washington State, the budget blueprint produced by the Bush administration eliminated Project Impact. The blueprint dismissed Project Impact as ineffective.

As I toured the earthquake damage in the days after the earthquake, I was left wondering who the new administration had spoken with to reach that conclusion. The administration certainly didn't speak with the City of Seattle. Seattle was one of the seven original Project Impact communities. Today, there are nearly 248 Project Impact communities in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Two days after the earthquake, I toured Stevens Elementary School in Seattle. The current school building is one of the oldest run by the Seattle public Schools. The teachers and students practice constantly for earthquakes. Stevens Elementary is one of the 46 Seattle schools that have had overhead hazards removed. In this case, I saw how Project Impact dollars were used to drain an overhead water tank and to secure the tank so it wouldn't fall through a classroom ceiling and onto students during an earthquake. In other Seattle schools, Project Impact dollars are used to disaster-proof classrooms. This involves tying down computers and strapping televisions to ensure they don't fall during an earthquake.

As parents and grandparents, we want to know that our children are safe when they are at school. Project Impact has allowed many communities to make sure that more of their students will be safe when natural disasters strike. Washington State has five Project Impact communities. These communities partner with local businesses and organizations to educate homeowners and professionals about home retrofitting, to do hazard mapping, to set-up better communications systems for disaster situations, to disaster-proof schools, and to help businesses prepare for disasters. These actions are effective. These actions save lives and property and businesses.

The amendment I offer today restores Project Impact funding for fiscal year 2002 and fiscal year 2003. Funding Project Impact for the next 2 years will allow us to better evaluate its success. Last year, Congress passed legislation to authorize a pre-disaster mitigation program. If Project Impact is not meeting the nation's needs for such a program, we will have the next 2 years to develop a program that will meet our goals.

The Bush administration recommended other budget cuts for FEMA as well. I am especially concerned the administration's budget would reduce the Federal cost-share for hazard mitigation grants from 75 percent to 50 percent. Communities covered by a Federal disaster declaration can access hazard mitigation grants to repair or replace damaged public facilities and infrastructure. These grants help to ensure that future disasters will not cripple critical facilities infrastructure and services. The grants allow communities to make the investments when they are most likely to be effective. If the federal cost-share falls from 75 percent to 50 percent cash-strapped States and localities will not be able to afford to use all available grants. This means more lives will be lost, more jobs and businesses will be lost after a disaster, and more Federal spending will be needed to pick up the pieces when the next disaster strikes.

The amendment I am offering will fix this cost-share problem and will restore Project Impact, so that communities across America can take steps today to prevent damage tomorrow. I urge my colleagues to support this important amendment.

Mr. DOMENICI. As modified, this also is budget neutral and we are willing to accept it.

Mr. CONRAD. Mr. President, we support this amendment on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the Murray amendment, No. 231, as modified.

The amendment (No. 231), as modified, was agreed to.

Mr. BOND. Mr. President, I thank the managers for the efficient way they have been handling business. Last night in wrap-up, they passed amendment No. 210 which dealt with restoring money for critical health programs and graduate medical education at community health centers. I ask unanimous consent Senators HOLLINGS, DEWINE, KENNEDY, FEINSTEIN, SMITH of Oregon, KERRY, and DODD be added as cosponsors to Bond amendment No. 210.

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

Mr. DOMENICI. May I be added as a cosponsor?

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

Mr. CONRAD. Mr. President, I would like to be listed as a cosponsor on the Kerry-Bond amendment No. 183 of which we have just disposed. I ask unanimous consent to be shown as an original cosponsor.

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

AMENDMENT NO. 285 WITHDRAWN

Mr. ALLEN. I send to the desk amendment No. 285.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN] proposes an amendment numbered 285.

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

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

The amendment is as follows:

(Purpose: To provide for an Education Opportunity Tax Relief Reserve Fund)

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR EDUCATIONAL OPPORTUNITY TAX RELIEF.

(a) IN GENERAL.—In the Senate and the House, the Chairmen of the Committees on the Budget may reduce the spending and revenue aggregates and may revise committee allocations for legislation that is reported by the Senate Committee on Finance and the House Committee on Ways and Means, respectively, that reduces tax liabilities for parents of primary and secondary education students to increase access to K through 12 education-related opportunities and improve the quality of their children's education experience, especially with regards to, but not limited to, expenses related to the purchase of home computer hardware, education software, and internet access, and for expenses related to tutoring services.

(b) LIMITATION.—The Chairmen shall not make adjustment authorized in this section if legislation described in subsection (a) would cause an on-budget deficit when taken with all other legislation enacted for—

(1) fiscal year 2002;

(2) the period of fiscal years 2002 through 2006; or

(3) the period of fiscal years 2002 through 2011.

(c) BUDGETARY ENFORCEMENT.—Revised allocations and aggregates under subsection (a) shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

Mr. ALLEN. This amendment is an amendment to empower parents in education spending, especially if they have children in kindergarten through 12, in purchasing technology such as computers, educational software, Internet access, and tutor funding—but not tuition. The amendment had some problems on the other side of the aisle. This amendment was never intended to allow a tax credit for tuition.

I very much appreciate the work of the staff of Senator DOMENICI and the folks with Finance. I appreciate working with Senator CONRAD and Senator REID, and Senator DASCHLE brought forward some of the problems this would cause with a flood of further amendments. I thank the Presiding Officer, Senator MILLER, for his support and Senator NELSON of Nebraska.

I say to the fellow Members of the Senate I was hoping to achieve a goal and I will continue to do so and hope the Finance Committee, when acting on tax relief, will take into account giving tax relief to hard-working families who have children in schools. We need to reduce their tax burden. Parents ought to be making education decisions for their children. This idea is

supported by the technology community, and it also helps bridge the divide to make sure that all children have computers at home or make it more affordable to have computers at home and access information on the Internet. Again, it should not be used for tuition.

Mr. DOMENICI. I thank the distinguished Senator from Virginia, Mr. ALLEN. The way he has worked on this, it is obvious this is not the last we will hear of it. From this Senator's standpoint, I hope we will hear more about it.

Mr. ALLEN. I ask unanimous consent to withdraw my amendment for another day on the tax committee, and hopefully they will have this for parents and education spending and technology for our youngsters across our Nation.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I understand Senator CLINTON wants to comment on the amendment adopted in her behalf.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 328, AS MODIFIED

Mrs. CLINTON. Mr. President, I rise to thank the chairman and ranking member of the Budget Committee for accepting an amendment that I believe is so important to safeguard the food supplies in our country and thereby safeguard our children from the growing threat of contamination.

Presently we enjoy one of the most safe food supplies in the world, but we are clearly not immune to the threats we read about every day in our newspapers.

I saw a recent headline in the New York Times that the public does have reason to be alarmed. The Times reported that there are only 400 inspectors to investigate problems at the 57,000 plants in our country. Because of this lack of resources, the FDA inspects food manufacturers only once every 8 years. The American people deserve better than that. So this important measure will strengthen our food safety infrastructure by increasing the number of FDA inspectors so high-risk sites can be inspected annually and would also step up research and surveillance to identify the sources of contamination and track the incidence of foodborne illnesses to help us better meet emerging threats from abroad.

Finally, it would protect against cuts in funding for the Department of Health and Human Services and Department of Agriculture food safety initiatives and ensure sufficient funds in the cases of threats from food safety emergencies.

I am very pleased the administration changed its announced policy yesterday about testing the ground meat in our Nation's schools. I thank them for that reversal because clearly there is nothing more important than providing our children with safe food, and particularly in our schools. I am very pleased that in a bipartisan way we have adopted this amendment which I think will go a long way towards easing the concerns and fears of so many parents in ensuring a safe food supply for generations to come.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

AMENDMENT NO. 253, AS MODIFIED

Mr. DOMENICI. Mr. President, we are prepared to call up amendment 253, Senator LINCOLN's amendment. We ask unanimous consent it be in order to modify the amendment and send a modification to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mrs. LINCOLN, for herself, Mr. CONRAD, Mr. LEAHY, and Ms. LANDRIEU, proposes an amendment numbered 253, as modified.

Mr. DOMENICI. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 19, line 15, increase the amount by $4,000,000,000.

On page 19, line 16, increase the amount by $4,000,000,000.

On page 43, line 11, decrease the amount by $4,000,000,000.

On page 43, line 12, decrease the amount by $4,000,000,000.

Mr. DOMENICI. We have no objection to the amendment. It is budget neutral.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. We support the amendment on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 253) as modified, was agreed to.

Mr. CONRAD. Mr. President, I ask unanimous consent Senator LANDRIEU and myself be added as original cosponsors on the previously considered Lincoln amendment.

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

AMENDMENTS NOS. 205, 207, 209 EN BLOC

Mr. CONRAD. Mr. President, I send three amendments to the desk on behalf of Senator BYRD. I ask they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] for Mr. BYRD, proposes amendments 205, 207, 209 en bloc.

Mr. CONRAD. I ask unanimous consent the reading of the amendments be dispensed with.

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

The amendments (nos. 205, 207, and 209) en bloc are as follows:

AMENDMENT NO. 205

(Purpose: Increase discretionary education funding by $100,000,000 to improve the teaching of American History in America's public schools)

On page 4, line 17, increase the amount by $55,000,000.

On page 4, line 18, increase the amount by $20,000,000.

On page 5, line 8, decrease the amount by $55,000,000.

On page 5, line 9, decrease the amount by $20,000,000.

On page 5, line 21, increase the amount by $55,000,000.

On page 5, line 22, increase the amount by $20,000,000.

On page 6, line 9, increase the amount by $55,000,000.

On page 6, line 10, increase the amount by $20,000,000.

On page 27, line 3, increase the amount by $100,000,000.

On page 27, line 4, increase the amount by $25,000,000.

On page 27, line 8, increase the amount by $55,000,000.

On page 27, line 12, increase the amount by $20,000,000.

On page 43, line 15, increase the negative by $100,000,000.

On page 43, line 16, increase the negative by $25,000,000.

On page 48, line 8, increase the amount by $100,000,000.

On page 48, line 9, increase the amount by $25,000,000.

AMENDMENT NO. 207

(Purpose: To increase investments in Fossil Energy Research and Development for Fiscal Year 2002)

On page 4, line 17, increase the amount by $60,000,000.

On page 4, line 18, increase the amount by $30,000,000.

On page 5, line 8, decrease the amount by $60,000,000.

On page 5, line 9, decrease the amount by $30,000,000.

On page 5, line 21, increase the amount by $60,000,000.

On page 5, line 22, increase the amount by $30,000,000.

On page 6, line 9, increase the amount by $60,000,000.

On page 6, line 10, increase the amount by $30,000,000.

On page 16, line 5, increase the amount by $150,000,000.

On page 16, line 6, reduce the negative amount by $60,000,000.

On page 16, line 9, reduce the negative amount by $60,000,000.

On page 16, line 12, reduce the negative amount by $30,000,000.

On page 43, line 15, increase the negative amount by $150,000,000.

On page 43, line 16, increase the negative amount by $60,000,000.

On page 48, line 8, increase the amount by $150,000,000; and

On page 48, line 9, increase the amount by $60,000,000.

AMENDMENT NO. 209

(Purpose: To increase resources in Fiscal Year 2002 for building clean and safe drinking water facilities and sanitary wastewater disposal facilities in rural America)

On page 4, line 17, increase the amount by $180,000,000.

On page 4, line 18, increase the amount by $270,000,000.

On page 4, line 19, increase the amount by $250,000,000.

On page 4, line 20, increase the amount by $160,000,000.

On page 4, line 21, increase the amount by $110,000,000.

On page 5, line 8, decrease the amount by $180,000,000.

On page 5, line 9, decrease the amount by $270,000,000.

On page 5, line 10, decrease the amount by $250,000,000.

On page 5, line 11, decrease the amount by $160,000,000.

On page 5, line 12, decrease the amount by $110,000,000.

On page 5, line 21, increase the amount by $180,000,000.

On page 5, line 22, increase the amount by $270,000,000.

On page 5, line 23, increase the amount by $250,000,000.

On page 5, line 24, increase the amount by $160,000,000.

On page 5, line 25, increase the amount by $110,000,000.

On page 6, line 9, increase the amount by $180,000,000.

On page 6, line 10, increase the amount by $270,000,000.

On page 6, line 11, increase the amount by $250,000,000.

On page 6, line 12, increase the amount by $160,000,000.

On page 6, line 13, increase the amount by $110,000,000.

On page 26, line 6, increase the amount by $1,000,000,000.

On page 25, line 7, increase the amount by $30,000,000.

On page 25, line 11, increase the amount by $180,000,000.

On page 25, line 15, increase the amount by $270,000,000.

On page 25, line 19, increase the amount by $250,000,000.

On page 25, line 23, increase the amount by $160,000,000.

On page 26, line 3, increase the amount by $110,000,000.

On page 43, line 15, increase the negative amount by $1,000,000,000.

On page 43, line 16, increase the negative amount by $30,000,000.

On page 48, line 8, increase the amount by $1,000,000,000.

On page 48, line 9, increase the amount by $30,000,000.

AMENDMENT NO. 205

Mr. BYRD. Mr. President, my amendment to the budget resolution would add $100 million in Fiscal Year 2002 to Function 500 (Education). This increased funding will allow for the continuation of an American history grant program that I initiated last year. This program is designed to promote the teaching of history as a separate subject in our nation's schools. An unfortunate trend of blending history with a variety of other subjects to form a hybrid called social studies has taken hold in our schools. Further, the history books provided to our young people, all too frequently, gloss over the finer points of America's past. My amendment provides incentives to help spur a return to the teaching of traditional American history.

Every February our nation celebrates the birth of two of our most revered presidents—George Washington, the father of our nation, who victoriously led his ill-fitted assembly of militiamen against the armies of King George, and Abraham Lincoln, the eternal martyr of freedom, whose powerful voice and iron will shepherded a divided nation toward a more perfect Union. Sadly, I fear that many of our nation's school children may never fully appreciate the lives and accomplishments of these two American giants of history. They have been robbed of that appreciation—robbed by schools that no longer stress a knowledge of American history. In fact, study after study has shown that the historical significance of our nation's grand celebrations of patriotism—such as Memorial Day or the Fourth of July—are lost on the majority of young Americans. What a waste. What a shame.

An American student, regardless of race, religion, or gender, must know the history of the land to which they pledge allegiance. They should be taught about the Founding Fathers of this nation, the battles that they fought, the ideals that they championed, and the enduring effects of their accomplishments. They should be taught about our nation's failures, our mistakes, and the inequities of our past. Without this knowledge, they cannot appreciate the hard won freedoms that are our birthright.

Our failure to insist that the words and actions of our forefathers be handed down from generation to generation will ultimately mean a failure to perpetuate this wonderful experiment in representative democracy. Without the lessons learned from the past, how can we ensure that our nation's core ideals—life, liberty, equality, and freedom—will survive? As Marcus Tullius Cicero stated:

> . . . to be ignorant of what occurred before you were born is to remain always a child. For what is the worth of human life, unless it is woven into the life of our ancestors by the records of history?

I am not the only one who recognizes the importance of teaching American history. Many groups are interested and have expressed support for this grant program. Representatives from the National Council for History Education, the National Coordinating Committee for the Promotion of History, the American Historical Association, and National History Day have all expressed enthusiasm for this grant program. They are very supportive of this effort.

So, for those reasons, I offer this amendment to the budget resolution to increase Function 500 (Education) by $100 million in Fiscal Year 2002.

AMENDMENT NO. 207

Mr. BYRD. Mr. President, the State of California has been beset by an energy crisis. We see daily reports of rolling blackouts, epidemic shortages of electricity, and, most recently, utility rate hikes, which for some customers could mean a forty percent increase in their electric bill. And, as bad as things are now, it is only going to get worse this summer when the weather heats up and demand for electricity increases. Moreover, the problems being faced today in California are not limited to that state. On the contrary, this crisis threatens other parts of the country as well.

Given that situation, one would think that policymakers here in Washington would be focused like a laser on the idea of increasing energy supplies while at the same time trying to stem demand. The Bush Administration is working to put together a national energy policy. But, until the President's Energy Task Force completes its work and reports to the American people, the only guidance we have from the Administration is that which can be gleaned from official statements and the sparse information contained in the so-called Budget Blueprint.

Mr. President, I am deeply concerned with where this Administration is going, because what I hear with my ears is not the same as what I read with my eyes. When I listen to the President and his senior cabinet officials, I am at a loss to reconcile their verbal pronouncements with what the Administration has proposed by way of its budget. Let me give you some examples.

On February 27, just five weeks ago, President Bush came up to Capitol Hill, and he spoke to the American people before a joint session of Congress. In that address, the President laid out several policy goals, not the least of which was the need for a national energy policy that would enhance this nation's energy security. During his speech, the President said:

> Our energy demand outstrips our supply. We can produce more energy at home while protecting our environment, and we must. We can produce more electricity to meet demand, and we must. We can promote alternative energy sources and conservation, and we must. America must become more energy independent, and we will.

Little more than two weeks ago, on March 19, the Secretary of Energy reiterated the problems with supply when he spoke to the U.S. Chamber of Commerce here in Washington. At an event billed as a National Energy Summit, Secretary Abraham stated flat out that this nation had an energy supply crisis. He went on to say that that supply crisis was not the fault of depleted natural resources; the United States has not run out of coal, or natural gas, or oil. Rather, in the Secretary's opinion, it was ''political leadership that has been scarce.''

Consequently, when I hear these statements, I come away thinking that this administration is truly committed to increasing our supply of domestic energy. I was heartened by these comments because I believed they meant that the President and the Secretary would understand that the only way we were going to get more supply is through the use of newer and better technology. And, the only way we can get better technology is through the kind of investments in research and development being done by the Department of Energy.

I regret to say, however, that I may have been wrong. I may have overestimated the administration's commitment to increasing domestic energy supplies, particularly, if those increases do not come easily or cheaply. The Budget Blueprint does not appear to include the increases in supply that the President and the Secretary say we need. Why? Because, in its budget plan, the White House has drastically pulled back from a whole-hearted dedication to research and development.

The proposed budget for the Department of Energy's Office of Fossil Energy would underfund—severely underfund—many of our most important fossil energy research programs. It is true that the President will carry through on his promise of proposing $2 billion over the next ten years for the Clean Coal Technology program, a program I started in 1985 and one which has been one of the most successful public/private partnerships ever created. Unfortunately, while fulfilling his campaign promise related to clean coal, the President will do so at the expense of the other gas, oil, and coal research programs.

Specifically, the Budget Blueprint states that Clean Coal funding, which the Secretary of Energy has said would amount to $150 million in FY 2002, ''. . . would come from a consolidated budget that redirects research funds from the current Fossil Energy research and development coal budget, matched with balances in the Clean Coal technology account. . . .'' However, the ''balances'' in the Clean Coal account the Blueprint talks about are only $33.7 million, less than 2 percent of the $2 billion commitment. Consequently, we must conclude that, for all intents and purposes, the entire cost of the Administration's Clean Coal proposal is going to come at the expense of basic research and development in the areas of coal, natural gas and oil.

For Fiscal Year 2001, Congress provided $445 million in Fossil Energy Research and Development funding. Taking $150 million for Clean Coal funding out of that $445 million amounts to a 34 percent cut and would devastate the kind of research that is critical to this nation's energy security.

How is one to reconcile this inconsistency? On the one hand, the Administration is adamant that our domestic energy supplies must be increased. Yet, at the same time, it fails to fund the research necessary to make that happen. The natural gas everyone wants to get their hands on is not going to rise from the ground by itself. Nor is the coal that currently supplies fifty-four percent of our nation's electricity. There may be those who wish it were not so, but the fact is that coal remains today—and will for the next several decades—our nation's cheapest and most abundant energy resource. But we cannot get to those domestic energy resources and we cannot get them out of the ground in an economical and environmentally sound manner unless we are willing to investment in the research that will make the technology possible.

Thus, the amendment I am offering today will restore the $150 million in fossil energy research and development that is so important to this nation's energy independence. This amendment, which I urge my colleagues to support, would increase the budget authority allocations for Function 270, the Energy Function, by $150 million in Fiscal Year 2002.

We do not need to wait for the Administration's Energy Task Force to tell us that we need more domestic energy. That is a fact we already know. The President knows it, the Secretary of Energy knows it, and, I suspect, the people of California now know it. Adopting my amendment will be the first step in ensuring that this nation has the energy it needs. I urge my colleagues to support this amendment so that we can get about the task of ensuring that what is happening in California does not spread throughout the United States.

AMENDMENT NO. 209

Mr. BYRD. Mr. President, I am today offering an amendment to the Senate Budget Resolution for fiscal year 2002 that will increase domestic discretionary spending for rural water and wastewater programs. In all parts of the nation, there are men, women, and children who live every day without the basic necessities of clean, safe, drinking water or sanitary wastewater disposal. This is a great nation, and over the past decade we have witnessed tremendous gains in prosperity for much of our population. It would, therefore, surprise a great many of us to realize the poor living conditions with which many Americans have to face day-in and day-out.

The United States Department of Agriculture administers a program through its Rural Utilities Service that provides loans and grants to rural communities with populations less than 10,000 to help establish, expand, or upgrade water and wastewater systems in all states. This program is one of the most successful of all federal programs. It has, perhaps, the best loan default rate within the federal government, it provides an essential catalyst for economic development, and it helps combat conditions which put the health of Americans at risk.

But even more important than all those attributes, it would help erase the schism that separates the ''haves'' from the ''have-nots'' across our land. Consider for a moment how most of us take for granted the clean glass of water that we can draw from our nearest faucet. Consider how most of us expect our streets and waterways to be free from flows of raw sewage. Then imagine yourself in small communities and rural areas all across America where clean water means dipping a glass in a rain barrel and wastewater disposal means the nearest ditch. America is greater than that.

In 1997, the Environmental Protection Agency released a report on unmet wastewater improvement needs in rural areas of this country. That document estimated that nearly $20 billion was needed to establish or upgrade systems necessary to avoid runoff of failed septic systems, or worse, from polluting our rivers and streams and posing serious threats to public health. The EPA is now working on a new report on this subject, due to be released in the coming year, and I fear that we will learn that the costs necessary to correct these sad conditions have seriously increased.

In February of this year, the EPA issued a new report on the state of unmet drinking water needs across America. That document finds that for rural areas and communities of 10,000 or less, the total unmet need is nearly $48 billion. Of that total, $33.5 billion has been identified as an immediate need. Even with the surpluses now before the Congress, we may not be able to meet this entire need overnight, but we can, indeed, do better than we have.

As of last month, the Rural Utilities Service at the Department of Agriculture had a backlog of applications awaiting funding totaling nearly $800 million in grants and $2.2 billion in loans. This backlog, which has skyrocketed in this fiscal year, includes applications from every state and I know every Senator is aware of the benefits of this program. My friend from Alaska, the Chairman of the Senate Appropriations Committee knows how important this program is for rural Alaskan Native Villages. My friend from New Mexico, Chairman of the Senate Budget Committee, knows how important this program is to the Colonias region of his state. I can provide many more from my home state of West Virginia.

The amendment I am offering will provide a modest investment in the health and security of the American people. By increasing the total budget authority of this program by $1 billion—which is a mere 2 percent of the outstanding need identified in February by the EPA for drinking water systems alone—we can begin to help speed up services to rural families in every state. With an additional $1 billion, we can make gains in meeting the ever-increasing demands of unfunded applications at the Department of Agriculture. There are certain functions

of government that go straight to the basic fabric of the social contract, and helping provide all Americans with the basic necessities of life is paramount among them. My amendment supports this noble role of government, and I ask all Senators to join me in its passage.

Mr. DOMENICI. Mr. President, we have no objection to the amendments being adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 205, 207, 209) en bloc were agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 317

Mr. DOMENICI. Mr. President, we call up amendment 317.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. GRAHAM, and Mrs. HUTCHISON, proposes an amendment numbered 317.

The amendment is as follows:

(Purpose: To extend the Temporary Assistance for Needy Families (TANF) Supplemental Grants for fiscal year 2002)

On page 4, line 2, increase the amount by $319,000,000.

On page 4, line 16, increase the amount by $80,000,000.

On page 4, line 17, increase the amount by $25,000,000.

On page 4, line 18, increase the amount by $25,000,000.

On page 4, line 19, increase the amount by $25,000,000.

On page 4, line 20, increase the amount by $25,000,000.

On page 4, line 21, increase the amount by $25,000,000.

On page 4, line 22, increase the amount by $25,000,000.

On page 4, line 23, increase the amount by $25,000,000.

On page 5, line 1, increase the amount by $25,000,000.

On page 5, line 2, increase the amount by $25,000,000.

On page 5, line 7, decrease the amount by $80,000,000.

On page 5, line 8, decrease the amount by $25,000,000.

On page 5, line 9, decrease the amount by $25,000,000.

On page 5, line 10, decrease the amount by $25,000,000.

On page 5, line 11, decrease the amount by $25,000,000.

On page 5, line 12, decrease the amount by $25,000,000.

On page 5, line 13, decrease the amount by $25,000,000.

On page 5, line 14, decrease the amount by $25,000,000.

On page 5, line 15, decrease the amount by $25,000,000.

On page 5, line 16, decrease the amount by $25,000,000.

On page 32, line 15, increase the amount by $319,000,000.

On page 32, line 16, increase the amount by $80,000,000.

On page 32, line 20, increase the amount by $25,000,000.

On page 32, line 24, increase the amount by $25,000,000.

On page 33, line 3, increase the amount by $25,000,000.

On page 33, line 7, increase the amount by $25,000,000.

On page 33, line 11, increase the amount by $25,000,000.

On page 33, line 15, increase the amount by $25,000,000.

On page 33, line 19, increase the amount by $25,000,000.

On page 33, line 23, increase the amount by $25,000,000.

On page 34, line 3, increase the amount by $25,000,000.

Mr. DOMENICI. Mr. President, this Graham amendment numbered 317 is cosponsored by Senator HUTCHISON of Texas.

I understand that Senator HUTCHINSON is here on the floor, and he would like to share part of the discussion on the affirmative side.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I applaud Senator KAY BAILEY HUTCHISON of Texas for her leadership and for her aggressive work on this amendment, also Senator BOB GRAHAM of the State of Florida, who has done such great work.

This amendment extends for fiscal year 2002 the supplemental grants for rapidly growing States under the Temporary Assistance for Needy Families program. These States include Arkansas, Florida, Texas, and about 14 other States that are dramatically impacted by this situation—all of which receive lower levels of block grant funding per child than other States.

The TANF program was created back in 1996 to provide States with flexible block grants to meet the needs of low-income families trying to get off traditional welfare rolls. The program has worked well. It has been successful.

Flexibility with this funding is vital to support low-income individuals and families and keep them in the workplace.

These supplemental grants are set to expire. Unless we do something, it is going to dramatically negatively impact these States.

The child poverty rate in the States affected is 19½ percent—a quarter above the child poverty rate in other States.

These supplemental grants are very important. They need to be extended.

I think this has bipartisan support. I appreciate Senator HUTCHISON allowing me to speak on behalf of this amendment.

Mr. GRAHAM. Mr. President, I applaud my colleague from Arkansas for the very excellent description that he gave.

Essentially, we are asking for a 1-year bridge between the time that these supplemental funds will expire in the fall of 2001 and the time that we reauthorize the total Welfare-to-Work Program in 2002.

It is a very important amendment for those States that already start off getting the least amount of funding to meet their welfare-to-work requirements. Because of the growth in low per-capita income, they are particularly in need of this support. Congress recognized that it would continue the program until we reauthorize Welfare-to-Work.

Mr. DOMENICI. Mr. President, there is nothing further on our side to be added.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 317) was agreed to.

Mr. DOMENICI. I thank both Senators for their cooperation.

Mr. President, I say to the ranking Member that Senator SCHUMER still has an issue.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, we understand that Senator STABENOW is next in line, and we understand that she is going to talk about an amendment and withdraw it when she is finished.

Ms. STABENOW. That is correct.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 313

Ms. STABENOW. Mr. President, I rise today with an amendment that I wish we were able to pass at this moment. I realize the votes are not here. But in order to demonstrate grave concern on this side of the aisle about what is happening to the Medicare trust fund, I submit with Senator BOB GRAHAM, a leader on this issue, an amendment that would protect the Medicare Part A trust fund by raising a point of order on the process, and hopefully it will be put into place before we are finished with this budget resolution.

It is supported by the American Health Care Association, and the American Hospital Association.

I ask unanimous consent that two letters in support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN HEALTH CARE ASSOCIATION,
Washington, DC, April 6, 2001.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the 12,000 non-profit and for-profit nursing facility, subacute, assisted living, and ICF/MR providers represented by the American Health Care Association nationwide, I am writing to strongly support your amendment to the FY 2002 Budget Resolution.

Your amendment to require a 60 vote majority in the Senate to approve new programs that tap into the Medicare Part A

trust fund is critical to protecting the trust fund from new spending programs that would threaten its viability. As we saw from the bankruptcies that followed the BBA of 97, funding levels for skilled nursing facility patients cannot withstand additional cuts to the program that may be forced if additional benefits are financed out of the HI trust fund. Indeed, the only way to ensure the adequate financing of all of our laudable programs is to increase funding to Medicare Part A.

The approximately 2 million Medicare residents who receive skilled nursing care in our homes every year depend on the solvency of the program. The skilled nursing and rehabilitative services we provide are often the difference between life and death for our patients.

Your amendment is critical to ''keeping the promise'' our country made to the seniors we care for.

Sincerely,

WILLIAM R. ABRAMS,
Chief Operating Officer.

AMERICAN HOSPITAL ASSOCIATION,
Washington, DC, April 5, 2001.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the American Hospital Association (AHA), I would like to express our strong support of your amendment to H. Con. Res. 83, the fiscal year (FY) 2002 budget resolution requiring a ''super majority'' of 60 votes in the Senate in order to spend Hospital Insurance (HI) Trust Fund dollars for non-Part A services.

The AHA represents nearly 5,000 hospitals, health systems, networks and other health care provider members.

The Medicare program is expected to experience very rapid growth over the next decade as our nation's 78 million ''baby boomers'' begin to retire. The Part A Trust Fund, which is supported by a payroll tax, is projected to see its obligations exceed its income by 2015, and its assets could be exhausted by 2029.

We believe that the Part A Trust Fund should be used for the purpose for which it was intended: to provide beneficiaries with the highest quality hospital acute care services. Congress must be careful not to dilute the trust fund or divert dollars currently in the trust fund for other purposes. It is imperative that Congress avoids legislation that accelerates the insolvency of the Medicare Part A Trust Fund. We need to ensure that Medicare Part A services are there when our seniors need them.

Since its inception, the Medicare program has ensured seniors access to high quality, affordable health care. It is incumbent upon all of us to ensure that the program is preserved, protected and strengthened for future generations.

Sincerely,

RICK POLLACK,
Executive Vice President.

Ms. STABENOW. Mr. President, we have been trying all week to pass a prescription drug plan under Medicare to update it. We don't support raiding it, which is what is happening now. We need to be putting in place prescription drug coverage under Medicare. It came before this body on Tuesday with a 50–50 vote. Unfortunately, the tie vote was not cast. Instead, we now find ourselves in a situation where Medicare is being used as a contingency fund.

This is not the direction in which the American people wish us to go. We need to be strengthening and updating Medicare, not dipping into it and spending it as part of a contingency fund.

Unfortunately, with the President's budget and tax cut combined, it is impossible to do what has been suggested without using the Medicare trust fund. That is my concern.

The message that the American people want us to send loudly and clearly is that we need to update Medicare. We need to strengthen it. We don't need to raid it. We need to update it, not raid it. I am very hopeful that this will be the goal and the ultimate conclusion.

I know that is what we have been fighting for on this side of the aisle since this budget process began.

I yield the time and ask unanimous consent that the amendment be withdrawn.

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

Mr. DOMENICI. Mr. President, I want everybody in the Senate to know that I don't have a sign. I can't put up a sign about our position. But I want everyone to know that we are as concerned about not spending the Medicare Part A trust fund as anybody. Republicans don't take a backseat on that issue. This budget does not spend any of the funds that are being alluded to. So the sign could be placed on our side of the aisle, and we would agree with it.

Actually, I don't think we need to explain our position. We will just do it with our words. We don't need the amendment. It has been withdrawn. Frankly, the budget takes care of that problem. The Republicans are united. We are not going to spend Medicare funds for anything other than Medicare.

I yield the floor at this point and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, I advise my colleague that while we are waiting for some additional amendments to arrive that are being redrafted in compliance with our agreement, the Senator from Louisiana would like to talk for just 3 minutes with respect to an issue in which she has been deeply involved.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair and the Senator from North Dakota.

Mr. President, I commend the Senators from New Mexico and North Dakota for their extraordinary management skills in helping to bring us to the final point of this week-long debate. I appreciate their patience in working with each Member on issues that are so important to us and to our States.

While the staff is working on some details of some of the last few amendments that need to be offered, I thought I would make mention of one particular tax cut that is so widely supported on both sides of this aisle and something on which a group of us have worked now for about 2 years. I am hoping the language will be included in the final negotiations and that has to do with the tax credit for adoption.

It is a tax credit that is really one of the smallest calls on the tax cut, on the budget in terms of the dollar amount. It is small, but it goes a long way because it helps families who are trying to open up their homes, and have opened up their hearts, to adopt a child—either an infant or a toddler or an older child; either a child through a traditional adoption through an agency in the United States or the adoption of a child from another country—and we have seen that number increase substantially, which is really wonderful—or it helps us find homes for the more than 100,000 children in foster care who deserve so much to have a home and a family to call their own.

I want to take a moment while we have some time to congratulate the leaders of the House. I understand there are 275 cosponsors in the House of Representatives for this particular tax cut or tax relief.

There are many good ways to give Americans tax relief. We have heard that debate now on this floor—from the marriage penalty relief, to marginal tax relief, which I support, to estate tax relief or reform—but I want to take a moment to thank Senators and House Members who continue to speak out for this adoption tax credit—to extend it, to double it, and to fix it so that it works for foster care children and so that we give families a broad choice, if they have made that terrific decision to adopt children, to help them with those initial expenses, which can be quite high.

In fact, there are families who, as you know, travel to many parts of the world, and not only are there expenses associated with the agencies or the attorneys or facilitators with whom they are working but also there are the travel expenses.

So this $10,000 tax credit we are proposing—it is $5,000 now, and we propose to double it, extend it, and make it work, which was the original intent of the law—for children being adopted out of foster care. It is something we have debated this week and will continue to debate.

I know Senator GRASSLEY, the chairman of the committee, Senator BAUCUS, our ranking member, Senator BREAUX, and others have expressed an interest in being able to include this particular item in the tax package that is finally passed. I know there are many families in Louisiana, in Georgia, the State of the Presiding Officer, and in all of our States who would welcome our fixing, extending, and doubling this tax credit because it can

make the difference in finding a child a home who perhaps would never otherwise be able to find one and helping those parents with at least some of the expenses associated with the cost of raising children today.

So I am really very hopeful. There is no amendment pending, but there is language that hopefully will be included in this final package.

I thank the managers for giving me time to talk about this important issue. Again, I want to recognize the great support in the House of Representatives—by both Republicans and Democrats—for this particular tax credit.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, awhile ago I spoke in opposition to the amendment Senator GRAHAM had originally offered that I believe the Senator from Michigan withdrew a while ago. I am not sure when I spoke in opposition to it that I had the microphone on. If you wouldn't mind, may I remake that statement for 30 seconds. When I spoke previously, I wasn't sure we were heard, which was my fault, no one else's.

There was a sign up on that amendment with reference to Medicare that we want to make sure we don't take anything out of Medicare and spend it on anything else or use it for tax cuts. I said: We don't have a sign. All we can do is use our words.

I repeat them: There is nothing in this budget that we intend to in any way spend Medicare money on other than Medicare. That has been our commitment; that will remain our commitment. We will not spend Medicare money on anything other than Medicare. We won't violate that at any time in this budget.

Frankly, I will repeat it every time we have an opportunity. Those supporting this budget, when we finish tonight, need not have any fear that we are going to in any way minimize the totality of that Medicare fund. It will be there.

With that, I am prepared to move on to another amendment.

I thank the Chair.

AMENDMENT NO. 303

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Mr. THOMAS, Mr. BAUCUS, Mr. ENZI, Mr. JOHNSON, Mr. DOMENICI, and Mr. CONRAD, proposes an amendment numbered 303.

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

The amendment is as follows:

(Purpose: To establish a reserve fund for permanent, mandatory funding for Payments In Lieu of Taxes and Refuge Revenue Sharing)

Insert at the appropriate place the following:

SEC. . RESERVE FUND FOR PAYMENTS IN LIEU OF TAXES AND REFUGE REVENUE SHARING.

If the Committee on Energy and Natural Resources of the Senate reports a bill, or an amendment thereto is offered, or a conference report thereon is submitted, that provides full, permanent, mandatory funding for Payments In Lieu of Taxes for entitlement lands under chapter 69 of title 31, United States Code and for Refuge Revenue Sharing, the chairman of the Committee on the Budget of the Senate may increase the aggregates, functional totals, allocations and other appropriate levels and limits in this resolution by up to $353,000,000 in new budget authority and outlays for fiscal year 2002 and $3,709,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, provided that such legislation will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be made a cosponsor of the amendment, as well as Senator CONRAD.

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

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, Senators THOMAS, BAUCUS, ENZI, and JOHNSON are also cosponsors of the amendment.

I thank my colleague for his strong support for this effort, as well as Senator CONRAD. What this deals with is the payments in lieu of taxes which are very important for counties in States such as our own where there are substantial amounts of Federal property. There is no tax base, essentially. There is no way for those counties to raise the funds needed to operate county government.

This has been a program for some years, and we have recognized this, but we have not made the funds permanent. This year in this session of Congress, we are going to try to pass legislation which would authorize permanent funding for this. If we are able to, then we would like to have that permitted here for consideration by the Senate.

This is budget neutral. This does not change the figures in the budget, but it is a very important initiative and one that I believe very strongly the Senate ought to approve.

I appreciate the support of all my colleagues and all the cosponsors and urge colleagues to support the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 303) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, this amendment is budget neutral. Clearly, there is nothing added. This amendment says if in the future certain things happen to the PILT fund such that it is higher than in this budget, then allowances can be made for it. I understand, as one of the cosponsors, that that is all the amendment does.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we see this as a budget-neutral amendment because of the language of the amendment that provides that only if the Committee on Energy and Natural Resources reports a bill that provides full, permanent, mandatory funding for PILT, this actually comes through the authorizing committee.

On that basis, this is an important amendment. With payment in lieu of taxes, the Federal Government has made a commitment to those localities within which they have property that they are going to be a good neighbor, that they are going to pay the taxes anybody else would pay.

I salute the Senator from New Mexico. This is an important amendment that says the Federal Government keeps its word. It is as simple as that.

I thank the Chair and yield the floor. I commend the Senator from New Mexico.

AMENDMENT NO. 218, AS MODIFIED

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to go in whatever order the format is. If it is appropriate at this time, I will go now.

Mr. CONRAD. Mr. President, this would be an appropriate time for the Senator from Massachusetts to offer his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself, Senators BINGAMAN, WYDEN, EDWARDS, ROCKEFELLER, CORZINE, MURRAY, and CLINTON and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. BINGAMAN, Mr. WYDEN, Mr. EDWARDS, Mr. ROCKEFELLER, Mr. CORZINE, Mrs. MURRAY, and Mrs. CLINTON, proposes an amendment numbered 218, as modified.

The amendment is as follows:

On page 3, line 2, increase the amount by $6,000,000,000.

On page 3, line 3, increase the amount by $6,000,000,000.

On page 3, line 4, increase the amount by $7,000,000,000.

On page 3, line 5, increase the amount by $7,000,000,000.

On page 3, line 6, increase the amount by $8,000,000,000.

On page 3, line 7, increase the amount by $8,000,000,000.

On page 3, line 8, increase the amount by $8,000,000,000.
On page 3, line 16, decrease the amount by $6,000,000,000.
On page 3, line 17, decrease the amount by $6,000,000,000.
On page 3, line 18, decrease the amount by $7,000,000,000.
On page 3, line 19, decrease the amount by $7,000,000,000.
On page 3, line 20, decrease the amount by $8,000,000,000.
On page 3, line 21, decrease the amount by $8,000,000,000.
On page 3, line 22, decrease the amount by $8,000,000,000.
On page 4, line 5, increase the amount by $6,000,000,000.
On page 4, line 6, increase the amount by $6,000,000,000.
On page 4, line 7, increase the amount by $7,000,000,000.
On page 4, line 8, increase the amount by $7,000,000,000.
On page 4, line 9, increase the amount by $8,000,000,000.
On page 4, line 10, increase the amount by $8,000,000,000.
On page 4, line 11, increase the amount by $8,000,000,000.
On page 4, line 19, increase the amount by $6,000,000,000.
On page 4, line 20, increase the amount by $6,000,000,000.
On page 4, line 21, increase the amount by $7,000,000,000.
On page 4, line 22, increase the amount by $7,000,000,000.
On page 4, line 23, increase the amount by $8,000,000,000.
On page 5, line 1, increase the amount by $8,000,000,000.
On page 5, line 2, increase the amount by $8,000,000,000.
On page 29, line 10, increase the amount by $6,000,000,000.
On page 29, line 11, increase the amount by $6,000,000,000.
On page 29, line 14, increase the amount by $6,000,000,000.
On page 29, line 15, increase the amount by $6,000,000,00.
On page 29, line 18, increase the amount by $7,000,000,000.
On page 29, line 19, increase the amount by $7,000,000,000.
On page 29, line 22, increase the amount by $7,000,000,000.
On page 29, line 23, increase the amount by $7,000,000,000.
On page 30, line 2, increase the amount by $8,000,000,000.
On page 30, line 3, increase the amount by $8,000,000,000.
On page 30, line 6, increase the amount by $8,000,000,000.
On page 30, line 7, increase the amount by $8,000,000,000.
On page 30, line 10, increase the amount by $8,000,000,000.
On page 30, line 11, increase the amount by $8,000,000,000.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, earlier in the week the Senate accepted an amendment from Senator SMITH and Senator BIDEN to provide resources for a health insurance program for basically the parents of those children who are eligible for the CHIP program. That money would be taken out of the contingency fund. This amendment continues that program for the 10-year period. Therefore, it would take some $50 billion out of the tax cut, and the use of those resources would be to build on the CHIP program which has been so effective for the parents of those CHIP workers, who are American workers at the lower end of the economic scale. They cannot afford health insurance, and the provisions we have in the current budget of some $80 billion could be used as tax incentives for workers.

These workers are not going to be paying the taxes. And even with a refundable tax credit, it will not be sufficient to afford the health insurance. This amendment will help them to do so.

I hope the Senate will take this, with the amendment that is in the budget, and that we will have with that a combination of this amendment and the tax programs that will reach out to look after the health insurance needs of the hardest workers in this country who are pressed every single day for lack of health insurance. That is effectively what the amendment does.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. KENNEDY. I yield the remaining 40 seconds to the Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank the Senator from Massachusetts for offering this amendment. This is a very important amendment. We have over 6 million children in this country who do not have health insurance. Of course, their parents do not as well. One way to get those children covered with health insurance is to get their parents eligible, too. This program tries to do that. There are 129,000 of these children who are uninsured in my own State.

I yield the floor.

Mr. DOMENICI. Mr. President, we need to have a quorum call for a little while while Senators meet. We are just going to have to wait a while.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. I ask unanimous consent that the pending amendment be withdrawn.

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

The amendment (No. 218) was withdrawn.

Mr. CONRAD. Mr. President, to alert colleagues, we are getting close to the end of our business on the budget resolution. I want to alert colleagues that we still have a few matters that require working out so that we can conclude business. I ask staff who are working on those amendments to inform the managers as to the status of those works in progress so that we can conclude business expeditiously. I don't know if the chairman has an observation or statement at this point. I think we are very close to being able to conclude our business.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first let me say I am very grateful to everybody for being accommodating. We are just about ready to adopt the budget resolution. We have two amendments that are being worked on. They should be worked out soon. I don't think it will be very long before we start the vote. We will be ready to wrap it up. While that is continuing on the other side, and they have amendments they are going to be working on, I want to say this process is a very tough process. It is very difficult when you have five or six votes to spare on one side or the other. It is difficult when it is tied and, as a matter of fact, when you have 50 Senators on each side of the aisle and you are attempting to pass a budget resolution—actually, on a budget resolution, a lot of things are voted on that don't mean what they say.

But we have gotten into the habit of doing that, so everybody thinks they do what they say. We will try to get out of conference as quickly as we can. It is my understanding that we have resolved the issues on that side.

Mr. CONRAD. Mr. President, I say to the chairman, the amendment we previously discussed, the Bingaman amendment, as modified—the Senator's side has a copy of that. This is the low-income heating assistance amendment. We dealt with the PILT amendment. We would be prepared to deal with this one as well and be closer to a conclusion.

AMENDMENT NO. 302

Mr. DOMENICI. Mr. President, the Senator is correct. Senator BINGAMAN has an amendment No. 302 regarding LIHEAP. I ask that it be appropriate to modify that amendment. Two of the cosponsors are Senators MURKOWSKI and JEFFORDS. I ask that I be made a cosponsor also.

I send this amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Ms. CANTWELL, Mr. DAYTON, Mr. DORGAN, Mr. DURBIN, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Ms. LINCOLN, Mr. REID, Mr. ROCKEFELLER, Mr. SCHUMER, Ms. STABENOW, Mr. DOMENICI, Mr. CONRAD, Mr. MURKOWSKI, and Mr. JEFFORDS, proposes an amendment numbered 302, as modified.

The amendment is as follows:

On page 32, line 15, increase the amount by $2,600,000,000.

On page 32, line 16, increase the amount by $2,600,000,000.

On page 43, line 15, decrease the amount by $2,600,000,000.

On page 43, line 16, decrease the amount by $2,600,000,000.

Mr. DOMENICI. Mr. President, this is budget neutral.

Mr. CONRAD. The Senator is correct. I also would like to be shown as an original cosponsor, if I might. I ask unanimous consent for that.

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

Mr. CONRAD. Mr. President, if I might indicate to the chairman, we have one amendment on our side, the Graham SSBG amendment. It is being modified in accordance with the request of the other side. As I understand it, the Senator is on his way to the floor with that amendment. That would bring us even closer to conclusion.

Mr. DOMENICI. The Senator is correct. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I understand that on the Bingaman LIHEAP amendment we did not complete action; is that correct?

The PRESIDING OFFICER. The Chair informs the Senator that is correct.

Mr. DOMENICI. We have no objection on this side.

Mr. CONRAD. We have no objection on this side. In fact, we support it on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 302), as modified, was agreed to.

Mr. CONRAD. Mr. President, we modified the amendment. Now we need to move to consideration of the amendment.

The PRESIDING OFFICER. It was adopted. It has been agreed to.

Mr. CONRAD. I thank the Chair.

Mr. DOMENICI. I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 316, AS MODIFIED

Mr. CONRAD. Mr. President, our final amendment on this side is an amendment from the Senator from Florida. If we can go to that amendment, we will be very close to completing amendments on this side.

Mr. DOMENICI. I ask the distinguished Senator, has he modified the amendment so it is budget neutral?

Mr. GRAHAM. It is. We made that modification.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, briefly, this amendment fulfills a commitment that the Congress made in 1996 to the States upon the adoption of Welfare-to-Work, and that is that we would support the Social Services Block Grant Program which is a program within Social Security which has provided for a number of important programs that have assisted people on welfare, getting to work, and particularly child care programs. This has broad support. Senators HUTCHISON, GRASSLEY, COLLINS, SNOWE, ROCKEFELLER, CARNAHAN, MURRAY, SCHUMER, WELLSTONE, KENNEDY, LANDRIEU, KERRY, and BINGAMAN are some of the cosponsors of this amendment. I believe it has broad bipartisan support. I urge its adoption.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mrs. HUTCHISON, Mr. GRASSLEY, Ms. COLLINS, Ms. SNOWE, Mr. Rockefeller, Mrs. CARNAHAN, Mrs. MURRAY, Mr. SCHUMER, Mr. Wellstone, Mr. KENNEDY, Ms. LANDRIEU, Mr. KERRY, and Mr. BINGAMAN, proposes an amendment numbered 316, as modified.

The amendment is as follows:

(Purpose: To restore the Social Services Block Grants to $2.38 billion in accordance with the statutory agreement made in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996)

On page 27, line 3, increase the amount by $680,000,000.

On page 27, line 4, increase the amount by $680,000,000.

On page 43, line 15, decrease the amount by $680,000,000.

On page 43, line 16, decrease the amount by $680,000,000.

The PRESIDING OFFICER. Does the Senator seek recognition?

Mr. DOMENICI. Only to say we have no objection to the amendment. As drafted, it is budget neutral, and we accept it on our side.

The PRESIDING OFFICER. Are there any other comments concerning this amendment?

Without objection, the amendment, as modified, is agreed to.

The amendment (No. 316), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMTRAK

Mr. BIDEN. Mr. President, as we debate the budget resolution, I rise today with the distinguished Senators from Texas, South Dakota, Mississippi and Massachusetts to bring to the attention of our colleagues the urgent need to provide Amtrak and the states with the stable source of capital funding they need for a national system of high speed rail corridors. Specifically, we would like to discuss the need for action on S. 250, the High Speed Rail Investment Act of 2001. We introduced this legislation earlier this year, and already more than 50 of our colleagues from both sides of the aisle have signed on with us.

This bill is cosponsored by both the majority and minority leaders, which brings me to the point of my comments today, as we are considering the budget resolution, that will set our priorities for this year's session of Congress.

Last December, on the very last day of the last session, I took the floor to discuss identical legislation with Senator LOTT, Senator DASCHLE, and other leaders of our body. Our leaders were gracious enough to make a commitment to bring this legislation to the Finance Committee, on which they both serve, and to the Senate floor, during this session.

For reasons beyond our control, we could not include important legislation in the omnibus appropriations bill, but many of us in the Senate, and I was among them, would not take ''no'' for an answer. My great friend Senator ROTH, along with Senators MOYNIHAN and LAUTENBERG, had worked too long on this issue to let this die.

While we could not get this done last year, we got the next best thing: the word of our leaders, on both sides of the aisle that this legislation would be on their list of priorities for this year. So as we discuss our priorities in this budget resolution, it is important to hear from them that the High Speed Rail Investment Act is still on that list.

I yield to Senator HUTCHISON, who has done so much to promote rational, efficient surface transportation in this country, including the indispensable component of passenger rail.

Mrs. HUTCHISON. I thank the Senator from Delaware. I join with him in thanking our leadership for their commitment to us at the end of the last Congress. As we discuss the budget resolution, it is important to make it clear, on the record, that our determination to pass the High Speed Rail Investment Act this year, as soon as possible, is as strong as ever.

Virtually all of our key modes of transportation are under stress today. From our overcrowded highways to our packed airports, we are losing billions of dollars in wasted time just trying to get to where we need to go. And lying right along side those crowded highways, running right past those overloaded airports, are neglected rail lines that could be carrying passengers between our nations cities.

That is why so many Senators have already joined us in support of our legislation, and that is why the nation's governors, mayors, state legislators, and many others support us, as well.

I ask our leaders directly if this budget resolution, which establishes the overall priorities for this session of the Senate, makes room for the commitment they made here on the floor last year.

Does the distinguished minority leader care to respond?

Mr. DASCHLE. I will be happy to respond to my good friend, the distinguished Senator from Texas. She, and my colleague from Delaware, Senator BIDEN, are correct. Last session we made a promise to consider legislation

to provide Amtrak with the authority to issue tax credit bonds for capital improvements. This bonding authority is critical to Amtrak's future and to the economic health of the Northeast and many other areas of the country.

Last year, I discussed this issue with members of my caucus. We had a very spirited discussion on the morning of December 15, and I know how strongly they support Amtrak and this legislation. We kept our promise and re-introduced this praiseworthy legislation earlier this year with 51 original cosponsors. Amtrak supporters will not give up on passing it and we promised to help them accomplish this task. I yield the floor to the majority leader.

Mr. LOTT. Mr. President, I thank the Democratic leader and praise his commitment and dedication to this issue. I am honored to be working with him, and my other colleagues, on strengthening our national rail passenger system. I have been an active supporter, and was very much involved a couple of years ago when we passed the Amtrak legislation. I think we need it.

Now, I must confess one of the reasons I think we need it is I want us to have good service, not just in the Northeast, but I also would like to have access for my own State of Mississippi to be able to get to Atlanta and Washington and Dallas. We are the beneficiaries of Amtrak service. I think we have to support it.

What's most important is that we give Amtrak an opportunity to succeed. If you do not have adequate capital investment, if you don't have modern equipment, if you don't have the new fast trains, if you don't have a rapid rail system, it will not work.

So I support this legislation, and will work with my colleagues to get the appropriate hearings in the Finance Committee and hopefully in the Commerce Committee. I am on both committees, and Senator DASCHLE and I will work with the ranking member and the chairman to get hearings and move this legislation.

When we talk about bipartisanship, transportation is an issue on which we have been able to work together in a bipartisan way, whether it is roads, AIR–21, TEA–21, Amtrak, rapid rail system. We can do it again, and I am committed to ensure that we do.

I now yield to the Distinguished Senator from the state of Massachusetts, Senator KERRY.

Mr. KERRY. The leaders are exactly right. There was a lot of passionate dialogue in our caucus last year about the High Speed Rail Investment Act, and the minority leader listened to all of us very carefully. Our caucus, I must say, was united in its commitment to the notion that those of us who cared about this innovative bonding legislation needed to have some kind of response on the floor that indicated how we could proceed with this legislation. I am pleased with the commitment made by the leadership last year, and I am pleased with the quick introduction and overwhelming support for this legislation this year. I am also very grateful for the majority leader's commitment, given last December, to getting movement on this bill within the first six months of this session.

As summer approaches, intercity travelers can look forward to bottlenecked highways and airports strained beyond capacity. Is it any wonder that Amtrak's ridership is on the rise? But in order to improve our ability to travel the country without delay, the Federal Government needs to provide business travelers and vacationers with a third option. At the moment, the Federal Government invests in road-building and air transportation, but only about 5 percent of our transportation budget over the last 30 years has gone to help Amtrak provide top-quality intercity rail service. We've got to do more in order to have a truly intermodal transportation network, and a large majority of this body recognizes that fact.

Fifty-six Members of the Senate are now cosponsors of this legislation, Mr. President. As I have said many times before, high-speed rail is not a partisan issue. It is not a regional issue. It is not an urban issue. So I look forward to building on the legacy of Senator Moynihan and Senator Lautenberg and completing what is absolutely essential for this country, which is a high-speed intercity rail system of which the Nation can be proud.

FUNDING FOR GRADUATE MEDICAL EDUCATION

Mrs. FEINSTEIN. Mr. President, I would like to raise an important issue impacting close to 60 independent children's hospitals across the Nation and numerous sick children and their families: the need for full funding for graduate medical education (GME) at our Nation's freestanding children's hospitals to train pediatricians.

Independent children's hospitals face a serious financial burden and competitive disadvantage because they do not receive GME support through Medicare. Medicare is the only source of significant and stable GME support available to hospitals for the training of medical residents. In the absence of any movement towards GME reform, the children's hospitals GME discretionary grant program was enacted to ensure that these institutions could sustain their teaching programs—programs that are important not only to the future of these children's hospitals and their essential services, but also to the future of the pediatric workforce and pediatric research.

The Lewin Group, an independent firm, has calculated that pediatric residents at free-standing children's hospitals would receive a total of $285 million from the Federal Government if they were reimbursed according to the formulas established for residents at other teaching hospitals. Consequently, I believe that Congress must commit to provide $285 million for the children's hospitals GME program in the fiscal year 2002 Labor/HHS/Education appropriations bill.

California has six independent children's hospitals across the State. These hospitals provided state-of-the-art care and conduct ground breaking research to make life better for our children. Equally important, these teaching hospitals train future pediatricians. Without the necessary funds, the children's hospitals in my State will be unable to train pediatricians to provide the care and conduct the research necessary to improve the quality of life for some of California's sickest children. These relatively few institutions play an indispensable role in our children's care, serving as centers of excellence in pediatric medicine and as a major piece of the pediatric health care safety net.

I ask the Senator from Missouri if he has anything he would add at this point.

Mr. BOND. Mr. President, I thank Senator FEINSTEIN for her comments. Our goal here is simple: We must, once and for all, treat children's hospitals the same as we do other teaching hospitals when it comes to funding physician training. This year, that means Congress must fully fund the Pediatric GME program as its authorized level of $285 million in fiscal year 2002.

Two years ago, Congress finally recognized this need by passing legislation I sponsored with my friend, former Senator Kerrey of Nebraska, to authorize the children's hospitals GME initiative. Over the last couple of years, I have led the effort to fund this important initiative.

Last year, Congress appropriated $235 million for the children's hospitals GME program—not quite enough for full parity with other teaching hospitals, but a good step forward. This year, we need to continue that momentum and finally treat all teaching hospitals equally. If it is important to train a doctor who treats adults, it's equally as important to train a doctor who treats children. We must make our policies reflect that important principle, and I am confident we can get there this year.

I see the Senator from Massachusetts on the floor, and I ask if he has anything he wishes to add.

Mr. KENNEDY. I thank Senator BOND for his comments. I could not agree more with the Senator from Missouri. We must work together to fully fund the Pediatric GME program at $285 million in fiscal year 2002.

Independent children's hospitals are experiencing very serious financial challenges that affect their ability to sustain their missions. In addition to the challenges of covering the costs of their academic programs, they include challenges in covering the higher costs of sicker patients in a price competitive marketplace, meeting the costs of uncovered services such as child protection services and poison control centers, and assuming the costs of devoting a large portion of their patient care to children from low-income families.

On average, independent acute care children's hospitals devote nearly half

of their patient care to children who are assisted by Medicaid or are uninsured. They devote more than 75 percent of their care for children with one or more chronic or congenital conditions. For children with rare and complex conditions, independent children's hospitals often provide the majority of care in their region or even nationwide.

Furthermore, independent children's hospitals—including Boston Children's—serve as advocates for the public health of children, and they are essential to the health care safety net for children of low-income families. Our children are our most vulnerable patients. Pediatricians and pediatric specialists provide a crucial voice for these children who are not able to ensure their own health care. Without funding for this training even our Nation's number one Children's Hospital, Boston Children's, will no longer be able to ensure that our children receive state-of-the-art care targeted to their special needs.

The Senator from Ohio and I have worked together on this issue over the years. I ask the Senator from Ohio, would he agree that graduate medical education programs at children's hospitals are essential to meeting the health care needs of our Nation's children?

Mr. DEWINE. I agree wholeheartedly. I appreciate the comments from the Senator from Massachusetts, and I would like to mention a few more reasons why these funds are so important.

Fully funding the GME program will enable our independent children's teaching hospitals to sustain their core missions medical care, teaching and research which benefit all children. These children's hospitals serve as the health care safety net for low income children and are often the sole regional providers of many critical pediatric services. Their teaching mission is also essential. Even though they comprise less than one percent of all hospitals, children's hospitals train 5 percent of all physicians, nearly 30 percent of all pediatricians, almost 50 percent of all pediatric specialists, and two-thirds of all pediatric critical care doctors. The research that our country's pediatric academic medical centers perform is also essential and the need for more pediatric researchers is growing. Fully funding the GME program within our children's teaching hospitals is an investment in children's health that I would urge my colleagues to support.

DOD CIVILIAN WORKFORCE RESHAPING

Mr. VOINOVICH. Mr. President, last year, my colleague from Ohio, Senator DEWINE and I introduced the Department of Defense Civilian Workforce Realignment Act. The purpose of this legislation was to extend, revise, and expand the Defense Department's limited authority to use voluntary incentive pay and voluntary early retirement in order to restructure the civilian workforce to meet missions needs and to correct skill imbalances, especially in high skilled fields. Given the significant numbers of eligible Federal retirees the Department will face in just a few short years, we believed then and now that the Department needs the ability to better manage this extraordinary workforce transition period. Just as important, this smoother transition period would allow for better and more effective development of our younger workers, who will have a better chance to learn and gain from the expertise of the older generation of innovators. A similar bill was also introduced by our Ohio colleagues in the House, Congressmen DAVE HOBSON and TONY HALL.

After discussions with the chairman of the Armed Services Committee, Senator WARNER, we included language in the fiscal year 2001 Defense authorization bill to allow for voluntary early retirement authority and voluntary separation incentive pay for a total of 9,000 Department of Defense civilian employees for fiscal year 2001 through 2003. This language provided, at least initially, the critical new flexibility to the Department of Defense to better manage its civilian workforce. However, this language simply gave the Defense Department the authority to initiate the program in fiscal year 2001 utilizing discretionary funds, but required that ''the Secretary of Defense may carry out the program authorized . . . during fiscal years 2002 and 2003 with respect to workforce restructuring only to the extent provided in a law enacted by the 107th Congress.'' Senator DEWINE and I intend to work closely with Chairman WARNER, and the Ranking member of the Committee, Senator LEVIN to ensure that the necessary workforce restructuring provisions are enacted this year. I see my colleague from Ohio on the floor, and would yield to him for any comments.

Mr. DEWINE. I thank my friend from Ohio for yielding, and agree with his comments. The reason why we had to settle on limited language in last year's defense authorization bill is mainly because our initial legislation required mandatory, or direct spending, which must be provided for as part of the budget resolution. The actual direct spending involved, according to the Congressional Budget Office, amounts to $82 million through fiscal year 2011. So, as my colleague from Ohio would agree, we are seeking a minimal amount to provide the Defense Department with the maximum flexibility needed to meet its workforce challenges. We are hopeful that the Bush administration will call for this financing as part of the fiscal year 2002 defense budget, and for that reason, we have been working with the chairman of the Budget Committee, Senator DOMENICI, to ensure that the necessary direct spending amounts are assumed in this year's concurrent resolution. I see Chairman DOMENICI on the floor, and will yield to him at this time.

Mr. DOMENICI. I thank the two Senators from Ohio for their interest and hard work in this important issue. This is a matter that impacts a number of states that are home to civilian employees of the Defense Department, including New Mexico. I know my colleagues from Ohio have been working on this issue for several years, and I agree that something needs to be done. As this budget resolution assumes the President's budget, if the President's budget accommodates the direct spending necessary for this program, then the Senators from Ohio can assume that this budget resolution accommodates this program. So, the Senators from Ohio can be sure that if this matter is addressed in the President's budget, I will work with them to be sure that the final budget resolution we will work out with the House will assume all the increases and new programs in the President's budget for important programs, such as this one.

Mr. VOINOVICH. I thank the Chairman of the Budget Committee for his comments, and look forward to working with him and Senator DEWINE to ensure this assumption is maintained in the final budget resolution approved by Congress.

LONG-TERM CARE STAFFING SHORTAGE

Mr. JOHNSON. With the many priorities we have to cope with, I would simply like to point out that we cannot lose sight of the need to address the very critical problem of labor shortages plaguing our health care providers both in my State, and all across the Nation.

It is important that the budget resolution we ultimately pass address these labor shortages.

In my own State of South Dakota, for example, it is not uncommon to have a 100 percent turnover rate for Certified Nursing Assistants—clearly that's a crisis that should not and cannot continue if we are going to maintain quality care for seniors. And for anyone who doesn't know what the Certified Nursing Assistants do—they are the ones who provide the front line, bedside care to the frail and elderly. A very difficult and demanding job.

Another major problem is that the average starting salary for South Dakota's certified nursing assistants is just $7.32 per hour—and the average wage is $8.10 per hour.

Mr. GREGG. We have similar problems in New Hampshire, and I agree with my colleague that we have a shortage of trained health care workers, particularly those providing services to our nation's elderly. If this problem is not addressed, the viability of our nation's entire health care system will be threatened.

Mr. JOHNSON. Just as bad, and yet another problem that creates a parallel crisis, is the fact that many states—including my own—simply do not have realistic Medicaid reimbursement rates.

In my state, Medicaid provides the resources for care for more than two out of three patients in nursing homes. South Dakota's average daily Medicaid

reimbursement rate is $83.78 per patient, which, in fact, is a $17.34 shortfall from covering the actual cost of care. It's simply not plausible for $83.78 per day to cover the cost of care, room and board, three meals a day, medicine, specialized equipment and other critical needs.

The net result of these artificially low Medicaid reimbursement rates is that they further squeeze an already difficult labor and staffing situation—and these problems feed on themselves to make matters very, very problematic for our health care providers.

Until we begin increasing Medicaid reimbursement rates to levels more than we pay a babysitter, for example, this squeeze will continue and seniors will be threatened.

Mr. GREGG. Like your State of South Dakota, New Hampshire is currently plagued by low Medicaid reimbursement rates. Skilled nursing facilities caring for our frail and elderly are expected to take this meager reimbursement rate and provide 24-hour care, room, board, meals, and some therapies—and of course, nursing salaries come out of this cost as well. So it is no surprise that the average Certified Nurse Assistant turnover rate is approximately 80 percent.

In New Hampshire, the livable wage for a single parent with two kids is $18.92 an hour. The average starting salary of a Certified Nursing Assistant starts at $8.50 an hour, and the average salary is $10.26. Skilled nursing facilities in our state have their hands tied over how much they can pay due to low reimbursement rates. We simply must invest in the care of our frail and elderly. I hope Congress will address this problem of long term care staffing shortage.

RESTRICTIONS ON ADVANCE APPROPRIATIONS

Mr. WARNER. I bring to your attention, my concern about a provision in the House version of the Concurrent Budget Resolution, H. Con. Res. 83, concerning restrictions on advance appropriations. The Senate provision more properly addresses this issue. The House provision (Section 13) is extremely vague and restricts both the Congress and the Administration concerning the funding of capital projects using advance appropriations. As you prepare to conference the Fiscal Year 2002 Concurrent Budget Resolution, I urge you to sustain the Senate provision (Section 201) in the final conference report.

Mr. LOTT. I strongly concur with the Chairman of the Armed Services Committee on this issue, and also urge that the Senate provision on advance appropriations be included in the final conference report.

Mr. SESSIONS. As Chairman of the Seapower Subcommittee, I fully support the Senate provision concerning advance appropriations in the Concurrent Budget Resolution. I think it is important that members have tools such as advance appropriations available to consider as a financing option for capital projects such as building ships.

Ms. SNOWE. I want to thank the distinguished Chairman of the Budget Committee for his consideration and cooperation in this very important matter as well as the distinguished Chairman of the Armed Services Committee and Majority Leader for bringing this issue to my colleague's attention. The Senate version reinforces the President's budget blueprint for advance appropriations as a full funding mechanism that can be used by various departments, such as the Department of Energy, the Department of Transportation, and the Department of Defense, and agencies, such as NASA, to level fund capital projects. Without this valuable tool, the ability of Congress to budget the federal government's capital investment projects will be severely restricted. I most strongly concur with my esteemed colleagues that the Senate version must be sustained in conference.

Ms. COLLINS. I want to take a moment to commend and thank my distinguished colleagues for their insight and leadership on this critical issue. The use of advance appropriations would provide our federal agencies the flexibility to alternatively fund large capital investments. Specifically, I am aware that the Navy is currently studying advance appropriations as a means to reform the way it acquires its ship in an effort to stabilize the shipbuilding program, flatten out budget spikes, and potentially reduce costs through economic order quantity buys of ships and their systems. I believe that this funding alternative should be pursued, and I hope to see the Senate provision sustained in Conference.

Mr. DOMENICI. These are important concerns that the Majority Leader, the distinguished Chairman of the Armed Services Committee, and Senators SESSIONS, SNOWE and COLLINS have raised. The Senate version, section 201, Restriction on Advance Appropriations, provides for the funding of capital projects, while maintaining the discipline of full advance funding. I assure my colleagues that I will work to ensure that this issue is adequately addressed.

Mr. WARNER. I thank the distinguished Chairman of the Budget Committee for his cooperation.

FUNDING FOR THE CORPORATION FOR PUBLIC BROADCASTING

Mr. STEVENS. Mr. President, I would like to raise a concern with the Chairman of the Budget Committee regarding advance appropriations. Specifically, I am concerned about the funding for public broadcasting.

Consistent with the President's budget request, the Resolution provides that any advance appropriation would be scored in the year in which it is appropriated instead of the year in which it is obligated, the past policy. This provision was included because of past problems with the practice. Last year, for example, the Administration threatened to veto appropriations bills unless increases in funding were provided using the mechanism of advance appropriations. The provision is intended to close that loophole.

Despite its strong support for this provision, the Office of Management and Budget has indicated its willingness to examine specific programs, on a case by case basis, to determine whether an advance appropriation is merited for programmatic reasons. For example, I was informed today the Office may consider advance funding for certain defense construction or procurement items which by definition often involve multi-year obligations.

My office has talked to OMB officials as recently as this morning on this issue. They are willing to work with the Appropriations Committee and the Budget Committee over the recess to determine whether CPB should be granted an exception to the rule. If an agreement could be worked out acceptable to all the parties, I believe the Budget Committee should have the flexibility to consider it in conference if it so chooses.

Mr. SPECTER. Mr. President, If the distinguished Chairman of the Budget Committee is willing to review this matter with OMB and the Appropriations Committee, there are several issues I hope he will consider. First and most important, the practice provides the lead time stations need to line up programs that may take up to two or three years to produce—programs like Baseball and the Civil War that are years in the making. In other words, advance funding encourages prudent planning.

Second, it allows the stations to use the availability of federal funds to leverage private sector funding both through foundations and viewer fundraising to maximize the resources available for quality programs. And lastly, advance funding reduces the potential of political interference in programming decisions.

DEDUCTIBILITY OF STATE AND LOCAL SALES TAX

Mr. THOMPSON. Mr. President, Section 17 of the House-passed budget resolution for fiscal year 2002, H. Con. Res. 83, contains language relating to an issue that is important to the citizens of my home State of Tennessee, and the citizens of Texas, Wyoming, Florida, South Dakota, Nevada and Washington. The issue is the deductibility of state and local sales taxes. Section 17 of H. Con. Res. 83 states that it is the sense of the House of Representatives that the Committee on Ways and Means should consider legislation to make State sales taxes deductible against Federal income tax.

Earlier this year, I introduced the AMT and Tax Deduction Fairness Act of 2001, S. 291. My bill would allow individuals to deduct either their state and local sales taxes, or their state and local income taxes on their federal tax

return, but not both. Currently, the federal tax laws discriminate against residents of states like mine that choose to raise revenue primarily through a sales tax, because federal law does not permit a deduction for state and local sales taxes. Federal tax law does provide a deduction for state and local income taxes, however. Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid, income, sales and property. This deduction was based on the principle that imposing a tax on a tax is unfair. The Tax Reform Act of 1986 eliminated the deductibility of state and local sales taxes, but retained the deduction for state and local income taxes. My bill is simply intended to address this inequity in the tax code. According to a March 2000 Joint Committee on Taxation revenue estimate, the cost of allowing individuals to deduct either their state and local sales taxes or state and local income taxes, but not both, is $25.1 billion over 10 years.

It was my intent to offer an amendment to the Senate budget resolution similar to Section 17 of H. Con. Res. 83, expressing the sense of the Senate that the Committee on Finance should consider legislation to make state and local sales taxes deductible against federal income tax. However, I recognize that such an amendment would be ruled non-germane under the Senate's budget rules. Therefore, I want to ask the Chairman of the Senate Budget Committee to work with me during the conference on the budget resolution to retain the House language on this issue with some minor modifications.

Mr. DOMENICI. Mr. President, I recognize the importance of this issue to the Senator from Tennessee, as well as the Senators from Texas, Wyoming, Florida, South Dakota, Nevada and Washington. New Mexico has a gross receipts tax which is a complicated type of sales tax. New Mexico raises about the same amount of revenue from its gross receipts tax as it does from its state income tax. I point this out so that the Senate realizes that the Senator from Tennessee's proposal is an improvement for some states, but it may be a wash for other states.

I believe that it is not good federal income tax policy for the code to favor one state's revenue raising scheme over another state's. This is the situation in the code now. States that have substantial state income taxes, but low or no state sales tax are favored over states that rely exclusively, or more heavily on state sales taxes. A fairness argument can be made for fully restoring the state sales tax deduction, however, to do so would cost the Treasury $83 billion over ten years. Nonetheless, the Senator from Tennessee has raised an important issue, and I pledge to work with my colleague during the conference on the budget resolution to include language regarding the deductibility of state and local sales taxes.

Mr. THOMPSON. I thank the Senator from New Mexico for his assistance.

Mr. BYRD. Mr. President, over the past few days, we have heard a great deal of promises made regarding the FY 2002 budget resolution. As I have listened to the arguments made in support of this budget resolution, I am reminded of a scene from Jerome Lawrence's and Robert E. Lee's play, Inherit the Wind.

On a sultry summer evening in a small town, two men sit in rocking chairs, reminiscing about their childhoods. One man tells the other of a beautiful rocking horse that he had longed for as a child. That rocking horse—Golden Dancer—shimmered in the sunlight that streamed through a storefront window. Knowing the rocking horse would cost his father a week's wages, he harbored little hope of ever owning that magnificent steed—expecting that it would always lie just beyond his reach, behind the storefront glass. But knowing of their son's dream, his father worked nights and his mother scrimped on groceries to buy that rocking horse. On the morning of his birthday, he awoke to find, at the foot of his bed, the rocking horse of his dreams, Golden Dancer. He hopped out of bed, jumped into the saddle, and began to rock. Almost in an instant, the rocking horse split in two. The wood was rotten. The whole thing had been put together ''with spit and ceiling wax. All shine and no substance . . . all glitter and glamour.'' That's how I feel about the promises made regarding this budget resolution and the approximately $1.5 trillion tax cut it authorizes.

Mr. President, it was not too long ago that the American people were being enticed by the glittering promises of another Republican Administration. In 1981, President Reagan promised that massive tax cuts would balance the budget and reinvigorate an economy plagued by unemployment and inflation. Congress approved the Reagan economic plan. I even voted for it. I said at the time, President Reagan ''is the new President, give him a chance.'' But four years later, I stood on this floor and spoke of my regret at having cast that vote.

That was in 1985, the year President Reagan had promised a balanced budget. In fact, according to the Reagan Administration's 1981 projections, our nation was supposed to be enjoying a $500 million surplus in FY 1984, a $6 billion surplus in FY 1985, and a $28 billion surplus in FY 1986. Instead, the nation recorded a $185 billion deficit in FY 1984, a $212 billion deficit in FY 1985, and a $221 billion deficit in FY 1986. As a result, President Reagan's deficit/surplus estimates for FY 1982–FY 1986 fell short of their targets by $921 billion. That golden promise of a bright fiscal reward turned out to be mere fool's gold.

The American economy was in shambles. In 1982 and 1983, the annual unemployment rate was 9.7 and 9.6 percent, respectively, the highest rates recorded since 1950. In 1985, while America's wealthy were reaping the largest share of the national income since World War II, businesses and banks were failing at a record breaking pace. Our savings rate was the lowest in four decades, and our national trade deficit was ascending to a record high. There were record poverty rates in that year as well.

Instead of beginning to pay off the federal debt, our debt obligations had more than doubled, soaring from $1 trillion in 1981 to $2.1 trillion in 1986. In 5 years, the Reagan Administration, with its sacred tax cuts, had accomplished what it took the previous 39 presidential administrations the entire history of the United States to do—increase the Federal debt by a trillion dollars.

In 1981, then-Senate Republican Leader Howard Baker had called the Reagan economic plan a ''river boat gamble.'' It is clear that the country had lost the bet.

It took the hard-nosed, realistic 1993 Democratic plan to put America's economic house back in order. That was a real budget, a budget of hard choices and hard decisions, including tax increases. Democrats understood the political fall out that would come from raising taxes. No one really wanted tax increases. No one ever does. But we put the country first, we did what was necessary to cut the deficit, and we paid for it in the 1994 congressional elections.

I call that 1993 budget a Democratic budget because not one single Republican in either the House or the Senate, voted for it. The Republican Senate Leader at the time claimed that the budget did ''not tackle the deficit.'' Another Republican Senator said: ''the plan cannot help the economy.'' Another even used the dreaded ''R'' word, claiming that it was a ''one-way ticket to a recession.'' And yet another Republican Senator said of the tax increases in that budget: ''make no mistake, these higher rates will cost (American) jobs.''

Yet, no recession came. There were eight years of solid economic growth, eight years of job growth. We finally achieved a balanced budget, and we are paying off the national debt.

Now, 20 years after the 1981 Reagan fiscal disaster, a new Republican Administration is making the same glittering promises to the American people. The Senate today was asked to buy another ''Golden Dancer.'' This budget resolution looks alluring sitting in the store window. But all that holds it together are the spit and ceiling wax of rosy ten-year surplus projections and unrealistic spending cuts.

Mr. President, I have already spoken at length this week about how the Senate has considered this year's budget resolution with maximum hurry and minimal information, debate, and opportunity for amendment. First, the Budget Committee—for the first time ever—was not allowed to draft a budget resolution. Instead, one was presented

to the Senate by the Chairman of the Budget Committee and his party's leadership. Second, the Senate considered this budget resolution without the benefit of the President's budget, which means that the Senate has no way of knowing what programs will be cut to make room for these massive tax cuts.

The most egregious example of this can be found as a footnote on page 188 of the President's budget outline, A Blueprint For New Beginnings, at the bottom of Table S–4. The footnote reads: ''The final distribution of offsets has yet to be determined.'' Until April 9th, when the Congress receives a detailed copy of the President's budget, the Senate has no way of knowing what the specific reductions will be for $20 billion in spending cuts that are proposed on page 188 of the President's ''Blueprint'' for this year's budget.

What we do know is based on what was presented to us by the Budget Committee Chairman and the Republican leadership in the form of this budget resolution. What we have here is a ten-year spending plan built on the Congressional Budget Office's ten-year surplus projections. But what of those projections?

In testimony before the Senate Budget Committee, Deputy Director Barry Anderson repeatedly warned about the volatility of these projections. In fact, the Congressional Budget Office devoted an entire chapter in its Budget and Economic Outlook: Fiscal Years 2002–2011 to the uncertainties in forecasting economic and budget conditions. On page 93 of that document CBO cautions that there is only a 10 percent chance that budget surpluses will materialize as they have projected. On page 95 the CBO warns that, based on historical averages, its projections will be off by $52 billion in FY 2001, $120 billion in FY 2002, and $412 billion in FY 2006.

To be considering a ten-year budget plan that includes permanent tax cuts, after the Congressional Budget Office has gone to such lengths to explain just what a crapshoot these projections are, is the pinnacle of fiscal irresponsibility. The Congressional Budget Office has put warning labels on everything this year. CBO officials say that this budget could be hazardous to the fiscal health of the nation. Yet, we hopped onto a ten-year budget plan without so much as blinking.

Why? What was the hurry? Why couldn't we have waited until we saw a copy of the President's budget? Why couldn't we have waited until the Joint Tax Committee and the Congressional Budget Office had the details they needed to examine the President's budget and report back its findings to the Congress? We accepted these surplus projections based on little more than faith, without any real idea how these massive tax cuts would affect the overall budget.

Fiscal prudence dictates that we should move slowly before enacting massive tax cuts based on these highly speculative surpluses. Does this budget resolution embrace that notion? No. In fact, it includes reconciliation instructions to expedite—not delay—but expedite consideration of these tax cuts.

I have already spoken at length about reconciliation, and how using such a procedure to limit the Senate's consideration of the President's tax cut plan would ''break faith with the Senate's historical uniqueness as a forum for the exercise of minority and individual rights.'' This is my greatest concern. But reconciliation would also put us on the fast track for passing massive tax cuts without any room to reverse or correct our course later if these surplus projections turn out to be false. This train has us speeding through a long, dark tunnel with no lights and with no idea of what lies ahead.

The only thing that we know for certain is that these tax cuts will prevent any substantial domestic investments over the next ten years, even if we accept these surplus projections at face value. This budget resolution barely keeps pace with what the Congressional Budget Office says is necessary to maintain current services. In addition, this budget contains no adjustment for the fact that we are a growing nation, with our population expected to increase by 8.9 percent over the next ten years. There will not be enough money to address the backlog of infrastructure needs that have built up over the past years. Our schools are crumbling, our roads need repair, our bridges are falling down, our drinking water is polluted, our sanitation systems are inadequate, our dams are unsafe. Are we expected to ignore these problems so that we can finance a tax cut for the wealthy!

What about Social Security and Medicare reform? When the baby-boom generation begins to retire over the next ten years, financial pressure on the Social Security and Medicare trust funds will rise rapidly as payroll tax income falls short of what is needed to pay benefits. Both programs are expected to have expenditures in excess of receipts in 2016. Where will the federal government find the money to finance these benefits? In the absence of budget surpluses for the rest of the government's operations, policymakers would have three options: raise other taxes, curtail other spending, or borrow money from the financial markets. If we go along with these massive tax cuts, how will we honor our pledge to protect Social Security and Medicare?

And, what about the unforseen disasters that will inevitably occur over the next ten years, or the increases in defense spending that ultimately be recommend by the President's advisory committee? How is Congress expected to pay for these needs if it has already frittered away available surpluses?

Mr. President, 170 years ago, a frustrated German philosopher Friedrich Hegel pointed out that ''what experience and history teach is this—that people and governments never have learned anything from history, or acted on principles deduced from it.'' What better way to reaffirm that opinion than by the Congress enacting a massive tax cut based on highly speculative surplus projections.

By passing this budget resolution today, the Senate has ignored what history has tried to teach us. I say to my colleagues, we have taken this ride before. This budget is nothing more than spit-shined Reaganomics, and it deserved to be defeated.

Mr. MCCAIN. Mr. President, I will vote for the budget resolution for fiscal year 2002 in the interest of moving the budget process forward. My vote for the resolution should not be interpreted as an endorsement of the budget package. Indeed, I have some serious reservations about the priorities and assumptions contained in this resolution. At this point in the process, we do not know the details of a final budget. Rather, the Senate is only voting on a blueprint, not a completed budget document.

I have a statement of principles that I believe should be reflected in the final budget proposal. I believe that these five principles reflect the Main Street economic realities that Americans talk about at their dinner tables.

My first principle is that the budget must provide sufficient resources for our national security. We have a solemn obligation to provide enough resources for those American military personnel who have volunteered to risk their lives to defend the rest of us.

For too many years, the Clinton Administration neglected the people who volunteered for military service. But with appropriate increases and money freed up from eliminating waste and inefficiency in the defense budget, we can make progress toward restoring the morale and readiness of our Armed Forces.

Currently, the Administration is undertaking an extensive review of our defense needs and necessary reforms. I want to make certain that the budget provides the resources for these overdue reforms, but also recognize that in the near term our air, sea, and land forces need to be substantially strengthened. That is why I supported the amendment by Senator LANDRIEU to substantially increase our defense budget over the next ten years.

The second principle that will guide my judgement of a final budget is tax relief for those who need it the most, lower- and middle-income working families. I am in favor of a tax cut, but a responsible one that provides much needed tax relief for lower and middle-income families.

I agree with the President that consumer debt is a massive problem for working Americans. If there is an economic downturn, I am concerned that debt will overwhelm many American households. That is why tax relief should be targeted to middle-income

Americans. The more fortunate among us have less concern about debt. It is the parents struggling to make ends meet who are most in need of tax relief.

I hope that when the reconciliation bills are reported out of the Senate Finance Committee, the tax cuts outlined will also address the pressing issues such as the child tax credit, reduction of the marriage tax penalty, payroll tax reform to lighten the burden of this tax on hard-working Americans, and estate tax reform that will take into account the effect such reform will have on our robust charitable community. For this and other reasons, I support a $5 million cap with regard to the estate tax cut.

In this tax debate, we should avoid class war rhetoric, but a final budget plan should reflect Main Street realities. The Senate Finance Committee should firmly resist granting tax relief that benefits the special interests and K Street lobbyists at the expense of lower- and middle-income American taxpayers.

That kind of tax relief I would never support.

Third, the budget must provide for future obligations in Social Security and Medicare. Reforms are urgently needed in both programs, but we must have the resources to pay for them.

For the first time in history, economic projections show a surplus of $3.1 trillion over the next ten years, exclusive of the surplus in the Social Security Trust Fund. At the same time, we know that the Social Securities system is projected to be bankrupt by about 2037 and Medicare will be broke around 2023, leaving millions of elderly Americans without the promised benefits they need to live comfortably in their retirement years. I am concerned that this budget resolution uses none of the surplus to shore up Social Security, does not use enough to shore up Medicare, and does not provide the resources needed to support reforms of these entitlement programs that will ensure their long-term solvency.

My fourth principle is paying down as much of the national debt as possible. On Main Street, Americans believe it is conservative common sense to meet your financial obligations. Lower federal debt means lower interest rates on consumer loans, especially lower mortgage payments so people will have more money to spend or save.

I applaud the resolution's goal of reducing the level of debt held by the public by nearly $2.4 trillion from a level of $3.2 trillion today to $818 billion in 2011. But I believe that we should use even more of the non-Social Security surplus in the early years to reduce the federal debt burden on future generations, given these surplus projections in the out years could be significantly off.

My fifth principle is restraining spending, which Federal Reserve Chairman Greenspan warns could ''resurrect the deficits of the past.'' Many of the specific funding assumptions in the resolution are laudable, but I have identified tens of billions of dollars of port-barrel spending in annual appropriations bills over the past several years—earmarks that never went through a merit-review process. Because of the compelling need to deal with the problems in Social Security and Medicare, we should look within the budget to eliminate waste in order to fund higher priority requirements, rather than spend the entire surplus on more government.

I am pleased to note that the resolution includes a provision to ensure Congress complies with the revenue and spending levels in the resolution to limit budgetary gimmicks such as a new scoring rule that prevents the use of advanced appropriations to circumvent spending limits.

I also fully support President Bush's intention to eliminate funding for earmarks in his first budget.

While I am concerned that this budget resolution rests on uncertain surplus projections that will surely be affected by a changing domestic and world economic environment, this is just a resolution, not a final budget. In the coming weeks and months, I look forward to working with the Administration and my colleagues for a budget that reflects the principles that I outlined today.

I thank the Chairman and Ranking Member of the Budget Committee for conducting the debate in a civilized and constructive manner. The reconciliation bill that results from this budget blueprint should provide for necessary defense increases, tax relief for the American taxpayer, adequate funding for Social Security or Medicare reform, significant debt reduction, and spending restraint.

Mr. LIEBERMAN. Mr. President, I rise to speak about our country's future and how it is being determined in the debate over this budget resolution, H. Con. Res. 83, which I oppose.

At this propitious moment, we face a set of choices, both pleasant and consequential, about what to do with this precious surplus we have worked so hard as a nation to accumulate. The question is, how do we make the projected surplus work best for us? How do we take advantage of this extraordinary opportunity today to strengthen our economy and country for tomorrow, to expand this prosperity and security for generations to come?

It is my view that this Congress must implement an effective long-term vision. The central point I want to make today is that as we develop a budget, we need to be concerned with more than just a tax plan. We need a strategic blueprint for how to extend and expand our economic growth and how to widen the circle of opportunity and security to allow more Americans to share in the nation's prosperity.

Unfortunately, that blueprint is not coming from our Republican colleagues or from the White House. The President has put forward a tax cut that was designed 15 months ago, in the midst of the Republican primaries, when one of his opponents, Steve Forbes, was promoting flat taxes. The Bush tax plan abandons fiscal responsibility and blithely spends, indeed, overspends, a projected surplus whose size six months down the road is unclear, to say nothing of its dimensions 10 years later. It is a tax plan that gives the most to those who need it least and leaves little or nothing for making the kinds of investments that will secure and brighten our future. Our Republican colleagues have put together a partisan budget blueprint that simply accommodates the President's tax cut.

But neither the Bush plan nor the Republican budget are right for our country. They will waste the wealth our nation has earned over the last eight years and send us back down the road to debt, higher interest rates, and higher unemployment. They cannot answer the big questions of what kind of country we want to be ten years from now, because they do not ask the right questions. They lack vision and therefore squander this moment's opportunity.

The Republican Budget Resolution does not protect the Social Security or Medicare trust fund surpluses. It claims to set aside $453 billion for a ''contingency fund'' in order to prevent Congress from spending the Social Security and Medicare surpluses; however, that amount is not sufficient to maintain current policies, such as extending expiring tax credits, reforming the alternative minimum tax, and providing agricultural assistance—and to pay for the cost of new initiatives such as a national missile defense system. Because of the excessive Republican tax cut and the inadequate size of this contingency fund, Congress may be forced to raid the Social Security and Medicare trust funds or face the prospect of a return to budget deficits. The GOP budget imposes deep cuts on important programs. The Budget Resolution would cut non-defense discretionary spending by about $8 to $9 billion or two percent below the level needed to keep pace with what was provided last year, adjusted for inflation. Funding for environmental protection, disaster assistance, veterans' medical care, Community Oriented Policing (COPS) and the Army Corps of Engineers would be particularly hard hit.

The Republican budget also falls short on debt reduction. The Budget Resolution would reduce the publicly-held federal debt from $3.4 trillion at the end of Fiscal Year 2000 to $818 billion by Fiscal Year 2011. Many experts believe that the publicly-held debt could be reduced to under $500 billion, $300 billion more in debt reduction than proposed by the Republicans.

If we are to seize this moment, we must have a clear vision and a long view of where we want to go, and how best to get there. We need a new approach, rooted in old values—the

broadly cherished principles of freedom, opportunity, responsibility and community upon which this democracy was built—values so ingrained in our national consciousness as to transcend the rhythms of history. We must be guided by the promise of growth and opportunity that moved the pioneers, by the hard-work and enterprise that gave rise to the middle class, by the sense of responsibility to one another that has created good citizens and strong communities, and by that indefatigable American spirit of optimism and innovation that drives us forward in our pursuit of better lives and brighter vistas. What we need is a budget based on fiscal responsibility and wise investments, an agenda that empowers our citizens to succeed in the near term but that also guarantees their long term security.

We must begin with a fiscally sensible budget, a budget that places the highest priority on paying down the national debt. One of the most enduring lessons of the last 20 years is that debt reduction pays off in the long term. Our surplus now gives us a historic opportunity to be debt free by the end of this decade, which will keep interest rates down on home mortgages, car loans, credit card bills and student loans, loosening the budgets of millions of American families. Low interest rates also cut the cost for capital available for business innovation and expansion. We must set aside at least one-third of the projected surplus to continue to pay off America's long-term debt. If the surplus does not turn out to be as large as we hope it will, then we will not have committed to obligations that might drive us into deficit spending again. The funds we set aside for debt reduction will become a rainy day fund.

The next steps would be to invest in the building blocks of our society and economy: defense, healthcare, the environment, education, scientific research and development, and a robust private sector. And yet, the Bush partisan budget does just the opposite.

For example, in healthcare the Bush budget would cut aid to the uninsured. By decreasing the funding for programs that increase access to health services for people without health insurance by 86 percent, the President jeopardizes the health and well being of the nearly 42 million Americans that cannot afford health insurance and will actually decrease their access to health care services. His budget also fails to provide an adequate prescription drug benefit, providing only $153 billion over 10 years to provide for a four year, low-income prescription drug benefit. CBO estimates this level of funding ''won't provide a great deal for any one person.'' I believe America should be increasing access to health insurance and health care services . . . not cutting critical programs. I am committed to passing a prescription drug plan that meets the need of seniors.

I also am discouraged by the lack of funding that the Bush administration plans to designate for essential programs to protect our public health and environment. At the same time the Bush Administration has rolled back a number of regulations for protection in these areas and has walked away from its domestic and international commitments to address the problem of climate change, it also has slashed the funds available to the agencies responsible for these important issues. The amount the Republican Budget Resolution designates for these essential environmental programs is 15 percent below what is needed to maintain FY2001 spending power.

I have supported efforts to put this funding back in the budget resolution. The amendment that I co-sponsored with Senator KERRY renewed the funding for the range of government programs intended to address our climate change problem. I thank my colleagues for recognizing the dire need for these programs and passing the amendment. I also supported the amendment sponsored by Senator CORZINE, which would have provided the funding that is needed for the full range of environmental programs. Mr. President, the protection of the environment is not a luxury item; we must not sacrifice it to pay for a tax cut.

This budget resolution also must recognize that skills and learning not only drive productivity growth, but increasingly determine individual opportunity. We must concentrate our resolve and our resources on changing the way we teach and train our labor force. We need to start at the beginning and reform our K–12 system to raise academic achievement for all children. Congressional Democratic education proposals all provide more funding for our public schools than President Bush and the Republicans do, and that is undoubtedly because they spend so much on his tax cut plan, that he has little left over for other critical societal investments.

As we move forward, we can and should create a direct and progressive connection between taxes and education. Parents, workers and employees should be given tax credits to make lifelong learning easier. The expenses of employers investing in remedial education—to make up for failures in the performances of our K–12 school system—should be offset with a new education tax credit. And most importantly, I support tax relief for low- and middle-income families struggling to pay the cost of their children's college education and their own mid-career retraining. These families should be allowed to deduct up to $10,000 of higher education costs from their income tax each year.

Equally as important are adequate funds for basic science and research and development. The role of scientific innovation is central to our country's economic growth. The story of the American economy is the story of scientific breakthroughs leading to economic growth. Yet, President Bush's budget outline starves three of the greatest generators of innovative ideas: The National Science Foundation, NASA, and the Department of Energy. For instance, the National Science Foundation is slated for a 1.3 percent funding boost, which is effectively a cut, since that increase is less than the rate of inflation. Rather than curtailing physical science R&D funding, we should be doubling the federal basic research investment over the next 10 years and promoting education initiatives to expand the technically-trained workforce. Increases in federal research dollars, at NSF, NASA, and DoE are critical to educating the next generation of scientists and engineers.

A visionary budget must allow for a tax package with a purpose. And that purpose must be, above all else, to stimulate economic growth, to raise the tide that lifts the lot of all Americans. One-third of the projected surplus should be dedicated to tax reductions, some to reward working families and the rest to business tax cuts that stimulate economic growth and new jobs. In the spirit of the Innovation Economy, we should look to tax incentives that will spur the drivers of growth: innovation investment, a skilled workforce, and productivity and there are many possibilities to consider.

In 1997, I supported reducing the capital gains rate to help reduce the cost of innovation investment in our economy, and I think it helped build our economic boom. I believe the capital gains rate should be reduced again. Eliminating capital gains entirely for long-term investments in start-up entrepreneurial firms would encourage a strong venture capital market, and the investment in new companies that is falling off now.

Small firms lagging behind their larger brethren in productivity growth should be given tax credits to invest in information technology. Small business accounts for 40 percent of our economy and 60 percent of the new jobs. But less than one-third of small businesses are wired to the Internet today. Those that are wired—and this is a stunning statistic—have grown 46 percent faster than their counterparts who are unplugged.

One of the most effective ways to spur business investment, productivity increases and economic growth is adjusting depreciation schedules in the tax code to more accurately reflect the lifetime of a product. For some classes of investments, particularly rapidly changing information technology equipment, current depreciation schedules no longer match actual replacement rates, so companies that use technology must continue to carry an expense on their books long after the expenditure has ended its useful life. I suggest that, where appropriate, depreciation schedules should be shortened to reflect actual replacement rates.

Removal of economic and governmental barriers to the build-out of a broadband should be a top priority so

we can erect the next stage of the IT infrastructure. Broadband offers new opportunities for new products, services, and efficiencies. We should offer a tax credit to get this new infrastructure build-out promptly.

Making the R&D tax credit permanent would encourage industry to invest in research and technological innovation. Additional reforms to the credit could make it more accessible to small businesses and start ups and encourage more cooperative research consortia.

If we are successful in building on our prosperity, we will be able to guarantee the future of Social Security and Medicare. Everyone knows that strengthening Medicare will require more resources, not less. Yet the President's tax cut reaches into the Medicare surplus, leaving scant hope for modernization, or a new, meaningful prescription drug benefit, as the President promised. While today's workers will rely more and more on personal savings for retirement, for millions of Americans, Social Security is still the foundation of their old-age support. We must meet our obligations to our retirees, but we must also seek reforms that will make their retirements more secure.

A responsible, long term budget also must be attentive to short term challenges. While I am confident it is the inherent strength of our private sector that will do most to bring our economy out of its current dip, we in government can provide some help through Federal Reserve monetary policy and federal government fiscal policy. Finally, the administration and its congressional allies have acknowledged that the $1.6 trillion Bush tax cut plan would give nothing back to taxpayers this year and little next year. So now, they talk about wanting to add a one year economic stimulus to their larger plan and pass the two together. Mr. President, as I have stated before, I fear that doing so would hold hostage the help our lagging economy needs now to a drawn-out congressional debate about the long-term Bush plan. In other words, help would not come until it was too late.

We need a fair, fast and fiscally responsible tax stimulus. Economists tell us that it would take a tax cut of at least $60 billion to have a positive effect on our economy this year. Current estimates are that the federal government will have a surplus of about $100 billion at the end of this fiscal year, September 30, so we can safely afford a $60 billion stimulus. I would divide that $60 billion by the 200 million Americans who paid income or payroll taxes last year and send each one of them a $300 check as soon as possible—a surplus dividend tax rebate that can give our economy and our national confidence the kick-start they need. That check would go to every member of a family who worked last year.

Ten years from now, we will be judged by the decisions we make today. People will ask, did we fully understand the awesome changes taking place in our economy and in our society? Did we direct our unprecedented surpluses into investments with the greatest returns? Did we give our workers the tools they need to seize the opportunities an innovation economy offers? And were we guided by those proud American values that have brought us this far?

If we keep that perspective in view from the vantage point of our daily lives, we'll have a good shot at answering those questions affirmatively. But we must exercise discipline and follow a regimen: We cannot spend money we don't have, despite the temptations to do so. We must pay our bills and make investments for our future before we take vacations. A short term economic stimulus to help lift us out of this economic slowdown has to be followed by business tax credits and smart investments to sustain longer-term growth. Only then, can we be confident of our ability to provide comfort and security to our parents and for a bright future to our children.

Ms. SNOWE. Mr. President, I rise today to thank the Chairman of the Budget Committee for provisions in his substitute amendment that reinforce President Bush's budget blueprint for the use of advance appropriations as a mechanism for capital investment. The chairman's extraordinary foresight will ensure that the option to use advance appropriations will still be available as a budget management tool for Congress and Federal departments and agencies.

As described by OMB Circular A–11, advance appropriations is a funding mechanism, which together with funding in the current year, provides full funding of capital projects and scores following year funds as new budget authority in the year in which funds become available for obligation. This mechanism is used by various departments, such as the Department of Energy and the Department of Transportation, and agencies, such as NASA, to level fund capital projects. In addition, the Department of Defense is considering employing advance appropriations for capital projects in the future.

Section 13 of the House Budget Resolution recommends severely restricting the ability to use the method of advance appropriations by requiring a capital investment program be scored against 302(a) allocations and totaled in the year in which these appropriations are enacted. This differs from scoring the appropriations in the year in which it is obligated.

The flexibility to use the advance appropriations method is an important management tool that enables federal agencies and departments to score capital investment project appropriations in the year in which they are obligated rather than scoring the whole cost of the project in the year in which the appropriations are enacted. This option allows the federal government to make selected capital investments in much the way the American people would, and that is pay as you go. I urge my colleagues to support and sustain the advance appropriations provision included by our distinguished Budget Committee chairman in his substitute amendment.

WORKFORCE INVESTMENT

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the attached letters of support for the Harkin-Wellstone amendment be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MINNESOTA GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL,
Saint Paul, MN, April 3, 2001.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

The Minnesota Governor's Workforce Development Council (GWDC) is in support of your efforts to increase funding for workforce development programs in the FY2002 budget resolution.

As you know, Minnesota is experiencing a long-term labor shortage and, in some sectors, short-term economic slowdowns. The combination makes a particularly compelling case for increased federal support for workforce development efforts that benefit incumbent workers, new entrants into the labor market including new Americans, working families, and others seeking to advance their education and upgrade their skills.

Minnesota has worked hard to build a strong and dynamic workforce system. We are currently exploring several options to further strengthen our efforts through a reorganization of some state agencies and a shift toward more local decisionmaking about workforce investments. A constant theme we have heard during these discussions is that the federal resources for training and skill advancement are woefully inadequate.

We have successfully used Workforce Investment Act (WIA), Temporary Assistance to Needy Families (TANF), and Welfare-To-Work Block Grant funds, augmented by significant state resources, to transition thousands into the labor market and advance through the workforce. However, the broad workers shortage, coupled with significant dislocations right now, strains our resources. Additional federal funding would allow us to better serve Minnesotans who need skills training to advance, other training and support to enter the workforce, and training and education to transition to new jobs after a layoff. Additional investment by Congress now would go a long way toward moving us through this short-term dip in the economy and addressing our longer term workforce needs.

On behalf of the Governor's Council, stakeholders in Minnesota's workforce system, and your Minnesota constituents, I urge you to move forward with your efforts knowing that you have our support and confidence. If you need any additional information or assistance, please contact me directly or GWDC staff Luke Weisberg (651–205–4728 or luke.weisberg@state.mn.us) or Kathy Sweeney (651–296–3700 or ksweeney@ngwmail.des.state.mn.us).

Again, we applaud your efforts and appreciate your support on this and other issues.

Sincerely,

ROGER L. HALE,
Chair.

MINNESOTA WORKFORCE COUNCIL ASSOCIATION,
Saint Paul, MN, April 3, 2001.

Re Senate Budget Resolution—Amendment to Increase WIA Funding.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the members of the Minnesota Workforce Council association (MWCA), I am writing to express our strong support for your efforts to increase funding for Workforce Investment Act (WIA) programs. MWCA's membership consists of the workforce investment board chairs, chief local elected officials, and the program administrators from each of the 16 workforce services areas in Minnesota.

We agree with you that now is the time to invest in workforce development! Unfortunately, President Bush's budget blueprint indicates that funding for WIA programs would be significantly reduced.

Attached is a chart that highlights the funding trends over the past eight years, adjusted for inflation, for the Minnesota Job Services and the Minnesota Job Training Partnership Act (JTPA)/Workforce Investment Act (WIA). As you can see, funding for these key workforce development programs has significantly declined from 1993 to 2000. In Minnesota, using CPI adjusted numbers, we have experienced nearly a 60% reduction in funding for JTPA/WIA (FY 1993 = $34,391,000; FY 2000 $14,522,000).

The Workforce Investment Act provides a structure for coordinating programs that are designed to help individuals escape poverty, achieve economic independence,and recover from job loss. Further, WIA provides a foundation for developing the skilled workforce that is critical to our long-term economic success. When Congress passed WIA, one of the key goals was to create a more integrated system that is flexible and responsive to the community needs. Through our one-stop WorkForce Center System in Minnesota, we have started to realize the benefits of working cooperatively across programs to deliver better services to both job seekers and employers within our communities. Without adequate funding, we will not be able to realize the vision of a seamless workforce development system that meets demands of both job seekers and employers.

Thank you for your efforts to secure additional funding for WIA programs. If the members of MWCA can be of further assistance, please contact Lee Helgen, MWCA Executive Director, at 651–224–3344.

Sincerely,

GORDON AANERUD,
Carlton County Commissioner, Chair,
Minnesota Workforce Council Association.

RURAL MINNESOTA CEP, INC.,
Detroit Lakes, MN, April 2, 2001.

Senator PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of rural counties and their residents, I am writing to urge you to support any amendment to the budget resolution that would increase funding for workforce investment act (WIA) programs.

WIA Dislocated Worker Programs: WIA programs are critical to the future economy of rural areas. In our 19 county service area, workers are being laid off from their jobs every day. Our unemployment rate is significantly higher than the state average. We need the resources to help these people get back on their feet so they can support their families and contribute to our local economy. A $200 million cut, as proposed in the President's budget, in dislocated worker programs will have a very negative impact on your constituents.

WIA Adult Programs: Our Nation is experiencing a skill shortage. Many more people could get high paying jobs if they had the right skills. Rural businesses have a tough enough time making their hard earned dollars stretch. Taking away funds that provide them with a skilled workforce is taking away any hope of their survival. If Congress cuts our training budget, we won't be able to provide your constituents with the skills training they need to get these better jobs. A $100 million cut in the adult training budget is going to make it very difficult for rural employers to be competitive.

We have helped rural people move from welfare dependency to financial independence. Our success includes moving people into good jobs with career potential and upward mobility. We will not be able to continue that if WIA program funds are slashed by $500 million from current levels, as proposed in the President's budget.

WIA Youth Programs: Many of our youth remain at risk. If Congress doesn't fund this program adequately, too many of our young people are going to be left behind. A $100 million cut in the youth employment program will surely cost tax payers increased expenditures in public assistance or juvenile offender costs. And then there is the long-term cost of a poorly prepared, inadequate workforce.

On behalf of employers, workers and future workers in my 19 country service area, I am asking you to support any efforts to increase budget authority for these Workforce Investment Act programs. Please remember this is not a partisan issue. It is an issue that deeply affects rural areas. Your support will assure that rural people will receive the kind of assistance that they need to succeed in the workplace.

Sincerely,

LARRY G. BUBOLTZ,
Director.

BOARD OF HENNEPIN COUNTY COMMISSIONERS,
Minneapolis, MN, April 3, 2001.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: I am sending you this note to urge you to support the Kennedy/Harkin amendment to the Budget Resolution to increasing funding for the Workforce Investment Act programs.

Here in Hennepin County, Minnesota, we have seen a decline in the JTPA and then the WIA funding from $1,688,652 in 1984 to $234,779 in 1999. As a county of over 1 million people, the $200,000 dollar funding level is not adequate to meet the needs of our constituents. In the area of dislocated workers, the recent downturn in economic conditions has resulted in daily notices of layoffs from companies in and around Hennepin County. One of our major companies, ADC a major supplier to the telecommunications industry, had an initial layoff of some 500 people and last week indicated additional layoffs of another 400–500 people. This is just one example of many that we are seeing in our community. In today's economy a skilled workforce in the cornerstone of economic growth and prosperity and we believe that the Workforce Investment Act allows us to respond to the needs of employers and allows our residents the opportunity for jobs that can support a family.

The outcomes for the Workforce Investment Act programs in our area are as follows:

Enrolled	238
Program terminations	194
Placed in jobs	164
Average wage at placement	$10.92
Cost per enrollment	$1,195.70
Cost per job placement	$2,735.23

As you can see from the data, this program is cost effective, driven by performance standards and performs beyond the expectations set by Congress and the Department of Labor.

Again, I urge you to vote for the amendment at $1 billion per year over the next ten years.

Sincerely

PETER MCLAUGHLIN,
Commissioner.

Mr. ALLARD. Mr. President I rise today to join my colleagues in the important dialogue surrounding the budget resolution. As has been well documented this week, the Bush-Domenici Resolution before this body is a close approximation of the President's Budget Blueprint for New Beginnings. As member of the Senate Budget Committee I have been studying this document for a number of weeks. I am convinced that this Budget represents a commitment to tax cuts, the repayment of the Debt Owed to the Public, and sensible reform.

Many of our priorities in Colorado are not radically different from those of Americans all over this vast country. We are concerned with education, the solvency of Social Security and Medicare, the strengthening of our national defense, and the protection of our wonderful natural resources and environment. The President has also addressed one of the most pressing needs for our soldiers, providing funding to improve the quality of life for our troops and their families. I am pleased to say that I believe President Bush has addressed these national priorities in a direct and sensible way while also speaking to the unique needs of Colorado.

The budget blueprint proposed by President bush makes an historic attack on the debt owed to the American people. If we have the courage to pass this budget we will begin the fastest and largest debt reduction in history. Lower government debt means greater fiscal security for large government programs such as Social Security and lower interest rates on Coloradans who purchase homes, automobiles, and use credit cards. Most importantly, future generations will not beard the burden of our past fiscal irresponsibility. My grandchildren are seventh generation Coloradans, and I am dedicated to leaving them a brighter fiscal outlook than we have before us today.

Fair tax relief for all taxpayers is a clear priority in the Budget Resolution. In recent weeks there have been numerous assaults against the tax cuts provided for in this legislation. In January, addressing the Senate Budget Committee, Federal Reserve Chairman Alan Greenspan described this tax cut as moderate. In the scope of a $5.6 trillion federal surplus over the next ten years I find it laughable that there are members of this body who claim this tax cut is unaffordable. In Colorado the

tax cut results in $1,600 of tax relief for a typical tax paying family of four. A Colorado family of four making thirty-five thousand dollars a year will receive a one-hundred percent federal income tax cut. Families making fifty thousand dollars will receive a fifty percent tax cut. More than one-and-a-half million Colorado taxpayers will benefit from the new, lowered rate structure, as will 329,000 Colorado small businesses and entrepreneurs.

The President's Budget also locks away every penny of the $2.6 trillion Social Security surplus, an important step in preparing to address the much needed reform of Social Security in the coming years. The budget likewise directs every dollar of Medicare receipts be spent solely for Medicare expenditures, including a modern and fiscally responsible prescription drug program for the senior citizens of Colorado and the nation.

The proposal before us dedicates the largest percentage spending increase of any federal department to the Department of Education, an increase of 11.5 percent. Further, the resolution before us will triple funding for children's reading programs. Colorado's education funding will increase over current levels to more than $461 million to give local schools more options and opportunities. Colorado's Head Start funding will increase over current levels to more than $63.9 million. This is truly an enormous fiscal commitment to the children of Colorado. I would be remiss not to note, I am encouraged to see increased funding over current levels to more than $21 million to help more Colorado children awaiting adoption find homes faster.

The Budget Resolution also fully funds the Land and Water Conservation Fund and gives the Environmental Protection Agency its second highest operating budget ever. In Colorado the budget provides more than $6.6 million in funding for water resource projects, $32.8 million to fund Colorado environmental protection efforts, and over $8 million to help conserve Colorado's natural resources. As anyone who has visited my home state in recent months knows, transportation capacity is also an issue, and one this budget addresses. An estimated $334.8 million will go to Colorado highway funding.

Recognizing the long-term social benefits of accessible health services and medical research the Bush-Domenici Resolution continues our pledge to double funding for the National Institutes of Health and creates more than 1,200 new community health centers nationwide. The budget further provides $391 million for programs and grants to help local fire departments and emergency services all across America with training, equipment and life-saving efforts.

I am pleased to support the Bush-Domenici Resolution and I look forward to working with my colleagues this year as we appropriate the funds as outlined in this budget.

Mr. KERRY. Mr. President, I rise today to speak on the budget resolution as well as an amendment I am offering which concerns the tax cut portion of the resolution.

This week's debate is quite likely the most important debate in this body we have had, and will have, for several years. What we have before us is a budget blueprint that would completely reverse the direction of the United States federal government budget, a 180 degree change from budget policies we have pursued over the last eight years. What the Majority is offering is a repudiation of the fiscal discipline of the 1990s and a return to the bold tax-cutting era of the 1980s.

And why not? The Congressional Budget Office projects surpluses as far as the eye can see. Ten years from now, in 2011, they project a unified budget surplus of nearly 900 billion dollars. Social Security and Medicare, for at least several years, are on firm footing. Let's get this surplus money out of town, they say, before Washington bureaucrats have an opportunity to throw it down the drain.

It's a strong argument, it sounds good in TV ads and Sunday morning talk shows. The American people should decide how their money is spent, not Washington politicians detached and removed from Mainstreet, USA.

But the reality is quite different. The American people are not so easily deceived. Thanks to a previous Administration that demonstrated the benefits for everyone of turning around government deficits, taxpayers understand and appreciate the undeniable advantages of fiscal discipline. That is why when one puts before the public the following question, should the government send the surplus back in a tax cut or divide the surplus equally between debt reduction, tax relief, and priority investments, the second option, the prudent and reasonable option, always wins.

So let's take a close look at the two options we have before us. This debate should not be about sound bites. It is far too important.

The two options are the Democratic-favored balanced budget approach based on principles of fairness, reasonable tax relief, and fiscal discipline or the Republican-favored approach of risky, back-loaded tax cuts dependent on surpluses which may or may not appear. Is this Democratic approach, as the able senior Senator from Texas calls it, just an excuse not to support a tax cut? Far from it.

For the last 8 years, fiscal discipline has meant turning around 300 billion dollar deficits into 200 billion plus surpluses. And what is a surplus, it is savings. It means the government is a net saver instead of a net debtor. It means that the federal government is buying back outstanding Treasury bonds from the public. The public turns around and invests that money elsewhere. In effect, every dollar of paid-down debt frees up a dollar for the public to invest in the private sector, the engine of growth.

With the government acting as a net saver rather than a debtor, inflation is held in check and interest rates come down. The benefits to the American people are real. Auto loan rates are lower. Home mortgage rates are lower. Businesses have access to credit for investments, leading them to hire more workers and keeping unemployment down. As everyone from Greenspan to Rubin to Summers have recognized, it is a virtuous cycle.

So what we have before us today is an effort to reverse that cycle, an effort to revert to another era, a prior era. We have been down that road. Is that the direction we want to steer the country?

In the real world, a business would never write a check that it was not sure it could pay. But that is exactly what Republicans want to do with the biggest check of all. Let's write the check now and hope that when it comes due, there will be enough money in the bank to pay for it. Would any self-respecting businessman manage his company in such a fashion? The answer is no.

The reality is that most of the Republican tax cut would not even take effect for several years, many provisions are so far into the future that they won't show up in any IRS form you file for nine or ten years. Building an estate? Great. I just hope you don't have the misfortune to pass away before 2011 because that is the year they repeal the estate tax.

Can we really afford the check they are writing? That is the $64,000 question. Economic and budget forecasting is somewhat like a weather forecast, the further you go into the future and the more long-range the forecast, the less likely it is to prove accurate.

What we do know is that if productivity levels drop to their historical average, rather than staying at the levels they reached in the last few years, the surplus could fall by as much as $2 trillion.

And 84 percent of the surplus comes after the next presidential election. Or put another way, two-thirds of the surplus comes in the second five years of the 10-year projection.

But we need to pass a tax cut today to keep from spending the money. Last time I checked there were no spending proposals on the table that postpone their effective dates for 5 years. In the same way, we shouldn't be passing tax cuts that don't take effect for another 5 years. Let's pass a short-term tax cut, and if the money comes in like the rosy forecasts indicate, we can extend it when the date arrives.

I want to address some specific aspects of this budget before us. Back in February, we held a special joint session to hear our new President's priorities for the future. President Bush stated, ''Education is my top priority and, by supporting this budget, you'll

make it yours, as well.'' The truth rests in the numbers. The Bush budget includes 40 dollars in tax cuts for every one dollar increase in education.

This budget resolution makes clear that President Bush's tax cut proposal is a higher priority than addressing key priorities, such as education and child care and that his enormous tax cut crowds out significant investments in education.

Yesterday this body made significant strides toward increasing the budget numbers for education by reducing the tax cut. I am thrilled that the Senate voted to increase funding for important education priorities by $250 billion over 10 years. The majority leader has expressed his intention to attempt to overturn that vote later this week. I sincerely hope that that does not occur. The President's budget does not include a sufficient investment in public education. The amendment passed yesterday brings us much closer to the investment that we must make in public education in order to ensure each child has access to a first-rate education.

Despite the President's claims, education funding in his budget does not keep pace with previous congressional funding increases for education. The President says that he is requesting an increase of $4.6 billion for education, and he takes great pride in claiming a 11.5 percent funding increase over the last fiscal year. But the President's outline includes only a 5.9 percent increase at the program level. To put that in plain English, almost half of the increase that Bush is touting as his major investment in education would happen even if the budget didn't pass and the appropriations process did not occur.

About $2 billion of Bush's funding increase for his so-called ''top priority'' was forward-funded last year. So the actual increase in new spending that Bush is proposing is only about $2.5 billion. That is one-third the average rate of increase in education spending over the past four years, after adjusting for inflation. Here is the area that the President has identified as his highest priority, education, and it would have its recent rate of growth reduced by two-thirds.

We don't know yet exactly which education programs Bush will increase funding for, because none of us have seen the details of Bush's budget. But he has said that he plans to provide funding for his reading first initiative, increase funding for special education, increase the maximum level of Pell Grants, increase funding for improving teacher quality, and provide more funding for character education. All of these are laudable goals and funding increases that I wholeheartedly support. But what about Title I funding? Does the President propose to increase funding for the most disadvantaged students? And what about after-school programs and making our schools safe? What about more funding for education technology? In the last administration, we accomplished the amazing feat of connecting every school to the Internet. But will this President help schools to incorporate technology into the curriculum? We just don't know, and by math there won't be enough money for these priorities after this massive tax cut. That is why it is so critically important that the Harkin amendment not be overturned and the tax cut be decreased in order to pay for these important initiatives.

One critically important initiative that we know the President's budget will not make a priority is school renovation and construction. There is overwhelming need for school construction funding. Three-quarters of our schools are in need of repairs, renovation, or modernization. More than one-third of schools rely on portable classrooms, such as trailers, many of which lack heat or air conditioning. Twenty percent of public schools report unsafe conditions, such as failing fire alarms or electric problems. At the same time our schools are aging, the number of students is growing, up nine percent since 1990. The Department of Education estimates that 2,400 new schools will be needed by 2003. Last month the American Society of Civil Engineers released their ''2001 Report Card for America's Infrastructure,'' which grades the condition of the nation's schools, drinking water, wastewater, transportation needs and so forth. Of all the categories included in the report, schools received the lowest mark, a D−. Despite these facts, despite the desperate need for repair and renovation, the Bush budget provides only a modest investment in school construction and only allows for the use of private activity bonds for schools, a mechanism that requires a major corporate sponsor to finance a school, which would help only a few communities that are struggling to meet growing enrollments or upgrade their crumbling schools.

As many of my colleagues have already mentioned, there was a very disturbing report in the New York Times several weeks ago about the anticipated cuts to critical children's programs. I am extremely distressed by this news. The President's singular focus on cutting taxes undermines critical programs like child care, early learning funding, child abuse treatment and prevention. The President plans to cut, not just slow the rate of spending, $200 million from the Child Care and Development Fund. I would like to point out that there is a waiting list of more than 16,000 children in Massachusetts who await the opportunity to receive quality child care through this fund.

I cannot figure out what has motivated the President to zero out the Early Learning Opportunities Act. This legislation, sponsored by Senator STEVENS, passed the Congress last year with bipartisan support. President Bush believes strongly in literacy. And we all know that children who begin school lacking the ability to recognize letters, numbers, and shapes quickly fall behind their peers. Students who reach the first grade without having had the opportunity to develop cognitive or language comprehension skills begin school at a disadvantage. Children who have not had the chance to develop social and emotional skills do not begin school ready to learn. I'm sure that President Bush knows these things. So why would he cut funding for the Early Learning Opportunities Act, which seeks to bring together state and local resources to ensure that children begin school ready to learn?

I guarantee you this, if you ask the American people whether they would prefer this enormous tax cut at the expense of funding for child care, child abuse prevention and treatment, and funding for early learning programs, they will unequivocally tell you that they want those programs strengthened and enhanced, not decimated, or in the case of the Early Learning Opportunities Act, zeroed out. It's certainly clear that children are not the President's top priority, his enormous tax cut is. We voted yesterday to support those programs that we know the American people care about. We must hold strong and resist attempts to undermine the funding commitment for these important programs.

As we all know, the real details of the Bush budget are still locked up somewhere in the White House. The President wants Congress to leave town before those numbers are released. And well he should, because those numbers are going to show what we have all known for some time. Compassionate conservatism is code language for cuts in children's programs, health care, the environment and other national priorities.

While we have not yet received the real Bush budget, what we are learning through confirmed accounts is that the budget will: cut child care grants by $200 million, cut child abuse programs by $16 million, and would entirely eliminate the $20 million ''early learning'' fund for child care and education for children under the age of 5 which is based on legislation I wrote.

Cut funding for training health care providers in medically underserved areas by nearly $100 million.

Cut the Office of Minority Health by 12 percent.

Cut training for doctors at children's hospitals.

Eliminate the COPS, or Community Policy Services Program.

The list goes on. Someone will have to explain to me how cutting child care grants and child abuse programs is compassionate because I just don't see it.

Let's take a couple minutes to look at the President's research and development agenda.

Unfortunately, the President's budget plan will do serious damage to funding available for scientific R&D. Experts agree that over the past 50 years,

advances in science and technology have contributed to half our nation's economic growth. It's true that investments in R&D tend to pay off only in the long term. For instance, much of the growth we enjoyed in the 90s stemmed from investments the federal government made in science in the 1960s. The ubiquitous computer which is so critical to our productivity today would not be available to us if serious research had not begun decades ago. But, this budget fails to look to the long term, and by failing to adequately provide for investment in science and technology, will slow economic growth and leave our children and our grandchildren with far fewer opportunities than we had just a few short years ago.

Instead of increasing the growth of science and technology, the President's budget proposal ignores the R&D needs of the nation. Although the Administration has indicated support for a $2.8 billion increase in the National Institutes of Health budget for FY 2002, many other research initiatives will not receive the funding levels they need. The President's budget proposal for next year projects that non-defense R&D will decline by 7.8 percent adjusted for inflation, by fiscal year 2005. This is more than five times faster than the decline in total federal spending. After accounting for inflation, the Bush budget cuts the National Science Foundation by 2.6 percent, NASA by 3.6 percent and the Department of Energy by 7.1 percent. In the end, under the Bush budget federal support for science will decrease by 6 percent by 2005 as a share of the Gross Domestic Product. This is contrary to the commitment we should be making to innovation and entrepreneurship.

This budget's approach to science and technology research is short-sighted and irresponsible. But don't take my word for it. Take the word of the science and technology advisor to the first President Bush. Allan Bromley, a nuclear physics professor at Yale, recently wrote an editorial that was published in the New York Times in which he expressed his concern about the impact the President's R&D cuts will have on the economy. He succinctly stated:

> The proposed cuts to scientific research are a self-defeating policy. Congress must increase the federal investment in science. No science, no surplus. It's that simple.

So we have a budget blueprint before us that essentially rubberstamps a Presidential budget which we have yet to see, but that we are slowly learning, through leaks, will substantially cut a number of priorities that many of my Colleagues and the nation share.

Now, I would like to take some time to discuss the President's tax plan and an amendment I am offering. We hear so much talk about how the President's tax plan provides the largest percentage reductions to low and middle-income families. Mr. President, it's just not true. The reality is that the President's tax cut would leave out 28 million taxpayers, taxpayers who see 15.3 percent of every paycheck go directly to the taxman. I'm talking about people who pay payroll taxes.

For all taxpaying families, the average annual payroll tax burden is over $5,000. The average payroll tax payment has risen from $3,640 in 1979 to $5,010 in 1999. For the vast majority of taxpayers, payroll taxes, Social Security and Medicare, generate the largest tax burden.

Federal payroll taxes actually exceed federal income taxes for 80 percent of all families and individuals with earnings. For single-parent families, the number is even more alarming. Today, 95 percent of single-parent households pay more in payroll taxes than income taxes.

According to the National Women's Law Center, over 3 million women raising children as a single parent, or 36 percent of all single mothers and their families, will receive no tax benefit from the Bush plan. Likewise, almost half of the black and Hispanic women raising children as a single parent would not benefit a one penny.

These taxpayers lose out because the President's tax plan focuses only on marginal income tax rates. The House has made some small steps to address this issue, but more needs to be done if we are going to pass a balanced and fair tax bill.

My amendment would require that any substantial tax relief legislation, 500 billion or greater, which comes to the floor of the Senate this year include a certification by the Senate Finance Committee that it provides significant relief for the 28 million taxpayers who pay payroll taxes but who do not have sufficient earnings to generate income tax liability. Tax legislation which did not include a certification by the Senate Finance Committee, or conferees in the case of a tax bill conference report, would be subject to a 60-vote point of order.

This amendment is a small step we need to take to ensure that as the Senate develops tax legislation, it maintains a commitment to providing REAL relief to all taxpayers, not a selected few. I can not imagine why anyone would oppose such a reasonable amendment. Clearly, any large tax bill should hold dearly the interests of all working families and I urge my colleagues to support it.

Mr. LEAHY. Mr. President, I must oppose this budget because it is an irresponsible gamble with our economic future.

This resolution sets aside trillions of projected budget surpluses for tax cuts proposed by President Bush that are steeply tilted to the wealthy. It pays for the Bush tax plan at the expense of needed investments in Social Security, Medicare, education, law enforcement and the environment. In addition, the cost of the Bush tax plan imperils our ability to pay off the national debt so that this nation can finally be debt free by the end of the decade.

We should remember that the nation still carries the burden of a national debt of $3.4 trillion. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but we still have a national debt to pay off. In the meantime, the Federal government has to pay almost $900 million in interest every working day on this national debt.

Paying off our national debt will help to sustain our sound economy by keeping interest rates low. Vermonters gain ground with lower mortgage costs, car payments and credit card charges with low interest rates. In addition, small business owners in Vermont can invest, expand and create jobs with low interest rates.

I want to leave a legacy for our children and grandchildren of a debt-free nation by 2010. We can achieve that legacy if the Congress maintains its fiscal discipline. But this budget resolution tosses out fiscal responsibility for voodoo economics. It is based on a house of cards made up of rosy budget scenarios for the next ten years. Any downturn in the economy, are of which we are now beginning to experience, threatens to topple this house of cards.

The $5.6 trillion surplus that President Bush and others are counting on to pay for huge tax cuts tilted toward the wealthiest one percent is based on mere projections over the next decade. It is not real. Many in Congress have been talking about the $5.6 trillion surplus as if it is already money in the United States Treasury. It is not.

Let us take a close look at this $5.6 trillion. When you subtract the portion of the projected surplus that is expected to come from Social Security, we are left with $3.1 trillion over ten years. When you set the Medicare surpluses to the side, and use more realistic assumptions about taxes and spending over the next several years, that reduces the available surplus to $2.0 trillion. Under this scenario, the President's proposed tax cut of $1.6 trillion therefore has the potential to wipe out the entire surplus in one fell swoop. And that's IF the budget surplus projections are accurate.

While none of us hope that the budget surpluses are lower than we expect, to be responsible we need to understand that this is a real possibility. In its budget and economic outlook released on January 1st, CBO devotes an entire chapter to the uncertainty of budget projections. CBO says that ''considerable uncertainty surrounds those projections.'' This is because CBO cannot predict what legislation Congress might pass that would alter federal spending and revenues. In addition, CBO says—and anyone who watched the volatility of our markets over the past few weeks knows—that the U.S. economy and federal budget are highly complex and are affected by many factors that are difficult to predict.

In their economic outlook CBO warns Congress that there is only a 10 percent chance that the surpluses will materialize as projected. When CBO takes its own track record on forecasting surpluses, they caution that the projected surpluses over the next five years may be off in one direction or the other, on average, by about $52 billion in 2001, $120 billion in 2002, and $412 billion in 2006. Remember, that data is only for five-year projections. CBO has been making 10-year projections for less than a decade, so they admit it is not yet possible to assess their accuracy. But 10-year projections are likely to be even less accurate than five-year projections.

For 2001 alone, there is considerable uncertainty about the size of the budget surplus. In January, CBO estimated that the total surplus in 2001 would reach $281 billion. Earlier in this month, however, Merrill Lynch dropped its estimate to $250 billion. Wells Capital Management, an arm of Wells Fargo, estimates a $225 billion surplus this year and a $185 billion surplus next year, 40 percent lower than the CBO's estimate for 2002.

With all of this uncertainty in projecting future surpluses, it is amazing to me that the budget resolution insists on a fixed $1.2 trillion in tax cut. And the tax cuts proposed by President Bush may cost much more than $1.6 trillion over the next 10 years.

Let us take a closer look at these proposed tax cuts.

The President's tax plan, by focusing only on income tax rate reductions, leaves out millions of taxpayers who do not pay federal income taxes but who do pay payroll taxes. In Vermont, there are 23,000 families who do not pay federal income taxes. But 82 percent of those families do pay payroll taxes. For the vast majority of taxpayers, payroll taxes generate the largest tax burden, and yet the President's plan does not touch payroll taxes.

With all of the uncertainty in these projections, Congress should tread very carefully when considering the size of the tax cut. While rosy surplus projections may have been accurate yesterday, we need to pay attention to circumstances today. Even Goldilocks could tell you that porridge that's just right one day, may be too cold a few days later. Congress needs to recognize that the surplus projections are not set in stone, that it is not only possible, but even likely that the projections will change and that the surpluses themselves will differ from those projections.

I was one of five Senators who are still in the Senate who voted against the Reagan tax plan in 1981. We saw what happened there—we had a huge tax cut, defense spending increased, and the national debt quadrupled.

I am concerned about enacting a huge tax cut before fulfilling our current unfunded federal mandates. The President's budget outline proposed up to a 30 percent cut in grants to state an local law enforcement. I've written a letter to the President and the Department of Justice, along with 17 other Senators, opposing those cuts. I am pleased that my amendment restoring $1.5 billion to fully fund the Department of Justice's local law enforcement programs was accepted.

I supported an amendment to increase funding for private lands agriculture conservation programs by $1.3 billion for Fiscal Year 2002, including the Farmland Protection Program and EQIP—the Environmental Quality Incentives Program. I know there is a need for five to ten times this amount for these programs.

I supported several education amendments. These included amendments to increase the Pell Grant for student financial aid and increased support for the TRIO program, a successful initiative that provides support to first generation college students, particularly those from rural areas. However, the current budget proposal does not commit sufficient funds in this area. I was pleased to join my colleague from Vermont, Senator JEFFORDS, in an effort to fully fund the federal government's portion of IDEA costs.

The President's budget proposes a $1 billion increase in discretionary veterans health spending. Such a meager increase barely covers inflation in the Department of Veterans Affairs' current programs, let alone provides the department flexibility to increase the availability and quality of care. I am also concerned that this budget squeezes this money out of critical veterans health research programs, leaving investigations into spinal injuries and war wounds at inadequate levels.

After years of hard choices, we have balanced the budget and started building surpluses. Now we must make responsible choices for the future. Our top four priorities should be paying off the national debt, passing a fair and responsible tax cut, saving Social Security, and creating a real Medicare prescription drug benefit.

Mr. CRAIG. Mr. President, I rise in support of final passage of the budget resolution and to declare victory.

Today, all Americans who believe in fiscal responsibility, budget, a sound economy, and fair treatment for taxpayers, can declare victory. All of us who want a government that restrains its appetites and lives within its means, while meeting critical national needs, and letting hard-working individuals and families keep a little more of the fruits of their labor, can declare victory.

Today we are approving a budget that is balanced, not only because it is in surplus, but balanced in how it would allocate the resources provided by the American people.

Today we are approving a budget plan that, if we follow it, will: first and foremost, pay off all the publicly held debt that possibly can be paid off in the next ten years; hold the line on the growth of federal spending and the size of government; fully protect Social Security and Medicare for today's and tomorrow's seniors, and begin the process of modernizing them, to make them ready for today's workers; answer the demands of the American people to take action on major needs in areas like education, medical research, national defense, care for our veterans, the environment, and prescription drugs; and provide modest, reasonable, and prompt tax relief to the most heavily taxed generation in American history.

Could we have produced a better budget this week? Of course we could. But I will never let the perfect be the enemy of the very, very good.

The Senate has added several billion dollars in new spending to this budget. I wish we could have done that without raiding the surplus or collecting more taxes. I wish we could have addressed priorities within the reasonable total, the increased total, proposed by the President.

But we have wisely turned down amendments for hundreds of billions of dollars in new spending, and we have stuck fairly closely to the responsible plan we and the President started with.

And whether, at the end of the year, we enact ten-year tax relief totaling $1.2 trillion, $1.6 trillion as proposed by the President, or $2 trillion, which this Senator thinks is closer to the right amount, we will have won, commonsense conservatism will have won, and the American people will have won.

To fully appreciate where we are, we need to remember where we have been.

When I first came to Congress, in the other body, I plunged into fighting for a balanced federal budget. The jaded political veterans told me, You will never see it in your lifetime. The problem was so intractable, we formed a bipartisan coalition to push for a balanced budget amendment to the Constitution.

Eight short years ago, the experts told us we faced $300 billion budget deficits as far as the eye could see. The previous president said balancing the budget was a bad idea, and he pushed through the biggest tax increase in history to pay for more and more spending. By 1994, that tax hike, along with the Clinton health care plan to nationalize one-seventh of the economy, produced the first Republican Congress in 40 years.

Observant students of history and those with good memories will recall that the economy was limping and anemic during 1993 and 1994. That new Congress took office declaring that Job One was balancing the budget, so we could produce surpluses that would save Social Security and Medicare, pay down the debt, and provide tax relief. The real upturn, the acceleration of the markets and confidence in the economy, began when we made this commitment to responsible, limited government.

The economy received a booster shot with the bipartisan Taxpayer Relief

Act of 1997. In that bill, we cut capital gains taxes, which further unleashed the economic activity that is producing today's surpluses.

Now, with a slowing economy, the time has come, again, for a booster shot. Today's budget resolution, with spending restraint, tax relief, and paying down the debt, is that booster shot.

It is positive that, this week, we have voted to accelerate tax relief. American workers and their families needed tax relief yesterday, relief from the death tax, from the marriage penalty, and to help meet education and other family needs.

We've heard a lot of revisionist history this week, with Senators criticizing President Reagan's 1981 tax relief package. The single biggest mistake Congress made in revising President Reagan's plan was in not starting is soon enough. The economic recovery of 1982 began, the boom of the 1980s began, when President Reagan's tax plan finally took effect. If we really can learn from the mistakes of the past, we should learn that prompt tax relief keeps the nation healthy.

It's also a positive sign for prompt tax relief that the Senate has agreed to keep the tax relief in this budget free from filibusters later in the year.

This is a budget that will keep the nation healthy, if we continue to follow through on it. It is the Senate's budget, and we have made adjustments throughout the week. But make no mistake about it, when you look at all of it, it is still mostly the President's budget, too.

I also want to comment on a couple specifics in this budget.

As a member of the Senate Veterans' Affairs Committee, I am always watchful of how the Congress and the Administration propose to treat our nation's veterans. This President's budget began with a $1 billion increase in discretionary veterans programs and a $4 billion increase, overall—more than 8 percent. Without a doubt, this president has a higher level of commitment to the well-being of veterans than we saw in the previous administration.

The House-passed budget added to that amount and now, so has the Senate. Spending per veteran, not overall, but per veteran, accounting for increased caseload, will be about 50 percent more than in 1995.

The Veterans Administration (VA) represents millions of men and women who have served our great nation, often at extreme sacrifice. Therefore, in gratitude it is important that we insure that our veterans receive the care and services they were promised and most certainly deserve. Over the past years, since I have been a member of the Senate Committee on Veterans' Affairs, there has been a steady increase in spending per veteran. In 1995, VA spending was $1,465 per veteran. In 2002, the Senate committee on Veterans' Affairs recommends spending $2,228 per veteran. That is a 52 percent increase since 1995.

I also commend my Idaho colleague, Senator CRAPO, for the amendment adopted last night by the Senate, to safeguard necessary funding for the Department of Energy's Atomic Energy Defense Account. This is needed to continue progress in waste treatment and management, site maintenance and closure, environmental restoration, and technology development, while meeting its legally binding compliance commitments to the states. This is of vital interest in our home state of Idaho, home of the Idaho National Engineering and Environmental Laboratory, to similar sites in other states, and to the environmental safety and well-being of the nation. I was pleased to cosponsor and support the bipartisan Crapo-Murray-Craig amendment.

I now look forward to resolving the differences between the Senate-passed budget and the House's version and working in the coming months on the legislation necessary to implement this budget. We have made a good start and today is a good day to declare victory for the American people.

Mr. CHAFEE. Mr. President, I rise to express my support of the budget resolution we approved today. This was a long and arduous process, but I am pleased that at the end of the day we have a document that both Republicans and Democrats can embrace.

I also extend my deep appreciation and admiration to Budget Chairman Domenici for doing his usual outstanding job of overseeing the Senate's consideration of the federal budget.

This weeks' debate was about how best to allocate the apparent budget surplus that our nation is beginning to achieve. I appreciate President Bush's leadership in calling for a part of our surplus to be returned to the taxpayers.

While all Americans may desire a tax cut, I believe it is also true that all Americans would like Congress to continue its prudent course of balanced budgets. I am concerned that a tax cut of $1.6 trillion over ten years would seriously impair our ability to maintain a balanced budget, while meeting the necessary priorities of debt reduction, infrastructure development, improvement in health and education, and Social Security and Medicare reform.

I was pleased to work within the Centrist Coalition, a bipartisan group of Senators, to fashion a compromise tax cut. I am very thankful for the friendship and leadership in particular of Senators JOHN BREAUX, JIM JEFFORDS, and BEN NELSON. I believe that we have helped the Senate come to a compromise, and am proud to have joined a group of such thoughtful and constructive people.

I am not without my reservations about the compromise tax cut of $1.2 trillion over ten years that we have approved today. It is still large for my preference, but I recognize that in order to work in a bipartisan manner one must be able to compromise in a principled manner. I believe that that is what we have accomplished here, and that belief is borne out by the fact that 65 Senators supported the final budget, which included the compromise tax cut.

Beyond the tax cut, the Senate has made its mark on this budget. Senator DOMENICI brought to the floor a budget that closely reflected the President's priorities. We took up amendment after amendment, considered each by its merits, and dispensed with them. These amendments reflected our priorities in several areas. We can see those priorities in the document that we now send to the House and Senate conferees to negotiate. We see a doubling of the money set aside for prescription drugs, to $300 billion over ten years. We see $320 billion set aside for education, which includes enough money to fully fund the Individuals with Disabilities Education Act. As a former Mayor who has had to budget for the costs of providing the best service for these special children, it was a particular priority of mine to have the federal government pay its fair share. We see increased money for defense, for veterans, and for farmers. We see the work on environmental issues, including funding for conservation and global warming. And, we see the work on urgent health matters, including increased health care coverage for the uninsured. And, of great importance to those of us in the Northeast, we see an increase of energy funds for our low-income citizens.

This is a good budget. It is perhaps not perfect, but it shows the benefit of having a strong President providing leadership in stating his priorities, and the value of centrist leadership in Congress to win wider acceptance of the President's proposals.

Mr. LEVIN. Mr. President, the Senate has begun debating the Federal budget for next year and the years ahead. We are fortunate after years of large budget deficits, to finally enjoy a projected budget surplus, a real surplus separate and apart from the Social Security surplus. While this new ''on-budget'' surplus provides us with many possibilities, it also requires us to balance how best to use our resources within a framework of fiscal responsibility. If we choose the wrong path we could return to the days of big Federal deficits and all the damage they did to our economy.

In approaching our Federal budget, I believe we should divide the projected surplus among four budget goals: giving the American people fair and fiscally responsible tax relief, paying down the debt, protecting Social Security and Medicare, and responsibly investing in key priorities such as education, prescription drug coverage for seniors, environmental protection and national defense.

In deciding how to allocate the new surplus, we should first and foremost remember it is a projection for ten years downstream, so it is highly speculative. In fact, the Congressional Budget Office, CBO, cautions legislators that there is only a 10 percent

likelihood that its ten-year projection will prove accurate. This is especially troublesome because most of the surplus, upon which the President's tax cuts rely, is not projected to accrue until after 2005, the most unreliable years of the forecast. History has shown that CBO projections only 5 years in to the future have been off by as much as 268 percent.

Understanding that these projections are uncertain, here's what I think should be done with surplus dollars that actually materialize:

First, I would protect the Social Security and Medicare trust funds. We have to take prudent steps today to ensure that as 77 million baby boomers retire over the next 30 years, the costs of their Social Security and Medicare won't explode the Federal budget. In just 15 years, the Social Security and Medicare programs will require transfers from the ''non-Social Security and non-Medicare'' side of the Federal budget in order to pay benefits. Without reform, these transfers will get larger and larger, placing enormous pressure on the federal budget—pressure that would be compounded if President Bush's proposed tax cuts were enacted. Thus I think it is imperative to set aside the surpluses that are currently accumulating in these trust funds and not use them for new spending or tax cuts—as the President's budget proposes to do.

Next, I would allocate one-third of the projected $2.5 trillion non-Social Security, non-Medicare surplus for tax cuts. We have proposed an immediate stimulus tax cut package that could provide taxpayers with up to $450 of relief this year, $900 for married couples filing jointly. The first part of the package would to give a one-time tax refund to everyone who paid payroll or income taxes last year, in 2000. Couples would get a check for $600 and singles would get a check for $300 as early as July, if the provision were enacted now. The second part of the package would permanently cut the 15 percent income tax rate to 10 percent for the first $12,000 of taxable income for couples and the first $6,000 of taxable income for singles. This would save couples an additional $600 per year and singles an additional $300 per year and, if enacted soon, the decrease in paycheck withholding could begin in July. This package is a truly broad-based relief measure aimed at stimulating the economy.

We also should increase the Earned Income Tax Credit for working families with children, substantial marriage penalty relief, and the amount of money exempt from estate taxes, so that less than one percent of the country's wealthiest estates would remain on the tax roll. Under this approach, all American taxpayers would get a tax cut, but the lion's share would go to middle income Americans, that is to those who need it most.

President Bush's plan mostly benefits the wealthiest among us. Under his plan, 5 percent of taxpayers would get more than 50 percent of the benefit. As a result, most of the surplus is used in tax cuts, leaving little or nothing for debt reduction and other important priorities.

While this top 5 percent would receive huge tax breaks under the President's plan, it leaves 25 million taxpaying Americans, who pay their Federal taxes through payroll taxes, without a single dollar of tax relief. I agreed with President Bush when he said that every American taxpayer should receive tax relief. But his plan, which leaves out 25 million people, falls far short of that goal and leaves out those taxpayers who need relief the most.

In addition to providing tax relief, we need to dedicate a large portion of the surplus to reducing our debt so that we don't push this immense burden onto our children and grandchildren. For the first time in a generation, we have the opportunity and the resources to pay down the enormous debt and we should do so. Additionally, by paying down the debt, we can help keep interest rates low well into the future giving all Americans an economic benefit.

Our plan calls for dedicating one-third of the non-Social Security, non-Medicare surplus to reducing the $3 trillion plus portion of our national debt that is outstanding and held by domestic and foreign investors. In contrast, the President's budget does not use any of the projected non-Social security, non-Medicare surplus for debt reduction.

Finally, we need to invest some of our surplus responsibly in new initiatives and important benefits, like prescription drug coverage for seniors and education programs for our students. Using one-third of our non-Social Security, non-Medicare surplus to meet the basic life-sustaining needs of our seniors, to build a smarter 21st century workforce, and to prepare for other. unforeseen challenges, will pay huge dividends in the long run. President Bush's budget—focusing on tax cuts at the expense of everything else—leaves little room for new investments or unanticipated needs and actually makes drastic cuts to some very important federal programs which millions of Americans and the communities they live in count on.

The next chart compares the Democratic plan to President Bush's plan, showing how the Bush plan comes up short in key areas because of the size of the tax cut.

As budget debate continues in the weeks ahead, Congress will be making some important decisions regarding our country's future. We have the ability to provide targeted tax relief, fund some important national priorities and protect Social Security and Medicare for future generations, while dedicating significant resources to paying down the national debt. To achieve all of these goals, we need to act wisely today so that we strengthen our economy in the long run, not weaken it once again by risking a large Federal deficit with an excessive tax cut benefiting mostly those who need it least.

Mr. President, I ask unanimous consent to print the charts in the RECORD.

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

CHART 1

HISTORY OF UNRELIABILITY IN BUDGET PROJECTIONS: FIVE-YEAR PROJECTED V. ACTUAL SURPLUS OR DEFICIT

[Projected in 1985 for 1990, 1986 for 1991, etc. in billions of dollars]

	Projected	Actual	Difference	Percentage of error
1990	−167	−220	−53	31.7
1991	−109	−269	−160	146.8
1992	−85	−290	−205	241.2
1993	−129	−255	−126	97.7
1994	−130	−203	−73	56.2
1995	−128	−164	−36	28.1
1996	−178	−107	71	39.9
1997	−319	−22	297	93.1
1998	−180	−29	151	83.9
1999	−182	124	306	168.1
2000	−134	236	360	268.7

CHART 2

Tax relief for a family of four (2 parents, 2 kids) in 2002:

Income	Bush	Democratic alternative
$25,000	$0	$845
$50,000	320	525
$75,000	426	525
$200,000	1,676	525
$1,000,000	13,777	525

Total tax relief for a family of four (2 parents, 2 kids) during Bush's term (01–04):

Income	Bush	Democratic alternative
$25,000	$0	$2,535
$50,000	1,920	2,325
$75,000	2,344	2,325
$200,000	8,488	2,325
$1,000,000	66,461	2,325

Bush plan phases in all cuts over 10 years, so his cuts would get much larger from 2005–2010; Dem plan is fully phased in by 2003, except for estate tax relief.

Source: Senate Finance Committee, Democratic Staff; Democratic Policy Committee.

CHART 3

Budget cuts to non-protected agencies

Agency	*Percentage Cut*
Agriculture	−8.6
Commerce	−16.6
Energy	−6.8
HUD	−11.3
Interior	−7.0
Justice	−8.8
Labor	−7.4
Transportation	−15.0
Army Corps of Engineers	−16.9
EPA	−9.4
FEMA	−20.2
NASA	−1.1
Small Business Administration	−46.4

Numbers represent the Bush budget's percentage cut in budget authority for appropriated programs for FY2002 below the amount needed, according to CBO, to maintain purchasing power for current services.

CHART 4

DIFFERENCES IN USE OF $3 TRILLION PROJECTED 10-YEAR NON-SOCIAL SECURITY SURPLUS

	Democratic	Bush
Tax Cut	$833 billion	$2,500 billion [1]

DIFFERENCES IN USE OF $3 TRILLION PROJECTED 10-YEAR NON-SOCIAL SECURITY SURPLUS—Continued

	Democratic	Bush
Domestic Priorities—such as education & prescription drugs	$833 billion	$200 billion
Debt Reduction	$833 billion	0
"Contingencies"	0	$300 billion [2]
Protect Medicare "Lockbox"	$500 billion	0
Total Projected On-Budget Surplus	$3,000 billion ($3 trillion)	$3,000 billion ($3 trillion)
Raid on Social Security "Lockbox"	0	$600 billion

[1] Includes $1.7 trillion tax cut, $300 billion to fix the AMT effects of the tax cut, and $500 billion in increased interest costs on debt that would otherwise get retired.

[2] Bush Budget Blueprint designates $800 billion for a "contingency reserve."

Ms. CANTWELL. Mr. President, I rise today to discuss the budget before us and to outline a few points that I believe need to be considered while we debate our national budget priorities.

There is no doubt that the focus of much of this week has been on the perceived need for, and the size of, a tax cut. I support efforts to provide hard-working families in my home state of Washington, and across the country, with tax relief. I expect Congress to take up legislation to eliminate the marriage penalty, provide estate tax relief, make college tuition tax deductible, and assist workers in saving for their retirement. In addition, I believe that comprehensive tax reform proposals must expand the Dependent Care Tax Credit to help families provide care for their children and expand the Earned Income Tax Credit to make it work better for more hard-working families.

However, I am concerned that we balance our efforts to cut taxes with our nation's fiscal and policy responsibilities, and our obligation not to increase our national debt level. Comprehensive tax relief must be measured against the need to maintain fiscal discipline, and stimulate economic growth through continued federal investment in education, job training and infrastructure, while also protecting the environment. We also need to invest in our nation's economic future by making a commitment to public research and development in science and technology—maintaining our status as a global leader. And, it is critical that we meet the needs of the nation's elderly and enact a meaningful prescription drug benefit for Medicare beneficiaries.

Furthermore, we must realize that much of the debate on the shape and size of tax cuts is dependent on the reliability of surplus projections that may or may not materialize.

These are the numbers at issue this week: The projected unified surplus over the next ten years is supposed to be $5.6 trillion. But what we need to be discussing is not this amount—but the amount of the non-Social Security, non-Medicare surplus. And when we take both of those trust funds off the budget line, we are left with $2.7 trillion over ten years with which to work.

It is critical that the funding levels in our budget guarantee that Americans have access to needed health care. We also need to invest in our children's education by hiring more teachers, increasing teacher pay, providing enhanced training opportunities, and modernizing our educational system. And, we need to commit to programs that keep our citizens safe, and our environment clean.

We seem to be tripping over ourselves right now to spend a surplus—either on tax cuts or on increased discretionary spending—that, frankly, we are uncertain will even appear. As we all know, projections are notoriously inaccurate and, therefore, highly likely to be wrong even if they are only for the upcoming year. Based on its track record, the Congressional Budget Office says its surplus estimate for 2001 could be off in one direction or the other by $52 billion. By 2006, this figure could be off by $412 billion.

Remember that last year CBO projected that the ten-year surplus would be $3.2 trillion, $2.4 trillion less than the projection it released this past January. This means that in just one year the surplus estimate has increased by 75 percent.

In fact, CBO admits that it is most uncertain about projections for the years it forecasts the largest surpluses. CBO makes clear that $3.6 trillion of the $5.6 trillion unified surplus is open to question.

Besides debating surpluses that may or may not materialize, this budget process is the first step in outlining our nation's fiscal priorities for the upcoming year. However, we must not forget that in addition to figuring ways to fund our political priorities, it is our duty to focus on meeting our national responsibilities.

And this is where my concern rests with the President's budget. I believe that Congress can enact reasonable and responsible tax relief while fulfilling our nation's responsibilities.

But it seems that the President is funding a $2.0 trillion tax cut at the expense of other programs. A tax cut this large would use 81 percent of the non-Social Security, non-Medicare surplus over the next 10 years, leaving the President and Congress $527 billion, or just 20 percent of the on-budget surpluses to address critical priorities such as additional debt reduction, expanding educational opportunities, providing a prescription drug benefit, keeping our environment safe, and ensuring a strong national defense.

In reviewing the President's Budget Blueprint, I am concerned that his proposals shortchange important needs that Americans depend upon.

I find it remarkable, for example, that the President proposes to cut funding to the Energy Department by almost one billion dollars—in the midst of an energy crisis the likes of which our country hasn't seen in years, if ever. I am particularly concerned that such a cut at the Department of Energy would be taken out of nuclear weapons facilities, particularly the Hanford Reservation in Washington State. This move would break the moral contract between the United States government and the people of Washington State—the moral obligation to protect the people from the hazards of nuclear waste. The Hanford clean-up is an ongoing federal responsibility and a timely clean-up is essential to the quality of our water and environment, as well as our public safety. To fall behind in the clean-up because of ill-advised funding cuts is an unacceptable risk. This is why I joined with Senator CRAPO to introduce an amendment, adopted last night by voice vote, to ensure that the Atomic Energy Defense Account is increased by $1 billion in fiscal year 2002 for just this purpose.

I am also concerned about the President's proposed budget for the Department of Health and Human Services. Although the President does increase funding for the DHHS by $2.8 billion, I see that he is increasing the National Institutes of Health by just that amount. If NIH is getting a $2.8 billion increase in the upcoming fiscal year, while its parent agency is only getting that amount as an overall increase, something else is going to be cut, or level funded. Are the cuts going to come from the Child Care Development Block Grant, funding to investigate child abuse and neglect, or services for our elderly?

The President proposes only $153 billion over 10 years to provide a low-income prescription drug benefit and finance overall Medicare reform. This is completely inadequate considering that over one-third of our nation's elderly lack coverage for their prescription drug needs, that the average senior spends more that $1,100 on medications every year, and despite the fact that prescription drugs are today's fastest growing segment of health care.

On Wednesday, the Senate adopted an amendment to increase the available funding for a new prescription drug benefit by up to $300 billion over 10 years. However, I think it is important to point out that this additional funding is coming from money already earmarked for the Medicare program, and from the broad cuts proposed by the President in other areas.

While I have the floor I want to talk about two very specific cuts that the President has proposed.

Since 1997, the Federal Emergency Management Agency has spent $107 million to help communities to prepare for and mitigate the potentially calamitous consequences of natural disasters. This funding—Project Impact—helps communities plan and implement preventive measures in order to prevent large-scale destruction of property and human life. Yet, when the President released his budget he proposed canceling Project Impact because "it has not proven effective."

Well, I can tell you that the very same morning the President released his budget, my State was hit with a 6.8 earthquake, and, though there was extensive structural damage throughout

the region, there were no deaths. And there is no doubt in anyone's mind, especially mine, that one of the main reasons this powerful quake did relatively little damage was because of the millions of dollars my state and our local communities have put into retrofitting buildings and preparing for such an event, dollars that were leveraged by Project Impact. For example, inspectors at Stevens elementary school in the Seattle school district following the earthquake revealed that a 300-gallon water tank directly above a classroom had broken free of its cables. The inspectors concluded that if it were not for a Project Impact retrofit project, the tank could have caused serious, potentially fatal injuries to children in the classroom, as well as significant property damage.

Mr. President, as I toured the communities in my state affected by the earthquake and spoke with local officials, I heard other examples, like this story of Stevens Elementary, that prove the effectiveness of the Project Impact program. By cutting funds for this vital program, we would be depriving cities throughout our country an opportunity to mitigate and possibly avert the potentially catastrophic consequences of natural disaster.

I am also concerned about the massive cuts proposed for the U.S. Export-Import Bank and the Overseas Private Investment Corporation. These two agencies are critical to maintaining U.S. competitiveness in the international economy through assistance programs that effectively increase U.S. exports and provides jobs to American workers. Although Ex-Im represents a minuscule fraction of the Federal budget, it provided $15 billion in export sales last year. The President's proposed 25 percent cut in Ex-Im bank would be a terrible mistake that could eliminate up to $4 billion in U.S. export sales. And OPIC, which over the past thirty years has generated $63.6 billion in U.S. exports and nearly 250,000 American jobs, ultimately operates at no net cost to U.S. taxpayers. Indeed, it actually returns money to the U.S. treasury and provides valuable assistance to U.S. companies seeking to invest and expand their operations abroad.

The support and funding of Ex-Im Bank and OPIC is a highly efficient way to increase U.S. competitiveness, especially for smaller companies exporting to higher-risk markets. The proposed cuts could be devastating to American companies and undermine our efforts to compete in the international economy. Mr. President, these programs should be de-politicized and their efforts to support U.S. exporters globally should be backed solidly by this chamber.

I know there are some in the Senate who support the President's proposed $2.0 trillion tax cut as a means for stimulating the economy. But this proposal would do little toward this end. Ninety-five percent of the tax cuts in the President's plan occur after 2003. By the time the tax cut takes full effect, the economy will have changed dramatically. These back-loaded tax cuts would do little to boost families' spending power immediately, and therefore do little to spur the economy in the months ahead. And in fact, even the Chairman of the Federal Reserve Board, Alan Greenspan, has said tax initiatives historically have proved difficult to implement in a time frame in which recessions have developed and ended.

This tax cut doesn't even go proportionally to every American. Forty-three percent of the benefits of the President's tax plan are targeted to the wealthiest one percent of families—those with an average annual income over $915,000. Surprisingly, 25 percent of Washington's working families and almost 400,000 of the children in Washington State would not get any benefit from the Bush tax plan.

Unfortunately, while relying on surpluses that may or may not appear, and funding a tax cut that goes disproportionately to the wealthiest families and is not interested in areas that will be stimulated in long-term growth, the President's budget eliminates funding to modernize aging schools, cuts maternal and child health programs, eliminates grants to hospitals and community health centers that serve uninsured and under-insured people, and cuts job training and employment services.

Responsible budgeting is a give-and-take. The country is at a critical juncture in setting our fiscal priorities: our choices are maintaining our fiscal discipline and investing in long-term growth, the nation's future education, job training and health care needs, or cutting the very services used daily by our citizens. I believe our budget must fund these critical priorities as well as allow for responsible tax relief. Unfortunately, however, the budget before us today does not do this.

Mrs. MURRAY. Mr. President, over the last 8 years, we learned what a difference a responsible budget can make. We learned it starts with the basics, like using real numbers and not ''betting the farm'' on rosy projections. We learned that if we invest in the American people and their needs, our country and our economy will benefit. We learned that we need to be fiscally responsible. That means making tough choices and holding the line on deficit spending. And we learned that we have to work together to get things done.

The last eight years have shown us that if we follow those lessons: using real numbers, investing in our people, meeting our needs, being fiscally responsible, and working together, we CAN turn deficits into surpluses, and we can transform the American economy into a job-creating machine.

Today, there is a new President in office. There is a new Congress. And there are new economic challenges as our economy slows and an energy crisis grows.

The times are different, but the lessons are the same. This isn't the time to throw away the handbook we've used for the past eight years. It's time to follow the lessons it offers. Unfortunately, the Administration and the Republican leadership are running in the opposite direction. And I fear that they will repeat the same mistakes of the past, mistakes that we are just now getting over.

The Republican budget ignores the lessons of the past eight years. Instead of focusing on real numbers and realistic estimates, the Republican budget puts all its faith in projected surpluses that may never materialize. What's more, the Republican budget hides some of the most important numbers, the cuts that many Americans will feel, in order to pay for a huge tax cut. Instead of investing in our people, the Republican budget shortchanges America's needs. In a few minutes, I'll detail some of the budget's shortcomings in areas like education, health care and environment. Instead of being fiscally responsible, the Republican budget asks us to commit to a $1.7 trillion tax cut, which is paid for out of the Medicare trust fund. There's nothing fiscally responsible about taking money that pays for seniors' medical care and giving it away to a handful of Americans. Finally, instead of working together, the Republican budget offers an example of partisanship at its worse. The Republican leadership has skipped the committee process entirely, something that is almost unheard of: to avoid having to work out these differences in a responsible, bipartisan way.

As a member of the Senate Budget Committee, I find it completely unacceptable that we would rush to the floor a $1.9 trillion FY 2002 budget with no Committee consideration. Worst of all, because this partisan maneuvering is coming at the beginning of the budget process, it could set the tone for a bitter session ahead. Our country learned a lot about responsible budgeting in the past eight years. Unfortunately today, the Republican leadership is ignoring those lessons so they can ram through an irresponsible tax cut. I don't want the American people to pay the price for such irresponsible budgeting. That's why, together with my Democratic colleagues, we are offering this alternative budget. The Democratic alternative budget takes the lessons of the past few years and applies them to the benefit of the American people.

Now I would like to turn to some of the specific issues addressed in the budget, starting with a tax relief. I want to be clear that I strongly support tax relief. In fact, we should be debating immediate, real tax relief for all Americans that can stimulate the economy and help my constituents pay their growing utility bills. We should be acting on a $60 billion tax rebate that would be available this year, not in three years or five years. This type

of immediate tax relief will give American families the added boost and confidence they need to held off a real recession. Instead, this Senate is acting on a budget that calls for $1.7 trillion in tax cuts based on a surplus that has yet to materialize. And we are acting before we even know the true impact of the budget. We won't know that until the President releases his detailed budget on April 9. The leadership would rather have us vote now and learn the consequences later.

Now I would like to turn to a few issues that the Republican budget underfunds, which the Democratic Alternative funds at the right level. Let's begin with prescription drugs. The lack of affordable drug coverage is not just a problem for those with very low incomes. All seniors and the disabled face the escalating cost of prescription drugs and the lack of affordable coverage. One or two chronic conditions can wipe out a couple's life savings in a few short months. Originally a prescription drug benefit was estimated to cost $153 billion. But new, recent estimates show that it will take about twice that amount to provide a real benefit. We know that seniors need an affordable drug benefit that's part of Medicare. The Republican budget does not set aside enough money to provide this benefit. This Democratic amendment does. The Republican budget not only short changes the prescription drug benefit: it also robs the Medicare Part A Trust Fund surplus to pay for a scaled-back benefit.

It takes money from hospitals, skilled nursing facilities and home health agencies to provide a limited prescription drug benefit. The surplus in the Part A Trust Fund should be used to strengthen Medicare and stabilize providers. I believe we can invest more of the surplus into a prescription drug benefit that all Medicare beneficiaries can access—instead of the limited benefit the Republicans offer.

There is another health care issue that the Republican budget shortchanges. Today, 44 million Americans don't have health insurance. When they need care, they go to the emergency room. ER's in this country are overwhelmed and on the verge of collapsing. It is getting harder for them to treat real emergencies. I know we can do better. We can expand programs that help working families secure affordable coverage. The Democratic alternative also reserves as much as $80 billion to address the growing uninsured population. We need to expand coverage for working families to provide a true health care safety net. Congress cannot ignore the uninsured any longer. In fact, as the economy slows down the number of uninsured will only increase. We need a real safety net for working families. The Democratic alternative provides the resources to meet this challenge. The Republican budget does not.

We also need to provide health care to families with severely disabled children. These families are often forced to impoverish themselves to provide care for their children. Some families must make the impossible choice between the welfare of their disabled child and the economic stability of their family. That's a choice that no family should be forced to make. The Democratic alternative invests in health care for those who lack coverage.

Next I'd like to turn to an environmental issue. In the Pacific Northwest, several species of salmon are threatened with extinction. This isn't just a symbolic issue. The people of Washington state have a legal, and a moral, responsibility to save these threatened species. The Pacific Northwest needs approximately $400 million through various federal agencies to meet the biological opinion on salmon recovery. As my colleagues may know, the National Marine Fisheries Service recently finalized a biological opinion. That opinion outlines the steps we need to take to save salmon and keep removal of the Snake River's four dams off the table and out of the courts. The Republican budget does not provide the resources we need. The Democratic alternative does.

In Washington state, we also face the challenge of cleaning up the Hanford Nuclear Reservation. Hanford Cleanup has always been a non-partisan issue, and I want to keep it that way. There were some press reports in February that the Bush budget would cut clean up funds. I talked to the White House budget director, Mitch Daniels, and he assured me that there would actually be an increase in funding for Hanford clean-up. However, the President's proposed cut of the nuclear cleanup program makes it difficult to meet the federal government's legal obligations in this area. Any retreat from our clean-up commitment would certainly result in legal action by the state of Washington. To avoid that and meet our legal obligations to clean up the Hanford Nuclear Reservation, we need an increase of approximately $330 million. The price of America's victory in World War II and the Cold War is buried in underground storage tanks and in facilities. And we've got to clean them up.

Next I'd like to turn to the energy crisis. In Washington state, higher energy prices have already cost us thousands of jobs. One report suggests that Washington state could lose 43,000 jobs if we fail to take any action to stem higher energy costs. The short term solution to the energy crisis in the Pacific Northwest will not be found in the budget resolution. However, the framework for a national energy policy should be. The President is proposing dramatic budget cuts in renewable energy research and development. This is taking us in the wrong direction. As the Democratic alternative promotes, we should be reducing our reliance on fossil fuels by promoting renewable energy, conservation, and efficiency programs.

Finally, the Republican budget shortchanges America's students. Education is a national priority, but this budget doesn't treat it like one. This budget would abandon the commitment made by Congress to education over the past three years to hire additional teachers throughout the country to lower class size. Across the country, there are almost 2 million students learning in classrooms that are less crowded than they were a few short years ago. This budget would also abandon the commitment we made last year to help crumbling schools with emergency repairs and renovations. The GAO estimated that our country needs to invest more than $112 billion to get our schools in decent shape, and we were just beginning to help communities do that. This budget would abandon the commitment we had made to students and communities to provide extra support for disabled students and disadvantaged students. Broken promises to these students means we are offering false hope rather than real support. For years, there was debate about what would improve education. Today, we know the answer: smaller classes, individual attention, good teachers and high standards. For years, there was no funding for these efforts. Today there is. Under the Republican budget, we would abandon those investments. In the Democratic alternative, we meet the need in America's classrooms.

Mr. President, as I have pointed out the Republican budget takes us in the wrong direction.

The Demoractic alternative we are offering today will provide tax relief for the American people, and keep our commitment to national priorities.

I urge my colleagues to support this Democratic alternative.

Mr. KENNEDY. Mr. President, at the heart of the budget dispute between Republicans and Democrats is the size of President Bush's proposed tax cut. Republicans claim the surplus is so large that we can have it all, that their massive tax cut will not interfere with efforts to address the country's most serious concerns. Democrats respond that the Bush tax cut is so large that it will consume virtually all of the available surplus, leaving no resources to meet the Nation's basic needs. Under the Bush budget, the numbers just do not add up.

The vote on the budget resolution is the vote which will determine the size of the tax cut. Once that vote is cast, more than $2 trillion, the real price tag on the tax cut, will effectively be gone. Those dollars will no longer be available for any other purpose—not for education, not for healthcare, not for defense, not for debt reduction, not for Social Security, not for Medicare. That money will be gone.

The impact of the Republican tax cut on the Federal Government's ability to address the most pressing concerns of the American people would be devastating. It is too large to fit into any responsible budget. The available surplus over the next ten years is, at

most, $2.7 trillion. Whatever we do over the next decade to address this country's unmet needs must be paid for from that amount. Whatever we want to do to financially strengthen Social Security and Medicare for future retirees must be funded from that amount. Whatever funds we want to hold in reserve for unanticipated problems must also come from that amount.

President Bush tells us his tax cut will only cost $1.6 trillion. But the Administration's own budget documents acknowledge that the tax cut will consume more than $2 trillion of the surplus. Independent analysts have shown that the real cost of the tax cuts which the Republicans support will be close to $2.5 trillion over the next ten years, consuming 90 percent of the available surplus. There will be less than $200 billion, just $20 billion a year, left to finance everything we hope to accomplish in the decade ahead. The Republican budget does not add up.

What would this mean for working families? There will simply be no money left to address the problems that concern them most: An elderly grandmother will not be able to afford the cost of the prescription drugs she needs to avoid serious illness; Her young grandchildren will go to overcrowded schools where the classroom may be in a trailer and where the teachers are too busy to give them the individual attention they need; Their older brother and sister will have difficulty affording college because the grant and loan assistance available to them will not have kept pace with the cost of tuition; Their parents will not have access to the technology training needed to move up the career ladder at work, so they may be stuck in a dead end job; If the family in among the 44 million Americans who do not receive health coverage at work and who cannot afford to purchase it, they will get no significant new help with their medical costs; And if they live in a high crime neighborhood, there will be fewer cops on the street to ensure their safety.

But what about the tax cut? What will the Bush tax plan do for families like this? Unfortunately, it will not do much. The Republican tax cut is heavily slanted toward the wealthy. Over 40 percent of the entire tax cut nearly one trillion dollars in tax breaks will go to the richest 1 percent of taxpayers. They would get an average of $54,000 each year in tax benefits. This is more than most workers earn in a year.

Under the Bush plan, 60 percent of working families will save $500 or less a year in taxes. Twelve million low income working families would not get any tax cut under the Bush plan, even though they pay federal taxes every year. The Republican tax cut is just not fair. It does the least for people who need help the most, the same people who depend on the programs which the Republicans want to cut.

The Democratic budget plan stands in stark contrast to the Republican plan. Budgets are a reflection of our real values, and these two budgets clearly demonstrate how different the values of the two parties are. In political speeches, it is easy to be all things to all people. But the budget we vote for shows who we really are and what we really stand for. Our budget is geared to the needs of working families. It will provide them with tax relief, but it will also address their education and health care needs. And it will protect Social Security and Medicare, on which they depend for secure retirement.

There are four criteria by which we should evaluate a budget plan: 1. is it a fiscally responsible, balanced program? 2. does it protect Social Security and Medicare for future generations?, 3. does it adequately address America's urgent national needs?, and 4. does it distribute the benefits of the surplus fairly amongst all Americans? By each yardstick, the Republican budget fails to measure up. The Democratic budget is a far sounder blueprint for building America's future.

Once the Social Security and Medicare surpluses are reserved for the payment of future benefits, the available surplus is projected to be $2.7 trillion over the next ten years. The heart of the difference between the Democratic and Republican budgets is how each would use this surplus. The Democratic proposal would divide the surplus into thirds; allocating $900 billion for tax cuts, $900 billion for priority programs, and $900 billion for debt reduction. This contrasts sharply with the Republican plan, in which tax cuts would consume 90 percent of the surplus.

When President Bush cites $1.6 trillion as the cost of his tax cut, he neglects the increased cost—more than $400 billion—of interest on the larger national debt caused by the tax cut. He ignores the $240 billion cost already added to elements of the Bush plan by House Republicans. His plan also ignores the $200 billion cost of revising the Alternative Minimum Tax to prevent an unintended increase in taxes on middle income families, and the $100 billion cost of extending existing tax credits through the decade. In reality, the Bush tax cut will consume $2.5 trillion over the decade.

By consuming $2.5 trillion of the $2.7 trillion available surplus on tax cuts, the Republican budget would leave virtually nothing over the next ten years:

to strengthen Social Security and Medicare before the baby boomers retire,

to begin the quality prescription drug benefit that seniors desperately need,

to provide the education increases that the nation's children deserve,

to train and protect the American workers whose increased productivity has proved essential to our strong economy,

to advance scientific research,

to improve the nation's military readiness,

to improve the security of family farmers, and

to avoid burdening our children with the debt that we have accumulated.

After the Bush tax cut, we will not have the resources to meet these urgent challenges. There will simply be no money left.

The Democratic plan strikes a balance between tax cuts and addressing these important national priorities. It provides $900 billion to finance tax relief for the American people. This amount would allow a tax rate cut for all taxpayers, marriage penalty relief, and a doubling of the child tax credit. It would also enable us to implement several of the most widely supported targeted tax cuts such as making college tuition tax deductible and providing a tax credit for long-term care costs.

I support a substantial tax cut, such as the one I just outlined, but not one that is so large that it crowds out investment in national priorities like education, health care, worker training and scientific research. Not one that is so large that it jeopardizes Medicare and Social Security. Not one that is so large that it threatens to return us to the era of large deficits.

By authorizing a third of the surplus for spending on the nation's most important priorities, the Democratic plan would enable us to improve education by reducing class size and enhancing teacher quality, to provide senior citizens with meaningful assistance with the cost of prescription drug coverage, to extend health care coverage to many uninsured families, and to expand worker training opportunities and scientific research that will strengthen our economy. These are important initiatives that have overwhelming public support. The Democratic budget allows us to pursue these goals. Unfortunately, the Republican budget does not.

By reserving one third of the surplus for debt reduction, the Democratic plan provides a safety value should the full amount of the projected surplus not materialize. We are not spending every last dollar of the $2.7 trillion, we propose to hold $900 billion in reserve. If the full surplus materializes, it will be used to pay down the debt. If projections fall short, we will have a cushion.

The $2.7 trillion is only a projected surplus. The Congressional Budget Office itself recognizes that a small reduction in the growth rate of the economy would reduce its surplus estimates by trillions of dollars. Its projection for the next decade is based on a growth rate which the economy has only achieved in 5 of the last 35 years. Forecasting a budget surplus ten years in advance is no more reliable than forecasting the weather ten years in advance. Recent events should vividly remind us how difficult it is to predict the economy even one year ahead. CBO acknowledges that there is a 35 percent chance that the on-budget surplus will be less than half the size it has projected . . . less than half! Without a

large reserve, Social Security is vulnerable to a new raid if the projected level of surplus fails to materialize.

In order to truly protect Social Security and Medicare, the budget we adopt must 1. reserve the entire Social Security surplus and the Medicare surplus to pay for future retirement and medical benefits; and 2. devote a substantial portion of the available surplus to strengthen Social Security and Medicare by reducing long-term debt. The Democratic budget does both, and the Republican budget does neither.

The Social Security and Medicare surpluses are comprised of payroll taxes that workers deposit with the Government to pay for their future Social Security and Medicare benefits. Just because the Government does not pay all those dollars out this year does not make us free to spend them. Over the next ten years, Social Security will take in $2.5 trillion more dollars than it will pay out and Medicare will take in $400 billion more dollars than it will pay out. But every penny of this will be needed to provide Social Security and Medicare benefits when the baby boomers retire.

The Republican budget fails to set the entire $2.9 trillion aside to cover the cost of future Social Security and Medicare benefits. It only protects $2 trillion of that amount. The remaining $900 billion is used for other purposes. This threatens the retirement benefits of current workers. While the Bush budget is vague on just how this money will be used, it appears that more than $500 billion of it will be used to finance the Administration's scheme to create private retirement accounts. I believe it would be terribly wrong to take money out of Social Security to finance risky private accounts.

The Republican budget is even more reckless in its treatment of the $400 billion Medicare surplus. The Bush Administration would give the Medicare dollars no special protection. It would co-mingle them in a contingency fund available to pay for their tax cuts and new spending.

The threat posed by the Republican budget to Social Security and Medicare is very real. It removes $900 billion that already belong to these essential programs.

Democrats are committed to keeping Social Security and Medicare strong. We do this by reserving all payroll taxes for the retirement and medical benefits that are now promised to seniors under current law. No qualifications, no exceptions. This commitment means that workers' payroll taxes are not available to fund income tax and estate tax cuts, private retirement accounts, or new spending.

The contrast between the Democratic and Republican budgets on Social Security and Medicare could not be greater. The Democrats would use $900 billion of the available surplus to strengthen Social Security and Medicare by paying down the debt. Republicans would remove $900 billion from Social Security and Medicare, and they would spend these dollars for other purposes.

Many of America's most critical unmet needs are in the areas of health care and education. The surplus affords us an unprecedented opportunity to address these national concerns. Unfortunately, the Republican budget seriously short-changes them both.

One of our highest health care priorities should be assisting seniors with the cost of prescription drugs. America's seniors desperately need access to prescription drugs, and President Bush only provides a placebo. He says the right things about how important it is to provide prescription drugs, but the numbers in the Republican budget prove that his words can not pass the truth in advertising test.

There can be no question about the urgent need for a Medicare prescription drug benefit. A third of senior citizens, 12 million people have no prescription drug coverage at all. Only half of all senior citizens have prescription drug coverage throughout the year. Meanwhile, last year alone prescription drug costs increased an average 17 percent.

The Republican budget provides only $153 billion over 10 years to finance prescription drug assistance for seniors. That amount is woefully inadequate. A real drug benefit available to all seniors would cost more than twice that amount. Yet even the $153 billion which the Republican budget purports to provide is illusory. These are not new dollars. They come out of the $400 billion Medicare surplus which was improperly removed from the Medicare Trust Fund.

Unlike Republican proposals, the Democratic plan would provide drug coverage to all seniors through Medicare. The Democratic budget provides $311 billion to make prescription drugs affordable for seniors. It is the only real way to solve the problem.

The Republican budget also fails to address the needs of the Nation's uninsured. An uninsured family is exposed to financial disaster in the event of serious illness. The health consequences of being uninsured are even more devastating. In any given year, one-third of people without insurance go without needed medical care. The chilling bottom line is that 83,000 Americans die every year because they have no insurance. Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.

Candidate Bush severely criticized the Clinton-Gore Administration for what he described as an inadequate response to this crisis. But the budget resolution that his Republican colleagues have presented does nothing meaningful to expand health coverage. In this time of unprecedented budget surpluses, isn't it more important to assure that children and their parents can see a doctor when they fall ill than it is to provide new tax breaks for multi-millionaires?

The Democratic budget provides 80 billion new dollars over the decade to extend health care coverage to uninsured families. Over the last few years, we have made great strides providing health coverage for children. However, there are many more children who still lack basic health coverage. These children, and their entire families, desperately need access to health care. The most effective way to provide health coverage is to insure the entire family. We are committed to taking this next step.

Given how much President Bush has talked about education, it may come as a surprise to hear that education is one of the national priorities he has seriously shortchanged. But, sadly that is what the facts of the Republican budget show. The claim that President Bush increases funding for the U.S. Department of Education by $4.6 billion or 11.5 percent this year is the purest fantasy. Smoke and mirrors produced these numbers.

President Bush counts $2.1 billion that President Clinton and the 106th Congress approved last year as part of this year's increase. If President Bush did nothing on education, almost half of ''his increase'' would happen anyway. The real increase that he proposes is $2.4 billion—only 5.7 percent above a freeze. And $600 million of the $2.4 billion increase is needed just to keep up with inflation. In reality, President Bush proposes only $1.8 billion in new money for education next year, a mere 4 percent above inflation.

President Bush's education budget is a step backwards. It does not keep up with the average 13 percent annual increase Congress has provided for education over the last 5 years, and it will not enable communities and families across the country to meet their education needs.

This year, schools confront record enrollments of 53 million elementary and secondary school students, and that number will continue to rise steadily, reaching an average six percent increase in student enrollment each year. President Bush's budget fails to keep pace with population growth in schools, and under the budget he proposes, Federal education support per student may well decrease over the decade.

I applaud President Bush for making reauthorization of the Elementary and Secondary Education Act a top priority. I applaud him for challenging the nation to ''leave no child behind.'' But I am disappointed that he has not backed his words with the resources needed to produce the action that we all agree is necessary. The Republican budget will leave many children behind.

In sharp contrast, the Democratic budget would increase investment in education by $150 billion over the decade. It is the second largest spending commitment in the Democratic plan.

This will provide the resources which will enable us to keep pace with the needs of the steadily expanding number of students in our public schools. It will allow us to significantly reduce class size, so that teachers can give individual students the attention they need. It will provide for better professional development for teachers and greater access to information technology in the classroom. It will make after school programs available for children who currently have no where constructive to go. And, it will make college financially attainable for many of the students who simply cannot afford it today. It would be extraordinarily shortsighted to turn our back on these national responsibilities.

All these program cuts are made to finance the Republican tax cut, and the tax cut they would enact is grossly unfair. In reality, the wealthiest 1 percent of taxpayers, who pay 20 percent of all federal taxes, would receive over 40 percent of the tax benefits under their plan. Their average annual tax cut would be more than $54,000, more than a majority of American workers earn in a year.

The contrast is stark. Eighty percent of American families have annual incomes below $65,000. They would receive less than 30 percent of the tax benefits under Bush's plan. The average tax cut those families would receive each year is less than $500. Twelve million low-income families who work and pay taxes would get no tax cut at all under Bush's plan. If we are going to return a share of the surplus to the people, that certainly is not a fair way to do it.

Because the Bush tax cut is slanted so heavily to the wealthy, it is possible to enact a tax cut that costs less than half of President Bush's proposal, yet actually provides more tax relief for working families. That is what the Democratic tax cut would do.

The Democratic tax cut proposal incorporated in our budget would cost $900 billion. It would provide a tax cut for everyone who pays income tax. In addition, it would provide tax relief for the 12 million working families that the Bush plan ignored. These low income families pay substantial payroll taxes, and they too deserve relief. The Democratic plan also provides help to couples currently hurt by the marriage penalty. A tax cut of this size would also allow us to help families by doubling in the child tax credit, making college tuition tax deductible, and providing a tax credit for long term care costs. Such a program would provide greater tax relief for a substantial majority of taxpayers than the far more expensive Bush plan. That is because the tax benefits are distributed fairly.

A close look at President Bush's budget only confirms that indeed we can not have it all. There is no way to provide massive tax cuts, eliminate the national debt, and meet the Nation's priority needs. This Republican budget is a fantasy.

In essence, President Bush is asking working families to sacrifice while the wealthiest families in America collect far more than their fair share. This Republican budget threatens our prosperity and ignores the most fundamental national needs. It does not have the support of the American people, and it does not deserve their support.

Mr. SARBANES. Mr. President, I rise in opposition to the budget resolution currently pending before the Senate. In my view, this budget squanders the extraordinary opportunities before us and moves the country in the wrong direction.

As we work to craft a budgetary plan to carry us through the first decade of the 21st century, we would do well not to repeat the mistakes of the last century, mistakes which could send us back into the deficit ditch from which we so recently emerged. In the early days of the Reagan administration, Congress complied with the President's request for a large tax cut. The Nation felt the negative effects of that tax cut for more than a decade, as Federal deficits grew and the national debt exploded. These were not good economic times for the country.

I am proud to have been a part of the effort in 1993 that helped to turn things around. Working together, the President and Congressional Democrats crafted a package that finally brought the Federal deficit under control. By making difficult but critical decisions to cut Federal programs and raise revenues, we tamed the deficits that plagued the Nation throughout the 1980s. Most Republicans argued at the time that this responsible package would ruin the economy and send markets tumbling. They were dead wrong.

Thanks to the approach we adopted in 1993, the Nation enjoyed a remarkable period of economic prosperity. This disciplined fiscal policy gave the Federal Reserve room to run an accommodating monetary policy that allowed the economy to sustain the longest expansion in U.S. history. The economic expansion brought unemployment down to 4 percent, helped turn budget deficits into surpluses, and produced an expansion in investment that led to rising levels of productivity, which in turn kept inflation at very low levels. It was a remarkable achievement.

Although the economy is now slowing somewhat, I do not believe we should embark on a dramatic shift in our fiscal policy. Doing so would only jeopardize the gains we have made thus far. Instead, we must continue to pursue a balanced approach that combines debt reduction, a short-term tax cut benefitting working people, and spending on urgent national needs.

The budget resolution before us takes exactly the opposite approach. It is unbalanced, proposing to cut taxes by more than $1.6 trillion—or close to $2.2 trillion when associated interest costs are included. I am deeply concerned that if we pass this resolution, we will be repeating the mistake we made in 1981 and squandering the fiscal security we have worked so hard to achieve.

Before I consider the substance of the budget resolution in detail, I would like to take a moment to comment on the process. Our consideration of this budget resolution is unusual even unprecedented—in two important ways. First, we have not had a mark-up in the Budget Committee; instead, we are debating the budget for the first time here on the Senate floor. Second, we are debating the budget resolution without the President's detailed budget submission.

I am proud to be a member of the Senate Budget Committee, the only Committee in the Senate that is uniquely focused on the Federal budget. This year, the Budget Committee has held a series of informative hearings on issues such as tax policy, debt management, Medicare reform, defense, and the impact of future demographic changes on our economic outlook. However, the task before the Committee is not simply to hold hearings, but rather to use the perspective and knowledge gained from those hearings to develop a responsible Federal budget. Chairman DOMENICI's unprecedented failure to hold a markup has prevented us from fulfilling the committee's primary duty.

Even more troubling is the fact that we have not yet received the President's detailed budget submission. We have only the vague outlines, and will not receive the specifics until next week. It defies logic to vote on a budget resolution before we have seen the budget. It is impossible to debate the merits of the President's proposed spending cuts when we have not been told which programs will be cut. Nor can we have an informed debate on the President's tax cut proposals, because the Joint Tax Committee has not been given enough detail about those proposals to estimate their true cost. Nonetheless, the Republican leadership has chosen to move forward with their budget resolution.

Let me turn now to the substance of their proposals. First, I think it is important to understand that this budget resolution is based on very uncertain long-term projections. The limitations inherent in economic projections are clearly illustrated by recent experience: just 6 years ago, in January 1995, the Congressional Budget Office projected that we would finish the year 2000 with a $342 billion deficit. Instead, we saw a surplus of $236 billion—a swing of $578 billion.

In fact, most of the projected surplus over the next 10 years is expected to occur in the outyears, when projections are the most uncertain: almost 65 percent of the unified surplus and almost 70 percent of the non-Social Security surplus are projected to occur in 2007–2011, the last 5 years of the projection period. I believe it would be unwise to commit these uncertain surpluses to large, permanent tax cuts, as the Republican budget does.

Moreover, the tax cuts proposed by the Republicans disproportionately benefit the wealthiest among us, and leave few resources for meeting important national priorities. I strongly believe that any surplus realized in the near future should be seen as an opportunity to pay down the Nation's debt, invest in our Nation's future, and shore up vital programs. I am deeply concerned that the budget resolution before us fails to take advantage of an unprecedented opportunity to ensure that the Federal Government will meet its obligations after the baby boomers retire and beyond. This budget would endanger our hard-won progress and shortchange national priorities that the American people want to see addressed. The budget does not ensure that Social Security and Medicare funds will be safeguarded to pay current obligations, but instead allows these funds to be diverted for other purposes. The budget devotes insufficient funds for a Medicare prescription drug benefit. Deep cuts would be required in a variety of crucial programs.

Let me highlight some of the ways in which this budget fails to meet America's urgent priorities. We are facing a number of critical infrastructure needs. For example, EPA estimates that some 218 million Americans still live within 10 miles of a polluted body of water—a river, lake, beach or estuary. Nearly 300,000 miles of rivers and streams and approximately 5 million acres of lakes still do not meet state water quality goals. National treasures like the Chesapeake Bay and Great Lakes still face significant water quality problems from municipal discharges of nutrients and other pollutants. Thousands of communities across the country have separate sanitary sewers or combined sewers which experience overflows under certain conditions, sending raw sewage into nearby waters, posing significant public health and environmental risks. Published studies have estimated that contaminated drinking water is responsible for nearly 7 million cases of waterborne diseases and approximately 1,200 deaths in the U.S. each year.

In February, the Water Infrastructure Network (WIN), a coalition of local elected officials, drinking and wastewater service providers, contractors, unions, and environmental groups, released a report which identified a need for a $57 billion Federal investment to replace aging and failing drinking water, sewer, and stormwater infrastructure over the next 5 years. The report found a gap of $23 billion per year between infrastructure needs and current spending. Similar assessments by EPA and others have also estimated water treatment and drinking water needs in the hundreds of billions of dollars.

If we are to provide clean and safe water for everyone in America, we need to invest in upgrading and maintaining our wastewater and drinking water systems. The budget resolution fails to address these needs.

The budget resolution also fails to address what I consider one of America's most vital priorities—ensuring that all Americans live in decent, safe, and affordable housing. Even as the Nation has achieved record levels of homeownership, we are facing a shortfall of affordable rental housing that is reaching crisis proportions. According to HUD, nearly 5 million American families, despite years of economic growth, job growth, and income growth, continue to suffer from what are called ''worst case'' housing needs. This means that they pay over half their income in rent.

Take a minute to imagine that. If you were paying half your income in rent, what would you do if your child fell ill and you had an unexpected medical bill? What would you do if your car broke down and needed to be repaired? What would you do if energy prices skyrocketed, forcing you to pay more to heat your home? You'd be forced into a hobson's choice that could result in your losing your job or your home.

A more expansive study by the Center for Housing Policy shows that millions more American families, including 3 million working households, suffer from the same critical housing need. Yet, the budget resolution follows the proposals made by the President to cut the federal housing budget by a total of $1.3 billion, or 5 percent below the freeze level. When you take inflation into account, the cut is really about 8 percent, or $2.2 billion. Specifically, the President proposed that 25 percent of the public housing capital fund be eliminated. This proposal is made in the face of documented capital needs in excess of $20 billion, a backlog that has been confirmed by independent studies.

In 1998, we worked on a bipartisan basis to reform the public housing program. We passed a strong bill that greatly increased local flexibility, and asked housing authorities to be more creative in seeking out new sources of capital to meet their capital needs. Many housing authorities have done just this, working with Wall Street to sell bonds backed by capital account appropriations. The success of this whole endeavor is now put in doubt because of the proposed cuts.

The Republican budget also cuts CDBG by over $400 million, eliminates HUD's small, but important rural housing program, and unnecessarily constrains state and local governments in their use of HOME funds. In addition, the budget inexplicably terminates the Public Housing Drug Elimination Program (PHDEP), arguing that, somehow, evictions solve the problem. PHDEP funds are used to provide tutoring to children; they help provide effective alternatives to keeping kids off the streets, out of gangs, and away from trouble. These funds pay for increased security and increased police presence. They are an integral part of the effort to keep drugs out of public housing. It is preventive medicine, and it is an investment that pays back well in excess of its cost.

These are only a few of the many examples one could cite to show that the budget resolution we are considering today does not invest in America's future, but instead turns us back toward the past.

The Democrats have proposed a responsible budget alternative which balances the need for debt reduction, targeted tax cuts, and investment in critical national needs. The Democratic alternative fully protects the Social Security and Medicare surpluses to ensure that we will be able to meet our obligations to America's seniors, now and in the future. The alternative provides for a meaningful, affordable, and universal prescription drug benefit, and devotes real resources to meeting pressing needs in education, defense, and our national infrastructure. For example, the alternative restores the cuts proposed by the President for the Corps of Engineers civil works program. A safe, reliable, and economically efficient water infrastructure system is vital to our Nation's economic well being and quality of life, and I am proud to say that the Democratic alternative recognizes the importance of the Corps' civil works program.

The alternative recognizes the importance of funding our international affairs account, which includes both State Department operating expenses and foreign operations. At a time when the need for U.S. global leadership is greater than ever, I am pleased to say that the Democratic alternative does not shrink from funding these responsibilities.

In the area of housing, the Democratic alternative makes sure that public housing authorities can continue to maintain and upgrade their developments. In fact, not only does it maintain capital levels, but it adds $200 million per year to the operating subsidy, so that public housing agencies, who house our poorest, most vulnerable citizens, can pay their rising energy bills. In fact, the Democratic alternative restores all the cuts in housing included in the President's blueprint, including restoring the PHDEP program, and all the activities it supports. In addition, it adds another $2 billion over 10 years to get the federal government back in the business of financing the construction of affordable housing through the HOME program, which is a proven, effective delivery system.

In addition, the Democratic alternative ensures funding for some less visible, but no less vital programs. We would fund the Assistance to Firefighters Grant Program, run by the Federal Emergency Management Agency, at the full authorized level, ensuring that our nation's first responders have the resources they need to safeguard America's citizens from the dangers of fire. The Democratic alternative supports liveable communities by funding mass transit programs, environmental protection efforts, and law

enforcement programs. These may not be high-profile issues, but they address very real needs felt by many Americans—needs which are not addressed by the Republican budget before us.

We have come far economically and must be very careful as we move forward so as not to return to the deficits which hampered our economic growth for so long. In my view, we must emphasize paying down the national debt, protecting Social Security and Medicare, increasing spending for programs important to our Nation's future, and providing short-term tax cuts for working Americans. The Republican budget falls far short of the mark in almost every respect. I strongly oppose this resolution, and I urge my colleagues to reject it.

Ms. SNOWE. Mr. President, today marks an historic occasion for the Senate. At the end of this fiscal year, not only will the federal government have run a balanced budget without the use of the Social Security surplus for a third consecutive year, the first time that has happened since 1947 to 1949—but the budget resolution we are now considering would reduce the publicly-held debt to its lowest level since World War I.

No longer is business in Washington defined by the terms ''deficit'' and ''debt''. ''Fiscal responsibility'' has been reintroduced into the political lexicon and the result should prove a welcome relief not only to this generation but to those yet unborn generations that will be spared the mountain of debt we would otherwise bequeath in a legacy of lavish spending and fiscal recklessness.

In light of these on-budget surpluses we now enjoy and the era of surpluses we are projected to see over the coming ten years, I would especially like to thank the Chairman of the Senate Budget Committee, Senator PETE DOMENICI, for his unwavering commitment to balanced budgets and responsible decision-making.

Thanks in large part to his leadership and his tireless efforts, the turbulent waves of annual deficits and mounting debt that have rocked this place for decades have been calmed. And, if we are willing to adhere to the kind of sound principles expounded for years by my colleague from New Mexico, in this year's budget resolution and others to come, we may be able to maintain the current budgetary calm for many years into the future.

The budget resolution we are now considering not only maintains fiscal discipline, but it does so within a framework that ensures America's priorities are protected and addressed in fiscal year 2002 and beyond. If the budget is a roadmap, this budget will point us toward four critical goals:

First, it protects every penny of the Social Security and Medicare surpluses in upcoming years.

Second, over the coming ten years, it pays down as much of the publicly-held debt as is considered possible, reducing it to its lowest level since 1916.

Third, it provides a substantial funding increase for discretionary spending programs, including education and defense, and, thanks to the adoption of the Grassley-Snowe amendment yesterday, it includes significant funding for a new prescription drug benefit.

And, fourth, from the non-Social Security surplus that remains, it provides tax relief for Americans during a time of rising economic uncertainty, and a time when the typical family's tax burden exceeds the cost of food, clothing, and shelter combined.

Collectively, I believe these principles and priorities reflect those of most Americans, especially the commitment to protecting Social Security and Medicare surpluses and buying-down publicly-held debt. Accordingly, I believe this resolution deserves broad bipartisan support in the Senate and, ultimately, by the entire Congress.

To truly appreciate how momentous the principles and policies reflected in this budget really are, one need only compare it to where we have been, and where we currently stand, on both tax and spending policies.

As many of my colleagues are all too aware, it was not that long ago that the notion of buying-down federal debt would have been considered akin to a winter without snow in my home state of Maine, or maybe the Boston Red Sox winning the World Series. Except that, when it came to actually reducing the debt, it wasn't even a case of ''wait 'till next year''. It was more like ''Waiting for Godot.''

Yet, unlike Godot, the days of paying down our debt are real and have actually arrived. Through a growing economy and fiscal austerity, the federal government has not only paid down more federal debt over the past three years than at any time in history, $363 billion overall, but we now stand poised to buy-down as much of the debt as is considered financially feasible within the next ten years.

While there are understandable differences of opinion on the precise amount of federal debt that can be retired over this time frame, the simple fact is that this budget resolution calls for the retirement of 2.4 trillion dollars of debt over the coming ten years, leaving the publicly-held debt at just over $800 billion in the year 2011. Of note, this level of publicly-held debt, which is the so-called ''irreducible'' level of debt according to CBO, is even lower than the $1.2 trillion ''irreducible'' debt level that was identified by both the current administration and the Clinton Administration in its January 2001 report.

By the same token, the spending increases contained in this budget are not only significant—especially when compared to recent history—but targeted toward specific and demonstrated needs.

As my colleagues are aware, it was not that long ago that discretionary spending rarely, if ever, saw an annual increase. In fact, discretionary spending was essentially frozen between 1991 and 1996, with total outlays only $1 billion higher in 1996 than in 1991. Furthermore, from 1996 through the end of the decade, discretionary spending grew at an annual rate of 3.7 percent.

In contrast, this budget resolution provides for an increase in discretionary spending of four percent, a rate even higher than inflation. And although such an increase may not placate those who would prefer that the discretionary spending jumps of the past two years become the norm, the bottom line is that anyone who would have proposed a four percent increase during the past decade would have been considered a ''profligate spender''!

In addition to providing a substantial increase in discretionary spending, this budget also provides much-needed funding for a new Medicare prescription drug benefit.

As my colleagues are aware, the need for a new Medicare prescription drug benefit could not be more clear. When Medicare was created in 1965, it followed the private health insurance model of the time—in-patient health care. Today, thirty-six years later, the expiration date on this prescription for health care—treating patients in hospitals rather than treating them at home, has long since come and gone. Correspondingly, the lack of a prescription drug coverage benefit has become the biggest hole, a black hole really, in the Medicare system.

With tremendous leaps in drug therapies occurring almost daily, it is time to bring Medicare ''back to the future''. It is time to provide our seniors with prescription drug coverage.

In my view, a solution to this pressing problem can't come soon enough. Drug coverage should be part and parcel of the Medicare system, not a patchwork system where some get coverage and some don't. Prescription drug coverage shouldn't be a ''fringe benefit'' available only to those wealthy enough or poor enough to obtain coverage. It should be part and parcel of the Medicare system that will see today's seniors, and tomorrow's into the 21st Century.

Accordingly, I made the funding of a new prescription drug benefit my highest priority over the past three years on the Budget Committee. And I'm gratified that those efforts—which led to $20 billion being set aside for this purpose in the FY00 budget resolution, and $40 billion in the FY01 budget resolution, have helped pave the way for $153 billion being set aside for prescription drugs in this year's budget resolution, and an additional $147 billion being added for this purpose due to yesterday's adoption of the Grassley-Snowe amendment.

As the Chair of the Finance Subcommittee on Health, I will be doing everything I can to help craft and enact a strong, reliable Medicare prescription drug benefit this year, and in that light I'd especially like to thank

the Chairman of the Finance Committee, Senator GRASSLEY, for committing himself and our Committee to developing such a benefit by the August recess. And with the additional monies the Grassley-Snowe amendment provided for this purpose, I am confident that we will not only meet this goal, but also ensure that the benefit we create will be meaningful and secure for years to come.

After we have set aside the Social Security and Medicare surpluses . . . after we have paid down as much debt as possible over the coming 10 years . . . and after we have provided for substantial but responsible and necessary increases in discretionary spending and resources for a new Medicare prescription drug benefit, only then, from the remaining on-budget surpluses, do we provide for a tax cut.

And there should be no mistake, this is much-needed tax relief for the American people. As outlined earlier, I believe that, given growing economic uncertainty, a tax cut is not only warranted in terms of returning some of the surplus to those who created it in the first place, the American people, but also in terms of the well-being of our economy. As for the need, the numbers speak for themselves.

Economic growth has slowed considerably over the past two quarters. Consumer confidence has fallen precipitously since November and only stabilized this past month. The NASDAQ dropped 26 percent during the last quarter and is down 66 percent from its high of 13 months ago. The Dow has dropped nine percent over the past two months alone, with the S&P 500 dropping 16 percent over the same period of time. And reports of layoffs are coming with increased frequency, even as more and more ''dot-coms'' continue to close their doors and ''virtual reality'' has turned into harsh reality for countless investors.

While a tax cut may not actually prevent a recession if one is in the offing, it would—as Federal Reserve Chairman Alan Greenspan stated before the Senate Finance Committee—act as ''insurance'' should our recent downturn prove to be more than an inventory correction. Given the warning signs in the economy, I believe that's an insurance plan that Congress can't afford to forgo, lest we later be justifiably accused of ''fiddling while Rome burns.''

But it's not just the economy that could use a break, it's also the American taxpayer, especially when you consider that a typical family now pays more in taxes than for the cost of food, clothing, and shelter combined. And, as a percent of GDP, federal taxes are at their highest level, 20.6 percent, since 1944, and all previous record levels occurred during time of war, 1944, 1952, and 1969, or during the devastating recession of the early-1980s in which interest rates exceeded 20 percent and the highest marginal tax rate was 70 percent.

Given this confluence of circumstances, both economic uncertainty and an historically high level of federal taxes, I believe a portion of the remaining on-budget surplus should be utilized for a tax cut. And by providing the blueprint for a tax cut of up to $1.6 trillion over the coming 10 years, Congress will have the ability to make a determination on both the appropriate size and content of such a package in the weeks ahead.

At the same time, I understand the concerns that have been raised about the certainty of long-term economic and budget projections. Accordingly, I found Federal Reserve Chairman Alan Greenspan's recent testimony before the Budget Committee very compelling, especially his suggestion that we create some type of trigger mechanism linking tax and spending policies to actual budgetary performance in the future.

Specifically, Chairman Greenspan stated that long-term tax and spending initiatives should ''be phased-in'' and should include ''. . . provisions that, in some way, would limit surplus-reducing actions if specified targets for the budget surplus and federal debt were not satisfied.''

Because the surplus is projected to grow successively larger over the coming 10 years, with two-thirds of the $3.1 trillion surplus accruing in the final five years, any new tax cuts or spending proposals will be forced to be phased-in if we are to preserve the Social Security and Medicare surpluses. Indeed, key provisions of the recent Bush tax proposal, including the marginal rate reductions, are phased-in.

Accordingly, given Chairman Greenspan's suggestion, I believe it would be prudent for the Congress to enact a trigger that links future tax cuts and spending increases to specific targets for debt reduction. Such a proposal would ensure that all ''surplus reducing actions'', both tax cuts and spending increases, are contingent on actual fiscal performance.

Consistent with Chairman Greenspan's proposal, I worked with Senator BAYH in developing a set of principles underlying a trigger mechanism, and joined in introducing these principles in a bipartisan, bicameral manner last month. The three-point principles we developed, and that were introduced with a total of 11 bipartisan cosponsors in the Senate, were as follows:

First, long-term, surplus-reducing actions adopted during the 107th Congress should include a ''trigger'' or ''safety'' mechanism that links the phase-in of such proposals to actual budgetary outcomes over the coming ten years;

Second, the trigger will outline specific legislative or automatic actions that shall be taken if specific levels of public debt reduction are not achieved;

Third, the trigger will only be applied prospectively and not repeal or cancel any previously implemented portion of a surplus-reducing action. In addition, enactment of the trigger will not prevent Congress from passing other legislation affecting the level of federal revenues or spending should future circumstances dictate such action.

Ultimately, we believe the adoption of such a trigger mechanism will ensure that fiscal discipline and debt reduction remain our top priorities as the projected surplus is designated for various purposes during the months ahead. Ultimately, if the surpluses materialize as projected, the trigger would have absolutely no impact on any tax or spending proposals enacted during the 107th Congress. But if they do not, the trigger will provide an added level of fiscal discipline that will prevent a return to annual budget deficits and increased federal debt.

Given the fact that, only a few weeks ago, some argued that a trigger was essentially ''dead,'' I would like to thank Chairman DOMENICI for agreeing to include these principles in the budget resolution that he planned to offer on the floor. Unfortunately, due to a ruling by the Parliamentarian, I understand that these and other provisions—including the Medicare Lock-box and the tax cut reconciliation instructions—were subsequently removed.

While the removal of the trigger principles from the Senate budget resolution is a disappointment, I am pleased that momentum for this idea is clearly growing. Not only were these principles nearly part-and-parcel of this year's budget resolution, but Senator BAYH and I are now in the process of converting these principles into an actual legislative mechanism—and I know that other members are seeking to craft their own mechanisms.

By protecting Social Security and Medicare surpluses, buying down debt, providing substantial funds for a new Medicare prescription drug benefit, enhancing funding for shared priorities such as education and defense, and only then cutting taxes, I believe the Senate budget resolution deserves strong support.

Ultimately, while members from either side of the aisle may disagree with specific provisions in this resolution, the amendment process we are now undertaking provides each of us with the opportunity to offer or support changes that better reflect our priorities. Furthermore, the simple fact is that this is a budget framework, or ''blueprint'', that establishes parameters and priorities, but is not the final word on these individual decisions. Rather, specific spending and tax decisions will initially be made in the Appropriations and Finance Committees, and ultimately by members on the floor.

Therefore, I am hopeful that amendments offered to this framework do not harm the broad and reasoned parameters that have been set, and commend the Chairman DOMENICI, again, for his efforts in crafting this balanced resolution.

Mr. ROCKEFELLER. Mr. President, earlier today I filed an amendment to the Budget Resolution to increase funding for the Federal Bureau of Investigation by $39 million a year, adjusted for inflation. As a new member of the Senate Select Committee on Intelligence, and as a Senator representing a rural state that has encountered FBI staffing shortfalls for

many years, I believe it is imperative that among our national budget priorities we include adequate funding to address the threat of international terrorism and the spread of urban crime to our rural towns and counties.

In the past few years, Congress has increased the number and scope of federal criminal laws, thereby increasing the responsibilities of the FBI, as well as other federal law enforcement agencies. Because of these changes, and the assistance and technical expertise these agencies give to local law enforcement agencies throughout the country, federal law enforcement resources have been stretched thin. In the Fiscal Year 2001 Commerce-State-Justice Appropriations process, we recognized the need to keep the FBI fully staffed, and we required the Bureau to fully fund salaries and benefits for all authorized ''workyears'' for special agents and support staff. In order to do this, Director Freeh and his staff were required to reprogram $42 million from the agency's equipment and infrastructure accounts to satisfy this need.

Given the expanded responsibilities of the Bureau, this type of ''robbing Peter to pay Paul'' would be troubling enough. However, the budgetary gymnastics required of the FBI to get through this fiscal year is just a small example of a much more dangerous trend in our funding of federal law enforcement agencies.

Unless we address this funding issue, by the end of the current fiscal year the FBI will have suffered the net loss of 521 special agents since the beginning of Fiscal Year 2000. In preparation of its budget request for Fiscal Year 2002, Director Freeh determined that in order to maintain salary and benefit levels, the Bureau would need to reduce its staffing by 336 agents and 521 support staff. This force reduction will require the cancellation of almost all of the New Agent training classes for the remainder of this year, and may put in jeopardy another 182 special agent positions and 248 support positions planned for Fiscal Year 2002.

This situation is simply untenable for rural states like my home state of West Virginia. After discussions with our U.S. Attorneys over the past few years, I have come to share their frustration over difficulties in carrying out law enforcement activities in West Virginia because of a shortage of resident agents in all of the federal agencies operating in the state. Having too few federal agents in West Virginia has affected numerous federal criminal investigations and prosecutions. Joint state-federal drug interdiction operations in West Virginia, although successful, require a level of participation by federal law enforcement agencies that current staffing levels sometimes prevent.

Perhaps in the past, it made sense to concentrate our federal agents in big cities. Today, unfortunately, many of the crime problems of our cities have infected rural America. Sadly, West Virginia is not immune from this contagion. I believe the funding increase I have outlined here is absolutely necessary to provide West Virginia and other rural states with the federal law enforcement resources they will need to investigate, fight, and hopefully, prevent crime.

Mr. President, as the Ranking Member of the Committee on Veterans Affairs, I must voice my concern about the level of funding for veterans' health care and benefits proposed in the Senate Concurrent Resolution on the FY 2002 Budget.

If the Department of Veterans Affairs is funded at the level that the Budget Resolution provides, a $1 billion increase over the FY 2001 appropriation, which might appear generous at first glance, we can expect VA to eliminate staff, delay providing health care and benefits, and slash vital programs.

Much, if not all, of this proposed increase would be consumed in merely overcoming inflation in the costs of providing medical care. It simply will not meet VA's needs in the next fiscal year. As we strive to cut taxes in a responsible manner, we must also anticipate and address the concerns of the men and women who served this Nation.

The alliance of veterans service organizations that authors the Independent Budget for Fiscal Year 2002, AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars, rightly concluded that ''more must be done to meet the increasing needs of an aging veteran population, adapt to the rising cost of health care, enhance and facilitate benefits delivery, and maintain the continuity of funding for VA programs as a whole.''

The Budget Resolution before us would not allow us to fulfill those obligations. We must ensure VA a level of funding that will minimize the impact of inflation, fund existing initiatives, and allow the system to move forward in the ways we all expect.

Urgent demands on the VA health care system make increased funding essential. The landmark Veterans Millennium Health Care and Benefits Act of 1999 significantly expanded VA noninstitutional long-term care, which for the first time is available to all veterans enrolled with the VA health care system. As we contend with the dilemma of developing long-term care for all Americans, VA will begin this effort with our Nation's veterans. The Congressional Budget Office estimates that the VA noninstitutional extended care program will cost more than $400 million a year. We must supply adequate funds to fulfill this legislative mandate.

The Millennium Act also ensures emergency care coverage for veterans with no other health insurance options. Necessity demands this costly provision: nearly 1 million veterans enrolled with the VA are uninsured and in poorer health than the general population. Although this new benefit has not yet been either implemented or publicized, claims are already mounting.

Medical inflation and wage increases, factors beyond VA's control, have been estimated to devour nearly $1 billion of VA's budget annually. At the same time, more and more veterans are turning to the VA for health care. In my own state of West Virginia, the number of veterans seeking care from VA has increased, despite a declining total number of veterans statewide. As an example, the Martinsburg VAMC saw its new enrollees increase by 24.7 percent over the last 2 years. Rapidly expanding enrollment at all four West Virginia VA medical centers has jeopardized their ability to provide high quality care in a timely fashion. Unfortunately, similar examples can be found throughout the Nation.

Between new initiatives, long-term care and emergency care coverage, and simply maintaining current services, we must secure an increase of $1.8 billion for health care alone.

Unfortunately, maintaining current services may not be enough to ensure that VA can meet veterans' health care needs. The aging veterans population faces chronic illnesses and newly recognized challenges, such as the disproportionate burden of hepatitis C, that will further strain VA facilities. We must anticipate the difficulties of treating complex diseases and ensure that we do not neglect the needs of veterans with multiple, coincident medical problems.

If we simply maintain current services, can we expect VA to restore the capacity for PTSD and spinal cord injury treatment to the 1996 legislatively mandated level? In West Virginia, many veterans not only wait months for specialty care, they have to travel hundreds of miles to get it. We can depend on community outpatient clinics to increase veterans' access to primary health care, but we must also ensure that the many veterans who require more intensive, specialized services can turn to adequately funded inpatient programs.

VA research not only contributes to our national battle against disease, but enhances the quality of care for veterans by attracting the best and brightest physicians. The Budget Resolution allows, at best, for a stagnant research budget. Not only will this slow the search for new and better medical treatments, but it could weaken efforts to protect human subjects in VA-sponsored studies. As increase of $47.1 million will be required merely to offset the costs of inflation and to monitor compliance with increasingly stringent research guidelines.

Savings may be gained through more resourceful management of VA hospitals and clinics, a possibility that VA is pursuing through its Capital Asset Realignment and Enhancement Studies, CARES. In the meantime, efficiencies should not come at the expense of veterans who turn to the VA

health care system for needed treatment, nor should VA neglect essential repairs and maintenance of its infrastructure while awaiting the outcome of the CARES process. Accommodating the backlog of urgently needed construction projects will require an increase of $280 million. A shortsighted focus on immediate gains, by delaying essential projects or neglecting existing facilities, may compromise patient safety and prove even more costly to VA and veterans in the long run.

The Veterans Benefits Administration also faces challenges that require additional funding for staffing. One of these challenges results from an aging workforce. Projections suggest that 25 percent of current VBA decisionmakers will retire by 2004. These losses would be in addition to the staff that has already left service. It takes 2–3 years to fully train a new decisionmaker. Therefore, it is critical that VBA hire new employees now to fully train them before the experienced trainers and mentors have retired.

In addition to this looming succession crisis, extensive new legislation enacted in 2000 will severely affect VBA's workload. Sweeping enhancements to the Montgomery GI Bill are expected to double VA's education claims work. New legislation reestablishing the ''duty to assist'' veterans in developing their claims, regulations presumptively connecting diabetes to Agent Orange exposure in Vietnam veterans, and new software systems intended to improve the quality of decisionmaking have severely affected VBA's workload and slowed output. West Virginia veterans are already receiving letters from the VA regional office warning them to expect a 9–12 month delay for even initial consideration of their new claims.

If VBA is unable to hire new staff, the increasing backlog of claims, which is already unacceptable, would reach abominable levels. Without an increase in staffing, the backlog of claims is expected to grow from the current 400,000 claims, up from 309,000 in September 2000, to 600,000 by March 2002. VBA will need a minimum increase of $132 million to acquire the tools, staffing and technology, to avert this escalating disaster.

The mission of the National Cemetery Administration, NCA, providing an honorable resting place for our Nation's veterans, is becoming more difficult as we face the solemn task of memorializing an increasing number of World War II and Korean War veterans. It is estimated that 574,000 veterans died last year. The aging of the veterans population is placing additional demands on NCA in interments, maintenance, and other operations. VA has attempted to meet this demand by opening four cemeteries over the last 2 years and planning construction of the six new cemeteries authorized by Congress in 1999. It is estimated that an increase of $21 million will be required to develop these cemeteries.

Increases are also required to maintain the VA's National Shrine Commitment. We must preserve our national cemeteries so that they do not dishonor those who died serving their country. Sunken graves, damaged headstones, and even structural deficiencies cannot be tolerated. We applaud VA's commitment to this initiative and encourage VA to continue the project. In order to rise to this task and operate its current facilities, NCA will require an increase of at least $13 million for a total appropriation of $123 million.

While we consider the best way to cut taxes responsibly, we mustn't lose sight of our obligations. We all need to agree on how much should go to tax cuts and how much should be saved to strengthen Medicare, invest in education, and fully address the needs of the men and women who have served our country. I anticipate that during the debate on the budget resolution, the Senate will be asked to increase the funding for VA. I urge you all to remember our nation's promise to our veterans and their families as we deliberate on the critical priorities that will shape their future.

Mr. DOMENICI. Mr. President, I am very pleased that by adopting the budget resolution today, the United States Senate has endorsed the President's recent proposal that would provide mandatory funding for the now-bankrupt Radiation Exposure Compensation trust fund.

We passed the Radiation Exposure Compensation Act in 1990 to provide fair and swift compensation for those uranium miners, Federal workers, and downwinders who had contracted certain debilitating and too often deadly radiation-related illnesses. These individuals helped build our nation's nuclear arsenal and it is unconscionable that there is no funding to indemnify them for their sacrifice and suffering.

Since last May, those who have had their claims approved are receiving only an IOU from the Justice Department. Today we have taken the first step in rectifying this injustice.

The Bush proposal is within the defense function of the budget and would be a declining expenditure from about $100 million in 2002 to less than $5 million at the end of the decade. Total mandatory expenditures budgeted for this program is assumed to be $710 million over the next 10 years. In addition, to our positive actions today, I have introduced, along with Senator HATCH, legislation that would provide the appropriate funding for the Radiation Exposure Compensation trust fund. We are seeking our colleagues support in moving this legislation expeditiously through the Senate.

It is vital that we act quickly to ensure that these victims who gave so much for our nation are never again left holding nothing more than a government IOU.

Mr. REID. Mr. President, I rise today to express my sincere gratitude that the Senate agreed to and accepted my amendment late last evening which is of vital importance to our Nation's veterans.

This amendment will address a resource requirement for a bill that I introduced on January 24, 2001, S. 170, the Retired Pay Restoration Act of 2001, which incidently has over 45 cosponsors and bipartisan support.

The list of cosponsors on S. 170 include the distinguished majority and minority leaders, the chairman and ranking member of the Armed Services Committee. I also would like to recognize Senator HUTCHINSON for his assistance on this legislation.

This amendment will provide funding to correct a 110-year-old injustice against more than 450 thousand of our nation's veterans.

We have repeatedly forced the bravest men and women in our Nation—retired, career veterans—to essentially forgo receipt of a portion of their retirement pay if they happen to also receive disability pay for an injury that occurred in the line of duty.

This requirement discriminates unfairly against disabled career soldiers by fundamentally requiring them to pay their own disability compensation.

S. 170 will permit retired members of the Armed Forces who have a service connected disability to receive military retirement pay while also receiving veterans' disability compensation.

We are currently losing over one thousand WWII veterans each day. Every day we delay acting on this legislation means that we have denied fundamental fairness to thousands of men and women. They will never have the ability to enjoy their two well-deserved entitlements.

This amendment will ensure that we have the resources necessary to properly fund this legislation and honor those who served our Nation—our veterans.

Recently, President Bush stated that he would support senior veterans.

I urge President Bush to do just that and not to leave our veterans behind. Our veterans have earned both of these entitlements—now is our chance to honor their service to our Nation.

We need to be fiscally responsible and protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, continue to pay down the debt, and to ensure the funding is available for our Nation's veterans.

The current prosperity of this nation can partially be attributed to the success of past wars and our Nation's veterans. I am unwilling to jeopardize the domestic dividends that will materialize over the next generation for the health and welfare of our veterans and their families.

We have made a commitment to these great Americans. We must ensure that our Nation's veterans receive the dividends of our current surplus.

Accepting the amendment I offered last evening is simply righting the

wrong. Our veterans waited silently when there was no money to pay for this legislation, but today there is a budget surplus which provides the perfect opportunity to honor their service to this great Nation.

Mr. CONRAD. Mr. President, we can go to final passage.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are finished. We are ready to vote on final passage. I do not believe after all these long hours that anyone wants to hear a speech from anyone, regardless of how eloquent the speaker.

Mr. WELLSTONE. Mr. President, I really would like to hear Senator DOMENICI for a while.

Mr. DOMENICI. He is just one of the few, Mr. President. In any event, we have nothing further. The next vote is final passage.

The PRESIDING OFFICER. Are the yeas and nays requested?

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Without objection, the substitute amendment, as amended, is agreed to.

The amendment (No. 170), as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to H. Con. Res. 83, as amended.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 65, nays 35, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—65

Allard	Ensign	McCain
Allen	Enzi	McConnell
Baucus	Feinstein	Miller
Bayh	Fitzgerald	Murkowski
Bennett	Frist	Nelson (NE)
Bond	Gramm	Nickles
Breaux	Grassley	Roberts
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Carnahan	Hutchinson	Smith (OR)
Carper	Hutchison	Snowe
Chafee	Inhofe	Specter
Cleland	Jeffords	Stevens
Cochran	Johnson	Thomas
Collins	Kohl	Thompson
Craig	Kyl	Thurmond
Crapo	Landrieu	Torricelli
DeWine	Lincoln	Voinovich
Domenici	Lott	Warner
Edwards	Lugar	

NAYS—35

Akaka	Dorgan	Mikulski
Biden	Durbin	Murray
Bingaman	Feingold	Nelson (FL)
Boxer	Graham	Reed
Byrd	Harkin	Reid
Cantwell	Hollings	Rockefeller
Clinton	Inouye	Sarbanes
Conrad	Kennedy	Schumer
Corzine	Kerry	Stabenow
Daschle	Leahy	Wellstone
Dayton	Levin	Wyden
Dodd	Lieberman	

The concurrent resolution (H. Con. Res. 83), as amended, was agreed to.

The VICE PRESIDENT. On this vote, the yeas are 65, the nays are 35. The House Concurrent Resolution No. 83, as amended, is agreed to.

The concurrent resolution (H. Con. Res. 83), as amended, was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

KLAMATH BASIN WATER CRISIS

Mr. SMITH of Oregon. Mr. President, the Senate has just completed a long week debating a budget that I believe will help the American people in many ways, and I am proud of that work. But there are thousands of people in southern Oregon who are today getting some very bad news: the water on which the future of their farms and families depend will not be delivered this year.

As I speak, my state is currently experiencing its worst drought in seventy-seven years. And while the lack of irrigation water is not completely the fault of the federal government, the situation has been exacerbated by the actions of federal agencies, primarily the Fish and Wildlife Service and the National Marine Fisheries Service, that have authority over the quantity of water provided to the farmers and ranchers of the Klamath Basin. In the midst of this natural disaster, these two agencies have issued new requirements that increase lake levels in the Upper Klamath Lake as well as streamflows down the Klamath River. These edicts were issued in spite of admissions by Bureau of Reclamation officials that the proposed water levels are not attainable this year, even if there are no agricultural deliveries.

For eight years, the Clinton Administration waged war on hard-working people who depend on natural resources to sustain their families and their communities. Sharp reductions in timber sales and the growth of onerous regulations has already weakened the economy of the Klamath Basin. Now, without irrigation water the economy stands to lose almost $144 million. This cannot be allowed to happen.

When President Bush was elected, the people of Southern Oregon breathed a collective sigh of relief, believing that help was on the way. And although this decision was set in motion by the prior administration, my constituents cannot help but wonder if better days are yet to come. Unfortunately, one thing they do know for sure is that worse times are coming this year. I do not doubt the President's dedication to farmers, ranchers, and others in the wide rural expanses throughout this land. But I do understand that many of the people in the Klamath Basin cannot help but question this administration's commitment to their needs.

While I appreciate the intermediate assistance the administration has offered, I have to again ask the President to reexamine the draconian orders that have turned a difficult drought into a crisis of immense proportions. In the meantime, I promise the people of the Klamath Basin that I will continue to fight for their needs and for the needs of their families until this dire mistake is rectified.

SUPPORT FOR THE HOPE FOR CHILDREN ACT

Mr. JOHNSON. Mr. President, adoption is a rewarding, but often expensive and frustrating option for many South Dakota families. As a member of the bipartisan ''adoption caucus'' in the Senate I have tried to make adoption a more viable option for loving parents. During the past couple of years, we have made major improvements in adoption policy including legislation: giving parents of adopted children the same time-off rights as those who give birth; outlawing racial or ethnic discrimination in adoption; automatically giving foreign-born adoptees American citizenship; and implementing international agreements to outlaw trafficking in children and promoting international adoption.

These laws have resulted in an increase of adoptions nationwide by cutting much of the paperwork and bureaucracy of the adoption process. Yet there are still almost half a million kids in foster care nationwide, and a large number of those are minorities and kids with special needs. There are even more families who want to adopt, but simply can't afford to. More needs to be done. For too many South Dakotans, adoption is not an option because of the high costs associated with it. By some estimates, an adoption can cost upwards of $25,000 in fees, paperwork, and legal assistance.

I am pleased to be an original cosponsor of bipartisan legislation called the Hope for Children Act. This bill will help South Dakotans choose adoption by increasing the current tax credits for non-special needs children and special needs children to $10,000. This