

more necessary by the President's plan. He provides no resources—none, zero—to deal with it.

I do not believe, for one moment, that this Congress is going to allow over 30 million people to be caught up in the alternative minimum tax. But if we do not provide the resources to fix it, it will happen.

The third is the interest cost associated with the first two. That is another \$500 billion.

Then we have the Bush spending proposals, those proposals that are above the so-called baseline of \$200 billion. That adds up to \$2.7 trillion. And that is before any defense initiative the President might apply or send as a suggestion.

The result is, we have a package here that simply does not add up. So I hope, I say to my colleagues, that before the end of the day we adopt this amendment to protect both the Social Security trust fund and the Medicare trust fund.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Virginia.

#### THE EDUCATION OPPORTUNITY TAX CREDIT ACT

Mr. ALLEN. Mr. President, I rise today in support of the education opportunity tax credit on behalf of myself as well as Senators WARNER, CRAIG, and ALLARD. This is a measure that was introduced last Thursday, March 8.

What the education opportunity tax credit would do is increase the amount and the quality of available academic services and technology-related resources for parents and for students.

This measure does several very good things. No. 1, it increases education spending with greater parental involvement. No. 2, it is a tax cut for families. And, No. 3, it brings forth more funds available for technology and specialized tutoring-type teaching.

I know the Presiding Officer and other Members of the Senate recognize how important education is for our children and for the future of our Nation. It is essential for our children's futures because the best jobs will go to those who are the best prepared. The education opportunity tax credit helps in that regard.

In education, good quality classrooms and good teachers, able to impart knowledge to our children, are important. Academic standards and accountability and the measurement of those high academic standards in the basics of English, math, science, social studies, and economics are all important, but also as important as teachers and administrators in the education of our children are the parents; and parents need to be empowered. Their involvement is key for the academic success of their children.

Indeed, parents know their children's names. They know the specific needs of their children much more than any bureaucracy in Washington, DC.

Finally, children need to have computer skills to be able to compete and succeed in the future. Computers and wiring in schools and access to the Internet in schools and in libraries is a good idea and is very important. Community centers are important.

Last week, the Republican Senate High-Tech Task Force visited an Intel clubhouse. It is working in conjunction with the Boys and Girls Club here in Washington, DC. There are many good ideas in these community centers, but we need to make sure there are computers and software programs and educational programs at home because homework is done at home and on weekends.

This is what the education opportunity tax credit does. It provides families with a \$1,000-per-child education opportunity tax credit. It is capped at \$1,000 per year per child, and capped at \$2,000 per year per family if they have more than one child. It defrays the cost of education-related expenses for computers and computer-related accessories and technology. Educational software, Internet access, and tutoring services could be expenditures that would thereby get the tax credit. It does not apply to private school tuition. And as introduced, it is refundable.

This is a family-oriented education tax incentive that will have a very real impact on the ability of parents to better afford education-related services and technology resources.

This is the financial situation of a family with an income of \$38,900. That is the median family income in the United States.

After a family pays all the money in taxes to the Federal Government, the State Government, the local government, and after they pay for their housing, their clothing, their food, their medical care, and their transportation—these are all absolutely essential for the survival of a family—the real disposable income gets down to about \$2,100.

Now, educational expenses normally are going to be school supplies and a variety of other items that are important. But you realize, with that amount of money, if you bought a computer, purchased a used printer, software, and Internet access, that totals over \$2,400. So the amount that would be added to credit card debt would be \$241 a year.

The reality is, once you pay your taxes to all levels of government, once you pay for food and clothing and housing and putting gas in the car, and a car payment, and all the rest, the average family has about \$180 left a month for everything else. And the average cost of a computer is going to be about 70 percent of that.

You can have the statistics, but real people in the real world, folks such as Jim and June Meadows, support this proposal because it would help them afford specialized software for their daughter Morgan, who has dyslexia, without sacrificing the education needs of their other daughter, Meghan, who is age 10.

You do not have to go outside the beltway to find these working folks. In fact, right here in the Capitol you will find people who are working who recognize the value of this. In fact, Milton Salvadore, who I ran into in the Senate restaurant a few weeks ago, is such a working family man—he works, his wife works, and they have young children—I asked him: Do you all have a computer for your young school-aged children?

He said: No. No.

I said: Why not?

He said: Look, we have all these bills, and so forth. My wife and I are working hard, but we do not have enough money for that. We do not want to go into debt to go get a computer and Internet access for our children. He said it would help him and his hard-working wife afford a computer for his family, if this education opportunity tax credit were in effect.

The tax impact on the average family of three with an adjusted gross income of approximately \$39,000 a year, if they took the full \$1,000 tax credit for their children's education expenses, that would save nearly 34 percent on their yearly Federal tax bill. A family of four with an income of \$39,000 taking the full \$2,000-per-family tax credit would realize a savings of 95 percent on their taxes owed for the year.

If we are going to seriously address the digital divide—and the digital divide is a divide in opportunities—we must act to provide families and children with the financial means to take advantage of education opportunities. Closing the digital divide is important. The education opportunity tax credit provides the financial resources to achieve this goal by making the tax credit fully refundable so that lower income families who owe the Government less money than the maximum available tax credit—say they owe \$700—or if they have no tax liability at all, would get the full credit. Everyone would be able to take full advantage of this opportunity.

The digital divide is a function of many factors, including geography and educational levels of parents. Hence, the most salient and determinative factor is family income. According to numbers released in October of 2000 by the U.S. Department of Commerce—these figures are borne out by studies by Virginia Commonwealth University—we find that of the 92 percent of people who are computer owners, 29 percent have Internet access. So these figures do match in that regard with

Virginia. If we look at households with less than \$15,000 in annual income, 12.7 percent of them have Internet access, which is pretty much equal to computer ownership. Families falling within the \$15,000 to \$24,000 per year range have a 21-percent rate of Internet access. Families with incomes of \$75,000 per year or more have about a 77-percent Internet access rate.

These numbers show how this bill will help all people, but that the main value will be to those of middle income and lower middle income who will be able to purchase computers, Internet access, and educational computer software for their children. This is more than just a purely personalized education tax and parental involvement technology issue. This is about—the digital divide and making sure people are getting a good education and access to technology so they are literate and capable. It is vital to the future of the United States in a global economy. It is important for our domestic economy, and it is obviously important for individual families.

In maintaining our economic growth, the Department of Commerce estimates that information technology industries accounted for 30 percent of the country's total real economic growth between 1995 and 1999. Between just 1997 and 1999, there were over 1.2 million new jobs. The average wage of technology jobs in the Nation was \$58,000 compared to \$32,000 in the overall economy.

What we need to understand is, without a continued influx of qualified, competent workers, the growth in the technology industries will stall and Americans, if not properly educated, will not be able to seize the opportunities. Whether it is in the Silicon Valley of California, the silicon Dominion of Virginia, or whether it is in Idaho, Pennsylvania, Florida, Iowa, or anywhere else, it is important that our youngsters are getting a solid education.

The number of U.S. college graduates with high-tech degrees in the country is declining. Since 1990, the number of high-tech degrees has dropped by 2 percent. Undergraduate degrees in math have declined by 21 percent, computer science degrees have declined by 37 percent, and electrical engineering degrees by 45 percent. Although, this wasn't the trend we saw in Virginia in the 1990s. Actually, there was a big increase of jobs and degrees—Virginia having the third fastest growth in technology jobs—however there was the same income differential between technology-related jobs and other forms of employment. The studies from Virginia showed that the average technology job paid \$66,000 a year versus \$31,000 in the overall economy.

As a country, unless we better prepare all students, they will not be able to meet the high-tech job demand; the

number of innovations and new technology developments will decline, and businesses and jobs will move offshore.

I say to my colleagues in the Senate, it is time for us to act to make sure we keep these well-paying jobs, these high-tech jobs, in America for Americans.

There is broad-based support by Virginia voters for the education opportunity tax credit. This is not a conservative versus liberal, or Democrat versus Republican, or men versus women type issue; it is a commonsense, good for families, education spending and tax cut issue.

What we found in Virginia with this idea—and it did get pretty well debated in the recent campaign—is that—and this was from polling—61 percent of liberals liked the idea; 69 percent of conservatives liked it, and moderates actually liked it the best, 71 percent. Men liked it at over 70 percent. It was supported by nearly 70 percent of women. It didn't matter someone's race, where they lived, ideology or political persuasion, or if they were not involved in any organized political party. It was very strongly supported by everyone in Virginia.

The people of Virginia recognize that it helps them with their own children. In fact, at the Flying J truckstop in Caroline County, I was going in to pay my bill, and the woman who was there taking my credit card said: I like your education tax credit.

I said: That's great, ma'am. I am glad you know what is going on with this measure. Do you like it?

She said: I am a tutor in Caroline County schools in mathematics.

It is a county with many people who cannot afford a tutor, and she saw that those students who needed help in math and their families could better afford her or other tutoring services so they could get up to speed in mathematics with the support of this tax credit. This is an idea that is appreciated by people in Virginia. As we work to make sure our fellow Senators know about this idea, they will realize it is something on which we will need to have to take action very soon, to make sure our students have the highest quality and most appropriate education possible.

We need to trust parents to be involved in their schools. They know their children's needs. They know their specific areas that will be of interest and what will best benefit them. Through this substantial tax benefit, all families will have access to a full spectrum of available education opportunities and related technologies.

I hope my colleagues will look into this matter. The Education Opportunity Tax Credit Act will provide families with choice and opportunity. I look forward to working with my colleagues, Senator WARNER of Virginia, Senator CRAIG of Idaho, and Senator

ALLARD of Colorado, as well as other Members, in making sure that we ensure the passage of the education opportunity tax credit to empower parents, to increase education spending, and also to reduce taxes while providing more technology capabilities to the children of America.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CRAIG). Morning business is closed.

#### BANKRUPTCY REFORM ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 420. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 420) to amend title 11, United States Code, and for other purposes.

#### Pending:

Schumer amendment No. 25, to ensure that the bankruptcy code is not used to exacerbate the effects of certain illegal predatory lending practices.

Feinstein modified amendment No. 27, to place a \$2,500 cap on any credit card issued to a minor, unless the minor submits an application with the signature of his parents or guardian indicating joint liability for debt or the minor submits financial information indicating an independent means or an ability to repay the debt that the card accrues.

Leahy amendment No. 20, to resolve an ambiguity relating to the definition of current monthly income.

Conrad modified amendment No. 29, to establish an off-budget lockbox to strengthen Social Security and Medicare.

Sessions amendment No. 32, to establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds.

Wellstone amendment No. 35, to clarify the duties of a debtor who is the plan administrator of an employee benefit plan.

Wellstone amendment No. 36, to disallow certain claims and prohibit coercive debt collection practices.

Wellstone amendment No. 37, to provide that imports of semifinished steel slabs shall be considered to be articles like or directly competitive with taconite pellets for purposes of determining the eligibility of certain workers for trade adjustment assistance under the Trade Act of 1974.

Kennedy amendment No. 38, to allow for reasonable medical expenses.

Kennedy amendment No. 39, to remove the dollar limitation on retirement savings protected in bankruptcy.

Collins amendment No. 16, to provide family fishermen with the same kind of protections and terms as granted to family farmers under chapter 12 of the bankruptcy laws.

Leahy amendment No. 41, to protect the identify of minor children in bankruptcy proceedings.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina, Mr. HOLLINGS, is recognized for not to exceed 20 minutes to speak on the lockbox issue.

Mr. HOLLINGS. Mr. President, I had a lockbox amendment at the desk, but