

**NLWJC - Kagan**

**DPC - Box 036 - Folder 002**

**POTUS Press Conference -  
Q&A 1/12/98**

**Questions and Answers on Crime**  
**January 12, 1998**

**Q: Mr. President, over the past few months you have taken a lot of credit for the falling crime rates. Do you really think it is fair for the federal government to claim credit for what is overwhelmingly a local issue? And don't changing demographics and the expanding economy have more to do with falling crime rates than your Administration's efforts?**

**A:** I think its appropriate for all of us -- the federal government, police, prosecutors, and community leaders -- to claim some credit for driving down the crime rates to their lowest level in 25 years. Together, we fought for more police in our communities, fewer guns on our streets, tougher punishment for violent offenders, and better opportunities for our kids -- and used these tools to make a difference. Sure, our economic plan and other factors have played a role in cutting crime, but our tough, smart anti-crime strategy has definitely had an impact. For instance:

- We have helped to fund nearly 70,000 more police in thousands of cities across the country. Working with community residents, these new police have taken on all sorts of local crime problems -- but especially violent crime. There were nearly 5,000 fewer murders in 1996 than when I took office.
- We have kept guns out of the hands of criminals. An estimated 300,000 fugitives and felons have been stopped from purchasing guns. We have cut the number of legitimate federal guns dealers by more than two-thirds (from 252,799 to 88,590).
- We have enacted tougher penalties for violent and sex offenders; spent more than \$2 billion to help states incarcerate them; supported community notification of released sex offenders; and established a national sex predator registry.
- We have repeatedly put forth the largest anti-drug budgets ever. Last week, we launched an unprecedented paid media campaign to make sure our kids are getting the message about the dangers of drugs. And yesterday, I signed a directive to help close the revolving door of crime and drug use.

Over the coming year, my balanced budget will continue to build on these successful efforts. We will continue to work hand-in-hand with local communities on increasing public safety and reducing drug use. Also, our top law enforcement priority will be to pass a juvenile crime bill that allows cities across the country to implement tough, smart strategies like the highly successful Boston model -- where no juvenile was killed with a gun for two and half years.

**Questions and Answers on Education**  
**January 12, 1998**

**Q. Rep. Paxon has proposed an initiative to hire 100,000 new teachers. What is your reaction to this idea, and is the Administration proposing something similar?**

**A.** I think it is an interesting idea and I look forward to seeing additional details. But based on what I have seen so far, I am opposed to Rep. Paxon's way of paying for his proposal -- by eliminating Americorps, Goals 2000, and other Education Department programs. These are good programs that support high educational standards. We don't help our students or our schools by giving with one hand and taking away valuable programs with the other.

With regard to my own plans in this area, I will have more to say about them in my State of the Union address. I am not prepared to discuss the details at this time.

**Questions and Answers on Welfare Reform and Jobs**  
**January 12, 1998**

**Q: Even with the good economy, some people are concerned that there won't be enough jobs for all the welfare recipients who need work. Are you concerned about this issue?**

**A:** Right now, the nation's jobless rate is at its lowest level in a generation. We've created more than 14 million jobs since I took office. Nationally, we are creating enough jobs for individuals leaving welfare -- for example, the economy created 370,000 new jobs in December, far more than the roughly 60,000 adults who leave welfare each month.

But to make sure there will be enough jobs in every area of the country, I fought for and won a \$3 billion welfare-to-work fund in the Balanced Budget Act targeted specifically to high unemployment and high poverty areas where jobs may be scarce. I have also challenged companies all across the nation to hire welfare recipients -- over 2,500 have agreed so far -- and have committed the federal government to hire its fair share of workers from the welfare rolls. We will continue these kinds of efforts this year to ensure we make still further progress.

**Background:**

On January 9th, the Labor Department released data showing that the number of jobs increased by 370,000 in December and that the unemployment rate stood at 4.7 percent. Since August 1996, about 180,000 people have left the welfare rolls each month, about 60,000 of whom are adults (the rest are the children in those families). Since you took office, the economy has created 14.3 million new jobs, and nearly 1.2 million adults have left the welfare rolls (for a total caseload decline of 3.8 million persons, both adults and children, or 27 percent). (These figures are from January 1993 through July 1997; we are holding newer numbers for you to announce in the State of the Union.)

**Questions and Answers on Food Safety**  
**January 12, 1998**

**Q: What steps will the Clinton Administration take to improve food safety?**

**A:** Last year we were able to increase spending on food safety by approximately \$40 million. This year, our budget will seek an even more substantial increase in resources to improve food safety. The resources will go to a variety of initiatives, including: giving FDA authority to prevent the import of produce from countries without safety precautions equivalent to our own; hiring FDA inspectors to improve the safety of our nation's fruits and vegetables, both domestic and imported; developing new ways for federal inspectors to detect food-borne illnesses in meat and poultry and determine the source of contamination; improving educational outreach on proper food handling; and expanding CDC's surveillance activities for food-borne illnesses.

**Q. Is this a new issue for the Administration?**

**A.** No, our actions are part of a continuing effort that has seen real accomplishment every year:

\* October, 1997. President announces new initiative to enhance FDA oversight over imported foods and to develop guidance on good agricultural and manufacturing practices for fruits and vegetables; to seek legislation to give FDA the same authority that USDA has to inspect imports; and to seek funds to greatly expand FDA's inspection force.

\* January, 1997. Administration announces comprehensive new initiative to improve the safety of nation's food supply detailing a \$43 million food safety program, including measures to improve surveillance, outbreak response, education, and research.

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\* 1994. CDC embarks on strategic program to detect, prevent, and control emerging infectious disease threats, some of which are food borne, making significant progress toward this goal in each successive year.

\* 1993. Vice-President's National Performance Review issues report recommending government and industry move toward a system of preventive controls.

**Questions & Answers on Child Care  
January 12, 1997**

**Q. What is your child care initiative?**

**A:** Last week, I announced an historic initiative to improve child care for America's working families. My FY 1999 budget will include **over \$20 billion over five years for child care, the largest single investment in child care in the nation's history.** This initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. My proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies** to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.
- **Increases tax credits for three million working families to help them pay for child care** by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.
- **Provides after-school care for 500,000 children per year** by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.
- **Improves child care safety and quality and enhances early childhood development** by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.

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Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
<b>TOTAL:</b>	<b>\$21.7 billion over five years</b>

**Q. Some conservatives claim that this is a big government proposal, which promotes institutionalized day care. Is this true?**

A. I am committed to helping parents make the choices that are right for their families, whatever care they choose for their children. Most of the funding in this proposal goes directly to individuals -- whether through tax cuts or through vouchers issued by states with child care block grant funding.

The entire package is tailored to provide maximum flexibility to parents so that all their child care choices are supported.

**Q. How are you going to pay for this big package?**

A. My budget carefully pays for each and every element of the child care initiative. The package is funded in a variety of ways -- some on the mandatory and others on the discretionary side of the budget. About a third of the total package is paid for with expected revenues from a national tobacco settlement, which I hope and believe Congress will pass this year.

**Q. Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?**

A. First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. I support strong tobacco legislation, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. This is a high Administration priority, and we will find an effective funding mechanism.

**Q. Republicans -- Senator Craig in particular -- have proposed alternatives to your child care proposal. They propose to enable more parents to stay at home with their children by lowering the tax burden on families in which one parent does not work through "income splitting" -- allowing a spouse to claim half of his or her spouse's income as their own. Do you support this?**

A. I believe that we should respect and support parents in whatever choices they make, whether to work or to stay at home. And I have tried to support that choice through a variety of actions to increase family income, such as expanding the Earned Income



Tax Credit, increasing the minimum wage, and passing the \$500 per-child tax credit. My Administration has looked at ways through the tax code to promote choice and enable more parents to stay at home with their children. So far, we have found those options to be prohibitively expensive in the context of a balanced budget. In fact, the “income splitting” option that Senator Craig suggested has been estimated by the Congressional Budget Office to cost about \$25 billion each year, nearly six times the cost of my entire child care package. I do, however, believe that these are important issues to consider, and am looking forward to working with the Congress to explore ways to support parents and to improve child care in the coming year.

**Q. How do you expect to get Republican support for this initiative?**

A. Child care traditionally has been a bipartisan issue. In fact, two of the central elements of my child care initiative were strongly supported by previous Republican Presidents and Members of Congress. Both Presidents Reagan and Bush supported the expansion of the Child and Dependent Care Tax Credit, and President Bush supported the creation of the Child Care and Development Block Grant.

Many Members of the House and Senate from both sides of the aisle have shown a commitment to taking action by introducing legislation that would improve the quality of child care, make it more affordable, and promote early learning. We look forward to working with them to pass significant child care legislation this year.

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- We have helped to fund nearly 70,000 more police in thousands of cities across the country. Working with community residents, these new police have taken on all sorts of local crime problems -- but especially violent crime. There were nearly 5,000 fewer murders in 1996 than when I took office. ~~That is a big difference.~~
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them

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Questions and Answers on Tobacco Taxes and Budget  
January 12, 1998

**Q. What progress has been made in getting comprehensive tobacco legislation enacted? Will the Administration introduce its own tobacco bill?**

**A.** We are making very solid progress towards enacting comprehensive tobacco legislation. The leadership of both the House and Senate has been working diligently in drafting bills, and we've discussed ~~directly~~ with them how important this issue is, and how it should be a bi-partisan effort. ~~I'm looking forward to working with Congress and passing and signing a bill in the first part of this year.~~ I announced in September the five key elements that I think are essential to a comprehensive bill, and I look forward to ~~continuing to work with Congress as we~~ craft a bi-partisan bill that helps reduce teen smoking in America.

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**Q. Will your proposed budget call for a tax on tobacco products, as reported in *The Wall Street Journal* and if so how much money do you believe can be raised in this manner?**

and penalties pursuant to a settlement agreement. come from

**A.** I have urged Congress to pass comprehensive tobacco legislation to reduce teen smoking, and my proposed budget assumes some revenues from the passage of such legislation. ~~These revenues need not be in the form of a tax; they could result from other kinds of industry payments.~~ The revenues assumed in the budget will be consistent with my prior demand for a combination of industry payments and penalties to increase the price of cigarettes by up to \$1.50 over the next decade, as necessary to meet youth smoking reduction targets.

It's very important to understand that these

**Q. Are the revenue estimates reported in *The Wall Street Journal* accurate that your budget assumes that tobacco payments will raise \$10 billion in FY 99 and \$40 to \$60 billion over five years?**

-- i.e.,

**A.** I won't comment on particular budget numbers, ~~The budget is not finalized and obviously hasn't been released.~~ ~~until we actually release the budget.~~ The projected revenues we use in the budget will be consistent with what I have called for in the past: a combination of industry payments and penalties to increase the price of cigarettes by up to \$1.50 over the next decade, as necessary to meet youth smoking reduction targets.

**Q. There are various reports about how much money will go from the tobacco legislation to the states, and what right the federal government has to this money. What do you think the states are entitled to?**

any right

**A.** As I have said, my overriding goal is bipartisan national tobacco legislation to ~~make the most of this historic opportunity to reduce teen smoking.~~ There is some existing law on

to pass

the allocation issue, but I think the best way to allocate tobacco funds between the federal and state government is through legislation, and I am looking forward to finding a mutually agreeable purpose for the funds generated by tobacco legislation. It is a question we will be able to work out in Congress.

My first goal is to pass national tobacco legislation to reduce teen smoking. The specific allocation of monies is a secondary issue, which I will work to ~~take forward to reaching~~ <sup>resolve</sup> with the states and Congress. ~~as how to allocate revenue revenue gained from this kind of~~ ~~legislation.~~ Both the States and the Administration have worked hard to create the conditions for national legislation -- by bringing suit against the tobacco companies and <sup>by</sup> asserting regulatory power over them. I am confident we will be able to reach a mutually agreeable approach to ~~the~~ <sup>the</sup> allocation issue that fully recognizes the states' contribution.

--and to incorporate in legislation --

**Questions and Answers on Welfare Reform and Jobs**  
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**A:** Right now, the nation's jobless rate is at its lowest level in a generation. We've created more than 14 million jobs since I took office. Nationally, we are creating enough jobs for individuals leaving welfare -- for example, the economy created 370,000 new jobs in December, far more than the roughly 60,000 adults who leave welfare each month.

But to make sure there will be enough jobs in every area of the country, I fought for and won a \$3 billion welfare-to-work fund in the Balanced Budget Act targeted specifically to high unemployment and high poverty areas where jobs may be scarce. I have also challenged companies all across the nation to hire welfare recipients -- over 2,500 have agreed so far -- and have committed the federal government to hire its fair share of workers from the welfare rolls.

**Background:**

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Q: What steps will the Clinton Administration take to improve food safety?

A: Last year we were able to increase spending on food safety by approximately \$40 million. This year, our budget will seek an even more substantial increase in resources to improve food safety. The resources will go to a variety of initiatives, including: ~~implementing our aggressive fresh produce plan to hire FDA inspectors to improve the safety of our nation's fruits and vegetables, both domestic and imported; increasing the risk assessment on beef, chicken and pork to better determine the source of the greatest risk of contamination; developing more tests for meat and poultry for federal inspectors and others to detect food-borne illnesses; improve educational outreach on proper food handling; and expanding CDC's surveillance activities for food-borne illnesses.~~

giving FDA authority to prevent the import of produce from countries without safety precautions equivalent to our own;

Q: Why is your Administration proposing these actions?

A: We have the ability to help Americans stay healthier and increase their confidence in the safety of the food they eat. We also need to keep up with the changes in the agricultural marketplace and in our diets. For instance, there have been dramatic changes in the produce department of the grocery store. Thirty years ago, most produce sections only had around a dozen items year round, increasing to as many as 50 in the summer. Today, the chances are that there are 400 or more items in the produce section and they are there all year round. Last year, 38 percent of the fruit and 12 percent of the vegetables Americans ate were imported.

We have changed as well. Americans are eating more fresh fruits and vegetables than ever before, and our nation's health experts tell us we will live longer, better quality lives as a result. Our environment is also changing. We are finding "new" exotic bugs such as cyclospora and *E. coli* O157:H7 on our food that once were not there.

We must ensure that these changes do not increase the risk to consumers of food borne illnesses.

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2. You have been in office for five years. Why are you proposing a child care initiative now? Is this a new problem?

The child care initiative underscores my commitment to strengthening America's families. I believe child care represents the next great frontier to make sure all Americans can succeed at home and at work. The initiative that I announced last week builds on the Earned Income Tax Credit, the Family Medical Leave Act, the Child Tax Credit, the new children's health insurance program, and a host of other legislation I have fought for to help American families.

The initiative also builds on my continuing efforts to improve and increase funding for child care. During my administration, federal funding for child care has increased by 70%, helping parents pay for the care of about one million children. The 1996 welfare reform law increased child care funding by \$4 billion over six years to provide child care assistance to low-income working families moving from welfare to work.

3. Some conservatives claim ~~you are promoting~~ institutionalized day care. Is this true?

I am committed to helping parents make the choices that are right for their families, whatever care they choose for their children. Today, 62% of mothers with children under six work.

~~We must ensure that child care is safe, affordable and accessible for those families that need it~~

Most of the funding in this proposal goes directly to individuals -- whether through tax cuts or through vouchers issued by states with child care block grant funding.

As part of the child care initiative, I proposed substantial increases in funding for the child care block grant. Through the block grant, states choose how best to provide child care for low-income families. Currently, care funded by the block grant is provided in centers and family child care homes. The entire package is tailored to provide maximum flexibility to parents so that all their child care choices are supported.

4. How are you going to pay for this big package?

My budget carefully pays for each and every element of the child care initiative. The package is funded in a variety of ways -- some on the mandatory and others on the discretionary side of the budget. ~~The offsets for the mandatory items include -- but are not limited to --~~ expected revenues from a national tobacco settlement, which I hope and believe Congress will pass this year.

5. Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?

First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. I support strong tobacco legislation, and many Republicans and Democrats alike are

working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. This is a high Administration priority, and we will find an effective funding mechanism.

**6. Aren't you just creating a new federal bureaucracy? Isn't this a big government proposal?**

The child care initiative creates no new federal bureaucracy. Rather, it relies on states and communities to decide for themselves how best to address the child care challenges they face. Indeed, the funds for each major initiative flow either to states or communities, or in the case of tax credits, to individuals themselves.

**Q** **Republicans -- Senator Craig in particular -- have proposed alternatives to your child care proposal. They propose to enable more parents to stay at home with their children by lowering the tax burden on families in which one parent does not work through "income splitting" -- allowing a spouse to claim half of his or her spouse's income as their own. Do you support this?**

I believe that we should respect and support parents in whatever choices they make, whether to work or to stay at home. And I have tried to support that choice through a variety of actions to increase family income, such as expanding the Earned Income Tax Credit, increasing the minimum wage, and passing the \$500 per-child tax credit. My Administration has looked at ways through the tax code to promote choice and enable more parents to stay at home with their children, and have found those options to be prohibitively expensive in the context of a balanced budget. In fact, the "income splitting" option that Senator Craig suggested has been estimated by the Congressional Budget Office to cost about \$25 billion each year, nearly six times the cost of my entire child care package. I do, however, believe that these are important issues to consider, and am looking forward to working with the Congress to explore ways to support parents and to improve child care in the coming year.

**Q** **How do you expect to get Republican support for this initiative?**

Child care traditionally has been a bipartisan issue. In fact, two of the central elements of my child care initiative were strongly supported by previous Republican Presidents and Members of Congress. Both Presidents Reagan and Bush supported the expansion of the Child and Dependent Care Tax Credit, and President Bush supported the creation of the Child Care and Development Block Grant.

Many Members of the House and Senate from both sides of the aisle have shown a commitment to taking action by introducing legislation that would improve the quality of child care, make it more affordable, and promote early learning. We look forward to working with them to pass significant child care legislation this year.

**9. Today, the Child and Dependent Care Tax Credit (CDCTC) favors middle-income taxpayers and offers less relief to lower-income taxpayers. Wouldn't it be more fair to make the CDCTC refundable?**

Our proposed expansion of the CDCTC would wipe out tax liability for most families with incomes under 200% of poverty (e.g., \$35,000 for a family of four) who have the maximum allowable child care expenses. In addition, the proposal significantly expands the Child Care and Development Block Grant, which is an effective mechanism to help low-income working families with child care costs. The two proposals together offer significant relief to both low- and middle-income parents.

**10. Wouldn't eliminating the marriage penalty help millions of working families with children? Why aren't you supporting eliminating the penalty as part of your child care initiative?**

I believe that proposals currently on the table to eliminate the marriage penalty are prohibitively expensive in the context of a balanced budget. I chose instead to provide targeted tax cuts to assist American families struggling to meet child care costs. These tax cuts will help more than three million families to pay for high-quality child care.

Helping working families, especially those with children, has been the centerpiece of my agenda on tax cuts. In 1993, we expanded the Earned Income Tax Credit to give the average recipient with two children more than \$1,000 in tax relief. In 1997, I signed into law a \$500 per-child tax credit that will help 27 million families meet the costs of raising their children. In addition, our \$1,500 HOPE Scholarship Tax Credit and Lifelong Learning Tuition Tax Credit will help nearly 13 million students meet the costs of college and higher education. I will continue to focus tax and overall economic policy on helping working families.

**11. Why are you expanding the Child Care and Development Block Grant (CCDBG) when states aren't using all of their child care subsidy money now?**

In fact, we are very encouraged by state reports which show they have obligated over 99% of the child care fund available under the new welfare law for FY 1997. This demonstrates the tremendous need states have for child care, and I have continued to urge states to invest their dollars into helping these working families. But let's be clear—this current initiative is not aimed at mothers on welfare. It's aimed at working parents who desperately need this assistance. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care -- and even then it's difficult finding accessible, quality care.

**12. When you signed the welfare bill, you claimed that the big increase in CCDBG would make welfare reform work. Now that you are proposing adding to it, are you admitting that your previous child care efforts were not sufficient?**

No. I fought to spend \$4 billion more on child care in welfare reform legislation to help mothers on welfare go to work, and I continue to believe that child care is a critical component of welfare reform. However, low-income parents who have never been on welfare are also struggling to afford child care, and *all* working families want their children to be in safe, healthy settings where they can learn and grow. These initiatives address the concerns and needs of *all* working families in this country. In particular, expansion of the block grant will enable many states to provide subsidies for the first time to the non-welfare working poor.

**13. Why haven't you proposed national standards?**

As we learned at the White House Conference on Child Care, safe facilities, ongoing guidance from health professionals, and child care providers who are well trained and adequately compensated result in quality care. However, we also learned at the conference that many states have good quality standards, but do not have the resources to fund enforcement of those standards. The Standards Enforcement Fund will help states improve licensing, enforce standards, and increase unannounced inspections of child care settings. In addition, particularly when it comes to the youngest children, different states face different challenges in their child care systems. That is why the Early Learning Fund gives states a menu of allowable activities to promote early learning and development so that states can concentrate on those areas where they are falling behind. In this way, the quality of care will improve across the country.

**14. Much attention has been given to the au pair system since nineteen year old Louise Woodward was tried for killing a baby in her care. What are you doing to reform the au pair system?**

The U.S. Information Agency (the agency that runs the au pair program) announced in September updated regulations on the screening and placement of au pairs. Under the new regulations: au pairs who care for children under two years old must have 200 or more documented hours of infant-care experience; au pair training will include 24 hours of child-development instruction; au pairs will be limited to working 10 hours a day and 45 hours a week; their pay will be increased from \$115 to \$139 a week; and the screening and selection process will be improved.

**15. What is the child care system for federal employees?**

There are more than 230 child care centers for civilian government employees in federal buildings in as many as 36 states, including 108 centers overseen by the General Services Administration (GSA). Seventy-three percent of GSA sponsored centers are accredited by

the independent National Association for Education of Young Children, and GSA is working to reach 100% accreditation within two years. Striving to meet the needs of parent workers, 89% of GSA centers have infant care, 74% have drop-in/emergency care, and 42% provide summer programs for school-aged children. In addition, more than 80% of centers are open 11 or more hours per day. Notably, nearly 70% of the child care center directors have ten or more years of experience in early childhood education.

**16. How do you respond to the recent Wall Street Journal article that charges your own NIH studies indicate that children who spend more time in day care suffer from proportionally greater ill effects -- regardless of the quality of care?**

In fact, according to data published in 1997, quality child care in the early years, meaning care with a high degree of positive interaction between caregivers and children, can also lead to better mother-child interaction, the study finds.

According to the NICHD Director Duane Alexander, the most striking aspect of these results from the early child care study is that children are not being placed at a disadvantage in terms of cognitive development if they have high quality day care in their first three years. The proposed Early Learning Fund directly addresses these concerns about quality. It is designed to improve early learning and development for our youngest children, ensure health and safety in child care, and support parents as they raise their children.

Questions and Answers on Health Care  
January 12, 1998

- your new Medicare buy-in*
- Q. Isn't ~~this~~ policy just another example of a government take-over of the private health insurance system?
- A. Absolutely not. This is a carefully targeted proposal that is <sup>*currently*</sup> designed to make sure that older Americans have access to health care coverage. Older Americans have less access to employer-based health insurance, are twice as likely to have health problems, and are at greater risk of losing coverage. Some have no insurance options, and others are left to buy into the individual insurance market, which can be prohibitively expensive because of their poorer health. This helps this vulnerable population get access to health care coverage by: *policy*
- **Enabling Americans Ages 62 to 65 Buy into the Medicare Program**, by paying a full premium.
  - **Providing Vulnerable Displaced Workers over 55 Access to Medicare** by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option.
  - **Providing Americans Over 55 Whose Companies Reneged on Their Commitment to Provide Retiree Health Benefits A New Health Option**, by extending (COBRA) coverage until age 65.

Q. Isn't this policy a Medicare entitlement expansion, at a time when Medicare can least afford it?

A. Absolutely not. There is no impact on the Medicare Trust Fund because participants would ~~to~~ pay their full premium over time, and any ~~and all~~ of the temporary costs associated with this proposal are completely offset by Medicare fraud, abuse and waste savings.

This Administration has made strengthening and preserving the Medicare Trust Fund a top priority since I took office. In 1993, we enacted a budget --without the vote of a single Republican --that extended the life of the Trust Fund through 2002. The Balanced Budget ~~the~~ I signed into law last summer extended the life of the Trust Fund beyond 2010. This new policy is a carefully targeted policy that will in no way compromise our commitment to strengthen the Medicare program.

Q. Shouldn't you wait for the Medicare Commission to make any such ~~its~~ recommendations ~~before proposing such policies?~~ <sup>you</sup>

Because this policy is fully financed, it

A. The purpose of the Commission is to develop proposals for the overall program ~~and financing of Medicare, and this policy in no way changes that. This policy has no overall impact on the Medicare Trust Fund since it is fully financed, and will not conflict with the Commission's work in this area. It addresses an~~ <sup>The proposal</sup> However, at the same time, the Administration will continue to consider policies that address the changing needs of the health care system. This is a carefully targeted proposal that is designed to make sure that older Americans have access to health care coverage. Those that have some type of pre-existing condition often have no insurance options, and are often left to buy into the individual insurance market which can be prohibitively expensive because of their poorer health.

Q. Does this proposal create incentives for employers to drop retiree health coverage? <sup>important problem in our health care system without compromising in any way the overall Medicare program and without interfering in any way with the overall financing of Medicare, which the Commission is looking into.</sup>

A. This proposal provides no excuse for employers to drop retiree health coverage. The Medicare buy-in does not substitute for retiree coverage. Since retiree coverage is subsidized, it will be cheaper than Medicare buy-in. ~~This means that employers cannot argue that retiree health coverage is not needed because Medicare fills the gap.~~ <sup>the</sup>

will not be able