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Budget Materials - FY1999

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**PRESIDENT CLINTON, VICE PRESIDENT GORE, AND
CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET,
BUT THERE IS STILL MORE WORK TO DO**

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**PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL
DEMOCRATS WIN ON THE EDUCATION AND TRAINING BUDGET**

	PRESIDENT'S REQUEST	HOUSE REPUBLICAN BUDGET	FINAL BUDGET	DIFFERENCE (BETWEEN HOUSE & FINAL)
Smaller Class Sizes	\$1.1 billion	\$0	\$1.2 billion	+\$1.2 billion
Child Literacy (America Reads)	\$260 million	\$0	\$260 million	+\$260 million
College Mentoring (GEAR-UP)	\$140 million	\$0	\$120 million	+\$120 million
Summer Jobs	\$871 million	\$0	\$871 million	+\$871 million
Youth Opportunities Area	\$250 million	\$0	\$250 million	+\$250 million
Teacher Preparation and Recruitment	\$67 million	\$0	\$75 million	+\$75 million
Title I (Basic Skills)	\$392 million increase (\$7.767 billion)	\$0 (\$7.375 billion)	\$301 million increase (\$7.676 billion)	+\$301 million
Education Technology	\$721 million	\$541 million	\$698 million	+\$157 million
After-School Programs	\$200 million	\$60 million	\$200 million	+\$140 million
Goals 2000	\$501 million	\$246 million	\$491 million	+\$245 million
Head Start	\$313 million increase (\$4.66 billion)	\$153 million increase (\$4.50 billion)	\$313 million increase (\$4.66 billion)	+\$160 million
School Modernization	\$5 billion over five years	\$0	\$0	-
Education Opportunity Zones	\$200 million	\$0	\$0	-

PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET, BUT THERE IS STILL MORE WORK TO DO

October 15, 1998

The final FY99 budget represents a significant step forward for America, protecting the surplus until Social Security is reformed, forging a bipartisan agreement on funding the International Monetary Fund, and putting in place critical investments in education and training, from smaller class sizes to after-school care, and from summer jobs to college mentoring. While the final budget is clearly a win for President Clinton, Vice President Gore, and Congressional Democrats, there is still more work to do to prepare America for the 21st century. Unfortunately, Republicans blocked school modernization, Patients Bill of Rights, comprehensive tobacco legislation, child care investments, and campaign finance reform.

Budget Victories:

Saving Social Security First. The President's commitment to Save Social Security First held the line against several Republican efforts to drain the surplus.

Investing in Education and Training. While House Republican tried to slash their education budget by over \$2 billion, President Clinton and Congressional Democrats delivered on their education agenda:

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** \$1.2 billion for the first year of the President's new initiative to hire 100,000 new teachers to reduce class size in the early grades to a national average of 18. Through smaller classes this initiative will help recruit high-quality teachers and will insure that students will receive more individual attention, a solid foundation in the basics, and greater discipline in the classroom.
- ✓ **After School Programs:** \$200 million to expand programs and serve a quarter of a million children.
- ✓ **Child Literacy:** \$260 million for a new literacy initiative, consistent with the President's America Reads proposal.
- ✓ **College Mentoring for Middle School Children:** \$120 million for GEAR-UP, a new mentoring initiative to help up to 100,000 low income middle school children prepare for college.
- ✓ **Education Technology:** A \$114 million increase over FY98 to ensure that every child has access to computers, the Internet, high-quality educational software, and teachers that can use techno/logy in the classroom.
- ✓ **Child Care Quality:** \$182 million to improve the quality of child care for America's working families.
- ✓ **Teacher Recruitment:** \$75 million for new teacher quality programs including to recruit and prepare thousands of teachers to teach in high-poverty areas.
- ✓ **Head Start:** A \$313 million increase to fund President's request of up to an additional 36,000 slots for children and keeping on track towards one million children served by 2002.
- ✓ **Charter Schools:** A 25% increase in funding for Charter Schools to keep on track toward 3,000 quality charter schools early in next century.
- ✓ **Hispanic Education Initiative:** Increases of \$524 million to enhance educational opportunities.
- ✓ **Pell Grants:** The largest maximum award ever for Pell grants -- \$3,125 a year per eligible student.
- ✓ **Summer Jobs:** \$871 million to provide up to 530,000 young people Summer Jobs.

Investing in a Cleaner Environment. President Clinton won important new investments to combat water pollution, protect national parks, natural forests, and other public lands, restore salmon and other endangered species, and develop clean energy technologies and defeated many anti-environment riders:

- ✓ \$1.7 billion for the President's **Clean Water Action Plan**.
- ✓ \$325 million to preserve **precious lands**.
- ✓ A 23 percent increase to protect threatened **endangered species**.
- ✓ More than \$1 billion, a 26-percent increase, to fight **global warming**.

Responding to the Farm Crisis at Home. The final budget includes about \$6 billion in emergency assistance to farmers, ranchers, and their families -- \$1.7 billion over the vetoed agriculture bill.

And to the Financial Turmoil Abroad. The final budget includes the President's full funding request of \$17.9 billion for the IMF.

Moving People from Welfare to Work and Empowering Communities. President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities.

- ✓ **Welfare to Work Housing Vouchers:** \$283 million for 50,000 vouchers.
- ✓ **Access to Jobs:** \$75 million to link people on welfare to jobs.
- ✓ **Community Development Financial Institutions (CDFI) Fund:** A 20% expansion.
- ✓ **Empowerment Zones:** \$60 million in flexible funding.

A Strong Research and Development Agenda. The President's budget included an unprecedented commitment to key civilian research. The final budget includes many increases in priority areas:

- ✓ **National Science Foundation:** A 7 percent increase in support for science and engineering research.
- ✓ **National Institutes of Health:** A 14 percent, \$1.9 billion increase to support greater research on diabetes, cancer, genetic medicine, and the development of an AIDS vaccine.
- ✓ **Next Generation Internet:** More than \$100 million for a Federal R&D initiative which will connect more than 100 universities at speeds that are up to 1,000 times faster than today's Internet.
- ✓ **Advanced Technology Program:** About \$70 million for new awards for leading-edge civilian technology projects.

Other Highlights:

- ✓ **EEOC:** A \$37 million increase to reduce the average time it takes to resolve private sector complaints and reduce the backlog of cases.
- ✓ **Fighting Abusive Child Labor:** A 10-fold increase, from \$3 million to \$30 million, in our commitment to the International Programme for the Elimination of Child Labor (IPEC).
- ✓ **Police on the Street:** Funding for 17,000 additional Community Oriented Police Services (COPS) Program police officers toward the President's goal of 100,000 additional officers by 2000.
- ✓ **Food Safety Initiative:** \$79 million to expand food safety research, risk assessment capabilities, education, surveillance activities, and food import inspections
- ✓ **HIV/AIDS Prevention and Treatment:** An unprecedented over \$350 million increase to help prevent and treat HIV/AIDS, with special efforts to address the needs of the minority community.

Much Work Still Left to Do:

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda. Much work remains for the future because Republicans in Congress killed, at least for now, critical priorities, including:

- X School Modernization.** Beginning with his State of the Union address, the President fought all year to modernize our schools. His fully paid for tax credits would have leveraged nearly \$22 billion in bonds to build and renovate schools. In the final days of the budget negotiations, Republicans in Congress refused to even meet on the critical issue of school construction.
- X Patients Bill of Rights.** President Clinton repeatedly urged the Congress to pass a strong, enforceable patients' bill of rights that would assure Americans the quality health care they need. Congressional Republicans killed this year's effort to pass a Patients Bill of Rights.
- X Comprehensive Tobacco Legislation.** This year, President Clinton made passage of legislation to reduce youth smoking a top priority, in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans opted to act as politicians instead of parents, and killed this year's effort to pass bipartisan comprehensive tobacco legislation to reduce youth smoking.
- X Campaign Finance Reform.** At the beginning of the year, the President made passage of bipartisan, comprehensive campaign finance reform a priority for his Administration. After months of delay, the House of Representatives overcame defenders of the status quo and passed the Shay-Meehan bill. However, the Senate Republicans killed this historic legislation.
- X Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income working families and tax credits to help 3 million working families pay for child care. The Republicans refused to support these critical investments.
- X Work Incentives Bill for People with Disabilities.** At the commemoration of the Americans with Disabilities Act last July, the President endorsed the bipartisan Jeffords-Kennedy bill that enables people with disabilities to go back to work by providing an option to buy into Medicaid and Medicare, as well as other pro-work initiatives. This bill was on the list of top Administration priorities in the final budget negotiations, but rejected by Republicans. The President will continue to fight to give people with disabilities the opportunity to work --including the critical health insurance that makes work possible.
- X Speeding Toxic Cleanups.** President Clinton called for an additional \$650 million -- a 40 percent increase -- to accelerate Superfund cleanups with a goal of completing a total of 900 cleanups by 2001. The Republican majority refused these funds, threatening to delay cleanup at up to 171 sites across the country.

PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET

October 15, 1998

Saving Social Security First

In his State of the Union address, President Clinton asked a basic question -- "what should we do with this projected surplus?" -- and gave an historic four-word answer: "Save Social Security First." With our fiscal house in order, marked by the first budget surplus in a generation, President Clinton is determined to seize this unique opportunity to strengthen this most important program for generations to come. Protecting the surplus is a key step towards enacting Social Security reform. President Clinton defeated repeated efforts to squander the surplus and, at the end of this Congress, it remains intact.

Invests in Education and Training

In the face of House Republican efforts to slash their education budget by more than \$2 billion, President Clinton and Vice President Gore delivered on their education agenda:

NEW EDUCATION AND TRAINING INITIATIVES IN FINAL BUDGET AGREEMENT:

- ✓ **More High-Quality Teachers With Smaller Class Sizes.** In his State of the Union address, President Clinton said, "Tonight, I propose the first-ever national effort to reduce class size in the early grades. My balanced budget will help to hire 100,000 new teachers." Throughout the year, Republicans failed to consider this important initiative. The final budget provides \$1.2 billion for the first year of the President's new initiative to hire 100,000 new, well-prepared teachers, to reduce class sizes in the early grades to a national average of 18.
- ✓ **GEAR-UP: College Mentoring Initiative To Help Up to 100,000 Students Prepare for College.** In his State of the Union address, President Clinton urged Congress "to support our efforts to enlist colleges and universities to reach out to disadvantaged children, starting in the 6th grade, so that they can get the guidance and hope they need so they can know that they, too, will be able to go on to college." The President proposed \$140 million to get this effort started, but the House appropriations bill denied funding and the Senate provided only \$75 million. The final budget provides \$120 million for this new initiative which was authorized as part of the higher education legislation enacted on October 7th. GEAR-UP will expand mentoring efforts by States, and provide new grants to partnerships of middle schools, institutions of higher education, and community organizations, to provide intensive early intervention services to help prepare up to 100,000 students at high-poverty middle schools for college.
- ✓ **Child Literacy Initiative to Help Children Read Well By the End of the Third Grade.** In 1996, President Clinton proposed an America Reads Challenge to help three million children improve their reading skills. In 1997, he insisted that the new initiative be included as part of the Balanced Budget Agreement. With this budget, he has won the \$260 million that he proposed to help ensure that all children can read well and independently by the end of third grade. The budget includes the legislation creating a program that is consistent with the President's America Reads proposal. The new program will provide competitive grants to States to (1) improve teachers' ability to teach reading effectively; (2) promote family literacy programs to help parents be their child's first teacher; and (3) improve the quality of tutoring programs by supporting tutor training.

- ✓ **Youth Opportunity Areas To Help Increase Job Opportunities for 50,000 Youth in High-Poverty Communities.** Authorized in the Workforce Investment Act, President Clinton's Youth Opportunity Grants to direct resources to high-poverty areas, including Empowerment Zones and Enterprise Communities, to provide comprehensive services designed to increase employment and school completion rates for disadvantaged youth. The President's FY99 budget included \$250 million for this new innovative program. While the House Republican budget did not fund this critical initiative, the final agreement includes the full \$250 million request, which will help provide job training and social services to 50,000 youth.
- ✓ **New Learning Anytime, Anywhere Initiative.** The President's FY99 budget included a new initiative to enhance and promote distance learning opportunities -- learning outside the usual classroom settings, via computers and other technology -- for all adult learners. The final budget includes \$20 million for the Education and Labor Departments to implement this new initiative to demonstrate new high-quality uses of technology for distance learning in post-secondary education and training, and to help provide more accurate labor market information.
- ✓ **Teacher Recruitment and Preparation -- \$75 million.** On October 7th, President Clinton signed legislation that had incorporated the President's Teacher Recruitment and Preparation proposal. While House Republicans did not fund this important initiative, the final budget provides \$75 million, which will help recruit and prepare thousands of teachers to teach in high-poverty urban and rural communities and will strengthen teacher preparation programs across the country.
- ✓ **Training New Teachers to Use Technology Effectively.** President Clinton's FY99 budget requested \$75 million to train new teachers in how to use technology to improve student achievement. The House and Senate Republicans denied the request. The final agreement includes the full \$75 million the President requested.
- ✓ **Hispanic Education Action Plan To Attack Unacceptably High Drop-Out Rate.** Because the high-school drop-out rate of Hispanics is unacceptably high, President Clinton's FY99 budget included the first-ever Hispanic Education Action Plan. As part of this plan, the President proposed significant increases in Title I funding and a number of other programs that enhance educational opportunity for Hispanic Americans. The final budget includes increases of \$524 million for these programs; for example, it provides a \$301 million increase for Title I; \$600 million for TRIO college preparation programs, an increase of \$70 million over FY 1998, which will provide support services for over 700,000 students; and \$50 million for Bilingual Education Professional Development -- double the FY 1998 level -- to begin to provide 20,000 teachers over five years with the training they need to teach Limited English Proficient students.

EXPANDED KEY EDUCATION AND TRAINING INVESTMENTS:

- ✓ **Expanded After-School Programs To Serve A Quarter of A Million Children.** In his State of the Union address, President Clinton asked Congress to "dramatically expand our support for after-school programs." The President and Vice President proposed \$200 million for after-school programs in their FY99 budget. While the House Republican budget did not fund \$140 million of the President's and Vice President's request, which would have denied services to about 175,000 children, the final budget includes full funding for the President's and Vice President's initiative, which will serve a quarter of a million children each year.

- ✓ **Expanded Head Start.** President Clinton proposed a \$313 million increase for Head Start to add 30,000 to 36,000 new slots for children, continuing on the path to serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied up to 25,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at \$4.660 billion.
- ✓ **Summer Jobs Protected for Half a Million Youth.** While House Republicans attempted to eliminate the successful Summer Jobs program, President Clinton prevailed with his request for \$871 million in funding, which will finance up to 530,000 summer jobs for disadvantaged youth.
- ✓ **Expanded Educational Technology -- Connecting Our Children to the Future.** President Clinton's and Vice President Gore's budget requested \$721 million -- a \$137 million increase -- for educational technology to ensure that every child has access to computers, the Internet, high-quality educational software, and teachers that can use technology effectively in the classroom. The House Republican denied the President's and Vice President's request for a funding increase, cutting funding \$43 million below last year. The final agreement includes \$698 million -- a 20-percent increase over the \$584 million funding level in FY98, including the new \$75 million initiative for training new teachers and \$10 million for new grants to public-private partnerships in low-income communities to provide residents access to computer facilities for educational and employment purposes. Education technology has always been a top priority for the President and Vice President; since 1993, they have created the Technology Literacy Challenge Fund and increased overall investments in educational technology by thirty-fold, from \$23 million to \$698 million this year.
- ✓ **Protected Goals 2000 to Promote High Academic Standards.** President Clinton created Goals 2000 in 1993 to promote high academic standards for all students and proposed a modest expansion in this year's budget. While the House Republican budget tried to cut the program in half, the final budget includes \$491 million which will help all 50 States continue raise academic standards and help at least 12,000 schools implement innovative and effective education reforms.
- ✓ **Improved Child Care Quality.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer and more affordable for America's working families. While the budget does not include critical investments in subsidies and tax credits to help working families pay for child care, it does include the President's request of \$182 million to improve the quality of child care.
- ✓ **Expanded Work Study To Help Nearly One Million Students Work Their Way Through College.** President Clinton's FY99 budget included a significant expansion of the Federal Work Study program. The final budget agreement provides \$870 million -- a \$40 million increase over the FY 1998 level of \$830 million -- which will allow nearly one million students to work their way through college and keeps us on track to the President's goal of one million students in work study by the year 2000.
- ✓ **Expanded Job Training To Help 666,000 Dislocated Workers.** President Clinton's FY99 budget included a significant expansion in the dislocated worker program. While the House froze job training funds for dislocated workers, the final agreement includes \$1.4 billion

which will help some 666,000 dislocated workers get the training and reemployment services they need to return to work as quickly as possible. This represents an increase of \$55 million -- to help 27,000 dislocated workers -- compared to FY98. Since 1993, dislocated worker funding has been expanded by 171 percent -- helping to well more than double the number of workers served.

- ✓ **Expanded Charter Schools to Promote Creation High-Quality Public Schools.** President Clinton's FY99 budget included \$100 million for Charter Schools to keep us on track toward the President's goal of creating 3,000 high-quality public charter schools that will educate more than half a million students by early in the next century. Charter schools are public schools started by teachers, parents and communities, that are given flexibility in decision-making, in exchange for high levels of accountability for results. The final budget provides \$100 million -- the President's 25-percent increase -- for Charter Schools and will give parents and students more choice, better schools, and greater accountability for results in public education.
- ✓ **Assistance to Help Over 400,000 More Students in Distressed Communities Learn Basic Skills.** President Clinton proposed a \$392 million increase in Title I funding to help students in high poverty communities receive the extra help they need to master the basics to reach high academic standards. The House Republican budget proposed a freeze in Title I funding. The final budget provides a \$301 million increase, from \$7.375 billion in FY98 to \$7.676 billion in FY99. This funding will support educational services for nearly 11 million students, over 400,000 more than last year.
- ✓ **Largest Maximum Pell Grant Award Ever.** Last year, President Clinton signed into law the largest one-year increase in Pell Grant scholarships in 20 years. This year, the final budget provides \$7.7 billion for Pell Grants, an increase of \$359 million over FY98, increasing the maximum Pell Grant award from \$3,000 to \$3,125 -- that's the largest maximum award ever, 36-percent higher than it was in 1994. This year, approximately 4 million students will receive Pell Grant awards.
- ✓ **Extends Trade Adjustment Assistance (TAA).** President Clinton proposed extending TAA and NAFTA-TAA in his FY99 budget in order to provide training and income support to workers adversely impacted by trade. The final budget extends these important programs through June 30, 1999.

Moves Forward On The Environment

In the final budget, President Clinton won important increases to combat water pollution, protect national parks and other precious lands, restore salmon and other endangered species, and develop clean energy technologies. At the same time, President Clinton forced Congress to drop special-interest riders that would have cut roads through wilderness, forced overcutting on our national forests, crippled wildlife protections, and blocked common-sense actions to address global warming.

- ✓ **Clean, Safe Water for America.** The final budget provides \$1.7 billion -- an additional \$230 million or 16-percent increase from last year -- for the President's Clean Water Action Plan, a five-year initiative to help communities and farmers clean up the almost 40 percent of America's surveyed waterways still too polluted for fishing and swimming. In addition, the budget provides states \$2.15 billion in financing for clean water construction projects.

- ✓ **Preserving Precious Lands.** An additional \$325 million for FY99 -- a \$55 million increase from last year -- through the Land and Water Conservation Fund will be used to acquire dozens of natural and historic sites around the country, including critical winter range for Yellowstone bison, New Mexico's Baca Ranch and the last remaining private stretches of the Appalachian Trail.
- ✓ **Protecting Endangered Species.** The final budget provides an additional \$32 million in FY99 -- a 23-percent increase from last year -- providing funds for protection and recovery of endangered and threatened species, as well as enhancements for important habitats.
- ✓ **Leading the Fight Against Global Warming.** The final budget provides over \$1 billion -- a 26-percent increase from last year -- to support research investments that will reduce greenhouse gas emissions, oil consumption, and energy costs for consumers and businesses by promoting increased energy efficiency and clean energy technologies.
- ✓ **Defending Our Environment Against Stealth Attacks.** President Clinton forced Congress to drop special-interest riders that would have rolled back hard-won environmental protections. Anti-environmental language in the budget bills would have:
 - Forced overcutting of timber on national forests and accelerated logging of Alaskan rain forest.
 - Allowed intrusive helicopter landings in Alaska wilderness and the first road ever carved through a designated wilderness area.
 - Hindered salmon restoration in the Pacific Northwest, and allowed harmful commercial fishing in wilderness waters of Glacier Bay National Park.
 - Blocked common-sense actions to reduce greenhouse gas emissions, and barred the Administration from informing the public about the threat of global warming.
 - Placed restrictions on the use of brownfields funds that would have denied municipalities the funds they need to undertake clean-up at brownfield sites.

Responds to the Farm Crisis at Home...

- ✓ **Emergency Farm Assistance.** President Clinton vetoed the Agriculture Appropriations bill on October 8th "because it fails to address adequately the crisis now gripping our Nation's farm community." The final budget includes a significant increase in total emergency assistance to farmers and ranchers compared to the bill the President vetoed -- about \$6 billion in the final budget versus \$4.2 billion in the vetoed bill, that's 40 percent more assistance than the bill the President vetoed. The final bill increased the amount for crop loss compensation by \$228 million, and increased the amount for economic loss compensation by \$1.4 billion, bringing the amounts for these to \$2.6 billion and about \$3 billion, respectively.

....And to Financial Turmoil Abroad

- ✓ **Full IMF Funding To Help Address International Financial Crisis.** With America's fiscal house in order, the United States is now the bulwark of economic stability in the world. Some other nations around the world, however, are experiencing major economic upheaval, hurting our exports, farmers, and ranchers. A strong International Monetary Fund is a stabilizing force in the world economy and is a critical piece of President Clinton's strategy to protect the international financial system -- and therefore the U.S. economy -- against the risk of new, escalating, or spreading crises. President Clinton fought for and won full funding of \$17.9 billion for the IMF -- a critical part of his strategy to help address the global financial crisis and to keep our economy strong. A stronger IMF will give the U.S. and its allies new flexibility in developing responses to protect the world from the spread of the financial crisis.
- ✓ **Fully Funds President Clinton's Child Labor Initiative.** In his State of the Union address, the President pledged to send legislation to Congress to fight abusive child labor and proposed making the United States the world leader in supporting programs to reduce abusive child labor, with a 10-fold increase in our commitment to the International Programme for the Elimination of Child Labor (IPEC), from \$3 million to \$30 million a year. While the Senate, with the strong leadership of Senator Harkin, fully funded the President's request, the House failed to do so, providing only \$6 million. In the final budget, Congress agreed to the President's full request of \$30 million for IPEC. The budget also fully funds the President's \$9 million request for domestic enforcement and a migrant youth job-training demonstration.

Moves People from Welfare to Work and Empowers Communities

President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities:

- ✓ **50,000 Welfare-to-Work Housing Vouchers.** President Clinton's FY 1999 Budget included \$283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to work. The original House bill included \$100 million, while the Senate provided only \$40 million. The final budget includes President Clinton's full request of \$283 million for 50,000 welfare-to-work housing vouchers.
- ✓ **Flexible Funding for Empowerment Zones.** President Clinton and Vice President Gore requested mandatory funding for second-round urban and rural Empowerment Zones. The final budget includes \$60 million in this flexible discretionary funding for the next round of Empowerment Zones and 20 new rural Enterprise Communities.
- ✓ **Extended Welfare-to-Work Tax Credit.** This tax credit encourages employers to hire, invest in training, and retain long-term welfare recipients. The credit is for 35 percent of the first \$10,000 in wages in the first year of employment and 50 percent of the first \$10,000 in the second year. President Clinton proposed to extend the credit in his FY99 budget and the final budget includes an extension through June 30, 1999.
- ✓ **Community Development Financial Institution (CDFI) Expansion.** The Administration requested a major expansion of the CDFI program to continue building a national network of

community development banks. The original House bill froze CDFI funding at \$80 million, while the Senate cut funding to \$55 million. The final budget increases CDFI funding from \$80 million in FY98 to \$95 million in FY99 -- a 19-percent increase.

- ✓ **Public Housing Reform.** This legislation makes the President's landmark housing reform a reality. This bipartisan bill will allow more economic integration and deconcentration in our Nation's public housing, encourage and reward work, provide protections for those most in need, and put the Nation back into the housing business with the first new housing vouchers in five years.
- ✓ **FHA Loan Limit Increased.** President Clinton's FY99 budget included an increase in the FHA loan limit to expand homeownership opportunities to more Americans. The final budget includes an increase in the FHA loan limit, raising the limit from \$86,317 to \$109,032 in the lowest cost areas and from \$170,300 to \$197,621 in the highest cost areas.
- ✓ **Extended Work Opportunity Tax Credit.** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first \$6,000 in wages. The President proposed to extend this credit in his FY99 budget and the final budget includes an extension through June 30, 1999.
- ✓ **"Play-by-the-Rules" Homeownership Initiative.** President Clinton's FY99 budget included \$25 million for the Neighborhood Reinvestment Corporation to start the "Play-by-the-Rules" homeownership initiative, which would make homeownership more accessible to 10,000 families who have good rental histories, but are not adequately served in the housing market. The final budget includes \$25 million for this new initiative.
- ✓ **Increased Funding for Homeless Assistance.** The President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain health care, jobs, and permanent housing. The final budget includes \$975 million in funds for the homeless -- a \$152 million, or 18 percent, increase over last year.
- ✓ **HUD Fair Housing.** The President proposed a major expansion of HUD's Fair Housing programs, as part of his "One America" initiative. The final budget expands HUD's Fair Housing programs from \$30 million in FY98 to \$40 million in FY99. That 33-percent increase includes \$7.5 million for a new audit-based enforcement initiative proposed by the Administration.
- ✓ **Regional Opportunity Counseling.** The Administration requested funds to help counsel Section 8 certificate and voucher holders on their full range of housing options. While the Senate did not include any funding for this initiative, the final budget includes \$10 million for this voluntary effort to expand the housing and employment opportunities available to low-income families.
- ✓ **Expansion of HUD's Youthbuild Program.** The Administration proposed expanding funds for Youthbuild by more than a quarter. While the original House bill provided \$35

million and the Senate provided \$40 million, the final budget includes \$42.5 million -- an increase of over 20 percent.

- ✓ **Cleaning Up Brownfields.** The Administration proposed \$91 million for EPA's brownfield activities, such as grants for site assessment and community planning. The final budget includes the President's request of \$91 million.
- ✓ **Community Development Block Grant (CDBG) Expansion.** President Clinton's FY99 budget included an expansion of CDBG. The final budget increases funding for CDBG from \$4.675 billion in FY98 to \$4.750 billion in FY99 -- that's a \$75 million expansion this year.
- ✓ **Increased Help For Communities Suffering From Sudden and Severe Economic Dislocation.** President Clinton's FY99 budget included a 10-percent increase in funds for EDA so that they can better respond to sudden and severe economic dislocation. The final budget increases funding for EDA from \$361 million to \$393 million -- that's a 9-percent expansion this year.
- ✓ **Expansion of NADBank.** The Administration proposed providing the North American Development Bank's (NADBank) Community Adjustment and Investment Program \$37 million of paid-in capital, which would allow the Bank to leverage private capital markets to provide additional financing to trade-affected communities. The final budget includes \$10 million of paid-in capital for the NADBank.
- ✓ **\$75 Million for Welfare-to-Work Transportation Funds.** While the House and Senate provided \$50 million -- the minimum amount "guaranteed" in the transportation bill -- the final budget includes \$75 million for this competitive grant program. These funds will assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.
- ✓ **Individual Development Accounts.** Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Congress recently passed legislation authorizing IDAs, and the final budget includes \$10 million to get this program off the ground.
- ✓ **Heating and Cooling Assistance for Low-Income Families Protected.** More than five million low-income families receive help to pay for home heating costs through this program, yet the House Republicans tried to eliminate it. The final budget includes the President's full request for funding to help low-income families pay for home heating and cooling assistance.

Advances a Strong Health and Technology Research Agenda

For six years in a row, President Clinton and Vice President Gore have proposed substantial increases in the Federal government's research and development portfolio to build a healthier, more prosperous, and productive future. In FY 1999, the President proposed, within the first balanced budget in a generation, the largest commitment to key civilian research in the history of our country as part of the "Research Fund for America." Congress agreed to support significant increases in

R&D, including:

- ✓ **Expansion of National Science Foundation.** President Clinton proposed a major expansion of research and development funds for the National Science Foundation (NSF). The final budget includes a 7-percent increase -- from \$3.4 billion in FY98 to \$3.7 billion in FY99 -- in the NSF research budget to support science and engineering research across all fields and disciplines. NSF supports nearly half of the non-medical basic research conducted at universities.
- ✓ **Expansion of National Institutes of Health for Biomedical Research.** President Clinton's FY99 budget included the largest-ever dollar increase in funds for the National Institutes of Health (NIH). The final budget includes almost \$2 billion expansion of NIH research funding -- a 14-percent increase. Scientists are on the cusp of important new breakthroughs in biomedical research, which could revolutionize the way medical experts understand, treat, and prevent some of our most devastating diseases. This increase will enable scientists to pursue a wide range of cutting edge research from Alzheimers to AIDS to genetic discoveries.
- ✓ **Research and Experimentation Tax Credit.** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America's economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit until June 30, 1999.
- ✓ **Expansion of Energy Department Science Budget.** President Clinton's FY99 included an 8 percent increase in the Department of Energy's science budget, including support for the National Spallation Neutron Source. The final budget fully funds the President's request.
- ✓ **Funds Next Generation Internet.** In his State of the Union address, President Clinton said, "I ask Congress to step up support for building the next generation Internet... And the next generation Internet will operate at speeds up to a thousand times faster than today." The final budget includes more than \$100 million funding for the Next Generation Internet, a Federal R&D initiative which will connect more than 100 universities at speeds that are up to 1,000 times faster than today's Internet, and establish the foundation for the networks and applications (e.g. telemedicine, distance learning) of the 21st century.
- ✓ **Expansion in Advanced Technology Program (ATP).** President Clinton's FY99 budget proposed an expansion of ATP to promote cutting-edge high-technology projects. While the Senate froze funding at the FY98 level and the House cut funding by \$13 million, the final budget increases ATP funding to \$204 million -- an \$11 million increase over last year -- which will allow for about \$70 million in new awards to develop high-risk technologies that promise significant commercial payoffs and widespread economic benefits.

Improving the Public Health of America

For six years, President Clinton and Vice President Gore have been working hard to expand our Nation's health care investments, including research, prevention, and quality care for more Americans.

- ✓ **New Efforts to Prevent and Treat HIV/AIDS.** The Congress has responded to the

President's and Vice President's request to substantially increase efforts to prevent and treat HIV/AIDS. Congress has provided \$1.4 billion for Ryan White Care Act activities. This funding level includes a 61-percent increase for the AIDS drug assistance program, which provides funds to States to help uninsured and underinsured people with life-saving treatments for HIV/AIDS. In addition, Congress provided about \$630 million for HIV prevention activities at the Centers for Disease Control and Prevention.

- ✓ **Historic \$130 Million Effort to Address HIV/AIDS in Minority Community.** Minority communities make up the fastest growing portion of the HIV/AIDS caseload (44 percent of all new HIV cases). In FY99, there will be an unprecedented \$130 million investment, including that will improve prevention efforts in high-risk communities, and expand access to cutting edge HIV therapies and other treatment needed for HIV/AIDS.
- ✓ **Critical New Investments to Protect Public Health at the Centers for Disease Control (CDC).** The Congress has responded to President Clinton's request for a \$2.4 billion investment -- a \$222 million increase -- in public health at the CDC. This critical investment will address a host of public health challenges, including fighting emerging infectious diseases, combating new resistance to anti-biotics, and improving prevention for some of our nation's leading killers, such as diabetes, HIV/AIDS, and heart disease.
- ✓ **New Efforts to Improve the Quality of Health Care.** Congress has responded to the President's request for a \$25 million investment in new research at the Agency of Health Care Policy and Research (AHCPR) to research on the quality, costs, and outcomes of the health care delivery system. Identifying critical health care problems and educating health plans, medical professionals, patients, and advocates about solutions can lead to important improvements in the quality of health care.
- ✓ **Increasing Funding to Provide Health Insurance to Low-Income Children in Puerto Rico and the Territories.** Thousands of uninsured children in both Puerto Rico and the other territories will now be eligible for meaningful health care coverage for the first time under the Children's Health Insurance Program (CHIP). The territories were currently on schedule to receive an inadequate and inequitable \$10.7 million in FY99. Today, the Congress responded to the President's request and provided the territories with an additional \$32 million in FY99 for their new CHIP programs that will meet the needs of their uninsured children.
- ✓ **Funding the President's Commitment to Eliminate Racial Health Disparities.** Minorities suffer from higher rates for a number of critical diseases. For example, African Americans under the age of 65 have twice the rate of heart disease as whites, and Native Americans suffer from diabetes at nearly three times the average rate. The Congress has taken a critical first step in investing in the President's multi-year proposal to eliminate racial health disparities in six health areas, including HIV/AIDS, cancer, diabetes, and immunizations. The Congress has given the Administration authority to fund grants for communities to develop new strategies to address these disparities and has granted the President's request for increases in other critical public health programs, such as heart disease and diabetes prevention at CDC, that have proven effective in attacking these disparities.

- ✓ **Lead Poisoning Prevention.** The President requested a \$25 million increase in funding for HUD's Office of Lead Hazard Control, in order to reduce the threat posed by childhood lead poisoning and other housing-related environmental health hazards. While the Senate did not provide any additional funding, the final budget includes a \$20 million increase for lead poisoning prevention.

Other Highlights...

- ✓ **Reduces Backlog and Expands Alternative Dispute Resolution at Equal Employment Opportunity Commission (EEOC).** The President's FY99 budget included \$279 million -- a \$37 million increase over the previous year -- to significantly expand EEOC's alternative dispute resolution program and reduce the backlog of private sector discrimination complaints. The final budget fully funds the President's request -- providing the first real increase for EEOC in several years.
- ✓ **President Clinton's Food Safety Initiative.** The final budget provided approximately \$79 million in new funds for the President's Food Safety Initiative to help implement a far-ranging plan to improve surveillance of food borne illnesses, education about proper food handling, research, and inspection of imported and domestic foods. The new funds are part of an Administration-wide effort, led by the Department of Agriculture and the Department of Health and Human Services, to create a seamless, science-based food safety system.
- ✓ **More Police on the Streets.** In 1994, President Clinton fought for and won a commitment to put 100,000 police officers on the street. The final budget includes funds for 17,000 additional Community Oriented Police Services (COPS) Program police officers toward the President's goal of 100,000 cops on the beat by 2000.
- ✓ **Increasing Law Enforcement in Indian Country.** The final bill includes \$20 million in FY99 for more police officers and public safety initiatives in the approximately 56 million acres of Indian lands serving more than 1.4 million residents.
- ✓ **Brings Financial Stability to Tennessee Valley Authority (TVA).** The final budget includes \$50 million that will allow TVA to better provide for the citizens of the seven states -- Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia -- that it serves. The agreement will let TVA refinance part of its debt to compensate for the loss of Federal funds for its non-power programs. The final budget also prevents TVA from losing the Land Between the Lakes Recreation Area.

**DESPITE ALL THE PROGRESS IN THIS YEAR'S BUDGET,
THERE IS STILL MORE WORK LEFT TO DO**

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments in advancing the President's agenda. However, much work remains for the future because Republicans in Congress killed, at least for now, critical priorities, including:

- X School Modernization Tax Credits.** Beginning with his State of the Union address, the President fought all year to modernize our schools. His fully paid for tax credits would have leveraged nearly \$22 billion in bonds to build and renovate schools. In the final days of the budget negotiations, Republicans in Congress refused to even meet on the critical issue of school construction.
- X Patients Bill of Rights.** President Clinton repeatedly urged the Congress to pass a strong, enforceable patients' bill of rights that would assure Americans the quality health care they need. Congressional Republicans killed this year's effort to pass a Patients Bill of Rights.
- X Comprehensive Tobacco Legislation.** This year, President Clinton made passage of legislation to reduce youth smoking a top priority, in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans opted to act as politicians instead of parents, and killed this year's effort to pass bipartisan comprehensive tobacco legislation to reduce youth smoking.
- X Campaign Finance Reform.** At the beginning of the year, the President made passage of bipartisan, comprehensive campaign finance reform a priority for his Administration. After months of delay, the House of Representatives overcame defenders of the status quo and passed the Shays-Meehan bill. However, the Senate Republicans killed this historic legislation.
- X Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income working families and tax credits to help 3 million working families pay for child care. The Republicans refused to support these critical investments.
- X Speeding Toxic Cleanups.** President Clinton called for an additional \$650 million -- a 40 percent increase -- to accelerate Superfund cleanups with a goal of completing a total of 900 cleanups by 2001. The Republican majority refused these funds, threatening to delay cleanup at up to 171 sites across the country.

- X Work Incentives Bill for People with Disabilities.** At the commemoration of the Americans with Disabilities Act last July, the President endorsed the bipartisan Jeffords-Kennedy bill that enables people with disabilities to go back to work by providing an option to buy into Medicaid and Medicare, as well as other pro-work initiatives. This bill was on the list of top Administration priorities in the final budget negotiations, but rejected by Republicans. The President will continue to fight to give people with disabilities the opportunity to work --including the critical health insurance that makes work possible.

- X Education Opportunity Zones.** President Clinton, in his budget, called for Education Opportunity Zones to help high-poverty urban and rural communities increase student achievement by raising standards, improving teaching, ending social promotions, and turning around failing schools. The Republican majority refused to provide the requested \$200 million in funds, which would have helped about 50 high-poverty, low-achieving, urban and rural school districts.

- X Minimum Wage.** President Clinton and Congressional Democrats called for a \$1 increase in the minimum wage over two years -- to raise the wages of 12 million workers. For someone who works full-time, this minimum wage increase would have meant an additional \$2,000 per year. However, 95 percent of Senate Republicans voted to kill the President's minimum wage increase.

- X Medicare Buy-In.** President Clinton proposed providing new options for Americans ages 55 to 65 to obtain health insurance, including buying into Medicare. This policy would not have hurt the Medicare Trust Fund. The Republican majority killed this new initiative that would have helped provide health care to hundreds of thousands of vulnerable Americans.