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AFL - CIO
— support

International Brotherhood of Teamsters

William W. Hamilton, Jr.
DIRECTOR
DEPARTMENT OF GOVERNMENT AFFAIRS

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THE WHITE HOUSE

WASHINGTON

December 8, 1995

MEMORANDUM FOR THE PRESIDENT
VICE PRESIDENT

FROM: DOUG SOSNIK
JENNIFER O'CONNOR

SUBJECT: AFL-CIO MEDIA AND OUTREACH CAMPAIGN

This week, the AFL-CIO launched a national campaign to "hold Members of Congress accountable" on the budget. The campaign involves a $800,000 media buy in 22 marginal Republican districts, a million piece direct mail program, phone calls to the million households receiving the mail as a follow up, and organizers placed in 55 congressional districts to coordinate local leafletting, phonebanks, letter writing campaigns and other organizing activities.

The tv and radio, which began running this week, focus on the Republican cuts in Medicare, and education, coupled with tax breaks. The ads compare that record with your veto, through which you "stood up for working families."

Copies of the scripts, the direct mail piece, and the video for the ads is attached.

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Copies of the scripts, the direct mail piece, and the video for the ads is attached.

AFL-CIO
TV :30
"Families/CNN"

VIDEO	AUDIO
Nighttime shot of the Capitol. Super head shot of Newt.	ON NOVEMBER 20TH, CONGRESS VOTED WITH NEWT GINGRICH AND AGAINST WORKING FAMILIES.
CG letterbox. Top CG: November 20, 1995 Bottom CG: Federal Budget Vote	
Elderly woman.	THEY VOTED TO CUT MEDICARE...
Bottom CG: Cut Medicare	
College grad.	EDUCATION AND COLLEGE LOANS...
Bottom CG: Cut Education	
Wall Street. Limos.	ALL TO GIVE A HUGE TAX BREAK TO BIG CORPORATIONS AND THE RICH.
Bottom CG: Tax Breaks for the Rich.	
Full-frame shot of President Clinton signing veto at desk.	BUT PRESIDENT CLINTON SAID NO. HE STOOD UP FOR WORKING FAMILIES...
Gingrich and Dole.	AND SENT THE GINGRICH BUDGET BACK TO CONGRESS.
Back to letterbox. Flag waving. Super left: Elderly man mailing a letter. Super right: Woman calling Congress.	NOW, IT'S UP TO US TO GET INVOLVED AND SPEAK OUT.
CG: Call Congress	
1-800-765-4440	
Capitol Dome.	CALL CONGRESS.
Family in front hallway.	TELL THEM: THIS TIME, DON'T VOTE FOR THE WEALTHY SPECIAL INTERESTS.
Add disclaimer.	THIS TIME, VOTE FOR AMERICA'S WORKING FAMILIES.

AFL-CIO
TV :30
"Families/Dickey"
FINAL SCRIPT

VIDEO	AUDIO
Nighttime shot of the Capitol. Super head shot of Newt.	ON NOVEMBER 20TH, OUR CONGRESSMAN VOTED <u>WITH</u> NEWT GINGRICH AND <u>AGAINST</u> WORKING FAMILIES.
CG letterbox. Top CG: Rep. Jay Dickey Bottom CG: Federal Budget Vote	
Elderly woman.	HE VOTED TO CUT MEDICARE...
Bottom CG: Cut Medicare	
College grad.	EDUCATION AND COLLEGE LOANS...
Bottom CG: Cut Education	
Wall Street. Limos.	ALL TO GIVE A HUGE TAX BREAK TO BIG CORPORATIONS AND THE RICH.
Bottom CG: Tax Breaks for the Rich.	
Full-frame shot of President Clinton signing veto at desk.	BUT PRESIDENT CLINTON SAID NO. HE STOOD UP FOR WORKING FAMILIES...
Gingrich and Dole.	AND SENT THE GINGRICH BUDGET BACK TO CONGRESS.
Back to letterbox. Flag waving. Super left: Man mailing a letter. Super right: Woman calling Congress.	NOW, IT'S UP TO US TO GET INVOLVED AND SPEAK OUT.
CG: Call Rep. Jay Dickey	
1-800-765-4440	
Add disclaimer.	
Capitol Dome.	LET'S TELL CONGRESSMAN DICKEY...
Family in front hallway.	THIS TIME, DON'T VOTE FOR THE WEALTHY SPECIAL INTERESTS.
	THIS TIME, VOTE FOR AMERICA'S WORKING FAMILIES.

AFL-CIO
Radio :60
"Families/Torkildsen"
FINAL SCRIPT

AUDIO

ON NOVEMBER 20TH, CONGRESSMAN PETER TORKILDSEN VOTED WITH NEWT GINGRICH AND AGAINST AMERICA'S WORKING FAMILIES.

HE VOTED TO CUT MEDICARE FOR OUR PARENTS AND GRANDPARENTS...

AND TO CUT EDUCATION AND COLLEGE LOANS FOR MIDDLE-CLASS FAMILIES...

ALL SO HE COULD GIVE A 245 BILLION DOLLAR TAX BREAK TO BIG CORPORATIONS AND THE RICH.

BUT PRESIDENT CLINTON SAID NO. HE STOOD UP FOR WORKING FAMILIES AND SENT THE GINGRICH BUDGET BACK TO CONGRESS.

NOW, IT'S UP TO US. WE'VE GOT TO GET INVOLVED AND SPEAK OUT.

CALL CONGRESSMAN TORKILDSEN AT 1-800-765-4440.

LET'S TELL HIM...

THIS TIME, DON'T VOTE FOR THE WEALTHY SPECIAL INTERESTS.

THIS TIME, VOTE FOR AMERICA'S WORKING FAMILIES.

CALL 1-800-765-4440.

JOIN US TODAY.

WE'RE THE MEN AND WOMEN OF THE AFL-CIO – LEADING THE FIGHT FOR AMERICA'S WORKING FAMILIES.

AND THAT'S WHY THE AFL-CIO PAID FOR THIS MESSAGE.

AFL-CIO :60 Television Commercial Medicare #1

VIDEO	**AUDIO**
OPEN WITH SHOT OF SIGN, PAN TO SHOW PODIUM SUPER "BOSTON September 18" DIS TO GROUP DIS TO FACES	(dramatic doc. music in, under) ANNCR(VO): When Congress refused to hold hearings on Medicare and Medicaid, Save Our Security and the AFL-CIO sponsored public hearings in seven major cities ... (upfulls)
MEDIUM SHOT OF BOSTON #1:	ALMOND: Senior citizens shouldn't be having to choose between whether they can eat, whether they can have heat in their homes, or whether they can buy their medicine.
MEDIUM SHOT OF BOSTON #2:	THARIAN: The Republican's Medicare reform means paying higher premiums with less benefits. Our choice of doctors and hospitals will be limited, and the billions in cuts are not to save the program, but to finance tax cuts for the rich.
MEDIUM SHOT OF BOSTON #3:	FARMER: You keep up your work down in Washington, we're going to keep up ours here in the coalition and we are not going to quit!
DIS FROM FACES TO FACES INTO BLUE SCREEN, SUPER: Call Your Member of Congress **1-800-765-4440** Paid for by the Men and Women of the **AFL-CIO**	ANNCR (VO): President Clinton heard us: that's why he said NO to big cuts in Medicare and Medicaid. Now let's make sure Congress gets the message.

AFL-CIO :60 Television Commercial Medicare #2

VIDEO	**AUDIO**
OPEN WITH ECU OF BUTTON DIS TO WIDE SHOT, PODIUM SUPER "MIAMI October 16" DIS TO FACE, HANDS DIS TO BUTTON	(dramatic doc. music in, under) ANNCR (VO): When Congress refused to hold hearings on Medicare and Medicaid, Save Our Security and the AFL-CIO sponsored public hearings in seven major cities ... (upfulls)
MEDIUM SHOT OF MIAMI #1:	HARPER: I think it is outrageous that the Congress is talking about cutting the Medicare and the Medicaid and the other benefits for the people.
MEDIUM SHOT OF MIAMI #2:	SAYER: The people here are smart. They understand what's happening.
MEDIUM SHOT OF MIAMI #3:	PURDUE: I also am very concerned that they try so hard to keep quiet what they're doing to Medicare.
MEDIUM SHOT OF MIAMI #4:	PEREZ: I came to the United States in 1954. What a country we had at that time. What happened to America?
WIDE SHOT OF MIAMI #5:	MOORE: Know how to talk to God beside talking to the President. Let us talk to God and ask him to come on in here and intervene with us .....
DIS FROM FACES TO FACES INTO BLUE SCREEN, SUPER: Call Your Member of Congress **1-800-765-4440** Paid for by the men and women of the **AFL-CIO**	ANNCR (VO): President Clinton heard us: that's why he said NO to big cuts in Medicare and Medicaid. Now let's make sure Congress gets the message.

AFL-CIO Targeted Congressional Districts
Reconciliation Bill Direct Mail and Media List
December 1995

AR-04 - Jay Dickey *
CA-01 - Frank Riggs *
CA-22 - Andrea Seastrand *
CT-05 - Gary Franks
CT-06 - Nancy Johnson
FL-09 - Mike Bilirakis
FL-10 - Bill Young
FL-22 - Clay Shaw
GA-04 - John Linder
GA-07 - Bob Barr
IA-04 - Greg Ganske *
ID-01 - Helen Chenoweth *
IL-05 - Michael Flanagan *
IL-11 - Jerry Weller *
IL-13 - Harris Fawell
IL-18 - Ray LaHood
IN-08 - John Hostettler *
KY-01 - Ed Whitfield *
LA-03 - Billy Tauzin
ME-01 - Jim Longley *
MD-02 - Robert Ehrlich *
MA-03 - Peter Blute
MA-06 - Peter Torkildsen *
MI-04 - Dave Camp
MI-08 - Dick Chrysler *
NC-04 - Fred Heineman *
NC-10 - Cass Ballenger
NJ-08 - Bill Martini
NV-01 - John Ensign *
NY-04 - Dan Frisa
NY-13 - Susan Molinari
NY-27 - Bill Paxon
OH-06 - Frank Cremeans *
OH-10 - Martin Hoke *
OH-12 - John Kasich
OH-16 - Ralph Regula
OH-18 - Bob Ney
OH-19 - Steve LaTourette
OK-02 - Tom Coburn
OR-02 - Wes Cooley
OR-05 - Jim Bunn *
PA-05 - Bill Clinger
PA-13 - Jon Fox
PA-21 - Phil English
SC-03 - Lindsey Graham
TN-03 - Zach Wamp
TN-04 - Van Hilleary *
TX-09 - Steve Stockman *
TX-14 - Greg Laughlin
UT-02 - Enid Waldholtz
WA-01 - Rick White *
WA-02 - Jack Metcalf
WA-09 - Randy Tate *
WI-01 - Mark Neumann
WY-AL - Barbara Cubin

*** Media targets**

American Federation of Labor and Congress of Industrial Organizations

815 Sixteenth Street, N.W.
Washington, D.C 20006
(202) 637-5000

Statement by AFL-CIO President John J. Sweeney
News Conference to Release Media Campaign on Federal Budget
December 5, 1995

The budget debate going on here in Washington right now is playing out as one of the defining moments in recent history.

The Republican Congress' zeal to cut education, Medicare and Medicaid -- programs that give working families what little hope they have for economic security -- is frankly hard to figure.

. . . But no more so than their insistence on tax breaks for the wealthy and corporate special interests at a time when working families live in frustration and desperation.

This perspective isn't just a view held in Washington: all across the country, polls show, Americans have rejected Newt Gingrich's budget-cut-for-tax-trade-give-away. And they have flatly rejected the notion of a budget compromise for the sake of compromise.

In a poll conducted by Peter Hart Research two weeks ago, Americans in every age group, educational category and region of the country said President Clinton should reject a budget that cuts deeply into Medicare, Medicaid and student loans. And they believe Congress is promoting the wrong kind of change by cutting into key working family programs. You can see from the chart here how broadly Americans support this view.

In this environment, the we decided it was critical to hold members of Congress individually and jointly accountable for the choices they are making -- and to demand that they vote *with* working families, and *against* special interests.

When we ran for office, we vowed to create a strong new voice for ordinary workers, and to build a powerful grassroots movement of American working families.

Today we are launching a million-dollar, multi-layered campaign to do just that.

This new campaign, I might add, follows an effort that has already yielded 82,000 calls to Congress from mid-October to mid-November -- and almost 270,000 calls since mid-February.

We have also generated hundreds of thousands of pieces of mail to Congress and the President.

The campaign we are launching today includes:

- 1 million pieces of direct mail to active union members and retirees in 55 targeted congressional districts, asking recipients to call their representatives in Congress, and send a postcard to President Clinton asking him to stand firm on behalf of working families;

- Phone banking to half a million households to follow up on the direct mail;

- Local activities -- phone banking, leafleting, rallies -- in the 55 targeted districts to expose members' votes against working families;

- Local television and radio advertising in 22 targeted districts that hold members directly accountable;

- And national television advertising using two different TV spots -- one with a message about the budget votes by Congress, and two separate spots containing testimony from hearings we sponsored about Medicare this summer and fall.

The national television schedules begin airing today -- and a local D.C. spot on Medicare has been running since the end of last week.

With these ads and through our continuing work in communities, we are serving notice to every member of Congress that we are going to hold them accountable for their attacks on our families.

We are saying in a voice that we hope is amplified from city to city that these are NOT the changes people voted for in 1994.

Working families are insulted -- and our lives will be deeply hurt -- by the attacks on Medicare, education and other programs that have provided entry to the middle class for so many Americans.

And it's not just us -- but our entire country -- that will suffer if the Republicans prevail. I want to show you the spots now, and after that we'll take your questions.

NEW POLL FINDS AMERICANS REJECT REPUBLICAN AGENDA, SIDE WITH PRESIDENT CLINTON, DEMOCRATS ON BUDGET

A new poll by Peter D. Hart Research Associates finds that a majority of Americans, 58 percent, believe the Republican budget goes too far and would bring about the "wrong kind of change." The survey was conducted Nov. 15-19 and included a representative cross section of 801 members of the general public. Among the key findings:

* **Americans in every age group, educational category and region of the country** are now more likely to trust President Clinton and the Democrats over the Republicans on budget issues. Women, especially, favor the Clinton/Democratic position by a 53-28 percent margin.

-- 48 percent agree with the position of President Clinton while 34 percent support the Republicans in Congress.

-- By a 58-36 percent margin, Americans believe that Republicans are promoting the wrong kind of change by cutting such valuable programs as Medicare, Medicaid and student loans.

-- Even among those traditionally inclined to support the Republican agenda, the GOP has lost ground, with these constituencies all opposing the Republican effort: Southerners, 55-42 percent; men, 53-41 percent; and higher-income voters, 54-43 percent.

* **Americans are looking for a reasonable settlement to the budget battle but they don't want compromise at any price** and believe President Clinton should stand firm against a number of specific provisions.

-- 86 percent say the president should reject a budget that includes the GOP proposal allowing corporations to take money from workers' pension funds to use for other purposes.

-- 81 percent say Clinton should reject a budget that includes the Republican proposal for large, new tax breaks for the wealthy and big corporations. Even Republicans say this, by a 63-27 percent margin.

-- 73 percent say President Clinton should reject a budget that includes major cuts in Medicaid that would make it more difficult for families to afford nursing home care.

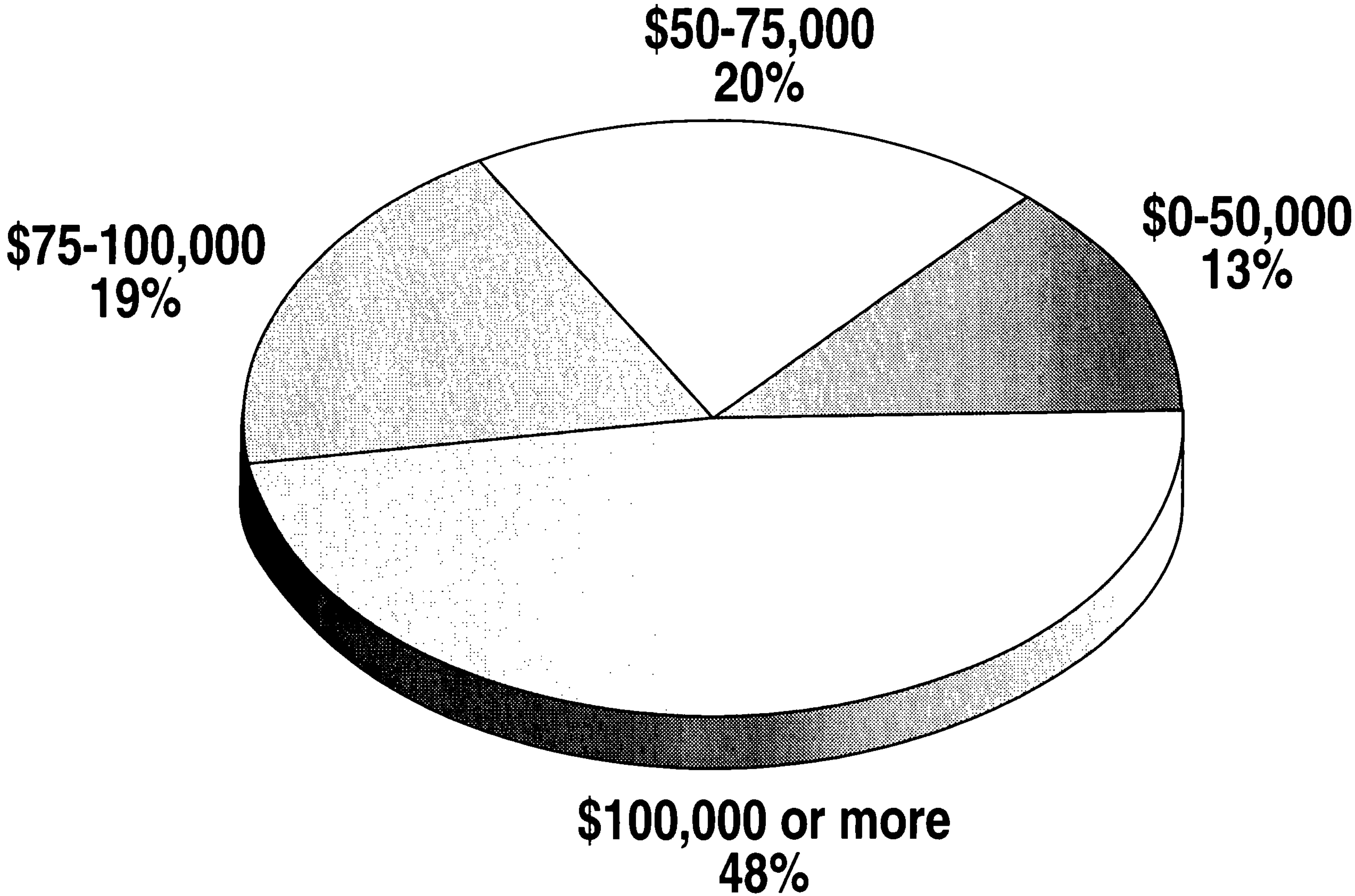
-- 71 percent say the president should reject a budget that includes major Medicare cuts that would raise seniors' health care premiums.

* **On education issues,** nearly three-fourths believe the president should reject a budget that cuts the student loan program and reduces federal support for public education.

* **On workplace issues,** 65 percent want President Clinton to reject a budget that reduces enforcement of job safety and health protections. A majority of Americans -- both union members and non-members -- also support the president's stand on striker replacement and reject Republican proposals to weaken laws against unfair labor practices by employers.

Peter D. Hart Research Associates Inc.
202/234-5570

Who Benefits from the Republican Tax Breaks?



Source: U.S. Treasury Department, Office of Tax Analysis 11/22/95

REPUBLICAN MEDICAID CUTS, STATE-BY-STATE

Under the current Medicaid program, the Federal government shares with the States their costs of providing basic health and long-term care services. On average, the Federal government pays 57 percent of the costs of providing hospital, physician, nursing home, and other basic services to low-income families, to the frail elderly, and to the disabled.

Under the budget conference agreement, the Medicaid program would be repealed. The Federal government would no longer share in all of the States' costs for basic health and long-term care. Instead, Federal payments to the States would be cut by $163 billion, or 17 percent, over the next 7 years. Federal payments to each State would be limited to a fixed dollar amount each year -- regardless of the State's actual costs of caring for its vulnerable populations.

Each State would be at financial risk for 100 percent of the costs of health and long-term care above these fixed Federal dollar amounts, even if the State's additional costs were the result of increases in caseload due to factors beyond its control, such as economic downturns or outbreaks of communicable diseases.

By fixing these Federal dollar limits for each State in statute, the Republican bill distributes the Federal Medicaid cuts among the States. The Republicans have already adopted four different formulas for distributing these losses: one in the House Commerce Committee, one in the Senate Finance Committee, one on the House floor, and one on the Senate floor.

The conference agreement contains yet another formula for distributing losses among the States. The attached tables illustrate what this formula means for each State. The first table shows the losses -- "Federal savings" -- by State in the fiscal year 2002 alone, and over the entire 7-year period, FY 1996 - FY 2000. The second table compares the losses each State will experience under the conference agreement to the loss it would have experienced under the House-passed bill.

- Under the conference agreement, almost every State loses Federal funds relative to what it would receive under current law in order to maintain current levels of coverage. On average, States lose about 17 percent over the next 7 years.

- There is huge variation among the States in the size of their losses over the next 7 years. Some States lose less than 5 percent (Delaware, Kansas, Missouri, Oregon, and Vermont). Other States lose 25 percent or more (Indiana, Kentucky, Louisiana, New Hampshire, North Carolina, Oklahoma, Washington, West Virginia).

Estimates of the Effects of the Conference Agreement Medicaid Plan on States, 2002 and 1996 - 2002
Formula as of November 16, 1995
(Dollars In Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$127,418	($49,513)	-28%	$954,338	$791,146	($163,192)	-17%
Alabama	$2,485	$2,145	($340)	-14%	$13,823	$12,864	($959)	-7%
Alaska	$373	$275	($98)	-26%	$2,001	$1,660	($341)	-17%
Arizona	$2,436	$1,913	($523)	-21%	$12,903	$11,658	($1,244)	-10%
Arkansas	$2,084	$1,430	($655)	-31%	$11,081	$8,574	($2,507)	-23%
California	$17,955	$13,678	($4,278)	-24%	$95,663	$80,310	($15,353)	-16%
Colorado	$1,521	$1,030	($491)	-32%	$8,163	$6,367	($1,796)	-22%
Connecticut	$2,345	$1,688	($657)	-28%	$12,990	$11,094	($1,896)	-15%
Delaware	$323	$285	($38)	-12%	$1,728	$1,720	($8)	0%
District of Columbi	$846	$579	($267)	-32%	$4,511	$3,802	($709)	-16%
Florida	$7,691	$5,680	($2,011)	-26%	$40,720	$33,045	($7,675)	-19%
Georgia	$4,900	$3,301	($1,599)	-33%	$26,050	$20,348	($5,702)	-22%
Hawaii	$508	$373	($135)	-27%	$2,732	$2,450	($281)	-10%
Idaho	$545	$426	($119)	-22%	$2,933	$2,448	($484)	-17%
Illinois	$6,207	$4,684	($1,523)	-25%	$33,242	$29,056	($4,186)	-13%
Indiana	$4,317	$2,589	($1,727)	-40%	$23,100	$16,069	($7,032)	-30%
Iowa	$1,440	$1,108	($333)	-23%	$7,807	$6,874	($933)	-12%
Kansas	$1,079	$946	($133)	-12%	$5,962	$5,874	($88)	-1%
Kentucky	$3,455	$2,230	($1,225)	-35%	$18,353	$13,374	($4,979)	-27%
Louisiana	$6,147	$2,909	($3,237)	-53%	$33,991	$18,818	($15,173)	-45%
Maine	$1,092	$801	($291)	-27%	$5,999	$5,264	($735)	-12%
Maryland	$2,532	$1,810	($722)	-29%	$13,478	$11,266	($2,212)	-16%
Massachusetts	$4,717	$3,312	($1,404)	-30%	$25,516	$21,815	($3,701)	-15%
Michigan	$5,992	$4,595	($1,397)	-23%	$32,153	$28,518	($3,635)	-11%
Minnesota	$2,701	$2,070	($631)	-23%	$14,665	$13,602	($1,063)	-7%
Mississippi	$2,342	$1,929	($413)	-18%	$12,640	$11,100	($1,540)	-12%
Missouri	$2,625	$2,484	($141)	-5%	$14,871	$15,338	$467	3%
Montana	$636	$422	($214)	-34%	$3,409	$2,603	($807)	-24%
Nebraska	$822	$542	($280)	-34%	$4,448	$3,662	($785)	-18%
Nevada	$540	$394	($145)	-27%	$2,899	$2,539	($360)	-12%
New Hampshire	$631	$375	($256)	-41%	$3,728	$2,542	($1,186)	-32%
New Jersey	$5,100	$3,294	($1,806)	-35%	$28,038	$21,775	($6,263)	-22%
New Mexico	$1,147	$970	($177)	-15%	$6,066	$5,605	($461)	-8%
New York	$22,034	$14,888	($7,146)	-32%	$119,527	$98,331	($21,196)	-18%
North Carolina	$5,406	$3,432	($1,974)	-37%	$29,014	$21,298	($7,716)	-27%
North Dakota	$457	$320	($137)	-30%	$2,491	$1,985	($506)	-20%
Ohio	$7,508	$5,350	($2,158)	-29%	$40,586	$33,200	($7,386)	-18%
Oklahoma	$2,060	$1,393	($667)	-32%	$11,074	$8,016	($3,058)	-28%
Oregon	$1,649	$1,444	($205)	-12%	$8,884	$8,982	$98	1%
Pennsylvania	$7,102	$5,818	($1,284)	-18%	$38,448	$36,174	($2,273)	-6%
Rhode Island	$1,004	$630	($374)	-37%	$5,465	$4,138	($1,327)	-24%
South Carolina	$2,756	$2,291	($465)	-17%	$15,252	$13,741	($1,511)	-10%
South Dakota	$442	$349	($93)	-21%	$2,380	$2,163	($217)	-9%
Tennessee	$4,587	$3,342	($1,245)	-27%	$24,576	$20,739	($3,838)	-16%
Texas	$11,358	$9,102	($2,257)	-20%	$61,167	$55,273	($5,894)	-10%
Utah	$960	$683	($278)	-29%	$5,128	$4,103	($1,024)	-20%
Vermont	$366	$305	($61)	-17%	$1,982	$1,919	($63)	-3%
Virginia	$2,434	$1,607	($827)	-34%	$13,022	$9,835	($3,188)	-24%
Washington	$3,381	$2,035	($1,346)	-40%	$18,203	$13,405	($4,797)	-26%
West Virginia	$2,591	$1,534	($1,057)	-41%	$13,723	$9,521	($4,203)	-31%
Wisconsin	$3,066	$2,267	($799)	-26%	$16,484	$14,069	($2,415)	-15%
Wyoming	$236	$178	($58)	-24%	$1,269	$1,077	($193)	-15%

Note The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995

(2) From the GAO estimates of the block grant allocation of the Conference Agreement proposal as of November 16, 1995

Note These estimates include supplemental payments for illegal aliens, Nebraska, Nevada & Louisiana

Source U S DHHS

16-Nov-95

Comparison of the Conference Agreement to the October House and Senate Medicaid Proposals: 1996-2002

Conference Agreement Formula as of November 16, 1995; House & Senate Propoals as of November 3, 1995

(Dollars in Millions, Federal Spending, Fiscal Years)

States	Baseline (1)	Conference Agreement Medicaid Block Grant		Senate Proposal Reduction in Medicaid		House Proposal Reduction in Medicaid	
		Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction
United States	954,338	-163,192	-17%	-175,594	-18%	-169,357	-18%
Alabama	13,823	-959	-7%	-958	-7%	-1,155	-8%
Alaska	2,001	-341	-17%	-341	-17%	-521	-26%
Arizona	12,903	-1,244	-10%	-1,328	-10%	-1,258	-10%
Arkansas	11,081	-2,507	-23%	-2,506	-23%	-2,964	-27%
California	95,663	-15,353	-16%	-17,964	-19%	-15,555	-16%
Colorado	8,163	-1,796	-22%	-1,820	-22%	-1,927	-24%
Connecticut	12,990	-1,896	-15%	-2,341	-18%	-1,896	-15%
Delaware	1,728	-8	0%	-8	0%	-385	-22%
District of Columbia	4,511	-709	-16%	-710	-16%	-882	-20%
Florida	40,720	-7,675	-19%	-9,205	-23%	-9,537	-23%
Georgia	26,050	-5,702	-22%	-5,776	-22%	-5,709	-22%
Hawaii	2,732	-281	-10%	-281	-10%	-443	-16%
Idaho	2,933	-484	-17%	-488	-17%	-522	-18%
Illinois	33,242	-4,186	-13%	-4,391	-13%	-5,798	-17%
Indiana	23,100	-7,032	-30%	-7,258	-31%	-7,032	-30%
Iowa	7,807	-933	-12%	-933	-12%	-936	-12%
Kansas	5,962	-88	-1%	-88	-1%	-133	-2%
Kentucky	18,353	-4,979	-27%	-4,978	-27%	-4,979	-27%
Louisiana	33,991	-15,173	-45%	-15,175	-45%	-5,262	-15%
Maine	5,999	-735	-12%	-845	-14%	-735	-12%
Maryland	13,478	-2,212	-16%	-2,285	-17%	-2,487	-18%
Massachusetts	25,516	-3,701	-15%	-5,684	-22%	-3,707	-15%
Michigan	32,153	-3,635	-11%	-3,634	-11%	-4,253	-13%
Minnesota	14,665	-1,063	-7%	-1,544	-11%	-1,942	-13%
Mississippi	12,640	-1,540	-12%	-1,819	-14%	-1,697	-13%
Missouri	14,871	467	3%	467	3%	321	2%
Montana	3,409	-807	-24%	-820	-24%	-930	-27%
Nebraska	4,448	-785	-18%	-785	-18%	-895	-20%
Nevada	2,899	-360	-12%	-877	-30%	-630	-22%
New Hampshire	3,728	-1,186	-32%	-1,187	-32%	532	14%
New Jersey	28,038	-6,263	-22%	-6,395	-23%	-6,437	-23%
New Mexico	6,066	-461	-8%	-489	-8%	-785	-13%
New York	119,527	-21,196	-18%	-21,710	-18%	-21,975	-18%
North Carolina	29,014	-7,716	-27%	-7,715	-27%	-8,596	-30%
North Dakota	2,491	-506	-20%	-506	-20%	-511	-21%
Ohio	40,586	-7,386	-18%	-7,637	-19%	-7,944	-20%
Oklahoma	11,074	-3,058	-28%	-3,178	-29%	-3,058	-28%
Oregon	8,884	98	1%	76	1%	-1,397	-16%
Pennsylvania	38,448	-2,273	-6%	-2,538	-7%	-3,144	-8%
Rhode Island	5,465	-1,327	-24%	-1,328	-24%	-1,550	-28%
South Carolina	15,252	-1,511	-10%	-1,515	-10%	-1,516	-10%
South Dakota	2,380	-217	-9%	-217	-9%	-375	-16%
Tennessee	24,576	-3,838	-16%	-3,837	-16%	-6,228	-25%
Texas	61,167	-5,894	-10%	-7,006	-11%	-6,038	-10%
Utah	5,128	-1,024	-20%	-1,031	-20%	-1,116	-22%
Vermont	1,982	-63	-3%	-65	-3%	-365	-18%
Virginia	13,022	-3,188	-24%	-3,292	-25%	-3,193	-25%
Washington	18,203	-4,797	-26%	-4,832	-27%	-5,112	-28%
West Virginia	13,723	-4,203	-31%	-4,202	-31%	-4,460	-32%
Wisconsin	16,484	-2,415	-15%	-2,414	-15%	-2,935	-18%
Wyoming	1,269	-193	-15%	-202	-16%	-285	-22%

Note The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines

(1) From The Urban Institute as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995

(2) From the GAO estimates of the block grant allocation of the Conference Agremeent proposal, as of November 16, 1995

Note These estimates include supplemental payments for illegal aliens Nebraska Nevada & Louisiana

Source U S DHHS

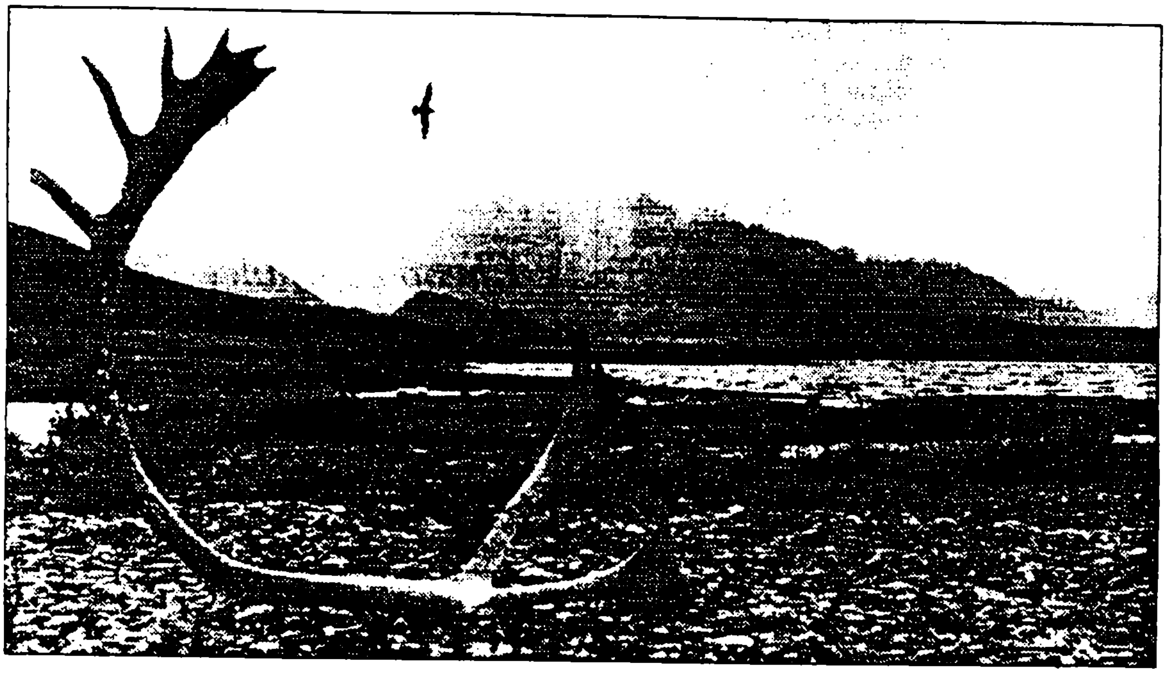
16-Nov-95

Washington Post November 21, 1995

THE FEDERAL PAGE

How Congress Plans to Balance the Budget

The massive reconciliation bill Congress is sending to President Clinton is intended to eliminate the federal budget deficit by 2002 while cutting taxes and overhauling Medicare, Medicaid, welfare, farm price supports and other federal programs. Clinton has vowed to veto the Republican-sponsored bill, citing objections to a number of provisions. Highlights of the bill:



ASSOCIATED PRESS

The Republican measure would allow sale of oil-drilling leases in the Arctic National Wildlife Refuge in Alaska.

DEFICIT REDUCTION

The nonpartisan Congressional Budget Office projects that the federal deficit, $161 billion in 1995, would rise to $178 in 1996 and $189 billion in 1997 before falling to $146 billion in 1998 and then declining toward a $4 billion surplus in 2002.

TAXES

The bill would cut taxes for families, businesses and others by $245 billion through 2002.

- For 1995, single parents earning up to $75,000 and couples earning up to $110,000 would get a $125 credit for children younger than 18. It would be paid in a special, separate tax refund check sent out in October 1996. In subsequent years, the credit would rise to $500 per child and would be part of taxpayers' regular tax filing.
- Retroactive to Jan. 1, the maximum tax rate on capital gains for individuals would fall to 19.8 percent from 28 percent.
- Eligibility for Individual Retirement Accounts would be expanded.
- A deduction of up to $2,500 would be allowed for interest on student loans.
- The so-called marriage penalty would be phased out for most dual-earner couples by 2005.
- The estate tax exemption would be raised from $600,000 to $750,000 over six years and extra relief would be offered to family-owned farms and businesses.
- Projected spending for the Earned Income Tax Credit for the working poor would be reduced by $32.5 billion over seven years.
- Some corporate loopholes would be closed.

MEDICARE

Medicare spending would be $270 billion less than projected through 2002 as annual growth, now about 10 percent, is held to 7.2 percent.

- Beneficiaries would be encouraged to switch to private managed-care plans. They could stay in traditional Medicare coverage or switch back if unhappy with the private plans. They also could choose catastrophic-only health coverage coupled with a tax-free medical savings account.
- Medicare premiums, now $46.10 a month, would climb to $53.70 a month in January 1996 and to $88.90 a month by 2002. Single beneficiaries with annual incomes above $60,000 and couples with incomes of more than $110,000 a year would pay extra premiums.
- Scheduled increases in payments to providers would be scaled back.
- The annual $100 deductible in the voluntary Medicare Part B coverage of doctors' visits and outpatient services would not change.

MEDICAID

The bill would save $163 billion over seven years from Medicaid, which would be converted into block grants to the states. Growth in Medicaid spending, which covers 36 million low-income children, adults, elderly and disabled people, would be cut from 10 percent to 5.2 percent.

- Federally guaranteed coverage for the poor, elderly and disabled would be eliminated.
- States would have to cover poor children under age 13 and pregnant women in families with incomes at or below the poverty line.
- States also would have to cover the disabled, but would get to decide who qualifies as disabled.
- States could tailor their own benefit packages, but would have to cover childhood immunizations and pre-pregnancy family planning services.

WELFARE

The plan would save $82 billion from projected spending over seven years.

- Aid to Families with Dependent Children would be replaced with block grants to the states, ending the 60-year-old federal guarantee of cash assistance to poor children.
- Food-stamp spending would be trimmed, and tens of thousands of legal immigrants, drug addicts and disabled children would be denied help.
- Adults on welfare would have to work after two years. No family could stay on the rolls more than five years, or shorter at state option. Half of all welfare families would be required to work by 2002.
- States could deny cash benefits to unwed teen mothers. Those who keep benefits would have to live at home and attend school.
- Additional benefits would be denied for children born to women already on welfare, but states could opt out of this restriction by passing their own legislation.
- Only 35 percent of the 900,000 disabled children would keep drawing full Supplemental Security Income benefits and 15 percent would be cut entirely.
- Addicts and alcoholics also would be dropped, although some could requalify if they have cirrhosis.

AGRICULTURE

The package would cut $12.3 billion, or 16 percent, from growth in farm program spending over seven years. Nearly $9 billion would come out of major crop subsidies. In a major break from the past, payments would not be tied to crop prices or production. Instead, growers would get a guaranteed "market transition payment" that would decline each year. In exchange, growers would be largely free to plant what they want, and the government would no longer require land to be idled as a condition for payments.

EDUCATION

The plan would save $4.9 billion by:

- Paring the federal subsidies that banks get for defaulted student loans.
- Having banks pay higher fees.
- Limit the Clinton administration's new direct lending program to 10 percent of the nation's student loans.

NATURAL RESOURCES

- Allow the sale of oil-drilling leases in the Arctic National Wildlife Refuge in far northern Alaska.
- Exempt oil companies from paying government royalties on deep-water drilling in the Gulf of Mexico.
- Continue the controversial sale of mining rights on federal land.
- Order the sale of the Uranium Enrichment Corp., a government corporation that processes and sells uranium.
- Require private concessionaires at national parks to pay more in fees.

OTHER PROVISIONS

- Save $10.1 billion over seven years through changes in federal employee pension programs.
- Save $6.7 billion from veterans' benefits over seven years.
- Sell federal assets, including rights to the space over Amtrak tracks adjacent to Washington's Union Station, Governors Island in New York Harbor and precious metals from national defense stockpiles.

—John E. Yang

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New AFL-CIO Leadership Launches National Campaign to Defeat Republican Budget Cuts
Grass-roots Action and Tough Ads Drive Effort

WASHINGTON, Dec. 5 --- Buoyed by a national poll showing the vast majority of Americans oppose the Republican budget, the AFL-CIO today launched a million-dollar advertising and grass-roots lobbying campaign to "hold members of Congress individually and jointly accountable for the choices they are making."

"All across the country, polls show, Americans rejected Newt Gingrich's budget-cut-for-tax-trade-giveaway," AFL-CIO President John Sweeney told a news conference. "And they flatly rejected the notion of a budget compromise for the sake of compromise."

Sweeney unveiled a new series of television and radio commercials targeting members of Congress who voted for the Gingrich budget Clinton is expected to veto this week. The commercials will air over the next week in 22 congressional districts, backed up by additional national television ads.

The labor federation last week sent more than one million pieces of mail to active members and retirees in the targeted districts, asking them to call their representatives and mail a card indicating their support to the president. Phone calls will be made to more than hal a million households to follow up on the direct mail.

Grassroots political action taking place in a total of 55 congressional districts in 30 states will include local press conferences, leafletting, phone banks, letter-writing campaigns, rallies, community meetings and visits to congressional offices.

"This new campaign follows an effort that has already yielded 82,000 calls to Congress from mid-October to mid-November, and almost 270,000 calls since mid-February" Sweeney said.

The GOP budget bill passed by Congress and now on the president's desk cuts Medicare by $270 billion and raised Medicare premiums for seniors by $500 a year. The Medicare cuts will be used for a tax break that will primarily benefit people who already make more than $100,000 a year.

Sweeney said that a poll conducted two weeks ago for the AFL-CIO by Peter Hart Research showed the majority of Americans are more likely to trust President Clinton and the Democrats on budget issues. And they believe Republicans, he said, are promoting the wrong kind of change by cutting programs such as Medicare, Medicaid and student loans.

-30-

The patriots of the American Revolution gave us the Bill of Rights.

The extremists of the so-called Republican Revolution now want to impose a

Bill of Wrongs.

It's the Republican budget.

We The People reject this Republican Bill of Wrongs because it would:

1. Harm the weakest among us--the elderly, children and low-income working families.

2. Lavish benefits on the wealthiest among us with a new capital-gains tax cut whose benefits go disproportionately to those making over $100,000 a year.

3. Slap elderly Americans with increases in Medicare costs to pay for excessive tax cuts for the rich.

4. Break the promise of Medicaid and compromise nursing home protections.

5. Aid and abet companies in raiding workers' pensions.

6. Choke off access to student loan programs, denying thousands of young Americans the opportunity to go to college.

7. Kill nutrition programs that feed America's poor and school children.

8. Force poor families onto welfare by cutting the Earned Income Tax Credit that makes work more attractive than public assistance.

9. Inflict draconian cuts in welfare programs and denies benefits to thousands of legal immigrants who pay taxes.

10. Slash veterans' protections by almost $7 billion over seven years.

Republican Budget Raises Taxes On Working Families But Wealthy Get Big Tax Break

The Republican's $245 billion tax cut goes mostly to the rich and big business.

The Republican budget reduces the capital gains tax, whose benefits mostly go to the wealthy.

Republicans scale back the alternative minimum tax for corporations. Some big businesses may pay no taxes at all.

The Republican budget gives the top 1% of families (over $350,000 a year) the most tax benefits per family--both in absolute terms and as a percentage of their income.

The top 1% of families would receive an average tax break of $8,500.

The top 1% of families would receive 17% of the total tax cut in the Republican budget.

The Republican budget cuts estate taxes by $25 billion. 30,000 wealthy estates would benefit each year.

Estate tax exemptions would jump from $600,000 to $750,000.

At the same time, the Republican budget raises taxes on working families.

Republicans have cut the Earned Income Tax Credit for working families by $32.3 billion. That means 12.6 million working families with 14.5 million children will see their taxes increase by an average of $332 next year.

Families with incomes under $10,000 will see their taxes increase by $16 a year.

The Republican budget raises taxes on 4.2 million working families with two or more children by an average of $534 in 1996.

SOURCE--UNITED STATES DEPARTMENT OF TREASURY

IMPACT OF THE REPUBLICAN BUDGET CUTS

November 27, 1995

IMPACT OF REPUBLICAN BUDGET ON EDUCATION:

- **Denies Head Start to 180,000 children nationwide in 2002.** The successful Head Start program helped 750,000 preschool children in 1995.

  ** The President's balanced budget would increase funding for Head Start by $400 million, creating 32,000 new Head Start slots for children next year, and services for 50,000 more children by 2002.

  ** The Republican plan would fund Head Start at $500 million below the President's proposal.

- **Denies 1.1 million children help in achieving basic and advanced skills in 1996.** The Republican budget cuts Title I by $1.1 billion, denying Title I funding for 1.1 million students in our poorest communities nationwide.

  ** The President's balanced budget increases Title I funding by $300 million, reducing class size, and helping as many as 300,000 more children master basic and advanced skills next year.

- **Cuts Safe and Drug Free Schools by 60%, denying more than 23 million students services that keep drugs and violence away from children, their schools, and their communities.** The Republican budget walks away from the Safe and Drug Free School state grants program, the only federal program solely dedicated to combating alcohol and drug abuse, and violent behavior in our nation's schools.

  ** The President's balanced budget funds the Safe and Drug Free Schools program at $500 million per year, providing safer learning environments for 39 million children in 14,575 out of 15,000 school districts nationwide.

  ** The Republican plan would cut the program by 60% to $200 million per year, depriving more than 23 million student services next year alone.

- **<u>Eliminates</u> Goals 2000, denying more than 9 million school children the opportunity to achieve high academic standards.** The Republican budget denies more than 9 million children improved education in 1996, compared with the President's balanced budget.

  ** The President's plan increases funding for Goals 2000 to $750 million next year, enabling communities to help all children meet higher standards.

- Eliminates the AmeriCorps National Service program, denying nearly 50,000 young people the opportunity to serve their communities in 1996.

  ** The President's plan would increase funding for National Service by $345 million next year, providing nearly 50,000 community service and college aid opportunities next year alone.

- **Denies 380,000 deserving students Pell Grant college scholarships.** The Republican budget denies about 380,000 students Pell Grants. The Republican budget also increases the Pell Grant maximum award by only $100 from the 1995 level of $2,340, whereas the President's balanced budget increases the maximum award to $2,620.

  ** The President's balanced budget would provide assistance for 800,000 more students by 2002, while the Republican budget eliminates Pell Grant opportunities for 380,000 students.

- **Cuts off Direct Lending opportunities for 2.5 million students in 1,300 institutions in 1996 alone.** The Republican conference agreement virtually eliminates the Federal Direct Student Loan program, in favor of the more costly, inefficient guaranteed loan program, by "capping" direct lending at 10% of total volume.

  ** The Republican plan would also effectively deny students the option of adjusting their repayments based on their ability to pay, making it difficult for students to take community service jobs without fear of default. Lenders in the guaranteed loan program have no practical way to collect repayments based on the borrower's income.

  ** Using a scoring gimmick, the Republican bill purports to save $1 billion by capping direct lending.

- **Eliminates summer job opportunities for nearly 4 million youths over the next seven years.** The Republican cuts will prevent millions of youths from participating in meaningful summer job experiences that help prepare them to be active contributors in the workforce and the community. The Republican plan completely eliminates this program, cutting approximately 600,000 job opportunities in 1996 and nearly 4 million summer jobs by 2002.

- **Slashes employment and training programs by $920 million or 17% below the post-rescission bill 1995 level.**

  - **Denies 193,000 dislocated workers assistance finding new jobs.** The Republican budget cuts funding to help dislocated workers find new jobs by $446 million or 34% compared to the 1995 level, and by $1.1 billion compared with the President's budget -- a 56% cut. Compared to the 1995, the Republican budget would help 193,000 fewer workers who need help getting the skills needed for jobs in the new economy due to increased corporate and defense downsizing.

IMPACT OF REPUBLICAN BUDGET ON THE ENVIRONMENT:

- **Cuts Enforcement of Public Health and Environmental Safeguards by 25%, Crippling Efforts to Enforce Laws Against Polluters.** The Republicans budget cuts the enforcement of environmental laws by a quarter because they know that they could not get away with repealing 25% of the nation's environmental laws. They are simply taking the cop off the environmental beat.

- **Rolls Back Protection of Drinking Water, Our First Line of Defense in Protecting Public Health.** The Republican budget cuts funds to cities and towns for drinking water treatment facilities by nearly half in 1996. This cut will take away the funds needed to upgrade facilities to ensure that local drinking water has been treated to eliminate contaminants.

- **Leaves Americans Exposed to Hazardous Waste.** The Republican budget slashes toxic waste cleanup, slowing or halting efforts to help the 1 in 4 Americans who live near a toxic waste dump. Spending on toxic waste cleanups would be reduced by 25% in 1996, $382 million below the President's balanced budget in 1996.

- **Blocks Efforts to Keep Raw Sewage off Beaches and Out of Waterways.** The Republican budget reduces new funding to keep water clean by 30% compared with the President's balanced budget. These cuts will eliminate protections that keep sewage from flowing into rivers, lakes, and streams. Their budget also includes a provision that will allow the dumping of potentially toxic fill into our rivers and wetlands.

- **Opens Arctic Refuge to Oil Companies.** The Republican budget opens the coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas development. The President instead supports protecting it permanently. The Republicans assume that the lease proceeds will raise $1.3 billion for the Federal government. But, this is based on a 50-50 split with the State of Alaska, overriding the Alaska Statehood Act that would normally require 90 percent of the lease proceeds to be paid to the State.

- **Robs Taxpayers with Sham Mining Reform.** The Republican "reform" of the 1872 Mining Law is a fraud. Industry could still acquire public minerals at a fraction of their true value. Recently, for example, $1 billion worth of minerals on government land were sold for just $275. The Republican proposal would raise only ***$12 million*** over 7 years. It would force the Interior Department to sell mineral rights at their "market value," defined as the value of the *land*, not the minerals. This is the equivalent of selling Fort Knox for the price of the parking lot.

- **Opens the World's Largest Temperate Rainforest to Clearcutting.** The Republican budget proposes to dramatically expand timber cutting in the Tongass National Forest in Alaska -- the world's largest temperate rainforest -- and to waive environmental laws to do it.

IMPACT OF REPUBLICAN BUDGET ON MEDICARE:

- **Cuts Medicare by $270 Billion and Increases Costs on Beneficiaries.** The Republican budget cuts Medicare by an unprecedented $270 billion -- three times greater than anything ever enacted by *any* Republican or Democratic President -- to fund a tax cut for the wealthy. These cuts increase direct and indirect costs on Medicare beneficiaries, placing a huge financial burden on seniors and people with disabilities.

    - Cuts federal Medicare spending per beneficiary by $1,700 in 2002
    - Increases premiums to $89 per month in 2002, an annual increase of $440 per couple
    - Allow doctors to overcharge beneficiaries in their new managed care plans

- **Limits Medicare Growth Far Below the Private Sector Rate.** The $270 billion Medicare cut would limit spending per Medicare beneficiary to a rate that is more than 20 percent below the projected *private* insurance per person growth rate over the next seven years, based on CBO data.

- **Abandons Older Americans in Poverty by Slashing Medicaid Coverage of their Medicare premiums.** Medicaid currently pays all Medicare premiums, coinsurance, and deductibles for people below 100 percent of poverty (known as QMBs). The Republican proposal completely eliminates coverage of coinsurance and deductibles for poor elderly. And while Republicans claim to cover their premiums, they set aside less than half of the money needed to cover their premiums in 2002.

- **Increase Private Insurance Costs by Billions of Dollars Through Cost-Shifting.** Their excessive cuts, combined with their many ill-advised structural changes to the Medicare program, will result in massive cost-shifting. Lewin-VHI, an independent research firm, concluded that the Republicans' $452 billion Medicare and Medicaid cuts would lead doctors and hospitals *to raise their fees on patients by at least $90 billion.* This cost-shifting would increase the cost of private health insurance and could effectively reduce wage increases by 2.7%, and as much as 10% for lower-wage workers.

- **Cuts Threaten Quality and Access for All Americans.** As the Americans Hospital Association, the Catholic Health Association, the National Association of Public Hospitals, and over 40 State Hospital Associations said on November 17, the Republican cuts would "jeopardize the ability of hospitals and health systems to deliver quality care, not just to those who rely on Medicare and Medicaid, but to all Americans."

- **Encourages "Cherry Picking" That Will Harm Medicare Beneficiaries and the Program.** The new Republican Medicare plan establishes plans that will "cherry pick" healthy and wealthy beneficiaries at the expense of beneficiaries who cannot afford these plans. This is because the healthy and wealthy will be the only ones who can afford the risk of signing up for plans with extremely high deductibles (Medical Savings Accounts --MSAs) or the cost of being in a plan that allows doctors to charge any amount they wish for their fees. In fact, the CBO estimates that the new MSAs will cost the Medicare program between $2 and $4 billion.

IMPACT OF REPUBLICAN BUDGET ON MEDICAID:

- **Repeals the Medicaid Program and Replaces It With a Block Grant.** The Republicans completely eliminate Medicaid's guarantee of coverage for Americans who are sick, elderly, poor, blind or disabled in other ways. They replace this critical safety net with an underfunded block grant, which on average cuts Federal support to States by 28 percent in 2002, and removes the guaranteed health and financial protection that the Medicaid program provides to the States and to their citizens.

- **Cuts in Medicaid Are Unprecedented and Excessive.** The Republican budget cuts federal support for Medicaid by an unprecedented $163 billion -- over ten times anything ever enacted by *any* Republican or Democratic President.

  - The total Medicaid cuts could ultimately be much greater than $163 billion. A new analysis by the Center on Budget and Policy Priorities shows that if states provide only the funding required to receive their full block grant allocation and provide no additional funding, the total reduction in federal and state Medicaid funds would *exceed $400 billion over seven years*, compared with current law.

- **Cuts Will Cause Millions of Americans To Lose Coverage.** The reduction in Federal support to States would force Governors to drop coverage for nearly 8 million Americans in 2002 alone, including:

  - 3.8 million children
  - 1.3 million people with disabilities
  - 850,000 elderly

- **Hurts Rural Americans and Puts Them in Harms Way.** States count on Medicaid to provide health coverage for residents who live in rural areas. The Republican cuts would force States to eliminate coverage for about 1.9 million rural residents in 2002 alone.

- **Threatens Nursing Home Coverage.** Today, 68% of all nursing home residents rely on Medicaid to pay bills that average $38,000 a year. Under the Republican Reconciliation bill, there would be no guarantee to nursing home coverage and as many as *330,000 residents could be denied coverage* in 2002 alone.

- **Puts Homes and Family Farms at Risk.** Under the Republican proposal, the sick could be forced to sell their homes, family farm, car, and all their savings in order to qualify for Medicaid. The Republican proposal repeals all current Federal laws protecting a minimum level of income and assets (such as the family home or farm) in determining Medicaid eligibility. As a result, it allows States to eliminate these protections altogether or to significantly diminish them.

- **Repeals Federal Enforcement of Nursing Home Standards.** The Republican proposal undermines Federal nursing home standards signed into law by Ronald Reagan and threatens to turn back the clock on nursing home quality. States would be relied on to define and enforce nursing home standards under the Republican proposal -- without any Federal review and enforcement. States could even turn over their standard setting and enforcement responsibilities to private organizations, with no Federal review.

- **Weakens Spousal Impoverishment Protections.** Republicans undermine protections against spousal impoverishment -- signed into law by President Reagan -- by repealing the right of individuals to sue States that are not providing spousal impoverishment protections. Moreover, the Federal government would have no way to know if these protections are being provided.

IMPACT OF REPUBLICAN BUDGET ON WORKING FAMILIES:

- According to the Joint Tax Committee's own numbers, the 51% of taxpayers with incomes under $30,000 would as a group have a net tax increase under the Republican plan.

- Cuts the Earned Income Tax Credit by $31 billion over seven years, raising taxes on 12.6 million working families (with 14.5 million children) by an average of $332 next year.

  - The Republican EITC cuts would raise taxes on the 4.2 million working families with two or more children by an average of $534 in 1996.

  - One provision in the Republican bill -- counting Social Security benefits in determining eligibility for the EITC -- would increase annual taxes on a typical Social Security beneficiary in a family of four by $1,137 in 1996.

- **About 7.7 million families would have an average net income tax increase of $318, even after accounting for the fully phased-in $500 child credit and the increase in the standard deduction for married couples.**

- **Eliminates the Low-Income Housing Tax Credit.** This tax provision has helped build homes, stabilize neighborhoods, and create jobs. Over the years, the low-income housing credit has helped hundreds of thousands of low-income families afford decent homes.

- **Eliminates the Community Development Corporation Tax Credit.** This tax credit gives CDCs the tools to seek resources for community development from the private sector.

- **Weakens our nation's retirement security by allowing companies to raid their pension funds, reducing pension fund assets by over $15 billion.** This proposal would affect an estimated 3.7 million workers in 5,000 companies, and would take America back to the 1980s, when corporate raiders routinely looted pension plans to pay for corporate buyouts.

Tax Breaks for the Well-Off:

- ***Nearly half*** **of the benefits under the Republican tax package (48%) go to the top 12% of families, those with incomes of $100,000 or more.**
    - The top 1% of families, those with incomes over $349,000, would receive an average tax benefit of almost *$8,500* per family.
    - The top 1% of families would receive the most tax benefits per family, both in absolute terms and as a percentage of their income.
- **Cuts estate taxes by $25 billion over ten years, reducing estate taxes on about 30,000 wealthy estates each year.** For example, Republicans propose to increase the effective estate tax exemption from $600,000 to $750,000.
    - Each of the very rich estates that would benefit from this proposal would get an *average estate tax cut of more than $80,000!*
- **Cuts capital gains taxes -- disproportionately benefitting the rich -- by $36 billion over the next 7 years and $77 billion over 10 years.**
    - **Real costs of the Republican tax cuts won't be felt until 2002 or later.** The bill indexes capital gains, which would cut taxes for rich Americans, but the provision is made effective at the end of the budget window so the revenue losses don't show up. While the seven-year cost of the capital gains tax cut is $36 billion, the ten-year cost is $77 billion.
    - **Made capital gains provision retroactive.** This part of the proposal costs $13 billion -- more than one-third of the total 7-year cost of the capital gains cut. And all it does is give a huge windfall to those who have already realized capital gains. It wouldn't increase investment. It provides no economic benefits whatsoever.
- **Eliminates most of the corporate Alternative Minimum Tax (AMT), costing the Treasury $16 billion over 7 years and $19 billion over 10 years.** The corporate AMT was first proposed by President Reagan in response to public outcry over the large number of prominent, profitable corporations that were paying little or no corporate income tax. The corporate AMT now ensures that large, profitable corporations pay at least *some* tax, but the Republican tax package would eliminate most of it, at a cost of $16 billion.

- **Includes numerous provisions that benefit special interests.** These giveaways total more than $3 billion over seven years. For example:

  - Repeals current U.S. taxation of excess passive assets held by controlled foreign corporations. This will encourage U.S. taxpayers to establish operations outside the U.S., at a cost of $244 million over 7 years and $433 million over 10 years.

  - Airline industry granted an additional two-year exemption from the 4.3 cent per gallon fuel tax. This relief is estimated to cost almost $900 million.

  - Special depreciation rules for certain retail motor fuel outlet stores. This provision is retroactive and is estimated to cost $118 million.

  - Real estate industry received favorable treatment of leasehold improvements, costing $114 million.

  - Special three-year write-offs for intrastate operating rights of motor carriers. This provision costs $37 million.

  - Treatment of certain newspaper carriers as independents contractors, rather than as employees. This provision would benefit certain newspaper companies. According to the *Wall Street Journal*, Majority Leader Dole is a supporter of this tax break.

IMPACT OF REPUBLICAN BUDGET ON CHILDREN:

- **Cuts aid to severely disabled children by 25%.** The Republican budget slashes $12 billion from children's SSI benefits and jeopardizes the ability of disabled children to continue to live at home with their families. It would cut payments to most of the severely disabled children coming on the rolls by 25%. In addition, the Republican budget removes approximately 160,000 disabled children currently on the rolls.

- **Cuts nutrition assistance by about 15% for 14 million children in 2002.** The Republican budget cuts foods stamp benefits by about $35 billion over seven years. And it cuts child nutrition and the school lunch program by $5 billion.

- **Eliminates Medicaid coverage for as many as 3.8 million children nationwide in 2002.** Currently, more than 20% of children rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 18 million children in America.

- **Jeopardizes immunizations for children.** The Republican budget repeals the Vaccines for Children program, putting at risk at least $1.5 billion over seven years that would otherwise provide vaccinations for children.

- **Eliminates home energy assistance for about 6 million children in America.** The House Republican budget completely eliminates this $1 billion program that helps low-income families with their home heating and cooling bills, leaving families with the tough choice of staying warm in the winter or having enough money to eat.

- **Slashes child protection by about 20%.** The Republican budget slashes child protection, including funding for foster care, adoption, and investigations of reports of child abuse and neglect. HHS estimates that total spending is slashed by about 20%, or about $4 billion over seven years. These cuts would occur at a time when GAO and others report that resources are already failing to keep pace with the need. Between 1983 and 1993, foster care caseloads mushroomed by two-thirds. Over 1,300 children die each year due to child abuse and neglect. Yet the Republican budget slashes and caps these programs, eliminating the guarantee of child protection services.

IMPACT OF THE REPUBLICAN BUDGET ON HEALTH CARE FOR VETERANS:

- Medicaid cuts alone could force states to deny coverage to as many as 150,000 veterans in 2002.
  - Most could not afford private health care coverage, leaving many veterans without any health care coverage at all.
  - More than 600,000 veterans currently depend on Medicaid for their health care.
- **Medicare cuts would force the 8.8 million veterans on Medicare -- one-third of all veterans in the United States -- to pay higher out-of-pocket costs for lower quality care.** These 8.8 million veterans include:
  - More than 4.3 million veterans with combat experience
  - More than 1.2 million veterans with disabilities connected to their service
  - 45% of Medicare-eligible veterans have incomes of less than $20,000. Some 27% have no private health insurance coverage.
- **May force hundreds of thousands of veterans on Medicare to seek medical assistance from VA facilities, but the VA would be unable to accommodate this increased demand.** These veterans comprise a particularly vulnerable population:
  - 73% have a limiting disability
  - 56% report having poor or fair health
  - 87% have incomes of less than $20,000
- **Reduces VA medical care appropriations by about $400 million from the President's request for 1996, leaving many veterans untreated.**
- **Taken together, the cuts in Medicaid, Medicare, and VA appropriations jeopardize the nation's historic commitment our veterans' health and safety.**

IMPACT OF REPUBLICAN BUDGET ON FARMERS:

- **Eliminates the Federal Farm Safety Net by Decoupling Most Payments from Market Conditions.** The Republican budget provides a fixed payment amount per year, so producers could receive windfall profits in years when market prices are high, while family farmers' income would not be protected when prices are low. The President's balanced budget retains the current federal safety net for farmers, allowing federal payments to vary with market prices.

IMPACT OF REPUBLICAN BUDGET ON TECHNOLOGY:

- **Risks U.S. leadership in science and technology by cutting federal investment in non-defense R&D by 30% in real dollars over the next 7 years,** according to the American Association for the Advancement of Science.

  - **Reverses 50 years of unwavering, bipartisan commitment to U.S. leadership in technology.** Americans hold millions of jobs in industries that have grown as a result of wise public and private investment in R&D, including biotechnology, computers, aerospace, and semiconductors. *The average pay in high-tech industries was 60% higher than the average for all American workers in 1992.*

- **Guts or eliminates critical industry-led technology programs.** The Republican budget eliminates the Advanced Technology Program (ATP), forcing the government to renege on its commitment to fund up to 250 current projects involving 700 different small and large companies, universities, and other organizations in 36 states that have committed nearly a billion dollars of their own money to these projects. American competitiveness in the 21st century depends on our ability to continue to fund the development of these types of high-risk, innovative technologies.

- **Cuts environmental technology by 22% from the President's request.** By juggling accounts, the Republican budget appears to slightly increase funds for environmental science and technology. In fact, environmental science and technology funding is cut by $150 million or 22% from the President's request for 1996, and by $60 million or 10% from the enacted 1995 level. This includes a 92% reduction from the President's request for the Environmental Technology Initiative (ETI), which would thwart efforts to encourage development of new technologies that reduce pollution and clean up the environment while creating new jobs and economic growth. One ETI program alone, streamlining of environmental regulations, can reduce compliance costs by $700 million or more throughout the economy.

- **Terminates or cuts educational technology.** The Republican budget terminates or cuts creative partnerships such as the Technology Learning Challenge, the Star Schools program, and the Telecommunications and Information Infrastructure Assistance Program (TIIAP). These programs work with businesses, communities, and schools to help American students acquire the skills and technical proficiency they need to work and prosper in the 21st century.

- **Unilaterally disarms American businesses and workers in the midst of the battle for global economic competitiveness, despite the fact that since World War II advances in technology have accounted for as much as *half of our nation's economic growth.*** If the Congressional budget cuts proceed and the Japanese Government implements its recently announced plan to double R&D by 2000, Japan will surpass the United States in total government dollars spent on non-defense R&D by 1997.

IMPACT OF REPUBLICAN BUDGET ON COMMUNITY DEVELOPMENT:

- **Eliminates Valuable Community Development Tool.** The Republican budget eliminates the Community Development Financial Institutions Fund which was created to bring credit and growth to distressed communities by promoting the formation and expansion of community development financial institutions (CDFIs). CDFIs provide credit, capital, equity, and technical assistance to thousands of promising small businesses, economic development projects, and new homeowners in distressed communities in urban and rural America. The Treasury Department estimates that each dollar of federal money generates $10 in new development activity, creating jobs and economic growth.

- **Slashes Funding to Demolish the Most Severely Distressed Housing Projects.** The Republican budget cuts nearly in half the President's request for funding to reform public housing and revitalize communities by demolishing the most severely distressed housing.

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