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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. press release	Press release re: phone numbers (partial) (1 page)	09/22/1995	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Gaynor McCown (Subject Files)
OA/Box Number: 7384

FOLDER TITLE:

General/Budget Working Group

2011-0255-S
rc191

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- **P1** National Security Classified Information [(a)(1) of the PRA]
- **P2** Relating to the appointment to Federal office [(a)(2) of the PRA]
- **P3** Release would violate a Federal statute [(a)(3) of the PRA]
- **P4** Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- **P5** Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
- **P6** Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- **b(9)** Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Rec. 160

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release | **September 27, 1995**

Statement by Alice M. Rivlin
Director, Office of Management and Budget
on Senate Passage of the VA/HUD Appropriations Bill

The President would veto the Senate-passed bill for a simple reason: Like its House counterpart, the Senate bill would threaten public health and the environment, terminate programs that are helping communities help themselves, and close the door on college for thousands of young people.

The Senate voted to eliminate the President's national service program, which is helping to rebuild communities while enabling the sons and daughters of working families to earn money for college. AmeriCorps has the support of 90 percent of Americans, and major charities and business leaders across the country -- and for good reason. It is working. The President will insist that Congress restore funds for this vital program before he signs this appropriations bill.

The Senate also approved a budget for the Environmental Protection Agency that would abandon the nation's bipartisan commitment to health and environmental protection. In particular, the bill would provide far too little for clean water enforcement and toxic waste cleanup. The President will not let Congress turn back the clock on our environmental progress of the last quarter-century.

By cutting so deeply into housing assistance, the Senate took dead aim at the most vulnerable of Americans. And by eliminating the Community Development Financial Institutions program, the Senate chose to withdraw an important tool by which distressed communities help themselves.

Clearly, this bill does not reflect the values that Americans hold dear. The President is calling on Congress to send him an appropriations bill for these important priorities that truly serves the American people.

-30-30-30-

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

September 27, 1995

STATEMENT BY CHIEF OF STAFF LEON E. PANETTA ON CONTINUING RESOLUTION AGREEMENT

The continuing resolution agreed to by the Administration and the Congressional leadership will enable us to continue providing important services for the American people while Congress takes the time it needs to complete work on fiscal year 1996 appropriations.

The agreement provides funding on a temporary basis at an overall level close to that proposed by the Congress, but it does not accept the proposals of the Congressional majority for drastic cuts in education, environmental protection, and other priorities important to the President and the American people.

There has been too much irresponsible talk about using the threat of government shutdown or default to force a particular set of priorities on the American people. This continuing resolution will establish a level playing field, extending the deadline for Congress to do its job and allowing us to resolve the significant differences that remain over budget issues. We should be able to do that without victimizing the American people or damaging our economy in the process.

The President wants us to work together to achieve common ground on a balanced budget. This process shows that we can work together. The President has proposed a balanced budget grounded in the fundamental American values of opportunity, family, community, and responsibility. This is common ground that all Americans share, and it is our hope that we can agree on a budget that reflects these values.

-30-30-30-

REPUBLICAN MEDICAID PLAN
MAY LEAVE ELDERLY SPOUSES IN POVERTY
September 27, 1995

The Republican Medicaid plan would repeal the common ground law signed by President Reagan, protecting elderly spouses from having to *give up everything they have -- their car, their home, and all their savings* -- in order to pay for nursing home care for their sick spouse.

Common sense Americans know that it is wrong to balance the budget by forcing elderly spouses into poverty. It's wrong. It's unnecessary. There's a better way to balance the budget.

President Clinton Questions The Values Of The Republicans' Medicaid Plan. "Do we want to say to a woman whose husband has to go to a nursing home...in order for your husband to qualify for any assistance you have to sell your car, your house, you have to spend all your life savings, you have to be totally impoverished?"

-- President Clinton, September 26, 1995

Medicaid: The Critical Safety Net For Older Americans and Their Families. Medicaid is the largest insurer of long-term care, covering <u>over two-thirds</u> of all nursing home residents. If federal protections for spouses are eliminated, the spouses and families of nursing residents could be faced with the costs of their sick relatives' nursing home care -- care which now *costs an average of $38,000 a year.*

Republicans Want to Repeal The Current Law Protecting Older Americans and Their Families From Poverty. Current law ensures that spouses and families of people needing nursing home care do not have to lose everything they have in order for their spouse to qualify for Medicaid. In 1993, this law protected 287,000 spouses of nursing home residents. Most of these spouses were women. It also protected their families from being forced to pay the nursing home costs and from having to support the spouse not needing nursing home care.

The Republican Medicaid Block Grant May Force Elderly Spouses into Poverty. The Republican Medicaid block grant repeals nearly all federal requirements, including those that protect seniors from going broke paying for their spouse's nursing home bills. There would be no federal assurance that spouses could keep a minimum amount of their income and assets. The end of the federal commitment to Medicaid, coupled with the Republican 30% cut in Medicaid funding to states, would force many states to eliminate their spousal impoverishment protections.

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NEWS

STATE OF DELAWARE
OFFICE OF THE GOVERNOR

THOMAS R. CARPER
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FOR IMMEDIATE RELEASE
Friday, September 22, 1995

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Home

CARPER WARNS OF CATASTROPHIC CUTS IN MEDICAID

(Wilmington, Del.) -- Governor Thomas R. Carper today sounded the alarm on what could be a $470 million cut in federal Medicaid funding to the State of Delaware over the next seven years -- eliminating health care coverage for more than 40,000 eligible children, elderly, and disabled Delawareans. Carper and officials from Delaware Health and Social Services have concluded that the U.S. House Republicans' proposal to cut national Medicaid costs by as much as $182 billion would dump a disproportionate share of federal cuts on Delaware's doorstep.

According to Carper, "I have serious concerns about this proposal's impact on our progress in extending health care access to Delawareans. Not only would it prevent additional people from gaining the health care access made possible under our managed care for Medicaid plan, but we would actually be faced with cutting thousands of people from our rolls who already receive coverage. This proposal would pull the rug out from under one our most vulnerable populations because the lion's share of Medicaid funding in Delaware is spent on long-term care for poor elderly people."

Carper continued, "Because the proposal would lead to the loss of medical coverage for thousands of Delawareans, we would further exacerbate the problem of cost-shifting in our state -- the practice of health care providers passing along the cost of care for the uninsured to those who have insurance. Delaware taxpayers who enjoy health

-- more --

care access would now have to pick up a greater portion of the tab to compensate for those who lack medical coverage. We have made great strides in Delaware to reduce that problem and the House Republicans' proposal would put a significant damper on that success."

-- 30 --

THE MONITOR'S VIEW

"First the blade, then the ear, then the full grain in the ear."

Don't Stiff the Cities

FOR most Americans, cities are the government that directly affects them. Cities provide water, schools, and basic social services. They pave and plow the streets.

It would be nice if cities could pay their own way. But for decades, many have been caught in a Catch-22: Their tax base declines while the demand for services rises. And if they raise taxes to maintain services, more businesses and individuals flee to the suburbs, making matters worse.

So the cities need help from the state and federal governments. State politics, however, often preclude increased aid to cities: Outstate legislators know voters aren't keen to pay increased taxes to what the voters often see as corrupt and inefficient city governments. Sometimes, unfortunately, race is a factor, too. The federal government has thus been the funder of last resort, and often furnishes large percentages of city budgets.

> **By adding less to defense and going easy on tax cuts, we can reduce the deficit and still help the cities.**

But those budgets, already lean, would take an inordinate hit if the US Senate doesn't modify budget-cutting bills passed by the House. Mass-transit, crime-prevention, education, and job-training funds are among those scheduled for trims.

A recent survey of mayors, Democrats and Republicans, found that 96 percent of those responding believe the cuts will have a negative impact on their cities. More than 80 percent said they would have to reduce city services, and more than 40 percent said they would have to raise taxes.

Here's how the House proposals would affect Boston, based on comparison with the fiscal 1995 budget:

- Education funds for disadvantaged children, down $4 million or 18 percent.
- Funds for summer jobs, job training, and dislocated workers, down $2.8 million or 51 percent.
- Public housing, homeless assistance, and antidrug funding, down $27.5 million or 26 percent.
- Energy assistance to the poor and elderly, completely eliminated.

In addition, cities are already staggering under unfunded federal and state mandates. If their funding is cut without relief from these requirements, they will end up with the worst of both worlds.

Cities must take their share of trims along with everyone else in a time of budgetary restraint. But the House cuts are too severe. By adding less to the defense budget and going easy on tax cuts, Congress can reduce the deficit and still help the cities.

In addition, federal and state lawmakers should immediately begin reviewing and eliminating unfunded mandates on local governments. Republicans everywhere should have no quarrel with that.

PHILADELPHIA TRIBUNE

SEP 15 1995

Rendell says proposed House budget 'makes no sense'

By Michael Dabney
Tribune Correspondent

Mayor Ed Rendell said the U.S. House's current budget proposal "makes absolutely no sense" and called on local leaders to lobby for changes in the federal budget before it's too late.

"This budget isn't smart and it isn't fair," Rendell said Friday during a Greater Philadelphia Urban Affairs Coalition forum on proposed federal budget cuts.

"This is THE issue that will have a far greater impact on our city [illegible] what we do in City Hall," Rendell said.

The purpose of the forum was to [illegible] inform business, civic, and community leaders of the proposed changes and to discuss what those changes will mean to the governments, communities, businesses, workers, and charities in the Philadelphia area, said coalition executive director Ernest Jones.

Outlining what the cuts would mean to the Philadelphia area were the local representatives of the federal departments of Housing and Urban Development (HUD); Labor; Education; Health and Human Services (HHS); and the Environmental Protection Agency (EPA).

The budget for the 1996 fiscal year is still being finalized. The U.S. House, which is controlled by Republicans bent on eliminating the federal budget deficit in seven years, have passed bills cutting spending in most federal departments except Defense. The Senate is expected to act this month.

Both chambers in Congress must agree on a budget and send a budget bill to President Clinton by Sept. 30, or the federal government will grind to a halt on Oct. 1, the first day of the 1996 fiscal year.

Federal officials at the forum likened starting the fiscal year without a budget to a "train wreck" that will affect scores of federal employees and all the local economies.

"We think that it is very important for the people to know what is happening" with the federal budget, said Pat Halpin-Murphy, the secretary's representative for the Labor Department.

"Decisions are being made that will come home to Philadelphia. Decisions are being made that will come home to all the Philadelphia area," said HUD representative Karen Miller, whose staff helped plan and organize the forum.

Some 8,000 area young people were employed last summer in the Summer Youth Jobs Program, and the federal government paid for 6,000 of them. But under the Republicans' current budget proposal, that program would be eliminated. Also slated for elimination are all funds for new Section 8 Rental Assistance vouchers and certificates, Low-Income Energy Assistance vouchers and certificates, Low-Income Home Energy Assistance (LIHEAP), and the Public Housing Drug Elimination Program.

"I do expect the Senate to step in an moderate the cuts," Rendell said. But he said some budget cuts are coming and residents should get ready for them. He said the cost to the city could be between $30 million and $100 million.

The federal officials, who were appointed by Democrats, said there could be cuts of 40 percent in funds for the homeless; 44 percent in the EPA's budget; 50 percent in the environmental enforcement budget; 15 percent in the Occupational Health and Safety Administration budget, and 30 percent in its inspection staff; 50 percent in funds for Healthy Start, and major cuts in Head Start.

EPA Regional Director W. Michael McCabe said Congress has in its mind that the states would pick up the slack in some areas where the federal government is cutting budgets, such as with environmental protection. But he said it is doubtful that Gov. Tom Ridge or any other governor in the country will be willing to hike state taxes for programs being slashed by the federal government.

Miller said it is expected that charitable groups will also pick up the slack in the social safety programs facing federal cuts. But she said the cuts could be so deep that charities will be overwhelmed.

HHS representative Lynn Yeakel said citizens must join in the dialogue with elected officials to determine what should be cut. She said everyone agrees that the deficit

'Decisions are being made that will come home to Philadelphia. Decisions are being made that will come home to all the Philadelphia area.'

HUD representative Karen Miller

Philadelphia Tribune (cont.)

must be eliminated, the federal bureaucracy must be cut, and welfare must be reformed.

However, what is lacking is a sense of priority as to where to cut and how much, Yeakel said.

"This discussion is about the human rights of this community," Yeakel said.

Rendell agreed, saying local people must let U.S. Senators Arlen Specter and Rick Santorum know what the priorities should be. Both are Republicans.

Rendell had kind words for Specter in his support for funding for the Philadelphia area, and also said Santorum was helpful in lobbying for LIHEAP, although those funds were eliminated.

Sept. 13, 1995

Hornbeck joins Clinton in decrying proposed cuts

At a conference call with other school leaders, he warned of a "body blow to serious school reform."

By Dale Mezzacappa
INQUIRER STAFF WRITER

Larger classes, no summer jobs for teenagers, fewer anti-drug and anti-violence programs, a cut in Head Start, more hungry children, a retreat on academic standards.

Those are just some of the setbacks that Philadelphia and other urban areas can expect if budget cuts passed by the House last month become law, President Clinton and big-city school leaders warned yesterday.

Philadelphia School Superintendent David Hornbeck joined Clinton, Secretary of Education Richard Riley and five other urban school leaders in a telephone conference call to decry the GOP measure, which would slash $3 billion from education and training programs.

Hornbeck said the cuts — which Democrats and educators are fighting to defeat in the Senate — would deliver a "body blow to serious school reform all across the country," including his own Children Achieving agenda.

Philadelphia would lose $20 million in federal education aid, Hornbeck said, including $13.5 million in Title I funds, which are targeted at the poorest schools.

Hornbeck said such proposed cuts are unconscionable, especially when the House Republican spending plan would also increase the military budget by some $40 billion.

"Programs that impact on persons who are poor are the ones disproportionately taking the hit," Hornbeck said. "Programs like the defense budget are not only not taking a hit, but getting more."

The Republicans have justified the cuts by saying some of these programs are better taken care of by states, not the federal government. They want to give states block grants that they can use however they want, rather than targeting federal funds to specific programs such as child nutrition.

"It's easy to cut when you're a long way from the human consequences of those cuts," said Clinton, who has vowed to veto the House measure.

The six superintendents said the human consequences would be stark, ranging from no preschool to fewer community people employed in the schools to no free school lunches for children who might not get another decent meal all day.

Hornbeck particularly criticized the proposal to eliminate the Goals 2000 program, first established in the Bush administration by a bipartisan coalition of governors that included Clinton. Goals 2000 sets a national framework for high academic standards, calling on states to work toward making sure that all their students graduate ready either for employment or college.

"The biggest single barrier we face in Philadelphia and the nation is low expectations," Hornbeck said.

Cutting Head Start is another shortsighted policy, he said. Philadelphia would lose $585,000, meaning a loss of six Head Start classes.

"This in a city where there are already 15,000 eligible kids who are not served," Hornbeck said.

Hornbeck said the Title I cuts proposed for Philadelphia would amount to a 17 percent reduction, affecting 80 schools with an enrollment of 48,000 children. He said a total of 100 teachers and 200 classroom assistants would have to go.

Other cuts would be in professional development for teachers, bilingual programs, adult education, support for homeless children, and prevention of drug use and violence.

Clinton said the GOP attempt to cut drug-prevention dollars undermines their own position.

"Republicans always said we need to change behaviors," Clinton said. School programs focusing on peer mediation, drug education and other such programs do just that, he said.

The proposed cuts are part of the labor and human-services appropriations bill, one of several spending measures being debated in the Senate for the fiscal year beginning Oct. 1.

Riley said the cuts come at a particularly inopportune time, because school enrollment is increasing and evidence shows that students are taking more rigorous courses and doing better on achievement tests such as the SAT.

Clinton reiterated that he has proposed a plan for balancing the federal budget that would increase spending for education and training, and declared that the programs targeted by the Republicans are not giveaways, as the GOP has charged.

"Nothing is going to people who don't need it or won't use it," Clinton said. ". . . American taxpayers always say they don't want to give people something for nothing. I agree. But these are students who are working harder, doing more homework, investing more in their own future, and understand more about their own education."

nomic Growth and Tax Reform that a sales tax would be likely to create an economic boom followed by a bust, along with a period of "protracted instability" during the transition to the new system.

Responding to the criticisms, Lugar labeled the JEC report "disinformation" and an aide to Schaefer said that there would probably be a turbulent transition to any new tax system.

CATS national director Victor Krohn said in an interview that the Schaefer-Tauzin bill appeals to Archer because "it's a clean bill, a pure end-use consumption tax that would get the Internal Revenue out of people's lives while collecting taxes from the 'underground economy.' It's simple, visible and it's legal [under the General Agreement on Tariffs and Trade] for collecting taxes on foreign goods at the border."

In its current form, the proposed tax would apply to anyone who sells retail goods at the rate of 17 per cent. It would replace the income tax, but not the social security-medicare payroll tax. For businesses, capital goods and goods used in production would not be taxed. Housing is likely to be exempt under the plan because, an aide said, "there's the strong presumption that a home is a form of savings and investment." ■

THE FRACTURED ALLIANCE

BY ROCHELLE L. STANFIELD

CITIES AND STATES

It was probably inevitable. The united front of state, county and city officials marching arm in arm early this year under the banner of New Federalism has all but shattered now that the fiscal realities of devolution are becoming apparent.

The sharpest split is between state and local officials, but the alliance of big urban centers and smaller towns and suburbs is also under strain.

The disarray in state-local relations was evident when leaders of the U.S. Conference of Mayors (which represents big cities) and the National Association of Counties met with President Clinton on Sept. 6 to launch a Campaign for Federal Budget Fairness. The campaign aims at restoring cuts in federal aid to localities. Noticeably absent from the meeting were the National League of Cities (which represents all cities, including towns and suburbs) and the major state organizations, the National Governors' Association and the National Conference of State Legislatures.

After the White House meeting, mayors and county officials fanned out across Washington to tell their story to editorial boards and reporters at major publications. Mayor Marc H. Morial of New Orleans, a Democrat, and Richard J. Phelps, the County Executive of Dane County (Madison) Wis., who was elected on a nonpartisan ballot, spoke to *National Journal*. Here are excerpts of that session.

John Eisele

Dane County (Wis.) Executive Richard J. Phelps and New Orleans Mayor Marc H. Morial They're not happy about the current trend in federal, state and local relations.

On state-local divisions

MORIAL: I think you have not heard from mayors, county executives and county leaders and local government leaders [on the budget and spending bills]. You have heard from governors. Mayors feel that they have not been consulted as this budget package has been confected....

What we have here is really a coalition of local governmental leaders. It may not include the states. There were dramatic changes in the makeup of statehouses during the last election cycle. Many of the governors—the governor of Wisconsin, the governor of Michigan—have been here lobbying for block grants directly to states. Where a block goes to the state for a service that is provided at the local level, then it really isn't a block, it's a . . . cut, because states chop 10, 15, 20 per cent for administrative expenses, and then we will be forced to lobby here in Washington and lobby in our state capitals for a fair distribution of those proceeds.

We're going to try to have a dialogue with the governors. But let's face it, the governors have to an extent been at the table. They rode in on their horses early in the year.

On putting a local face on federal spending cuts

PHELPS: If you brush aside all the details, this isn't about city governments or county governments being hurt, or state governments being hurt. This is about people in our community. America is about to get a lot poorer, and that isn't good for any community in the country. We [in county and city government] spend all of our time, day in and day out, [dealing with] child abuse, trying to prevent crime, drug abuse, toxic waste—the nuts and bolts of what keeps a community high quality. All of those areas are the areas targeted for cuts. How can that possibly be good for America?

There are so many pitfalls and disconnects in all this theoretical debate. Until we have faces on it, people just aren't going to understand. They see the numbers and say: "Maybe my taxes will be cut. That will be good." That's all they understand of this whole thing. . . .

It's not going to express itself in a big bang. If Oscar Mayer [Madison's largest employer] were leaving town, we could sort of plan for that. It's going to express itself in a thousand different ways, in little cuts and slices. I've called it a thousand points of blight.

On costs and benefits

PHELPS: What I worry about is that a lot of the decisions are being made now without [real] experience. These are cuts that don't have faces, but at a local level these cuts have faces.

An example. We provide attendant care for people with disabilities that keeps them out of institutions. Oftentimes, they're fully employed in our community, go to school. They have people that literally bathe them and dress them. We pay [these attendants] $6.50 an hour without benefits and have a 60 per cent turnover of attendants. If you are a disabled citizen, you get the pleasure of every six months or so having a brand-new person take you to the bathroom.

So, you will tell me to just do less. Where would you advise that I do less? Do we pay $5.50 an hour? The unanswered question, beyond the inhumanity of that, is that for every one of those people who is no longer in an institution, it will cost $100,000 a year to be [back] in an institution. We can serve 200 people [if they're in the community] for one person in an institution. You cut those programs—and they will be cut—then those people have to go back. And then who pays the bill?

On deals and vetoes

MORIAL: I think that probably in the back of everybody's mind here inside the Beltway is, oh, they'll make a deal at some point. But the question is, what is it going to be? A deal just so no one takes the blame for causing the train wreck, for shutting down the government?

This is not all about politics. This is not all about deals, not all about let's find a pragmatic way to split the baby, cut the budget, cut a deal. That's the kind of government I think the public has some problem with.

[Clinton] indicated he was willing to try to compromise. But the President ought to try to prevail. . . . [If he doesn't] I would say to the President, you must exercise your constitutional prerogative to veto the appropriations bills. In this business, I think the President has got to stand strong and stand for something and stand on some basic principles. ■

BOOKS BY AND ABOUT SOME NEIGHBORS

BY W. JOHN MOORE

Washington is for writers. Authors abound. OK, in this city of words, similes will never trounce soundbites. The Great American Novel won't emerge from scriveners who can simultaneously peruse three newspapers and watch C-SPAN. And Georgetown ain't Bloomsbury.

Still, when it comes to nonfiction, Washingtonians will discover this fall that their neighbor, the erstwhile hermit, has actually finished his opus. Herewith, a list of some of those tomes, as well as some other books of interest, that will arrive in the bookstores from now to March.

Washingtonians

Start with Hillary Rodham Clinton, who has finished *It Takes a Village: And Other Lessons Our Children Can Teach Us* (Simon & Schuster Inc.).

Autobiography is big this year. In *David Brinkley* (Alfred A. Knopf Inc.), the legendary ABC newsman sums up, as does Pierre Salinger, JFK's former press secretary, in *P.S., A Memoir* (St. Martin's Press Inc.). Benjamin C. Bradlee, executive editor of *The Washington Post* during its heyday, offers a memoir, *A Good Life: Newspapering and Other Adventures* (Simon & Schuster).

Bradlee faces a fight for shelf space with other *Post* reporters, including George Lardner, who examines the impact of violence in *The Stalking of Kristin: A Father Investigates the Murder of His Daughter* (Atlantic Monthly Press). Media critic Howard Kurtz looks at the talk show phenomenon in *Hot Air: All Talk, All the Time* (Times Books). *Post* political reporter Dan Balz and Ronald Brownstein, a political reporter in the Washington bureau of the *Los Angeles Times*, both alumni of *National Journal*, have penned one of the first books on the impact of the Republicans' 1994 success in their *Storming the Gates: Protest Politics and the Republican Revival* (Little, Brown and Co. Inc.).

Richard A. Bloom

Ex-Secretary of State James A. Baker III
He's written about the Cold War's end.

WASHINGTON INC.

Meanwhile, *Newsweek* columnist Robert J. Samuelson (yes, another *National Journal* alum), delivers an assessment of recent economic times in *The Good Life and Its Discontents: The American Dream in the Age of Entitlement, 1945-1995* (Times Books). James Fallows, Washington editor of *The Atlantic Monthly*, offers a sober assessment of the press in *Read All About It: How the American Press Undermines American Democracy* (Pantheon Books). In *Virtually Normal: An Argument About Homosexuality* (Knopf), Andrew Sullivan, editor of *The New Republic*, examines the state of gays. His colleague, Michael Kinsley, has a package of columns, *Big Babies: Big Whines* (William Morrow & Co. Inc.).

Tuesday, September 12, 1995

The Boston Globe

WILLIAM O. TAYLOR, *Chairman of the Board and Publisher*
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JOHN I. TAYLOR, *President 1963-1975* LAURENCE L. WINSHIP, *Editor 1955-1965* THOMAS WINSHIP, *Editor 1965-1984*

The timely case for cities

American cities are centers of commerce, education and medicine. They are the entry points for millions of immigrants who will become citizens in the next century. Despite the growth of suburban communities, they remain home to tens of millions. The US Conference of Mayors is justified in making a strong case for urban interests as Congress enters the climactic stage of the budget process.

"I believe the deficit has to be reduced," said Mayor Norman Rice of Seattle in Boston last week, but he added: "Do the cuts smart." The Republican majority in Congress includes few representatives from large cities. The budget process will probably push up against the fiscal year deadline of Sept. 30 and possibly beyond. Negotiations will be hurried, and programs that affect these communities are likely to be slashed with little notice unless the Conference of Mayors succeeds in making itself heard.

Rice, who is president of the conference, is going around the country to garner support for the urban cause. He and Mayor Menino met with local executives last week to make the case that businesses – many with headquarters in cities – have a vital interest in sustaining city services.

Programs affecting cities are scattered in budget accounts dealing with housing, crime, transportation, job training and poverty. They often lack the kind of organized constituencies that rally to defend agricultural subsidies or weapons.

In total these items represent a significant investment in communities that have been battered by federal investment in highways going to the suburbs. The earned-income tax credit, prominently mentioned by Rice last week, stands out as a program that deserves special protection because it reduces poverty among working people.

The Conference of Mayors would do well to seek alliances with suburbs whose character resembles that of their larger counterparts. Those who hold the budget ax in Washington need to be reminded from many quarters that cities deserve federal support for their creativity and economic vitality.

The Buffalo News/Tuesday, September 12, 1995

Don't give up on the cities

GOP bid to gut HUD will have wide impact

WHILE BUFFALO braces as Congress takes aim at urban development programs amid barely a protest, a rhetorical question puts the fiscal assault in perspective: What if counties — instead of cities — were taking such a hit?

Would members of Congress and the public be so complacent if suburban sanctuaries were being threatened the way the nation's core cities are being targeted? Would this region's congressional delegation be so silent if the entire area were being hit as hard as the City of Buffalo through cuts in agencies like the Department of Housing and Urban Development?

A few big-city officials, such as Mayor Masiello, have protested. But they have yet to raise the kind of coordinated ruckus that could make the nation pay attention. The result is that cities have become a throwaway item in the GOP plan to dispose of programs that benefit the poor.

Not only has HUD — which by definition focuses on urban areas — been disproportionately hit in GOP budget plans, but so have mass transit, jobs programs and other efforts that help central cities.

It is a national strategy sure to backfire in the long run. Economic data showing that cities and their suburbs tend to prosper or decline in tandem illustrates the long-term folly of ignoring urban areas. But there has yet to be much indication that the Senate will blunt the House assault on cities.

Buffalo officials have tallied at least $40 million in cuts this city would absorb under House-passed legislation now being pondered by the Senate. A significant $16 million of that would come from city housing programs as the HUD budget gets targeted for a whopping 24 percent cut.

That's money that would fix up low-income housing, subsidize the rents of those who need it, and make sure home is safe for those who can't afford to move. It's also money to help the homeless and to run anti-drug and job-training programs to help poor tenants lift themselves out of poverty.

Cut such efforts, and you leave a gaping hole in Buffalo's bid to rebuild itself. And like it or not, this entire region is defined by the city. If Buffalo gets a reputation as a city going down the tubes, new businesses and jobs are not coming anywhere near this area — including the suburbs.

The same is true nationwide. Nearly a third of the U.S. population lives in central cities. Republicans now controlling Congress come from suburban and rural areas, but that doesn't give them license to drive the nation over an economic cliff by ignoring cities and the millions living in them.

Of course, HUD's reputation is hardly sterling. Under Republican administrations, it had its share of scandals while ignoring the failures of local housing authorities — like the one in Buffalo — for far too long.

But that began changing under former Secretary Jack Kemp and the change is dramatic under current Secretary Henry Cisneros. Cisneros has consolidated 60 departments into three and cut HUD's staff nearly in half, from 13,000 to about 7,500. In short, he already has implemented the type of downsizing Republicans claim to want government to undergo.

HUD is doing what it should, and the nation's vitality depends on its success. It shouldn't have to change its name to the Department of Housing and *Suburban* Development just to continue its vital mission.

WASHINGTON AND THE WORLD

To deflect budget ax, HUD cleans house

Cisneros tries 'reinvention' to revive 'hunted' agency

By Richard Wolf
USA TODAY

The federal government's major link to urban America is battling back from a political graveyard on the 30th anniversary of its birth.

At stake are hundreds of programs and thousands of housing projects that provide shelter for nearly 5 million families served by the Department of Housing and Urban Development, a target of congressional budget-cutters.

While the beleaguered agency is winning this year's battle for survival, it faces a longer war over the size and shape of federal housing programs.

"We may have dealt with the question of elimination for this year, (but) we are hunted," says HUD Secretary Henry Cisneros. "If we don't do something, we will be hunted down."

For an agency with roots that go back to Franklin Delano Roosevelt's launching of the nation's first public housing program in 1935, the fall from grace was years in the making. The 1980s brought scandal, as well as scores of new programs. The result was chaos.

Add to that the government's soaring budget deficit and the loss of clout suffered by Democrat-dominated cities, and HUD appeared doomed. Even moderate Republican Sen. Christopher Bond of Missouri, whose housing panel now controls the HUD's fate, calls it "a dysfunctional agency."

"It's had a lot of very high-profile failures, and it's been badly managed in the past," says Michael Tanner of the libertarian Cato Institute. "That makes it a very easy target."

So do decaying housing projects, lengthy waiting lists to get into them and many stories of corruption in local HUD agencies. But Cisneros is fighting back against a threatened 20% to 25% in budget cuts:

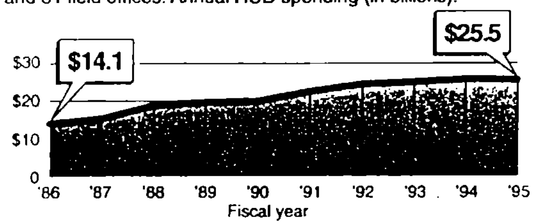
▶ He's presiding over the demolition of HUD's worst housing projects and taking over its most troubled agencies.

▶ He's proposing his own "reinvention" plan to give tenants more control and local governments more flexibility.

▶ He's running a sophisticated public relations campaign to save his department, befriending even the very Republicans out to gut his agency.

Housing agency faces cuts

A House appropriations bill cuts Housing and Urban Development funding to $19.4 billion in 1996 from $25.5 billion this year. A Senate subcommittee is working on a bill. HUD has 12,000 employees, runs 3,350 public housing authorities and 81 field offices. Annual HUD spending (in billions):



HUD aids 4.8 million households, including:

- ▶ 1.4 million households in public housing
- ▶ 3 million households receiving rental assistance.

Other forms of HUD housing assistance:

- ▶ 946 local governments get Community Development Block Grants totaling $4.6 billion.
- ▶ The Federal Housing Administration insures 6.5 million single-family home mortgages and 1.9 million households in multifamily housing.
- ▶ The Government National Mortgage Association (Ginnie Mae) guarantees $473.5 billion in mortgage-backed securities.

Sources: HUD, Office of Management and Budget, USA TODAY research

By Genevieve Lynn, USA TODAY

Gannett News Service

"We may have dealt with the question of elimination (of HUD) for this year, (but) we are hunted."

— Henry Cisneros, HUD secretary

As a result, Cisneros, who faces a Justice Department probe of his payments to a former mistress, is winning praise from the political right and left.

But it will be a long way back for an agency charged with providing affordable housing and mortgage insurance for low- and middle-income families, helping the homeless, elderly and disabled, guaranteeing fair housing opportunities and funding community development projects.

Among HUD's problems:

▶ **Rising costs.** HUD often pays more in subsidies to landlords than would be needed in vouchers to tenants. Many of its properties are in desperate need of rehabilitation, and many of its loans face default.

▶ **Too many programs.** Although Cisneros has proposed consolidating 60 major programs into three, Republicans complain that more than 200 remain on the books.

▶ **A centralized bureaucracy.** An agency that built low-income projects, subsidized landlords and insured mortgages is out of step with a Congress bent on shifting responsibility to tenants and homeowners.

Seattle Mayor Norman Rice, president of the U.S. Conference of Mayors, says the problems of the past stemmed from the segregation of public housing, which "stigmatized the people who lived there." Now, he says, HUD is "reinventing itself in positive ways."

HUD's hang-ups don't negate the need for low-income housing. Proponents of anti-poverty programs point to an increasing shortage; and even HUD critics acknowledge many programs are effective.

A recent study by the liberal Center on Budget and Policy Priorities found a record shortage of affordable housing: low-income tenants exceeded available units by 4.7 million.

"Every city in the country will tell you that they have large waiting lists and not enough housing," says Mary Ann Gleason of the National Coalition for the Homeless.

While HUD's Achilles' heel may be its biggest and oldest inner-city housing projects, it now seeks to build townhouse-style developments that can attract a mix of income levels.

In addition, programs aimed at the elderly, disabled, homeless and people with AIDS get better grades than the public housing projects that grew out of the 1950s and '60s.

"We understand we've made mistakes," says Rep. Barney Frank, D-Mass., a HUD defender. "We don't build those huge complexes anymore."

Next month when the budget is due for approval, and again next year when a presidential election may elevate Republicans' calls for HUD's scalp, the agency will face more than minor cuts.

"It's a very serious assault on housing programs," says Bob Adams, president of the National Low-Income Housing Coalition. "It's really going to be crippling to our national housing efforts."

But Republicans say that with new thinking rather than more money, HUD can better serve the nation's cities.

Says Rep. Rick Lazio, R-N.Y.: "Some of the focus has got to be on economic development and job creation, so that people can be employed and will not need public assistance for housing."

9/12/95

METRO

BILL STAMETS/FOR THE SUN-TIMES

Mayor Daley speaks against proposed federal spending cuts Monday. With him are (from left) Cook County President John Stroger; Palatine Mayor Rita Mullins; Tom Cochrane, executive director of the U.S. Conference of Mayors; De Kalb Mayor Greg Sparrow, and Seattle Mayor Norman Rice.

Daley Pushes Tax Credits to Aid Cities

BY FRAN SPIELMAN
STAFF WRITER

After sitting on the sidelines for months, Mayor Daley joined the fight Monday against federal spending cuts that threaten to strip $230 million from Chicago programs.

Joined by Seattle Mayor Norman Rice, president of the U.S. Conference of Mayors, Daley acknowledged that cuts are "inevitable and necessary" and made no commitment to raise local taxes to keep programs.

"I've said it before and I'll say it again: Chicago taxpayers cannot and will not pick up the costs of federally funded programs. If the feds cut, we will have to cut federal programs and jobs," said Daley, who was also joined by Cook County Board President John Stroger, Palatine Mayor Rita Mullins and De Kalb Mayor Greg Sparrow.

The only specific program Daley beat the drum to retain was the popular Community Development Block Grant program. Under the program, the city doles out $100 million-plus each year to scores of community groups. CDBG funds also serve as a catch-all for city emergencies.

Instead of backing a laundry list of urban needs, the mayor advocated four federal tax incentives to ease the burden on cities:

- A summer job tax credit that would allow companies to "write off" the cost of hiring young people during the summer. Daley estimated that such a credit could pave the way for companies to create 30,000 summer jobs, twice as many as Chicago stands to lose from the federal cuts.
- A mass transit tax credit that would allow CTA riders to deduct the cost of mass transit fares from their federal tax returns.
- A welfare-to-work credit to give private companies an incentive to move people from public assistance to full-time jobs.
- An environmental remediation credit to help companies finance the cost of toxic cleanup.

Later today local mayors and county officials will hold a Chicago strategy session to map plans for fighting the cuts in the U.S. Senate.

Daley is in line to succeed Rice as president of the U.S. Conference of Mayors. But he has so far declined to play a leadership role in the campaign to reverse dire cuts approved by the House of Representatives. Mayoral aides have confided that Daley believes some urban programs aren't worth preserving.

NEW BEDFORD

Mayor tries to stave off federal ax

Job-training program would lose $1 million

By Hans Schattle
Standard-Times staff writer

WASHINGTON — Mayor Rosemary S. Tierney blasted plans in Congress to wipe out federal funding for a training program that helped about 1,500 city youth find employment this year.

Mayor Tierney joined several colleagues from across the nation in a conference call Wednesday afternoon organized by U.S. Secretary of Labor Robert Reich to criticize several cuts in job training money now winding their way through the U.S. Senate.

Mayor Tierney spent about five minutes on the phone decrying the cuts. The city's summer jobs program run by New Directions stands to lose about $1 million.

"To have this happen to me is absolutely deplorable," she said. "It looks as if the Congress is being very, very short-lived. They are balancing a tax break for the upper income on the backs of the working poor, children and infants."

Mr. Reich responded by saying that teenagers depend on federally-funded training programs at a critical time in their lives.

"Many are at just the ages when they're making choices about whether to stay in school or do something else and get in trouble," Mr. Reich said. "We're going to pay as a society. We have a new economy, demanding new skills, and kids are having trouble staying in school. These kinds of cuts are nonsensical."

Mr. Reich said although President Clinton has promised to veto the cuts, the Republican leadership in Congress "has indicated that it may, in effect, hold the public hostage, and has threatened the closure of all public prgrams unless the president goes goes along."

"Do you think the public knows what is going on?" Mr. Reich asked the group.

"Absolutely not," Mayor Tierney immediately piped up. "I'm out there every day. I'm in all of the neighborhoods New Bedford has, and I'm absolutely certain they do not realize it. We have had structural changes in our whaling industry, and structural changes in our needle trades. Those workers, are adults. ... It's absolutely essential you allow (assistance) like that to continue. Otherwise working families will be unable to put bread on their tables and send their kids to school."

I E BUFFALO E W TUESDAY SEPTEMBER 12, 1995

BUDGET CUTS

Masiello sends warning to Washington

By DOUGLAS TURNER
News Washington Bureau Chief

WASHINGTON — Buffalo Mayor Masiello on Monday continued his campaign against Republican budget cuts by warning the New York congressional delegation that a Senate bill will cost the city as much as $11 million next year.

In a fax message Masiello labeled "urgent," the mayor warned the outcome of the Senate's votes on an appropriations bill "will have a direct impact upon the social, physical and economic conditions" of the city.

Democrat Masiello's strategy is in sharp contrast to that of his predecessor, James D. Griffin, who said little if anything about efforts over a 12-year span by Republican presidents to savage appropriations for the cities.

The measure being readied for floor action is the 1996 appropriation Veterans Affairs, Housing and Urban Development and Independent Agencies. While the fax was addressed to all 33 members of the delegation, it was aimed at Sen. Alfonse M. D'Amato, R-N.Y., the only member likely to vote for it.

The mayor warned a Senate committee is considering cutting appropriations for community development block grants by as much as 50 percent. Buffalo gets $22 million a year in block-grant funding.

The Senate vote "will have a direct impact upon the social, physical and economic conditions" of the city.

MAYOR MASIELLO

The mayor's message highlighted the administration's use of block grants as funding for loans for business development.

"Low-interest loans to businesses of all sizes," he said, "particularly minority-owned businesses and high-risk businesses — are an effective and direct method to spur private-sector job creation."

The mayor also said the city uses its block-grant money to support "innovative outreach and interaction activities that are critical to a successful economic development program."

The city spends about a third of its block-grant funding on development loans. Nearly half goes into housing. The mayor noted four community agencies, including the Catholic Diocese of Buffalo and the Young Women's Christian Association, have grants pending for special needs housing funded by the block-grant program.

Masiello is working closely with the Democratic White House to coordinate criticisms of the GOP budget plans. He appeared two weeks ago at a town meeting at the downtown campus of Erie Community College to protest the cuts. Today, Buffalo Schools Superintendent Albert Thompson is scheduled to talk about education cuts via telephone with President Clinton.

The House restored proposed block-grant cuts and has agreed to continue funding at current levels.

Sen. Daniel P. Moynihan, D-N.Y., is expected to oppose the GOP budget plan.

Harvey Valentine, spokesman for D'Amato, said he doesn't know what D'Amato plans to do.

ᐧhelps, Soglin join national budget protest

Rick Phelps

By Chris Murphy

Correspondent for The Capital Times

Municipal and county leaders nationwide will coordinate a protest today of federal budget cuts that they say will corrode the quality of life in the country.

Officials from the country's 60 largest metropolitan areas, including Madison, will host news conferences today, beginning an effort to influence federal legislators before they finish their budget this fall.

Dane County Executive Rick Phelps will share the stage in Madison with Mayor Paul Soglin plus the mayors of Stoughton and Sun Prairie.

Phelps said in a telephone interview from Washington, D.C., Wednesday that until now, talk about the Republican proposals has focused on the debate itself, ignoring the social consequences.

"What the people at home haven't been told by the federal government is that this (budget) isn't going to solve our local problems," Phelps said. "It'll just give us another set (of problems) that are bigger."

In particular, he said the burden of paying for programs for the poor, the elderly and the disabled will shift to middle-class property taxpayers. Wisconsin residents already contend that their local taxes are too high, he said.

Phelps added that property tax increases may fall hard on those who can least afford them. Property taxes may increase even if a person's purchasing power does not, he said, while federal income taxes increase with a person's income.

The end result of the proposed cutbacks, Phelps said, is that the poor will get poorer and "life will just get seedier."

In Dane County, he said, if the Republican plan to balance the federal budget in seven years is passed, it would reduce the purchasing power of county residents by $180 million annually by the year 2002. Most of the loss would come from individual benefits such as Medicaid, while county government itself would lose $11.4 million.

"I think (the plan) is going to have a tremendous impact on our county over the next seven years," Phelps said.

He was in the capital this week as president of a nonpartisan county executives group working with other municipal leaders to plan the lobbying effort. They officially kicked it off Wednesday at a news conference in Washington after a meeting with President Clinton.

The municipal leaders know the best they can do is a compromise with Congress, Phelps said, but they hope to win some concessions. In particular, he said they want to be part of the negotiation process on the budget. In light of spending reductions, Phelps said local leaders also want Congress to abandon plans for a tax cut, and they want the Defense Department's budget to be subject to cuts.

Current drafts of the budget give the Defense Department $7 billion more than it requested, Phelps said. He added that cuts there combined with abandoning any tax cut would make a tremendous difference for social services.

But if Congress refuses to compromise, Phelps said, the group has asked Clinton to veto budget bills as a last resort.

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Invest Board snub had gov's blessing

Associated Press

The refusal of the State Investment Board's chairman to attend a fact-finding meeting by a legislative committee has the backing of Gov. Tommy Thompson.

The Joint Audit Committee intended to ask Philip Gelatt during a hearing Tuesday about the board's loss of $95 million in risky investments. Gelatt never showed up, nor did any of the board's other trustees.

Gelatt "didn't appear because there was an investigation going on and he didn't feel he could answer all the questions," Thompson press secretary Kevin Keane said Wednesday. The committee said it

September 7, 1995 Pioneer Press (St. Paul, MN)
A section

SAINT PAUL PIONEER PRESS

NATION/ WORLD

Mayors say federal cuts to cities mock 30-year effort to revitalize urban areas

Despite need for cuts, leaders predict effects will be 'catastrophic'

LORI MONTGOMERY WASHINGTON BUREAU

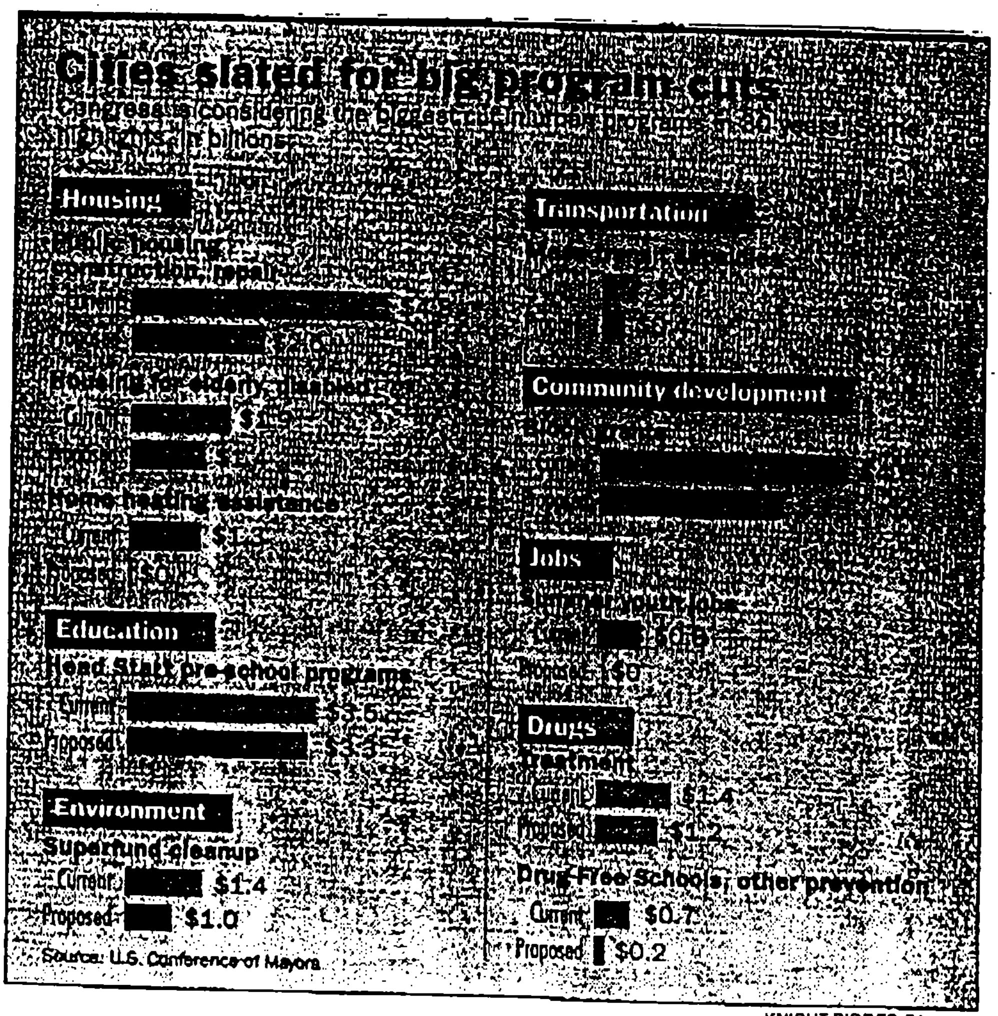
WASHINGTON

n their quest to balance the federal budget by 2002, Congressional Republicans are targeting American cities for the most dramatic reductions in federal aid since the birth of many urban programs in the 1960s.

As Congress returned from its August recess, the Senate was taking up House proposals to slash billions of dollars from public housing, programs for the homeless, job training, drug treatment and Head Start preschool programs.

Massive cuts in public transportation funding already have been approved in both houses. And the House plan would eliminate entirely some programs devoted to combating crime and joblessness in the nation's inner cities, including a perennial urban favorite: summer jobs for city youths.

"There must be a dozen or more bills that we're aware of right now that would impact the city," said Detroit Deputy Mayor Nettie Seabrooks, who tracks federal legislation for Mayor Dennis Archer. "It's hard to say exactly what the impact will be. But, in some cases, it's going to



KNIGHT-RIDDER TRIBUNE

be devastating."

Congressional leaders agree that their budget-cutting plan would deliver body blows to urban programs. But cities would be hit no harder than anyone else, they say.

"If every person who complained got their way, we'd never balance the budget. It's that simple," said Chris Ullman, spokesman for the plan's architect, House Budget Committee chairman John Kasich, R-Ohio.

"This is a very fair and balanced plan that impacts everyone," Ullman said. "A lot of cuts impact the middle class and the upper class. Students are going to get hit in this thing. It really is an attempt to be as across-the-board as possible."

City leaders scoff at that argument, pointing to a proposed increase of billions of dollars in defense spending — a bonus the Pentagon did not request — and billions of dollars in federal programs and tax breaks for corporate America that so far remain largely untouched.

At a time when Congress also is expected to slash spending for welfare, health care and other assistance to poor people who are concentrated in urban areas, city leaders say proposed cuts to fundamental programs like public housing and transportation represent an abandonment of a 30-year effort to revive American cities.

"I don't think there's any mayor in this nation who believes the solution is to simply say, 'Don't cut, don't cut.' Our mayor certainly knows that is just not realistic. Everybody's got to bear the burden," said Rebecca Hale, spokeswoman for Seattle Mayor Norman Rice, president of the U.S. Conference of Mayors.

"But it's not right that cities and the poor and the elderly and disabled and children have to bear the greatest portion of the burden," she said.

This week, Rice, Philadelphia Mayor Ed Rendell and New Orleans Mayor Marc Morial were leading other big-city mayors and county officials in launching

ASSOCIATED PRESS

President Clinton meets Wednesday with mayors and county officials to discuss proposed budget cuts. Seattle's mayor, Norm Rice, looks on.

a counterattack. They began Wednesday morning with a meeting at the White House, followed by intense lobbying on Capitol Hill and a series of news conferences across the nation to detail what they say will be catastrophic results if the proposed cuts are enacted.

According to a survey of 145 cities conducted last month by the mayors' conference, the proposed cuts would force a reduction in services in 85 percent of the cities surveyed, layoffs of city workers in 71 percent and higher taxes in 42 percent.

Smaller cities are particularly concerned about the plan to cut federal funding for mass transit by 44 percent — the largest cut proposed for any category of transportation funding. Major cities, for which federal funding represents a smaller slice of the transportation pie, may be able to absorb the cuts. But many midsize cities such as Alexandria, Va., Augusta, Ga., and Tulsa, Okla., predict that city bus systems would have to be reduced or shut down altogether.

"That means people can't get to work. What's that going to do to the economy?" said Michele Moore, spokeswoman for New Orleans Mayor Morial, who [illegible] a Conference of Mayors task force to fight the budget cuts.

In Detroit, the nation's poorest big city with nearly a third of its residents living in poverty, officials are most troubled by proposals that would cut $16 million from the federal check they receive for public housing, home to about 10,000 Detroiters, Deputy Mayor Seabrooks said.

Elimination of the summer jobs program would leave 5,000 Detroit teen-agers without work next year, she said. And the city would lose more [illegible] $7 million in funding to help the [illegible] less.

"Now what is going to happen if all this homeless money is lost? The cities do not have the kind of funding to [illegible] in and fill the entire gap," Seabrooks said.

Calling the budget battle "a cl[illegible] struggle," she said Congressional Republicans are aiming "to punish the poor, those in the worst position to stand up for themselves."

Conservative defenders of the Republican budget plan argue that many of the programs the cities cherish are abject failures and that continuing to fund them would simply amount to throwing good money after bad.

Scott Hodge, senior federal budget [illegible]lyst for the conservative Heritage F[illegible]dation, sums it up like this:

- Public transportation. "Over the 30 years, we've pumped $100 billion into mass transit projects and ridership is [illegible] today than before we started."
- Public housing. "Huge monuments to compassion which have become isolated pockets of poverty and crime. It's time to try something new."
- Summer jobs. "Walking-around money for big-city mayors. They dole it out to young people for make-work jobs that have little or no value leading to skills these kids can use later in life. They're frauds."

9/6/95

Mayors to Congress: Don't Snip All Purse Strings

City leaders pound the pavement this week to tell constituents how cuts in Washington will touch them

By Amy Kaslow
Staff writer of The Christian Science Monitor

WASHINGTON

BRENT COLES, mayor of Boise, Idaho, is getting an earful about buses.

Since late August, when he announced that congressionally proposed federal budget cuts could force his city to raise bus fares by a third, local citizens have been angry. "My hotline has been ringing off the hook," Mr. Coles says.

This week, he and hundreds of other mayors, county executives, and municipal leaders around the country will hold town meetings, press conferences, and public hearings to raise local consciousness about how Washington's plans to reduce federal funding will affect city services – from streets and school maintenance to sewage treatment.

In response to a survey conducted by the United States Conference of Mayors, city officials listed areas that will be hardest hit if the budget cuts approved by the House and now before the Senate, are enacted: mass transit, crime prevention, Head Start, and job training, among them. More than 40 percent of the officials say they would raise taxes and some 80 percent expect to reduce city services.

"Most Americans don't have a clue as to what these proposed budget cuts will mean," says Jerry Abramson, mayor of Louisville, Ky. Mayors are uniquely qualified to drive the message home, he adds. "We're the ones who have the most credibility with our constituents – we have to decide when and where to expend funds. And we're very uncomfortable with politicians in Washington who have been far removed from the local street level for many years determining what's in our local interest."

Coles's problem in Boise typifies what urban leaders nationwide face – a withdrawal of Uncle Sam's support that is difficult to replace with taxpayer revenue. The budget cuts would hit his $1.5 million transportation budget hard – $800,000 of it is federally funded. Lawmakers want to slash that number by $480,000 in the coming year.

Eventually, Coles says, they aim to totally phase out federal support. State law prohibits the mayor from raising property taxes any higher to help pay for the 30 buses that provide 1 million rides a year. So unless the city charges more for public transport, Coles will have to slash other city services, which are already "bare bones," he says.

In many places – from Louisville's population of 1 million to Lincoln, Neb.'s 200,000 – local taxpayers are tapped out. Raising revenues to finance Louisville's transportation costs, social service needs, and antidrug campaigns in public housing projects – all of which are slated for big cuts in the proposed budget – is simply not an option, Abramson insists.

And don't look for charities to make up the shortfall, he says. Smaller cities like Lincoln simply don't have the individual and corporate tax base to finance their own budgets and meet Washington's mandates, says Mayor Mike Johanns.

The high cost of complying with federally imposed environmental, disability, and other regulations is passed on to taxpayers who are already groaning, he says. Urban officials are looking to Congress to revamp its spending priorities.

COLES, a Republican, says he is willing to support the fiscal austerity in Boise so long as outlays for defense, medicare, and other federally funded programs are "taking that kind of cut."

Mr. Johanns, also a Republican, is frustrated "that the Contract With America is stalled." If it doesn't move as package [of budget cuts and mandate relief], we could end up with all of the cuts and none of the relief. We'd kind of be living with old Washington with none of the benefits of new Washington."

Many Democrats call for more, not less, federal financing. "We should also reexamine the largest federal program of all," urges Mark Green, public advocate for New York City. Federal budgeteers have "drained our urban areas of funding and put the defense budget over workfare an[d] economic growth." Slash the defense bu[d]get by a third and pour the savings int[o] cities, he says. "Disease, crime, povert[y] and ignorance are surely greater threats t[o] our nation and our people than any foreig[n] army."

In the coming days, Seattle Mayor Nor[m]man Rice, president of the US Conference of Mayors, expects to stir up resentment among Americans who have not thought much about how the proposed budget cuts will affect them.

"The new Congress went to Washington promising reforms, but all they've done is pass the buck.... There's not much partisanship among mayors," Mr. Rice says. "Every mayor across this nation is going to feel these cuts."

House Speaker Newt Gingrich (R) of Georgia "has asked us for a list of areas in the federal government that make it more difficult for us to do our job," says Louisville Mayor Abramson.

He complains that when it comes to how the Republican leadership's budgeteers will affect the cities, "we haven't had an opportunity to make our thoughts heard. They've given us their fax numbers and their 800-numbers, but they told us that they weren't holding any hearings."

Lawmakers who just returned to Washington this week after their August recess can expect to hear from the mayors, Coles says. "We're concerned that maybe our voice hasn't been strong enough. Some would say we've been ignored."

Proposed Cuts in Urban Programs

Congress returns is considering the most massive reduction in urban programs in 30 years. In addition to cuts expected in welfare, Medicaid and other programs that aid poor individuals, here are some of the proposed cuts that most concern the nation's mayors:

	Current funding	Proposed funding	Total cut (percent)
Housing			
Operating subsidies for public-housing authorities	$3.2 billion	$2.5 billion	22
Renovation, new construction of public housing	$4.8 billion	$2.5 billion	48
Hope VI, other programs to replace the worst public housing	$1.1 billion	$0	Eliminated
Grants to fight crime in public housing	$290 million	$0	Eliminated
Housing for elderly, disabled, people with AIDS	$1.85 billion	$1.44 billion	22
Homeless programs	$1.12 billion	$680 million	39
Home-heating assistance for low-income families	$1.3 billion	$0	Eliminated
Transportation			
Operating subsidies for public transportation*	$710 million	$400 million	44
Amtrak	$1 billion	$746 million	25
Community Development			
Community Development Block Grants**	$4.6 billion	$3.3 billion	28
Americorps volunteer program	$575 million	$0	Eliminated
Jobs			
Summer youth jobs	$872 million	$0	Eliminated
Training for jobless adults, dislocated workers	$2.3 billion	$1.68 billion	27
Drugs			
Drug treatment	$1.44 billion	$1.23 billion	15
Drug Free Schools, other drug-prevention programs	$721 million	$200 million	72
Education			
Head Start preschool programs	$3.53 billion	$3.33 billion	6
Environment			
Superfund cleanup*	$1.4 billion	$1 billion	29

* The transportation budget bill has passed both the House and Senate and will go to conference committee. All other proposed cuts have so far passed only in the House.

** The House voted to freeze Community Development Block Grant funding at the current level. However, the Budget Conference Committee has called for a 28 percent cut.

SOURCE: U.S. Conference of Mayors

The Philadelphia Inquirer

Officials to Discuss Federal Cuts

By Wesley Brown
And Ziva Branstetter
World Staff Writers

Beware of federal cuts.

That is the message that Tulsans will hear when top federal officials arrive in the city Thursday for a public awareness campaign.

Federal budget cuts already look like a sure thing for the Metropolitan Tulsa Transit Authority. The House has recommended a 44 percent cut in federal transit funds, while the Senate has called for a 49 percent cut.

The authority will hold a special board meeting Tuesday to discuss how service will be affected by the cuts, said Mark Pritchard, general manager. Pritchard said it is likely that Congress will cut the remaining federal funds next fiscal year, leaving cities to pick up the entire tab for mass transit.

"I think it's the logical thing that if we lose half of it this year, we'll lose the other half next year. If none of that were made up from other sources, then we would have to remove a fourth of the service starting next fiscal year."

The city was forced to increase its contribution to the authority by $400,000 this fiscal year to make up for an anticipated 30 percent federal cut. Now that Congress is considering cuts as high as 49 percent, the authority is scrambling to respond.

Pritchard said the cuts are "extraordinarily serious."

"We do not have extensive services anyway, and if you take a fourth of that out of there, you really begin to question whether you have a functioning system."

About 70 percent of those who ride city buses are the "working poor" who ride "because they don't have any other choice," Pritchard said.

Other agencies are facing cuts of varying amounts, and the U.S. Conference of Mayors and National Association of Counties are sponsoring a public awareness campaign about what's ahead. Top federal officials are visiting cities nationwide to talk about proposed cuts and their impact on local economies.

In Tulsa, the regional directors of the Department of Housing and Urban Development, the General Services Administration, the Departments of Health and Human Services, and the Departments of Education and Labor plan to visit.

They want to meet with those who provide and receive federal services.

They will visit various agencies in the morning and hold an afternoon briefing for city and county officials, followed by a news conference.

At 9 a.m. Thursday, Steve Weatherford, HUD regional representative, will meet with Tulsa Housing Authority officials at Comanche Park Apartments, 3608 N. Quaker Ave., to discuss HUD modernization programs and other HUD-funded programs and services.

Pat Montoya, regional director of Health and Human Services, will meet with health care workers and patients at the City-County Health Clinic, 315 S. Utica Ave., at 9:15 a.m. to discuss icaid and Medicare reduct

Department of Labor representative Jim Cantu will meet with staff and clients of the City of Tulsa Dislocated Worker Program, 110 S. Hartford Ave.

Weatherford also will visit Chrome Plating, 1412 N. Cheyenne Ave., which has received a Community Development Block Grant from HUD to create jobs.

Montoya will meet and eat lunch with providers and c of the Lacy Park Nutrition C at 2134 N. Madison Ave.

Cantu will visit the Margaret Hudson Program, 1205 W. Newton St., to discuss the impact of labor department cuts on staffing.

The representatives also will visit Tulsa Community Action Agency's Head Start program, Street Schools, and Tulsa Public Schools.

For more information on the meetings, contact Jim East at the mayor's office, 596-7709.

MINNEAPOLIS STAR TRIBUNE SEP 03 1995

HUD cuts: Where people, policy collide

In Cities, 19A elderly and officials are concerned

By Carol Byrne
Washington Bureau Correspondent

Senior citizens from the housing projects crowded their way into the auditorium of Central Lutheran Church in downtown Minneapolis recently, hundreds of them, buzzing with questions, angry, frustrated and fearful. What is going on in Washington? Will their rents go up? Will they have to move?

Depending on the position you take in the debate over national priorities, these elderly people are either innocent citizens about to suffer from the broken promises of their government, or a special-interest group intent on keeping its government largesse even in an age of dangerous federal deficits.

Either way, they stand at the point where politics and policies intersect with people's lives. For everybody involved, it's not a very comfortable place to be right now:

- Not for the people whose programs are on the chopping block. "We just don't know what we're going to do," fretted Helen Princell, who has lived at the Seward West high-rise in Minneapolis for 13 years. "We can't afford to pay more rent. Some of our people will just have to go out on the street."

- Not for the public housing officials in the Twin Cities, who have to serve just as many people with fewer dollars. Tom Hoch, deputy executive director of the Minneapolis Public Housing Authority, castigates the cuts recently passed by the House as the result of "ignorance, lack of understanding and callousness."

- And not for the Minnesota politicians from both sides of the debate — the Republican deficit hawks such as Rep. Gil Gutknecht and Sen. Rod Grams, who are taking some heat from their constituents, and urban Democrats such as Reps. Martin Sabo and Bruce Vento, who find themselves powerless to protect programs they've helped build.

What's happening with public housing is symptomatic of the greater budget struggle going on in Washington. It shows how hard it is to change the system. While it's simple to say we're going to rein in big government, the reality of doing it quickly gets tangled up in people's lives and becomes complex, convoluted and messy.

At first glance, public housing looks like a relatively easy target. It has become a symbol of what Republicans call "the failed welfare state" on two fronts: first, the big-city projects that have spiraled out of control, with terrorized residents trapped in a self-perpetuating cycle of crime and drugs, and second, a bloated bureaucracy that has spawned million-dollar scandals and an incomprehensible mass of regulations.

The Clinton administration, eager after the midterm Republican victory to prove it too can shrink government, came close to abolishing the Department of Housing and Urban Development (HUD). But Housing Secretary Henry Cisneros staved that off with a proposal to collapse 60 programs into three and give people vouchers to move out of the projects and into private housing.

House Republicans, including Gutknecht, came back with their own plan to eliminate HUD and replace it with block grants for state voucher systems.

Gutknecht makes his case: "It's a question of whether you're going to have a centralized federal system or whether you're going to empower people. We have spent a mountain of money on public housing. Think how many millions of families we

16/26
1/4

could have given a $10,000 down payment on their own house instead."

Meanwhile, House appropriators got to work on the money side. First they redid the 1995 budget passed by the previous Congress, cutting out $8 billion — $3 billion of it from HUD. These cuts are now law.

Next came the 1996 budget, and once again HUD was a target. The $19.1 billion bill that came out of committee wiped out one-fourth of HUD's funding.

It ended expansion of the Section 8

HUD continued on page 22A

program for subsidized private housing. It cut way back on special-needs programs for the elderly, the disabled and people with AIDS. And it did away with a decades-old rent cap of 30 percent of income and raised Section 8 rent by 16 percent.

The proposals evoked cries of outrage from the people affected most — public housing tenants and officials. Although almost everyone concedes change is needed, they argue that there are many programs that are working well and many people with genuine needs who should not be abandoned.

Officials in the Twin Cities, where the programs have good reputations, sputter in indignation at public housing's dark image.

"Public housing is truly broken in many places, but 97 percent of the housing authorities run extremely well," said Jon Gutzmann, executive director of the St. Paul Public Housing Agency, which HUD ranks as fifth-best in the nation. "Yet we're all being punished for the problems of the few."

Hoch in Minneapolis echoed his complaint: "My frustration level is so high. I don't understand the philosophy of saying, 'You're a well-run housing authority and now we're going to cut off your funding.' It's very difficult to deal with new people in Congress who don't know how the program works and made a commitment early on not to fund it."

Nationwide, 3.4 million people, with incomes at only 17 percent of the national median, live in 1.4 million units run by 3,200 housing authorities. HUD considers 100 housing authorities troubled, but because they're mostly in big cities, they account for 14 percent of residents.

None of those problem projects is in Minnesota. Its 121 housing authorities, which operate 22,000 units serving 36,000 people, all rank good or better.

The vouchers drew strong opposition, particularly from the elderly and the disabled, who make up 45 percent of public housing residents. "It would be truly disastrous for them," Gutzmann said.

Seward West resident Lurane Olsgard, 89, explained why: "We're a community here. We don't want to be stuck off alone by ourselves in some apartment. We have so many wonderful services, like a visiting nurse and a van to the supermarket and pull cords for emergencies in every apartment. None of these would be available if we had to move. I can hardly think the people doing this are as heartless as they seem, but it appears they don't care about anybody."

The Minnesota Senior Federation has rallied opposition, speaking in cataclysmic terms. "The cuts are simply incredible," said Peter Wyckoff, executive director in the metropolitan region. "Their impact is devastating. Undoubtedly some changes need to be made, but to throw it all out — it's just plain cruel. No civilized society should be doing this."

The federation organized letter-writing campaigns and arranged meetings with members of Congress. In the federation's eyes, Democrats Sabo, Vento and Sen. Paul Wellstone rank high. Republican Rep. Jim Ramstad gets credit for listening and being one of only 16 Republicans voting against raising the rent cap. Grams, who sits on the housing oversight committee, was heckled at the Central Lutheran meeting when he wouldn't commit to the rent cap but later eased fears somewhat by indicating there was movement toward keeping some projects.

Relations are most tense with Gutknecht — Wyckoff has accused him of "refusing to meet with the people he is going to victimize," while Gutknecht called the federation "very aggressive" and said "everybody

thinks their concerns are the most important and I need some time with my family, too." The federation has met with Gutknecht's staff but not Gutknecht, who has, however, addressed housing at public meetings.

By the time the House took up the housing bill, a move to soften it had swelled among moderate Republicans, who said changes had to be made to give the party "a human face."

The Republican leadership responded by keeping the HUD cuts at 24 percent but moving the remaining money around to beef up the special-needs programs by $300 million.

Not enough, said the moderates, and the leadership doubled it to $600 million.

It also dropped all the rent increases except for Section 8 housing, where it scaled the raise back from 34 percent of income to 32.

As soon as the House approved the bill, the housing agencies in Minnesota got busy figuring out where the cuts would fall and making contingency plans.

2/4

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The biggest chunk comes from a five-year modernization program. The 1995 cuts take back money from the fourth year even though contracts have already been awarded, raising the threat of lawsuits. The House bill would affect the fifth year.

The House bill also eliminates million-dollar programs against drugs, which have improved security. In Minneapolis, for example, it put 10 police officers in the projects, trained 200 resident volunteers to patrol the projects and gave drug education to 600 young people.

HUD has some powerful enemies in the Senate. Just before the August recess, Majority Leader Bob Dole turned out when Sen. Lauch Faircloth, R-N.C., marked HUD's 30th anniversary by introducing legislation to eliminate it.

Grams, from his vantage point on the housing panel, said he favors a "market-oriented approach" and thinks there might be a role for HUD "if they can pare down and manage efficiently."

Fresh out of a meeting with Senate staff members working on the bill, MaryAnn Russ, HUD deputy assistant secretary for public and assisted housing operations, said she thinks the Senate is going to be "more realistic" because Republican committee chairpeople have "a lot of history with housing programs and understand that not all public housing is a horror story." She said HUD is hoping the Senate will give it $1.5 billion more than the House.

Beyond the Senate lies the conference committee to work out the differences in the two versions and then President Clinton, who has said he would veto the bill if it stays in its House form.

From his vantage point as an adviser to Cisneros, former St. Paul Mayor George Latimer predicts two tiers of changes — first rent reform and then a voucher system not affecting senior citizens or the disabled but limited to the worst projects.

"My hunch is that there will be deregulation so great housing authorities like St. Paul will be liberated to move into the community and do a whole army of creative things," he said.

Back in Minnesota, the people most affected express the same ambivalence that has made balancing the budget so difficult. Here is Dale Rongstad, a 66-year-old Korean War veteran who lives at the Seal St. high-rise in St. Paul:

"I'm a Democrat, but I give the Republicans credit — we wouldn't even be thinking about balancing the budget if it weren't for them. But it shouldn't be on the backs of the poor and handicapped. . . I want to help because this is our country and we need to get it fixed. But it's one thing to help, another to be put out on the street."

Shrinking HUD

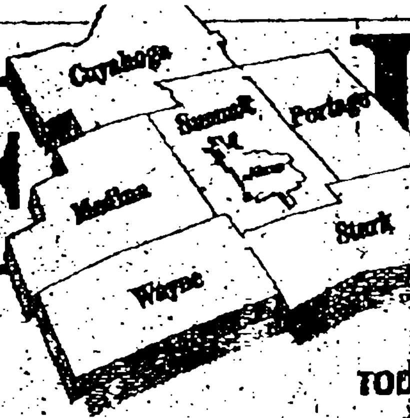
House Republicans, intent on shrinking government, have passed legislation that would cost the Twin Cities millions of dollars for public housing:

	Minneapolis	St. Paul
Section 8 cuts	$305,000	$316,000
Antidrug program (program eliminated)	$1,100,000	$1,058,500
Housing modernization program		
'95 cuts signed into law	$4,500,000	$2,299,500
'96 cuts in House-passed bill	$7,000,000	$3,613,500
Operating budget	$1,900,000	$1,050,000
Total cuts	$14,805,000	$8,336,500
Out of annual budget of . . .	$61,879,000	$48,000,000

Source: Department of Housing and Urban Development

7/4
18 of 26

THE REGION



TODAY'S TOPIC: **Focus on politics**

Davis attacks Congress

• Summit executive and other local officials in Washington to protest GOP budget proposals

BY ARNIE ROSENBERG
Beacon Journal staff writer

Summit County Executive Tim Davis yesterday continued his attack on Republicans in Congress and the potential impact of their budget-balancing plans.

"They think they're solving their problems, but they're handing them right to us," Davis said yesterday. "They're cutting programs that have been shown to get people off welfare, and then they're giving the Pentagon more money than it asked for."

Davis was among a bipartisan group of mayors and county officials from across the country who met at the White House Wednesday with President Clinton, Vice president Al Gore and White House chief of staff Leon Panetta over the cuts.

The biggest hit Ohio counties will take, according to Davis, will be the reductions in funding for Medicare and Medicaid. According to figures from Davis, the cuts would cost the region more than $1 billion between 1996 and 2002 in Medicare reductions alone.

Over that period, Summit County would lose $502 million; Stark, $313 million; Portage, $82 million; Medina, $81 million; and Wayne, $61 million.

Cuts also would put a major crimp into one of Davis' pet projects, transportation.

Elimination of $17 billion for new transportation projects, a cut the White House has agreed to, would leave the proposed Cleveland-Akron-Canton commuter rail line looking to other sources for $180 million in lost federal funding.

Other regional transportation projects, like the nine-county Superport project, would also need to find money from somewhere other than Washington, said Davis.

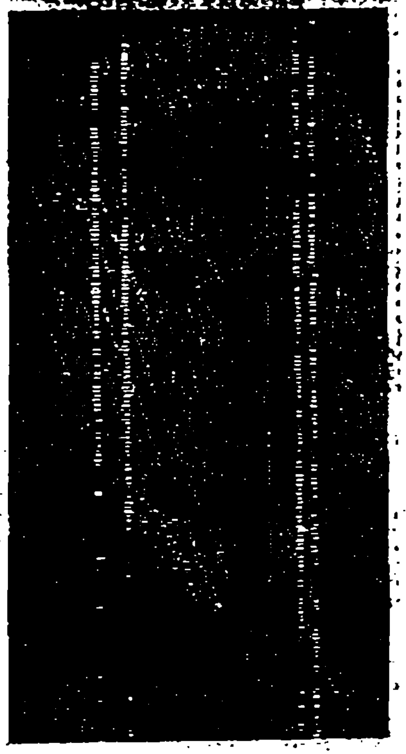
"They say, 'We'll balance the budget and things are going to be swell,' but to provide the level of services we have today, we are going to have to raise local taxes," Davis said.

One suggestion, which he's made before, is to double the amount of sales-tax money the Metro Regional Transit Authority receives by increasing the tax by a quarter percent.

"If they'd leave our money here, we wouldn't have a problem," said Davis. "But this is a net-loss county and a net-loss state."

Is there much of a chance the devastating cuts won't come?

"I'm not expecting them to listen," Davis said. "We're not their constituents. We're not the ones they're getting their campaign contributions from."



Tim Davis

THE PHILADELPHIA INQUIRER

Sunday, September 10, 1995

Cities' leaders go to bat for funds

Republicans want to cut billions from urban programs. Mayor Rendell and others are pleading their case in Washington.

By Lori Montgomery
INQUIRER WASHINGTON BUREAU

WASHINGTON — In their quest to balance the federal budget by 2002, congressional Republicans are targeting American cities for the most dramatic reductions in federal aid since the birth of many urban programs in the 1960s.

The Senate is taking up House proposals to slash billions of dollars from public housing, programs for the homeless, job training, drug treatment and Head Start preschool programs.

Massive cuts in funding for public transportation have been approved in both houses. And the House plan would eliminate some programs devoted to combating crime and joblessness in the nation's inner cities, including a perennial urban favorite — summer jobs for city youth.

"These cuts ... will strip away the hope of many of our most beleaguered and vulnerable citizens," Mayor Rendell said last week at a Washington news conference.

"No hope. That is the message of these budget cuts," Rendell said. "It's unfair, it's inappropriate, and, most of all, it's unnecessary. We can keep these programs ... and still balance the federal budget."

Rendell, New Orleans Mayor Marc Morial and Seattle Mayor Norman Rice, president of the U.S. Conference of Mayors, were among a group of local officials who met last week with President Clinton to discuss the cuts. The group is lobbying to restore funding to some programs. And, with the help of former Housing Secretary Jack Kemp, the GOP's point man on urban issues, they are seeking a meeting with House Speaker Newt Gingrich (R., Ga.).

The mayors concede that they have no specific alternatives to offer congressional budget-cutters. "I don't think anyone has a plan," Rice said at the news conference.

But they argue that congressional leaders have not told the American people of the dire consequences that would follow enactment of GOP budget proposals.

"There must be a dozen or more bills that we're aware of right now that would impact the city," said Detroit Deputy Mayor Nettie Seabrooks, who tracks federal legislation for Mayor Dennis Archer. "It's hard to say exactly what the impact will be. But, in some cases, it's going to be

See CITIES on A18

City leaders visit Washington to lobby for restored funding

CITIES from A1

devastating."

Congressional leaders agree that their budget-cutting plan would deliver body blows to urban programs. But cities would be hit no harder than anyone else, they say.

"If every person who complained got their way, we'd never balance the budget. It's that simple," said Chris Ullman, spokesman for Rep. John R. Kasich (R., Ohio), chairman of the House Budget Committee.

"This is a very fair and balanced plan that impacts everyone," Ullman said. "A lot of cuts impact the middle class and the upper class. Students are going to get hit in this thing. It really is an attempt to be as across-the-board as possible."

Urban leaders scoff at that argument, pointing to a proposed $60 billion increase in defense spending — a bonus the Pentagon did not request — and billions of dollars in federal programs and tax breaks for corporate America that so far remain largely untouched.

At a time when Congress also is expected to slash spending for welfare, health care and other assistance to poor people who are concentrated in urban areas, city leaders say proposed cuts to such fundamental programs as public housing and transportation represent abandonment of a 30-year effort to revive American cities.

Summer-job programs could be eliminated. One analyst calls them frauds.

According to a survey of 145 cities conducted last month by the Mayors' Conference, the proposed cuts would force higher taxes in 42 percent of the cities surveyed, reduced services in 85 percent, and layoffs of city workers in 71 percent.

Smaller cities are particularly concerned about the plan to cut federal funding for mass transit by 44 percent — the largest cut proposed for any category of transportation funding. Major cities, for which federal funding represents a smaller slice of the transportation pie, may be able to absorb the cuts. But many midsize cities, such as Alexandria, Va., Augusta, Ga., and Tulsa, Okla., predict that city bus systems would have to be reduced or shut down.

"That means people can't get to work. What's that going to do to the economy?" said Michele Moore, spokeswoman for Morial, the New Orleans mayor who heads a Conference of Mayors task force to fight the budget cuts.

In New Orleans, Moore said, the proposed cuts would decimate an initiative that has dramatically reduced the city's murder rate. The initiative combined a curfew for city youths, more money for recreation programs, and aggressive recruiting for summer youth jobs, with a special team of 45 police officers stationed full-time in three public housing projects where more than a quarter of the city's killings occurred.

From January to May of last year, there were 55 murders in the three projects. During the same period this year, after the officers arrived, there were two, Moore said.

The city is paying for the public housing patrols with Department of Housing and Urban Development drug-elimination grants — a program that would be wiped out by congressional budget cuts.

"That means our 45 cops who have brought down the city's murder rate will no longer be there in fiscal 1996," Moore said.

In Philadelphia, Rendell said, the cuts would steal jobs from 10,000 city youths and would deprive 116,000 low-income families of home-heating assistance.

"These are among our most vulnerable senior citizens, our poorest senior citizens, and we're asking them to go without a program that costs us $169 [per family] a winter," Rendell said. "At the same time they read that people who make hundreds of thousands of dollars are getting a $20,000 tax cut. It isn't fair, and it doesn't make sense."

In Detroit, the nation's poorest big city, with nearly a third of its residents living in poverty, officials are troubled by proposals that would cut $16 million from the federal checks they receive for public housing, home to about 10,000 residents, Deputy Mayor Seabrooks said.

Elimination of the summer jobs program would leave 5,000 Detroit teenagers without work next year, she said. And the city would lose more than $7 million in funding to help the homeless.

Calling the budget battle "a class struggle," she said congressional Republicans were aiming "to punish the poor, those in the worst position to stand up for themselves."

Defenders of the Republican budget plan argue that many of the programs the cities cherish are abject failures and that continuing to pay for them would simply amount to throwing good money after bad.

Scott Hodge, senior federal budget analyst for the conservative Heritage Foundation, sums it up:

- Public transportation: "Over the last 30 years, we've pumped $100 billion into mass-transit projects and ridership is less today than before we started."
- Public housing: "Huge monuments to compassion which have become isolated pockets of poverty and crime. It's time to try something new."
- Summer jobs. "Walking-around money for big-city mayors. They dole it out to young people for make-work jobs that have little or no value leading to skills these kids can use later in life. They're frauds.

"Big-city mayors and political machines are indeed being cut off from the federal trough. That is a fact," Hodge concluded. "But they have proved for nearly three decades that they're incapable of managing that money effectively, efficiently and wisely. ... These programs do not deserve to continue."

Hodge argues along with some congressional Republicans that city leaders are exaggerating the pain the cuts would cause. And he argues that they are ignoring the economic benefits of other Republican proposals, such as a $500-per-child tax credit for American families.

Plus, "as Chairman Kasich has said time and time again, the economic benefits of balancing the budget are going to be astounding," said Ullman, the Budget Committee spokesman.

On that score, "the mayors had better hope the Republicans are right," said David Bositis, senior analyst at the liberal Joint Center for Political and Economic Studies.

And if the economic bounty fails to materialize?

"The cities," Bositis said, "are going to be screwed."

Mayors criticize budget proposal in 'B-Day' sessions

Federal plan will hurt the neediest the most, say Cleaver, Marinovich.

By ANNE LAMOY
Staff Writer

If they'd called it National Budget Mobilization Day, no one would have come.

Instead, they dubbed it "B-Day," and in Kansas City, Kan., 20 people showed up at City Hall to decry federal budget cuts.

The U.S. Conference of Mayors declared Thursday B-Day and asked mayors nationwide to spotlight the local effects of proposed federal budget cuts.

On the chopping block are the Summer Youth Employment and the Safe and Drug Free Schools and Communities programs. Also facing drastically reduced funding are substance-abuse programs, education, crime prevention, public transportation and economic development.

Kansas City Mayor Emanuel Cleaver used his bully pulpit during a City Council meeting Thursday to humanize the proposed federal cutbacks.

Across the river, Kansas City, Kan., Mayor Carol Marinovich gathered an array of budget-reduction targets, from school superintendents to advocates for the homeless.

"It makes no sense to cut substance-abuse prevention and treatment programs now and be forced to spend more in the future on welfare, prisons and medical costs," Marinovich said. "...If you're going to make cuts, make them in programs that don't work. Why not defense?"

Cleaver and Marinovich specifically blasted a plan to eliminate the Summer Youth Employment Program. This summer in Kansas City 1,200 teen-agers were put to work through the program.

"A short-sighted move if there ever was one," Cleaver said. "...It is ironic that, just as everyone is talking about the problems with our young people, the very programs that will give them a future are being eliminated."

Marinovich videotaped the hourlong presentation at Kansas City, Kan., City Hall and said she'll send it to Sen. Bob Dole and Rep. Jan Meyers of Kansas.

One by one, Wyandotte County school superintendents, economic development officials and advocates for low-income people listed how their programs would suffer under current budget proposals.

LaVert Murray, director of the city's economic development division, said Kansas City, Kan., wouldn't be nearly as strong as it is now without federal funding over the last several decades.

"Picture our city without the Reardon Civic Center...picture our city without federal help after the devastating flood of 1993," Murray said. "I say that there is something wrong with that picture."

Staff writer Mark Morris contributed to this story.

TULSA WORLD, FRIDAY, SEPTEMBER 8, 1995

Talk of Cuts Has City Officials Depressed

By Wesley Brown
World Staff Writer

When visiting federal officials departed Tulsa on Thursday, their news about proposed congressional budget cuts had city officials feeling blue.

Mayor Susan Savage said she was depressed after meeting with officials from the departments of Housing and Urban Development, Health and Human Services, Education, and Labor.

Steve Weatherford, HUD regional representative, said in Tulsa Thursday: "We are talking about major cuts to our social fabric. Where are our priorities? We are talking about hundreds of thousands of children and poor people who will be affected in Oklahoma."

Weatherford said everyone agrees that federal spending needs to be controlled, but said the current GOP-written budget would punish poor people unfairly. The plan would balance the budget by 2002.

Pat Montoya, regional director of the Department of Health and Human Services, said Tulsa would lose more than $5 billion in federal funding between 1995 and 2002 if the budget is passed as it stands.

Montoya said the bulk of that loss would come through Medicare and Medicaid programs.

Savage said the meeting "reinforces that local policy leaders need to be involved in what is being proposed by state and federal lawmakers."

Under a budget plan by GOP lawmakers, spending would be cut by $894 billion, with the biggest savings coming from overhauls of Medicare, Medicaid, welfare, housing and other benefit programs.

Jim Cantu, regional representative for the Department of Labor, said he doesn't believe that most people who voted for lawmakers support the budget cuts that "take food out of the mouths of children or punish 15-year-old mothers."

A spokesman for U.S. Rep. Steve Largent, who supports the GOP budget plan, said the visit was a ploy by the officials to protect their own interests.

Nick Thimmesch said, "I believe Steve Largent would ask, 'How much money might we save the taxpayers if administration officials were not sent on these doom and gloom missions?'

"Steve Largent is prepared at every turn and issue to debate those who protect the bureaucratic status quo," Thimmesch said.

Cantu said the state would lose some $437 million and Tulsa nearly $10 million in training, education and labor funds in 1996 if the present proposal passes.

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9/8/95 Front page region section

THE PLAIN DEALER

Local officials bemoan U.S. cuts

Davis, others take case to Clinton

By TERRY OBLANDER

PLAIN DEALER REPORTER

AKRON — Congress is about to turn off the tap to local governments without giving them any relief from costly federal rules and regulations.

That was the message Summit County Executive Tim Davis carried to President Clinton on Wednesday and brought home yesterday.

At a news conference, Davis said the new federal budget would make considerable cuts in transportation aid, Medicare programs and the federal Community Development Block Grant program.

Davis predicted reduced funding might force officials of the Metro Regional Transit Authority to ask county voters to approve an additional 0.25 percent sales tax.

He was one of 11 local officials who met in the White House with Clinton and Vice President Al Gore to press local government [illegible] the proposed federal budget. The group included four mayors and seven representatives of the National Association of Counties.

The Summit County Democrat said local government officials from all over the country are irate about the lack of sympathy shown by Congress for local concerns.

For instance, Davis said, local officials were not invited to any budget hearings about the block grant program, but were given a toll-free phone number to call if they wanted to comment on pro-

He said the current proposal before the Budget Conference Committee calls for a 28 percent cut in the program.

Local governments could survive with some of the budget cuts if the Congress also did away with the regulations that bite into local government budgets. "What they're doing is removing the funding, but not the strings," he said.

Davis said a proposed $450 billion cut in the spending for the poor would "devastate" Summit County. He estimated that under the proposed budget Summit residents would lose about $500 million in Medicare funding through the year 2002.

A proposed 44 percent cut in local transportation assistance would probably force Metro officials to seek a tax increase, Davis said. The authority already collects an 0.25 percent sales tax.

He said the development of local bus service was important to economic development projects like the multi-million-dollar SuperPort project for northeast Ohio.

Davis said, however, that he did not feel that the cuts would derail a $180 million plan to connect Cleveland, Akron and Canton with train service.

He said the state constitution allows certain taxes and revenues to be used only for roads and bridges. Davis said that constitutional provision could be changed to allow the money to be used for general transportation, including

City, county officials fight budget cuts

By Sharon Schmickle
Washington Bureau Correspondent

Washington, D.C.
Outlining scenarios of rising property taxes and declining standards of living for millions of Americans, city and county officials are launching a national campaign today to warn that Congress is cutting the federal budget too fast and too deeply in many programs.

The impact on Madison, Wis., would be greater than the loss of the city's largest employer, Dane County Executive Richard Phelps said Wednesday.

"But it's not going to be felt that [illegible]. it's not going to be felt as a big [illegible]," he said. "I refer to the impact of all of this as 1,000 points of blight because we are going to feel it that way."

Even Republican officials, including Hennepin County Commissioner Randy Johnson, said that the GOP-controlled Congress is racing toward far-reaching decisions with too little information about the potential impacts on services from health care to job training. Balancing the federal budget is essential, he said, and local governments can eventually do a better job of providing government services.

"But we can't make all of these changes overnight," he said. "We need time to adjust to some of them. We also need to make sure that the effort to balance the federal budget is not just a shift to the local property taxes."

Phelps, Johnson and other representatives of the U.S. Conference of Mayors and the National Association of Counties took their arguments to the White House Wednesday, hoping to enlist support from President Clinton.

Leaders of the two large local government organizations said they have been frustrated in several attempts to convince House budgeters that the proposed package of spending and tax cuts will hurt local economies, working families, students and senior citizens.

The House has nearly finished the appropriations process without wavering from the GOP goals of shrinking spending enough to balance the budget in seven years while also cutting taxes and bolstering defense outlays.

Now the local officials plan to educate residents of their communities on how the cuts will hit home. Their hope is to mobilize enough concerned citizens to sway the Senate before final decisions are made later this fall. They want the sacrifice spread more evenly across the defense budgets and some other spending categories that have been shielded.

But Republican congressional leaders have signaled as they returned from an August recess this week that they aren't ready to compromise. Senate Majority Leader Bob Dole, R-Kan., and House Speaker Newt Gingrich, R-Ga., told reporters on Wednesday that the polls show overwhelming support for their agenda.

The local government officials point to their own surveys. During August, officials of 145 cities — including Minneapolis, St. Paul, Duluth and Rochester in Minnesota — assessed the impact of four House-passed bills that cover appropriations for housing, veterans, transportation, education, health and human services and other spending categories.

The overwhelming response was that the proposed cuts would hurt the cities, their economies, crime-reduction efforts, youth development, job creation and transportation. Forty-two percent of the responding officials said their cities would be forced to raise taxes if the cuts were enacted; 85 percent said services would be reduced.

In Minneapolis, Mayor Sharon Sayles Belton and Hennepin County Board Chairman Peter McLaughlin plan to outline the expected impacts at a news conference today. The city already has started its budgeting process and key decisions for next year's spending must be made before Congress is likely to vote on the final package of cuts. Meanwhile, Sayles Belton has proposed to hold taxes for the city's general fund at this year's level but also has called for authority to raise the taxes by 3 percent if federal or state cutbacks create an emergency in city programs.

The county board plans to hold any tax increases for next year to the rate of inflation or less, Johnson said. It's what might happen in subsequent years that worries him. The cutbacks for major programs such as Medicare and Medicaid would be modest in 1996 — roughly 1 percent of current funding projections for Hennepin County — then balloon in later years.

Congress isn't allowing time for a realistic assessment of that schedule or for cities, counties and states to plan and coordinate their responses, Johnson said.

"Capping the amount of money spent on Medicare and Medicaid doesn't mean the people just go away and don't get sick," he said.

Seattle Mayor Norman Rice issued a harsher assessment. Politicians in Washington are misleading the American people by boasting in the abstract about cutting taxes and shifting control over social problems to the local level, he said.

"This budget doesn't cut taxes and solve problems," Rice said. "This budget merely shifts the taxes and shifts the problems. . . We don't want to become the scapegoats for this."

BOND BUYER
NEW YORK, NY
DAILY 4,000
TUESDAY
AUG 29 1995
BURRELLE'S

National Mayors, Counties Groups Will Fight Congress On Spending Cuts

By Heather Ann Hope 1580

WASHINGTON — The U.S. Conference of Mayors and the National Association of Counties are planning to launch a nationwide grassroots lobbying campaign next week to drum up opposition to proposed federal budget cuts that would slash aid to states and localities. FRONT PAGE

The coordinated campaign was announced as the mayor's group released a 145-city survey Friday in which 96% of the mayors surveyed said the proposed budget cuts would have a "negative impact" on their cities and residents.

The drive also comes after the counties group released a similar study in which 64 out of the 100 county officials surveyed said the proposed budget

Please turn to MAYORS page 32

Mayors

Continued from front page

cuts would have negative impacts on their economies.

Both groups plan to use Congress' return next week from its August recess as the official starting point for the campaign, in which mayors and county officials across the country will hold hearings, press conferences, and other events to educate the public on the negative impact of the proposed spending cuts.

The campaign comes after the House passed a number of spending bills in July that would make drastic cuts in funding for state and local programs, and before both the House and Senate return to complete work on the 13 appropriations bills that will set fiscal 1996 spending levels.

It also comes as Congress is about to start work on a so-called reconciliation bill that is designed to carry out the budget plan crafted by House and Senate Republicans earlier this summer. The spending plan aims to balance the federal budget by fiscal 2002 by cutting about $1 trillion in domestic spending over seven years.

"So far, this has been a stealth budget process by Congress. Most Americans ... are only now beginning to recognize the devastating impact these cuts would have on public safety, economic development, housing, and services for children and the elderly," said Seattle Mayor Norman B. Rice, president of the mayors association, when he unveiled the survey results in Seattle.

The survey, which was sent to 400 cities in early August, listed details of the proposed spending cuts in the four appropriations categories that would affect cities the most. Those are: veterans affairs, housing and urban development, and independent agencies including the Environmental Protection Agency; labor, health and human services, and education; commerce; and transportation.

The results overwhelmingly showed that mayors believe the proposed budget cuts will devastate local economies. Eighty-four percent of the mayors said the cuts would have "a negative impact on the city's economy," while 86% of the mayors said the spending would have a negative effect on entire regions' economies.

Eighty-five percent of the mayors said the spending cuts would hurt cities' economic development activities, such as job training programs, and 93% of the mayors said the cuts would hurt cities' human investment programs like efforts to ease homelessness.

In the transportation area, 82% of the mayors said the spending cuts would make those needs "harder to meet." Crime-reduction programs would suffer in 87% of cities surveyed, and youth-development programs would be negatively impacted in 87% of those cities surveyed.

Only 2% of the cities surveyed, or three cities, said the state government would be able to help offset the impending federal spending cuts. Sixteen percent of the cities said private industry may be able to "compensate significantly for these losses," according to the survey. Nonprofit organizations may help 8% of the cities cope with the federal spending cuts, and 11% of the cities believe that charities religious institutions would help to significantly offset the losses.

When asked to list which program cuts would have the most negative effect on the cities and its residents, the mayors listed reduced spending for Community Development Block Grants, mass transit, youth employment and training, and crime-prevention programs.

CHICAGO SUN-TIMES
CHICAGO, IL
SUNDAY

AUG 20 1995
BURRELLE'S

Impact on Cities? U.S. Has No Idea

1570

BY BASIL TALBOTT
SUN-TIMES WASHINGTON BUREAU

WASHINGTON—To the White House, the line between Chicago and its suburbs is "somewhat artificial."

That's the Clinton administration's explanation for sidestepping Chicago when it analyzed the effect of spending cuts on the nation.

Chicago isn't alone in limbo. Clinton's White House hasn't bothered to calculate the impact of cuts on any U.S. city.

That galls the U.S. Conference of Mayors. ~~Its executive director~~, Thomas Cochran, said the government hasn't kept comprehensive data on federal programs in cities for years.

Lawrence Haas, spokesman for the Office of Management and Budget, said the agency looks at metropolitan areas, not cities.

"We try to look at this in a somewhat larger context because we feel there are somewhat artificial boundaries between cities and suburbs," Haas said. To examine cities "would be very hard work . . . and we would start getting calls from suburbs."

City statistics were kept until President Ronald Reagan's era, when direct funding of cities was replaced by state-level funding, according to George Peterson, senior fellow of the Urban Institute. Before the change, local governments reported how they used federal money.

Donald Haider, professor at Northwestern University's Kellogg School of Business, said such city figures began to disappear as direct federal funding of cities began waning 17 years ago.

"At first, people wanted to reduce the burden of reporting on state and local governments," he said. "When statistics were gathered, they saw they were used against the government."

Informed of the omission, Sen. Paul Simon (D-Makanda) expressed amazement. Simon has since called OMB Director Alice M. Rivlin for a report on city impacts.

25¢

The Times

THE NEWSPAPER FOR TODAY'S TAMPA

WEDNESDAY
SEPTEMBER 6, 1995

AN EDITION OF THE St. Petersburg Times

Opinion

Cutting the community

For the past five years, the St. Petersburg Housing Authority had been awarded a Public and Indian Housing Drug Elimination Program grant from the U.S. Department of Housing and Urban Development. There were 26 grantees last year but only 18 this year. The local housing authority didn't make the cut, even though its program is a demonstrated success.

Among other things, that means housing officials will have to find enough money to subsidize a successful program at the Jordan Park housing development that nurtures 150 children and teenagers at a Computer Learning Center. That's where these young people not only learn computer skills but also life skills and self-esteem. Losing the $267,000 federal grant means cutting staff, and thus fewer or no home and school visits to monitor the academic and social problems of the young participants.

Housing director Askia Muhammad Aquil wants to keep the center open, and the housing authority may apply for funds from the Juvenile Welfare Board and the county's Community Development Block Grants. But the Jordan Park complex and other public housing sites also will lose two police officers who were paid out of the grant to patrol the areas. Aquil credits their presence with reducing crime in Jordan Park. The St. Petersburg Police Department has promised housing officials to monitor the Jordan Park area as best it can, and both housing and police officials are searching for other funds.

HUD is a favorite target of Republican budget cutters on Capitol Hill. If they have their way, there will be even less money for programs such as the one at Jordan Park, which grew out of the Bush administration's Anti-Drug Abuse Act of 1988. Already, the remodeling budget for the St. Petersburg Housing Authority has been cut by 20 percent, leaving only two mandated programs — lead paint abatement and rehabilitation of sites for the handicapped and disabled residents.

The housing director is correct when he calls this a community problem. Finding wholesome places to go and people who care and want to teach is part of the positive solution for children who are at risk.

To: Jr
From: EL

OUR PERSPECTIVE

Budget cuts

Urban mayors plan to fight Congress

Emboldened by the notion that you can't fight City Hall, the nation's mayors are preparing to challenge federal budget cuts the House already has approved and the Senate will soon consider. City dwellers should wish their leaders tons of luck because funds for core government services — crime prevention, transportation, job training, housing and education — are on the chopping block.

In a U.S. Conference of Mayors survey released recently, 85 percent of the 145 mayors responding said their cities would have to reduce services because of the proposed cuts from the 1996 federal budget; 61 percent would have to lay off city workers; and 41 percent would have to raise taxes. Few mayors expect state governments or the private sector to cover the revenue shortfall.

Some cutting is inevitable and healthy, as a number of mayors have acknowledged in proposing leaner budgets. Last month, Minneapolis Mayor Sharon Sayles Belton released a budget framework for 1996 that would streamline city services and cut more than 200 positions. But while working to eliminate bureaucratic waste can improve government, only so much can be cut before services become ineffective and quality of life deteriorates.

City officials — and taxpayers — have every reason to broadcast their concern. The House would cut homeless funding by nearly 40 percent; cut funds for subsidized housing by 25 percent and issue no new Section 8 certificates or vouchers; eliminate federal summer youth employment programs; cut adult training funds by 17 percent; cut funding to promote drug-free schools by 58 percent; cut substance-abuse treatment funding by 14.5 percent and eliminate substance-abuse prevention; eliminate funds for family planning; eliminate crime prevention programs and cut mass transit operating assistance by 44 percent.

The bipartisan mayors group has promised not to accept those staggering cuts without a fight, as well they shouldn't. Sayles Belton was among 35 Conference of Mayors members who met in Seattle last month to devise a national lobbying strategy. The campaign will culminate on Thursday when, in a budget-oriented event dubbed "B-day," Conference mayors will join National Association of Counties officials to raise awareness of the impact of the proposed cuts.

Such solidarity and organizational efforts can have an effect. Many members of Congress from urban districts already are inclined to oppose the cuts. A unified national campaign can help cement their opposition and also appeal to suburban and rural representatives in an effort to at least moderate the federal cuts.

The mayors face a difficult battle. There's not a chance they can entirely eliminate the funding cuts, but they should do their best to preserve core funding for core services.

If they are able to do that, their effort will have been well worth the expense and energy.

ATLANTA JOURNAL
ATLANTA, GA
DAILY 189,332

MONDAY
AUG 28 1995

BURRELLE'S
30 XAEAE XK .B...N

URBAN SPOTLIGHT

Notes on cities

BUDGET CUTS WORRY CITIES: Officials from 400 cities, who gathered in Seattle for a U.S. Conference of Mayors meeting, were pessimistic about the effects of possible congressional budget cuts on urban residents.

A survey of the participants drew 145 responses, according to The Seattle Times. There was solid agreement that, if an array of proposed federal cuts is enacted, cities will be badly hurt in many ways, including housing, education, job training, health care, mass transit and numerous social-service programs.

In the survey, respondents were asked to judge the impact of funding cuts now being discussed in Congress:

▶ 42 percent of the cities said they would have to raise taxes.

▶ 85 percent said they would expect to reduce services.

▶ 63 percent said they would be forced to lay off workers.

▶ 87 percent said crime-reduction efforts would be negatively affected.

▶ 82 percent said basic transportation needs would be harder to meet.

▶ 80 percent said efforts to reduce homelessness would be jeopardized.

ATLANTA CONSTITUTION
ATLANTA, GA
DAILY 449,027

MONDAY
AUG 28 1995

BURRELLE'S
26 XAEAE XK .R...N

URBAN SPOTLIGHT

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MINNEAPOLIS STAR TRIBUNE AUG 27 1995

Housing

14A

Placing a reality check on budget cuts

Thousands of subsidized housing tenants in the Twin Cities face being forced out of their homes as Congress prepares an unprecedented assault on federal funding for housing. House Republicans contend that their housing needs can be met by the private sector, but a housing survey released last week suggests otherwise.

Since 1974, the Department of Housing and Urban Development (HUD) has issued federal rent subsidies to help people with low or moderate incomes pay for housing. About half of the subsidy funding goes to landlords who charge rents at or below a HUD-set market value. The remainder goes directly to tenants in the form of Section 8 certificates, which allow the bearers to choose where they want to live.

The program works best in markets with plenty of affordable housing, high vacancy rates and numerous landlords willing to accept Section 8 tenants. Unfortunately, none of these factors appears to exist in suburban Hennepin County.

A survey of 456 apartment complexes by the nonprofit group Community Action for Suburban Hennepin (CASH) shows that 40 percent of 49,226 units surveyed have rents that exceed the HUD-set rent level. Less than half of the units that meet the rent level accept Section 8 renters. And more than 8,000 rental units that Section 8 tenants once could call home are no longer available to them. With low vacancy rates, landlords can afford to raise rents and offer their units to tenants with higher income.

Now House Republicans would give the private rental market yet another excuse to distance itself from Section 8 tenants. A House bill passed in July would cut HUD's 1996 budget by a whopping 25 percent. It would eliminate funding for new Section 8 assistance; lower the rent limit that landlords may charge, thus reducing the number of units eligible to accept Section 8 tenants; allow more people to become eligible for rent subsidies by raising income qualifications; and raise the rent contributions of Section 8 tenants to 32 percent from 30 percent of their income. The result: Low-income households would be forced to rely more on the private sector when, as the survey illustrates, fewer landlords care to rent to Section 8 tenants.

This could leave millions of elderly and low-income Americans in dire straits. Such a calamity, begun for the sake of immediate dollar savings, could be averted with a more thoughtful plan that gradually refocuses budget priorities.

For example, the Clinton administration, in an attempt to save HUD from extinction, plans to phase out public housing and redirect to tenants the Section 8 funding that has been going to landlords. More people would have the opportunity to choose where they live, reducing the concentration of poverty that has plagued many urban cities. And the change would be phased in through the year 2002, giving the private sector time to accommodate new entrants.

Eliminating the budget deficit does require some bloodletting, and HUD ought to endure its fair share of cuts. But the CASH survey is a reminder that, especially when the basic needs of millions of people are at stake, the cutting must be sensible and fair. The House bill is neither. If the Senate passes similar legislation, Clinton should veto it.

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SEATTLE
POST-INTELLIGENCER

SEATTLE, WA
DAILY 210,000

FRIDAY
AUG 25 1995

BURRELLE'S
138 .b... HX

Mayors boo federal budget cuts

Survey points out severe cutbacks

By TINA KELLEY
PI REPORTER

1580

Mayors across the nation fear they will have to cut vital services and raise taxes if federal spending cuts sought by Republicans in Congress are approved, according to a survey by the U.S. Conference of Mayors.

As about 35 mayors gather today in Seattle, Mayor Norm Rice and other officials will release the survey on federal budget cuts and present a prestigious urban planning award.

The survey of 145 cities by the Conference of Mayors, which Rice heads, dealt with the effect of cuts passed by the House of Representatives on agencies responsible for housing, education, law enforcement and transportation, among others.

The mayors are in town for a meeting of the conference's executive committee.

All but 12 of the mayors surveyed said the cuts would hurt their cities and their residents. If the cuts are enacted, 85 percent of the mayors expect to have to reduce services; 63 percent said they will be forced to lay off workers; and 40 percent said they would have to raise taxes.

The mayors were most concerned about cuts to community development block grants, mass transit, youth employment programs and crime prevention.

"In the weeks ahead, mayors all across the country are going to be educating their citizens about the devastating impact of these cuts on public safety, economic development, housing and services for children and the elderly," Rice said.

While he would not comment on the results of the survey, Rice estimated Seattle will lose $15-20 million in federal money if the budget passes.

In Seattle/King County, the cuts would eliminate job training for more than 3,500 people, Head Start programs for 130 children and $2.6 million for the homeless – almost half the federal amount for Seattle.

"We will accept our fair share of the budget pain, but we will oppose any cuts that unfairly slash public safety, health care or economic opportunity in our communities," Rice said.

Also tomorrow, Rice and foundation officials will present a $50,000 award for urban excellence to a Portland inner city improvement project.

The award, from the Bruner Foundation in New York City, will honor the Maya Angelou Community Action Initiative in Portland, created by Housing Our Families. The nonprofit group renovated 42 units of affordable housing for female-headed households and organized the inner city neighborhood to work on its own revitalization.

Rice was one of the judges in selecting the award's recipient.

"These awards are important because they reward innovation, they highlight some of the positive things that are happening in our cities, and they provide lessons for every city to follow," Rice said.

Seattle's Pike Place Market won in 1987, the first year the award was given.

SEATTLE TIMES AUG. 25,1975

Cities say Congress' ax will cut programs deeply

BY PETER LEWIS
Seattle Times staff reporter

A 145-city survey on the fiscal and human impacts of potential congressional budget cuts on local economies paints a bleak picture for urban residents.

The report was released this morning in Seattle, where more than 30 mayors are gathered for the annual meeting of the executive board of the U.S. Conference of Mayors.

Mayor Norm Rice is the new conferehce president.

The survey, with 145 responses out of 400, shows agreement that if an array of proposed federal appropriations measures to eliminate, freeze or reduce funding levels is enacted, cities will be badly hurt in many ways, including housing, education, job training, health, mass transit and numerous social-service programs.

Seattle Mayor Norm Rice

In 1995, Seattle city's budget received $106 million directly in federal aid. But when other forms of federal aid are counted, including Social Security, Medicaid payments and University of Washington research grants, the total federal contribution exceeded $2 billion,

PLEASE SEE *Cities* ON B 2

Survey indicates budget cuts would make it hard on cities

Cities

CONTINUED FROM B 1

according to David Bley, head of intergovernmental relations for the city.

Yesterday, Bley said he is still calculating the potential impact on Seattle if the House-approved measures are enacted. A few points he's sure of so far:

- If the House actions stand, the Seattle area would lose $2.6 million, of a $5.4 million annual total, to house the homeless — money used to fund 2,000 beds in local shelters.
- The Seattle Housing Authority also would lose $1.6 million in drug-elimination money to help police the city's four low-income housing projects.

Congress is expected to resume budget work when it reconvenes next month. The Senate may restore funding in some cases, although it has indicated a desire to take an even sharper knife to Community Development Block Grants, used to pay for a variety of human and health services.

Making matters worse from local governments' perspective are competing proposals for massive tax cuts that, many of the nation's mayors contend, will unduly burden low- and middle-income people, and benefit the rich.

In the survey, respondents were asked to judge the impact of potential funding cuts embedded in four appropriations measures.

Officials in 96 percent of the responding cities reported that cuts would have a negative impact on their city and residents.

The survey also found that if the House-passed cuts are enacted:

- 42 percent of the responding cities said they would have to raise taxes.
- 85 percent said they would expect to reduce services.
- 63 percent said they would be forced to lay off workers.
- 87 percent said crime-reduction efforts would be negatively affected.
- 82 percent said basic transportation needs would be harder to meet.
- 80 percent said efforts to reduce homelessness would be jeopardized.

The mayor's conference executive board meeting at the Seattle Sheraton ends tomorrow with a panel discussion on private-sector initiatives to address urban challenges.

The Oregonian

FRIDAY, AUGUST 25, 1995

House budget knife gouges

Hatfield, Gorton need to see that Senate corrects House cuts that slice too deep, too fast

More homeless, more undereducated, more unemployed.

That's the stormy forecast for Oregon and Washington communities from the nation's capital unless the Senate corrects some unwise budget decisions the House made just before summer recess.

In its zeal to balance the budget, lower taxes for the well to do and spend billions more than the Pentagon wants, the House performed chainsaw surgery on federal help for the most vulnerable Americans: children, the poor and the homeless.

The House's budget resolution includes cuts in federal support for Head Start and other education assistance for the poor. It ends federal support for summer jobs and cuts vocational education support by 28 percent and adult job training by 18 percent.

Housing and Urban Development Secretary Henry Cisneros, visiting with The Oregonian's editorial board Thursday, pointed out that the House wiped out drug-elimination funds for public housing authorities in Oregon City, Portland, Eugene, Salem and Pendleton, and in Seattle, Vancouver, Pasco and other Washington cities.

The House also deeply cut McKinney Homeless Act funding for communities in Oregon and Washington.

Balancing the budget is necessary. But the way Congress is rushing to correct the overspending of decades in seven years does unacceptable injury to the nation's disabled, the aged on fixed incomes and the working poor who hold no hope of owning homes in an economy where wages aren't keeping up with property-price increases.

Most Americans recognize what's happening. A national poll by The Times Mirror Center for The People and The Press showed that sizable majorities of the public disapprove of key policies advanced by the GOP Congress, such as cutting summer youth jobs programs, low-income schools, the Environmental Protection Agency and public housing programs, eliminating the National Service Corps and reducing Medicare's growth rate.

Politicians who think they are riding the wave of public opinion had better check their bearings again.

Sens. Mark Hatfield, R-Ore., and Slade Gorton, R-Wash., chairman and member, respectively, of the Senate Appropriations Committee, are positioned to be key players in deciding how injurious the drive to a balanced budget will be.

Support streamlining inefficient bureaucracies. Cut red tape. But strenuously oppose funding cuts that add hopelessness to the helplessness of America's poor.

STAR-LEDGER
NEWARK, NJ
DAILY 401,027
THURSDAY
AUG 24 1995
BURRELLE'S

James, mayoral peers to discuss budget cut effects

1580

Newark Mayor Sharpe James left for Seattle yesterday to participate in the unveiling of an initiative by the U.S. Conference of Mayors addressing the effects of federal budget cuts approved by the House.

James, who is on the group's executive committee, is expected to take part in a press conference tomorrow at which the mayors' group will release the results of a 145-city survey about the effects of the cuts on municipalities.

The questionnaire also asked whether state government or other sources could be expected to help compensate for the cuts and whether layoffs of workers or tax increases would be on the horizon due to the budget cuts.

The press conference will be led by U.S. Conference of Mayors President Norman Rice of Seattle.

The event will be held in conjunction with the U.S. Conference of Mayors' annual Leadership Meeting and also will highlight the release of a 100-county survey which asked county executives and commissioners the same questions.

Both surveys also asked respondents to identify the federal budget cut that would have the most significant impact on their jurisdictions.

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Daily Journal of Commerce

Wedn

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Administration says GOP budget cuts would hit suburbs as well as cities

WASHINGTON (AP) — Deep budget cuts proposed by Congress would hit metropolitan areas hard, rippling from inner-city to suburb, from bus fares to the quality of drinking water, the Clinton administration said Tuesday.

In an analysis of six major cities, administration officials argued that suburbs would feel the pinch as local and state governments raise taxes to make up for lost federal dollars and reduce services to cut their own costs.

"This is not just an inner-city problem," said Housing Secretary Henry Cisneros. "It increases the pressure on all of us to keep things from sliding into the abyss."

The House has passed appropriations bills for fiscal 1996 that would cut, among other things, $1.3 billion for helping the poor and elderly pay utility bills during extreme heat or cold, despite the deaths of more than 500 people in Chicago in this summer's heat wave.

The bills also would cut $6.7 billion from housing assistance and urban development, $1 billion from crime and drug prevention, $1.1 billion from education, $871 million from summer jobs for youth, $310 million from mass transit operating money, and $91.4 million from economic development money, according to the analysis released Tuesday by the Department of Housing and Urban Development.

That means a loss of $3.9 billion for six cities — Chicago, Detroit, Los Angeles, Miami, New York and Philadelphia — and their surrounding counties, with the New York and Chicago metropolitan areas hurt the most, the analysis indicated.

New York's eight-county metropolitan area would lose $750 million, requiring the denial of utility assistance to 557,000 poor families, the researchers found. There would be $76 million less available for treatment of drinking and waste water.

Chicago's nine-county area would lose $323 million, costing about 5,200 families their rental assistance and eliminating some 2,000 children from Head Start pre-school programs, HUD found.

There would be $90 million less for repairing Chicago's public housing projects, which were recently declared the nation's worst. The housing authority would lose an extra $26.5 million for other expenses, such as security and maintenance operations.

"I don't understand what they expect poor and older people to do," Cisneros said. "This budget means for the next several years the best the mayors are going to be able to do is somehow put their shoulder against the tide of decline."

The Philadelphia Inquirer

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Tuesday, August 22, 1995

EDITORIALS

False economies

Two bids to build urban jobs and housing face cuts.

In slashing its way through the budget of the federal Department of Housing and Urban Development, the House has cut some programs that target aid not to the poor, but to urban developers.

Two such programs, aimed at shoring up job and housing opportunities in cities like Philadelphia, are Federal Housing Administration (FHA) Multifamily Insurance and Section 108.

The Section 108 loan-guarantee program is knitted together with the Community Development block grants — acknowledged even by House Republicans to be one of HUD's most effective efforts.

Under Section 108, a city can leverage its borrowing ability to support projects it deems capable of creating jobs or combating slums. HUD allows a city to borrow up to five times its Community Development grant.

Philadelphia has tapped the Section 108 till for $3 million to move families out of the sinking homes of Logan, and is asking for about $16 million more to back a project to make a hotel out of Two Mellon Center, in the shadow of City Hall. But under the House's 50 percent reduction, to $1 billion nationally, both projects would be threatened.

Critics say Section 108 is just another big-buck patronage program, pouring money into projects that developers could and should finance through the private sector. That is indeed a potential pitfall. But the flight of jobs and capital from America's cities is an urgent reality, draining city treasuries just as health, social and education needs explode.

Philadelphia has made a good-faith effort to deal with such trends by scaling back services, and working to nurture job-rich industries such as tourism. Tourism means hotels, and financing hotels purely from private sources is tough, experts say. The good Section 108 can do by, for example, helping Philadelphia add a needed hotel outweighs the risks of abuse.

The FHA insurance program also helps businesses in hopes that benefits will trickle down. The government guarantees private lenders who back affordable housing projects that it will pay off nearly all the debt if an apartment or townhouse project fails. The House has cut the program from $88 million to $70 million. In Pennsylvania, that could derail about 2,100 planned units.

Each of these programs aims, through modest expenditure, to stabilize city neighborhoods through jobs and housing — and ease the burdens that cities place on suburbs.

That makes fiscal, as well as moral, sense.

LOUISIANA WEEKLY
NEW ORLEANS, LA
WEEKLY 5,000

AUG 14 1995
BURRELLE'S

Block Grants Seen Discriminating Against Louisiana's Children

Louisiana Forum 1580

Louisiana could receive as much as $1.6 billion less in federal funds over the next five years than the state would have received under the existing system, according to an analysis by the U.S. Department of Health and Human Services of one of the major welfare block grant proposals under consideration. Worse, the change will almost certainly exacerbate huge discrepancies in funding of social programs between poor states like Louisiana and other, more affluent ones, says Judy Watts, president of Agenda for Children, a nonprofit organization based in New Orleans.

Under the proposals nearly all welfare programs, including Aid to Families with Dependent Children, would be consolidated into one block grant for each state. Spending would be frozen at 1994 levels. As a result, says Watts, even modest inflation coupled with small increases in need could force real reductions of over 25 per cent in programs for poor children.

She adds, "States like Michigan and Massachusetts now get three to six times more money per child for AFDC than states in the South, and the same pattern of funding will continue under the proposal. Massachusetts, for example, will receive $2,013 a year for each poor child in the state, while Louisiana's block grant will total $376 per child."

Under the existing laws, she notes, more affluent states can budget more in matching funds for AFDC and other programs and get more federal money, while the poorer states, which often have the greatest need, are unable to take full advantage of the federal match.

"Varying the amount of funding for each state may have made some sense when it was based on the state's contributions," says Watts, "but it makes no sense at all now."

She notes that the National League of Cities, the National Association of Counties, the National School Boards Association and the United States Conference of Mayors have voiced their opposition to block grants.

Much of this opposition centers around the fact that in a recession, when tax receipts drop, unemployment increases and more people apply for Aid to Families with Dependent Children and other assistance, no additional federal funds would be available. Workers who lose their jobs may be denied benefits or face long waiting lists. When the block grant was exhausted, a state would be forced to raise taxes or cut assistance.

State Agencies Pressed to Trim Spending

Threat of Federal Cuts Prompts Pataki to Call for Belt Tightening

By JAMES DAO

ALBANY, Aug. 12 — The Pataki administration has begun pressing all state agencies to tighten spending amid concerns that Federal aid may be cut, leaving the state with a gaping hole in its budget.

The state Division of Budget has sent internal memos to all state agency heads directing them to reduce spending immediately and to prepare detailed plans for cutting costs over the next two years, with measures that could include layoffs.

The state Budget Director, Patricia A. Woodworth, has also sought to reduce overall state spending by 6 percent during the first half of the fiscal year by authorizing agencies to spend only a portion of their quarterly budgets. She said the purse strings may be loosened for some agencies during the second half of the year, but others may face further reductions.

Gov. George E. Pataki, a Republican who ran on a pledge to shrink state government, said he would have tried to squeeze agency budgets even further if he thought the state was in robust fiscal health.

Now, he said, there is even greater urgency to reduce spending because the Republican-dominated Congress is likely to cut billions of dollars in aid for health care, welfare and education this fall, which could leave the state with a deficit when its fiscal year ends on March 31.

"Obviously it is a concern," Mr. Pataki said on Thursday. "And it's certainly a reason why we have to be prudent in our approach to spending money."

The Pataki administration's biggest worry is Medicaid, a more than $20 billion program in New York State. Because the program is financed jointly by the Federal, state and local governments, cuts in Federal aid could increase the remaining partners' financial burdens.

One leading Congressional plan would reduce projected Federal Medicaid spending in New York State by about $2.7 billion a year, according to the Health Care Association of New York State, a group representing hospitals and nursing homes. Other plans supported by southern governors would reduce New York's share of Medicaid dollars significantly more.

"We have to be prepared, and that means to the extent we can find ways to give ourselves additional flexibility in the spending plan now, that's better than waiting," Ms. Woodworth said.

State Comptroller H. Carl McCall, who has already predicted a budget shortfall of $2.7 billion for next year, has warned of other fiscal problems. He said the state's projections include many shaky assumptions, including sales of assets that have yet to be identified and savings that are likely to fall short. There is also a possibility that the economy will weaken, reducing tax revenue, he has said. Income from taxes has already declined because of tax cuts enacted this year that will grow substantially next year.

Loss of money for Medicaid is the biggest concern for state officials.

"I applaud what the Governor is doing in terms of aggressively managing the budget process, even if it means cutbacks for agencies," Mr. McCall, a Democrat, said. "On the other hand, it suggests that two months after hailing this as a great budget, the Governor has realized it might not hang together."

To help in the cutting, Ms. Woodworth and two other Pataki aides, Donald G. Dunn, the first deputy secretary, and James G. Natoli, the director of state operations, are reviewing cost-cutting plans from every agency.

In an Aug. 9 memo to agency heads, Ms. Woodworth recommended that they reduce office supply purchases, renegotiate service contracts, limit travel, consolidate work groups and eliminate programs. She also suggested that managers find cuts that can be made without legislative approval.

Ms. Woodworth and Mr. Pataki said layoffs should be a last resort, but would not rule them out. The state has laid off about 2,400 employees this year, including 489 political appointees.

"If it turns out we have too many employees, then we'll look for the most humane way to approach that issue," Ms. Woodworth said.

Though most departments are developing their plans in private, some information has dribbled out. A recent Health Department memo, for instance, instructed managers to find up to 20 percent in cuts this year and up to 20 percent more next year.

Similarly, a Department of Social Services memo recommended privatizing services, consolidating units and laying off 400 workers over two years. It also called for lowering child-support collection goals, to save on personnel, even though Mr. Pataki recently endorsed aggressive new measures to increase child-support payments.

The preparations have sent new waves of anxiety through a work force already shaken by layoffs, agency consolidations and calls for privatization by the new administration.

"They have the feeling that this government is trying to save on the backs of workers," said Danny Donohue, president of the Civil Service Employees Association, the largest state workers' union. "It makes them wonder every day about their jobs."

Predictably, Democrats have accused Ms. Woodworth of holding back spending in Democratic districts first. Assembly Speaker Sheldon Silver, a Manhattan Democrat, said he believes Mr. Pataki simply wants to cut spending so he can carry over a huge surplus into next year's budget.

But some Republicans, too, have reacted testily to Mr. Pataki's initiatives. In recent comments on an Albany radio station, the Senate majority leader, Joseph A. Bruno, a Rensselaer County Republican whose district contains many state workers, complained that the administration had not explained its plans clearly enough to a frightened work force.

"Every day, it appears there is some other news, another shoe drops," said Mr. Bruno, a close ally of Mr. Pataki. "It just creates concern, panic, anxiety."

CHICAGO SUN-TIMES . AUG 07 1985

Fed Cuts Threaten Schools, Housing

City May Lose $200 Million

BY BASIL TALBOTT
SUN-TIMES WASHINGTON BUREAU p. 1

WASHINGTON—Chicago stands to lose more than $200 million in federal aid if deep social spending cuts approved by the House aren't reversed—and that means saying goodbye to 640 Chicago public school teachers.

Those let go wouldn't get as much help landing new work as they could this year: The House shrunk retraining programs for laid-off workers.

John Porter

The bad news for Chicago was in two of 13 appropriation bills that shape federal spending. In bills approved by the House last week, the city would lose more than $200 million of what was approved for it. Almost a quarter is from education. About half is in public housing.

Even more hits for Chicago lie in other legislation not yet voted on.

"This is a devastating contract on the cities," said Sen. Paul Simon (D-Ill.), who pledged to try to ease the cuts in the Senate. "These cuts would inflict immediate and long-lasting damage on Chicago's schools and families."

Republicans cast them in a different light:

"These are not cuts that will cause the sky to fall. They are moderate cuts that will allow agencies to contribute to deficit reduction," said Rep. John Porter (R-Ill.), who managed one of the bills.

Only one Illinois Republican House member disagreed with Porter. Rep. Mike Flanagan (R-Ill.) voted

Turn to Page 9

Federal impact

Continued from Local Page

to fight drugs will also have an impact here. The $464,000 which Erie received is used for youth clubs at Franklin Terrace and Erie Heights, a summer jobs program for college-bound youth and for extended hours for a youth program at the JFK Center.

This year, there will be on-site counseling about drug and alcohol abuse and domestic violence and JFK's hours will also be extended for the school year.

"There are all kinds of preventive things that eventually have an impact," he said. "The answer can't be everybody goes to jail. The answer has to be to provide decent alternatives on the front end, at a very young age. We do have kids in public housing who go to college, kids in public housing who get jobs."

Horan said the Erie Housing Authority could do its job with less federal money if HUD would give the local agency more flexibility in how to spend it.

"They're cutting money and giving us the same guidelines, the same business as usual," he said.

With flexibility, the housing authority could use its federal money where it's most needed, he said. "Right now in Erie, the priorities are not in bricks and mortar. We need to be doing things about these people problems. Our public housing inventory is up to modern day standards."

As for a freeze on Section 8 certificates, Horan said about 700 families in Erie currently are in Section 8 housing. Erie has 800 certificates available and when applications were taken recently, 1400 families filed preliminary applications. Some of those families are already in other types of public housing but Horan said Section 8 housing is more desirable.

"It blends into the fabric of the community," he said. "It's much better than building 700 units of public housing. It's a very good program. It should be continued and expanded."

Miller said there is "no question" that the federal budget has to be balanced. The debate between the Clinton administration and the Republicans in Congress is about the timing. The cuts so far, she said, have been aimed at programs "dealing with the most vulnerable populations."

Miller said that Cisneros had proposed "radical changes in the way HUD does business." But so far Congress has only cut funding instead of making those changes.

Six programs for the homeless, for instance, have been consolidated into one and the budget cut by 40 percent but the formula for receiving funding has not changed.

Portland Press Herald p.2B

Cisneros warns GOP cuts threaten social programs

- On a short visit to Portland, the HUD secretary backs the president's slower approach.

By STEVEN G. VEGH
Staff Writer

Henry G. Cisneros, secretary of the U.S. Department of Housing and Urban Development, touched down Friday in Portland to denounce Republican budget plans he said would gut human services.

"It's not a question of balancing the budget," Cisneros said at a news conference at Portland International Jetport. "Those folks insist on their own agenda of Draconian cuts."

> *"It's not a question of balancing the budget. Those folks insist on their own agenda of Draconian cuts."*
>
> Henry Cisneros, HUD secretary

It was the second time this week that a Clinton administration official visited Portland to lobby against the House Republicans' budget plans.

On Wednesday, Grace Crunican, deputy administrator of the Federal Transit Administration, told local transit officials that Portland and other Maine cities would lose public transit aid under the Republican plan.

Both Cisneros and Crunican said Clinton, like Republicans, wants to balance the federal budget. But the president wants to do it in nine years. Republicans want to balance the budget in seven years, which Cisneros said is too fast.

Cisneros said the House Republicans' plan would cost Maine:

- $463,612 in funding to eliminate drugs in public housing.
- $1,369,649 in Comprehensive Grant Program money used to modernize public housing and reduce crime. About half of that money goes to Portland.
- $1,124,835 in public housing operating subsidies. About $303,000 of that sum goes to Portland.

One consequence of the cuts would be elimination of four education centers in Portland's family-oriented public housing developments. The centers are sustained by $90,800 in federal money.

The centers provide computers, reference books, tutors and study space for students who might otherwise not study or even attend school.

"We took kids missing 32 days of school before attending these centers, who now miss four days," said Peter Howe, Portland Housing Authority's executive director.

After visiting Portland, Cisneros flew to northern Maine to visit members of the Micmac and other Indian tribes.

Associated Press

Todd Hood II, 2, offers a snack to HUD Secretary Henry Cisneros as he discusses proposed housing cuts in the 1996 budget with members of the Portland Housing Authority.

Congress' cuts bleeding cities, advocates say

By Richard Wolf
USA TODAY


HELMKE AP


RENDELL USA TODAY


CISNEROS: Public housing plan, unveiled in Dallas last July, may be in jeopardy. By Susan Weems, AP

As Congress pushes through its summer of spending cuts, mayors and urban advocates have tallied up the damage. Their conclusion: The budget is biased against the USA's cities.

That case is being made by the Clinton administration and city officials who fear the cumulative impact of cuts in Medicaid, welfare, housing, mass transit and other programs.

"The appropriations measures are doing extreme damage," says Housing and Urban Development Secretary Henry Cisneros, a former mayor of San Antonio and President Clinton's point man on urban policy. "I'm hopeful that someone will wake up before further damage is done."

But Republicans in Congress defend the fairness of the budget cuts, arguing cities have not been targeted.

"I think there's a tendency to underestimate the poverty in rural and suburban areas," says Rep. Rick Lazio, R-N.Y., who chairs a panel that oversees housing programs. "I think that the effort was roughly equitable."

One of the largest proposed cuts is in Cisneros' back yard: a bill on the House floor would cut HUD by 27%.

But it's the compounding effect of the cuts that upsets some urbanites:

▶ Taking money from the cities could lead to the loss of jobs and private investment.

▶ Costs for programs may be shifted to state and local governments, leading to tax increases.

▶ Hardest hit would be the poor; children and youths also would suffer from education and job-training cuts.

"From every sign that we can see, this Congress has declared war on America's cities," says Rep. Thomas Foglietta, D-Pa., who heads Congress' Urban Caucus. "It's aimed at the class of people who live in the cities."

The battle cry against the budget cuts has been taken up by Republican as well as Democratic mayors.

Republican Mayor Paul Helmke of Fort Wayne, Ind., says cities "clearly" are taking a bigger hit than the rest of the country, though he denies it's part of an "anti-city mentality."

"The urban areas have basically taken care of those less fortunate in our community for some time," Helmke says. "Those folks aren't going to go away."

Most of the mayors' ire has been directed at the congressional budget blueprint, which calls for cuts of $182 billion in Medicaid over seven years and about $100 billion in cuts to other entitlement programs.

They also have been on a warpath against House appropriations bills, which cut millions from housing, transportation, education, labor and economic development programs.

"In the best-case scenario, we're getting ravaged," says Philadelphia Mayor Edward Rendell. "It's both geographic and demographic. Cities have huge portions of the nation's poor. They gravitate to cities because that's where the services are."

Frank Shafroth, a lobbyist for the National League of Cities, says the big hit on cities was a result of "benign neglect ... There was no evil intent."

But Seattle Mayor Norm Rice, a Democrat and president of the U.S. Conference of Mayors, contends the GOP tilt toward the suburbs and away from the cities is intentional.

"The revenue shift is from those who are not deemed to be a part of the Republican agenda," Rice says.

Conservative activists insist money won't solve urban ills and suggest big budget cuts could be just the medicine cities need to devise more innovative solutions to their problems.

"It will force change," says Robert Woodson, president of the National Center for Neighborhood Enterprise. "As long as funds are flowing, people are not compelled to prioritize."

Most mayors still hope for a happy ending to the budget debate. Says Republican Greg Lashutka of Columbus, Ohio: "We have plenty of time to have a soft landing, as opposed to a crash."

ɘk stay . ion of ruling

e to end busing students move to a neighborhood-:hool assignment plan.

a lawyer for the state f Education said the coali-:'t prove that students will ıed because all four dis-esidents have said they an to make changes dur-school year.

·'re not going to make any without thorough study," ›dman Ward Jr., adding / such plans would be dis-n public meetings.

one student, a 10th-grader, immediately affected by n's ruling, Ward said.

Circuit Judge Anthony J. said that if no changes are l, "what's the problem ınting a stay?"

said a stay is an injunc-ıt "has to be earned" and ıe coalition admits it know if any changes will take place.

disagreed. He said Robin-ling means an immediate requirements that the dis-le monthly statistical re-: a means the districts op recruiting and hiring y teachers, which they been doing very well on " Barr said.

ıred the judges that ricts keep statistics even court supervision. As for , hiring, he said the pool rity applicants is always ıd that New Castle Coun-ord is better than other around the country.

M dd e own, it's a l in family

Brother, sister take top prizes in slogan for new water tower

Special to The News Journal/ROBERT CRAIG

Scott Smith, 7, shows off his winning entry in the Middletown contest. Scott credits his mom for help with the idea.

By EDWARD L. KENNEY
Staff reporter

"Leave the fuss, come visit us, Middletown."

Those words — posted above the town name — will soon be seen for miles atop Middletown's new water tower.

You can thank 7-year-old Scott Smith for the slogan — but don't thank him for the colors.

"He had purple and orange," said Middletown councilwoman Catherine Kelly. "We're thinking about changing that."

Scott's slogan was the winner in a contest to decorate the 1.5 million-gallon tower that will be built on Broad Street near the Middletown Square Shopping Center. Groundbreaking is a couple of months away, Kelly said.

Why a new tower? "We need to have more water in the area, because the development is just unbelievable," Kelly said.

The contest was announced at the town council's August meeting, and winners received their prizes in a ceremony last week at town hall. There were 15 entries.

Scott won a $250 savings bond. His older sister, Tiffany, 12, got a $100 bond for her second-place entry: "Where history is found," with the words circling the town's name.

Evidently, there was a little bit of sibling rivalry involved. "She said she should have won the $250," Scott said.

Scott's entry was a collaboration. "My mom thought of leave the fuss and I thought of come visit us," he said.

Taking third place and a $50 savings bond was Kay Hampson, a grownup. Her design was sports oriented, with drawings of a ball, bat and other objects, and the words "Experience America" below the town name.

"The funny thing is, she was the lady who brought in the Smith kids' entries," said Kelly of Hampson. "They all live on Crawford Street."

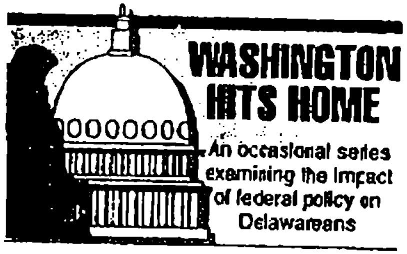
Carper: Medicaid plan would hurt Del.

By NANCY KESLER
Dover Bureau chief

If Republicans in the House of Representatives have their way with Medicaid cuts, it would be the equivalent of 41,000 Delawareans losing their health insurance coverage, Gov. Carper said Monday.

Carper and his health-care planners released data that estimates Delaware would lose $450 million in Medicaid funding over seven years, part of a proposed $182 billion cut nationally. Delaware splits the cost of Medicaid with the federal government.

Last week, Carper told eastern state budget officers that the GOP plan would force some poor, elderly people from nursing homes.



It would also hurt his welfare reform plans to ease the transition from welfare to work by providing insurance for a limited time while welfare recipients settle into jobs.

Loss of insurance would also affect workers and their employers who pay for private insurance.

Poor Delawareans cut off from Medicaid would have to be treated at no charge and the cost shifted to private insurers by raising prices.

"One moment I'm depressed and crying, and the next I'm furious and ready to fight," said Carmen Nazario, secretary of the Department of Health and Social Services. "It's too much of a loss."

Confusion has surrounded the plan since it was unveiled last week.

"It was all played so close to chest," Nazario said, that it has been hard for states to analyze. "It's such a complicated formula, it's hard to even understand it."

Elaine F. Archangelo, director of the Division of Social Services, said the 41,000-person figure assumes no reduction in services or payments for care by 2002, when about 118,000 Delawareans would be eligible for Medicaid under current rules.

The Republican plan retains some mandates, such as requiring states to assist the elderly, disabled, women and children, although it allows the states to set income eligibility levels.

But the proposed cuts are so deep, Archangelo said, that even if everyone but the elderly and disabled were taken off Medicaid, costs would still outstrip the amount of federal money available.

Although the Carper administration has used the 41,000 figure to dramatize the impact, Archangelo said, "everything would be on the table" if House Republicans win.

NJ 9/26/95

NJ
9/22/95

Carper says GOP Medicaid proposal would hurt Delaware

By JAMES MERRIWEATHER
Dover Bureau reporter

DEWEY BEACH — A proposed Republican restructuring of the Medicaid program would force poor and elderly people from Delaware nursing homes and undermine the state's welfare reform plan, Gov. Carper said Thursday.

Early estimates show that the new plan would cost Delaware more than $250 million over the next seven years — part of $182 billion House Republicans expect to save under their proposal.

Under the proposal, the state's Medicaid allotment would see a 7.24 percent increase during the fiscal year that begins Oct. 1. But increases would be limited to 2 percent for each of the six succeeding years.

"The 2 percent cap .... will mean that people who are on long-term care in the nursing homes may lose that care," Carper said.

"And those people who are on the welfare rolls who we are now compelling to go to work with the understanding that we would help them with health care are likely to find that an empty promise."

Carper offered his case to about 60 members and guests here at the fall eastern regional conference of the National Association of State Budget Officers. Participants from the eight member states were urged to sound similar alarms when they return home.

The two-day meeting ends today.

House Republicans want to turn administration of the Medicaid program over to the states. Their measure, now under consideration by the House Commerce Committee, is intended to cut the annual growth rate from 10 percent to 4 percent.

Carper said the Delaware's 2 percent growth rate would be outstripped by growing populations of elderly poor people and welfare recipients expecting health care as they try to move into the job market. "The increase in health care costs have slowed dramatically in recent years," Carper said after his talk.

"But the elderly population continues to grow ... and we know that unless we help welfare recipients with child and health care, they're going to fail in many instances to make the transition to work."

While the perception is that poor families on welfare run up the tab, Carper said, the truth is that nursing home care accounts for 70 percent of the state's Medicaid costs. A similar plan is under development by the Senate Finance Committee, chaired by Delaware's William V. Roth Jr.

▶

Staff reporter Mike Billington contributed to this article.

STATE OF DELAWARE
OFFICE OF THE GOVERNOR

THOMAS R. CARPER
GOVERNOR

September 22, 1995

Senator William V. Roth, Jr.
104 Hart Senate Office Building
Washington, D.C. 20510

Dear ~~Senator Roth~~: Bill

As you begin deliberations on how to restructure the Medicaid program in the Senate Finance Committee, I would like to make you aware of my serious concerns about the House Commerce Committee proposal's impact on Delaware's Medicaid program. I hope that you and I will have an opportunity to discuss your committee's proposal and its potential impact on our efforts to expand health care coverage in Delaware.

After a brief review, my staff has concluded that the House Commerce Committee's proposal would reduce federal assistance to Delaware in the Medicaid program by nearly $470 million by the year 2002. The impact of this reduction on Delaware's Medicaid program would be devastating. We would be unable to implement our federal waiver -- which would provide health care coverage to 9,000 Delawareans who are not covered today. Even more devastating is the fact that we would be forced to eliminate health care coverage for nearly 41,500 eligible children, elderly and disabled persons in our state.

What is so disturbing about this bill is the harm that it inflicts on Delaware -- without achieving any higher savings than had been projected. Comparing Delaware's share of the $182 billion reduction in overall federal Medicaid spending to other states, Delaware receives a disproportionate share of the federal cuts in several significant ways. While the bill mentions a 14.8 percent initial growth rate for all states, and a 2 percent growth rate per year through 2002 for Delaware, the reality is that by picking 1994 as the base year, Delaware sustains a dramatic cut from the very beginning. From 1994 to 1995 alone, Delaware's growth rate was 26.3 percent. Under the proposed grant, Delaware would sustain an immediate $15 million cut from its current base. While Delaware is only permitted little or no growth -- 2 percent each year for six years over a reduced base -- other states are permitted a 6-9 percent growth rate. Dollars that should be going to provide health coverage in Delaware will actually go to other states.

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CARVEL STATE OFFICE BLDG.
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Senator William Roth, Jr.
Page 2
September 22, 1995

By denying benefits to so many who would be eligible for health care coverage and even worse, cutting off health care coverage to people who are receiving it today, we would regress in our efforts to increase access to health care and reduce the cost-shifting that plagues all taxpayers. Not only would Delaware have to subsidize other states so that they could expand their health coverage, our taxpayers who have health insurance would be picking up the tab for those who would be left without any health care coverage at all. In effect, Delaware would be widening the gap for health care coverage -- rather than closing it.

In addition, I understand that the House proposal would eliminate the Vaccines for Children Program, including the state optional use clause. I know that you have been an ardent supporter of our efforts to immunize children in Delaware, and I urge you to reinstate this provision in the Senate proposal.

I implore you to consider this inequitable and disproportionate impact on Delaware's Medicaid program during your committee's deliberations on restructuring the Medicaid program.

I look forward to further discussion with you and your staff as you develop the Senate Finance Committee proposal.

Bill, the House proposal looks like a disaster for Delaware. We need your active intervention, please!

Sincerely,

Tom

Thomas R. Carper
Governor

cc: Senator Joseph Biden
Representative Michael Castle

Budget Working Group Planning Calendar
Thursday, 28 September - Sunday, 8 October 1995

DATE	POTUS SCHEDULE	POTUS MESSAGE	VP/HRC/MEG	CONGRESSIONAL	MAJOR NEWS	MAJOR EVENTS	CABINET	INTERNAL PLANNING
THURS 9/28	• Middle East events	New World	VP: Environment Breakfast MEG: Natl Mental Health Conf	Appropriations-Conference: Transportation, Energy & Water Appropriations-House floor: Continuing Resolution Appropriations-Senate floor: Labor/HHS Reconciliation-Senate mark-up: Finance Cmte (spending) Reconciliation-House mark-up: Commerce (Medicare?), Ways & Means (Medicare?)	Candidates: Alexander@FL, GA; Forbes@DC; Powell@WA	• Natl Advisory Council for Health Care Policy, Research, and Evaluation meets • Natl Assn of State Medicare Directors' annual conf begins • 8:30a, Sen Daschle@NAD b'fast on budget • 10:15a, Natl Cmte to Preserve Social Security event @ Capitol	HUD: Sec @ Natl Assn of Affordable Housing Lenders USTR: Amb@BusinessWeek CEO conference EPA: Adm briefs on Superfund changes NEC: Dr. Tyson @ BusinessWeek CEO conf Comm: AsstSec Eckert discusses budget on radio in NY	
FRI 9/29	• Medal of Freedom events • Bilaterals w/Mubarak, Hussain • Radio address taping • AR Reception		HRC: Pres. Comm, Meeting	Appropriations-Senate floor: Commerce/Justice/State Reconciliation-Senate mark-up: Finance Cmte (?) Reconciliation-House mark-up: Commerce (Medicare?), Ways & Means (Medicare?)		• Natl Council on Sr Citizens rally @ Capitol	HHS: Sec addresses state Medicaid directors, DC HUD: Sec meets w/Spkr GInrich on HUD budget	
SAT 9/30							HUD: Sec in New Orleans	
SUN 10/1	• Red Mass, St. Matthew's Cathedral (w/SCOTUS)	New Community						Morning Shows MTP: Brinkley: FTN:
MON 10/2	• C/G event		VP: Chicago		SCOTUS begins 1995-96 term			

DATE	POTUS SCHEDULE	POTUS MESSAGE	VP/HRC/MEG	CONGRESSIONAL	MAJOR NEWS	MAJOR EVENTS	CABINET	INTERNAL PLANNING
TUES 10/3	• Violence Against Women, DC • Human radiation mtg				Yom Kippur begins at sunset	<u>Mayoral Elections</u>: Phoenix, Memphis		
WED 10/4	• Papal Visit, NJ	New World	<u>VP</u>: World Bank	<u>Reconciliation-Senate mark-up</u>: Finance Cmte (taxes?)	IMF/World Bank fall mtg thru 10/12, DC			
THURS 10/5	• Teen Pregnancy mtg • Natl Medal of Arts events			<u>Reconciliation-Senate mark-up</u>: Finance Cmte (taxes?)				
FRI 10/6	• radio address taping			<u>Reconciliation-Senate mark-up</u>: Finance Cmte (taxes?)				
SAT 10/7	• pvt travel							
SUN 10/8	• pvt travel		<u>VP</u>: Papal Departure					<u>Morning Shows</u> <u>MTP</u>: <u>Brinkley</u>: <u>FTN</u>:
MON 10/9	• Day off				Columbus Day			
TUES 10/10	• Mexico State visit • Hearst papers interview							
WED 10/11	• IMF speech • Zedillo lunch@OAS							
THURS 10/12	• Natl Svc event • Disability photo op							
FRI 10/13	• DNC coffee • Weigel Wallace award • Business Council speech							

DATE	POTUS SCHEDULE	POTUS MESSAGE	VP/HRC/MEG	CONGRESSIONAL	MAJOR NEWS	MAJOR EVENTS	CABINET	INTERNAL PLANNING
SAT 10/14								
SUN 10/15								Morning Shows MTP: Brinkley: FTN: