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Public Papers of the Presidents

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HEADLINE: Remarks to the National Academy Foundation Conference in Anaheim, **California**

BODY:
You know, Hazel, you might consider just skipping that hotel business and going right into politics. [*Laughter*] I want to thank all of you for your welcome. And I thank Hazel and her fellow winners behind us for reminding us of why we're here. Mayor Daley, thank you for making me feel welcome -- and, Secretary Daley, Secretary Slater. Representative Sanchez, we're delighted to be in your district and to be here with other Members of Congress who are here.

I'd like to say a special word of appreciation to my wonderful friend, our former Secretary of State, Warren Christopher, who is here with us today and supporting this endeavor.

Since this is the last event for me in this weeklong odyssey across America to our -- what we called America's **new markets,** I'd like to say a special word of thanks to the folks on the White House staff who made it possible, including my National Economic Adviser, Gene Sperling, without whom this never would have occurred.

And I want to say a special word of thanks to Reverend Jesse Jackson, who worked with Sandy Weill on the Wall Street Project, went to Appalachia before it was fashionable, who always believed that poor people were smart, wanted to work, and had a right -- a moral right -- to be part of America's future. Thank you, Jesse Jackson.

And thank you, Sandy Weill, for the Wall Street Project, which attempts to marry the investment capacity of Wall Street with the human capacity of all those places we've been visiting. Thank you for the National Academy Foundation. Thank you for being a good friend to me and to all these young people and so many others. And thank you for inviting me to this annual conference.

This is really quite can appropriate place for me and those who have traveled with me this last week on our **new markets** trip to end our journey, reaffirming your commitment and ours to prepare all our children for the new century. Over the past 4 days, as I have traveled across America, we have sought to shine the spotlight on places still unlit by the sunshine of our present prosperity. A number of you have been along for what has truly been a remarkable ride.

We've seen the power of people in public and private life to work together in the Appalachians and in the Mississippi Delta. We've seen the spark that retail investment can bring in the first shopping center built in decades in East St. Louis, Illinois. We've seen the impact in the most basic infrastructure and housing opportunities, even in the remote regions of Indian country in South Dakota, still the most left-behind part of America.

In south Phoenix yesterday, in temperatures exceeding 100 degrees, we saw the enormous benefits of community reinvestment initiatives. And here, earlier today, we saw what education and job training can bring to young people in Watts -- people who are normally identified with distressed neighborhoods, showing me how to design automobiles on a computer, or to conduct sophisticated business transactions between two different countries with young Americans 17 years old picking up a commission for being the middleman.

I took this trip for three reasons. First, I wanted every American businessperson, every American investor, to see that there are enormous opportunities out there today in the areas that have been left behind by our economic recovery. Second, because I wanted to highlight the tools that have already been put in place, to encourage more people to invest in those communities: the empowerment zones and the enterprise communities which Vice President Gore has so ably led for 6 years now; the community development financial institutions that we have supported; the Community Reinvestment Act, which has led to billions of dollars of reinvestment in our developing neighborhoods; the education and training initiatives designed to give all of our people a chance not only to have good, basic skills, but to keep on learning for a lifetime.

And third, I wanted to highlight our **new markets** initiative, a piece of legislation simply designed to give American investors who are willing to take a chance on new and expanded businesses in distressed urban and rural communities access to the same kind of tax credits and loan guarantees -- to lower the relative risk of their investment -- in America that they can get to invest in poor communities from Africa to Asia to Latin America to the Caribbean. I'm for those investments, but I think America's communities should have access to the same capital with the same incentives.

The idea behind this, obviously, is that the Government cannot do this alone, but business cannot be expected to go it alone. When Government provides the conditions and tools, acts as a catalyst to bring the power of the private sector to benefit all of our citizens, and provides the investment and the education and training of our young people, this is not only good economics, it is the right thing to do. We can build one America where nobody is left behind when we cross that bridge into a new century. And if we do, we'll all be better off.

The CEO's and national leaders I have traveled with, we've heard it every stop: "Look, we just need a chance; our kids need education; our adults need training; and we need somebody who believes in us enough to give us a chance."

I'll never forget the woman we met in the Mississippi Delta, who was working for a very small business in a depressed community that had five employees. She made a very modest wage, and the owner of the business just decided to close up. He said to her she was the only person capable of running the business. But nobody would give her a loan because she'd never had any money in her life; she had only worked for modest hourly wages.

Because there was a community investor willing to take a chance on her, she got investment capital; she bought the business. Two years later she went from 5 to 11 employees, and she has just about paid her loan off. There are thousands of stories like that waiting to be written in America in every community that is still depressed.

So we want to encourage that. And that's why so much of this trip is focused on how to get financing. A remarkable business-woman from New York, Marianne Spraggins, went on this trip. She's trying to set up a vision fund with $ 250 million in private sector capital to give venture capital to these kinds of places. If we get our way, the people who invest in that fund will be eligible for a 25 percent tax credit for putting that money into high unemployment areas, and they'll be eligible to borrow $ 2 for every $ 1 they put up in that fund and have it guaranteed by the Government so we lower the interest rate. That's the Government's contribution; but somebody still has to make the investment to put these people to work.

So most of the capital we've been talking about these last several days has been money. We see in the Pine Ridge reservation in South Dakota a remarkable grandmother, providing schoolclothes for her grandchildren, having to literally buy the tennis shoes her grandchildren wear to school on the installment plan all summer long while the shoes are kept in layaway, so the kids will have them. Then there were 11 people living in a house with about 800 square feet, another 17 in an adjoining housetrailer with about 900 square feet. We need money; those people need housing.

We also saw American Indians, that have been waiting for 9 years, moving into their first homes. A little 5-year-old boy, 6-year-old boy took me by the hand and led me all through his new home and showed me his sister's room and explained why it was okay that she had a bigger room than he did.

[*Laughter*] She was a teenager, and teenagers needed things like that. [*Laughter*] The pride that they felt, these people, this mother who had worked all her life and finally getting a decent home for her children to live in.

So a lot of this is a money problem. I used to joke with a lot of my friends -- I still say this -- that I had about 9 or 10 rules of politics that I kept in my mind all during my career running for office, and rule number 2 was, when anybody stands up and tells you it's not a money problem, they're talking about somebody else's problem, not theirs. [*Laughter*]

So money is a big issue here. But there's another kind of capital that in some ways is even more fundamental, human capital -- people. When Hazel stood up here and you clapped for her, you were clapping for the astonishing development of human capital, of what she has done with her life and the chance that her mother took in going to Hawaii, the risks and the heartache and the difficulties her family went through. It made you feel good.

And what I want to say to you today is that there are people just like these young people we're honoring back here on every Indian reservation, in every hill and hollow of Appalachia, up and down the Mississippi Delta, in every inner city. And they deserve -- they deserve -- the chance to be whatever they're willing to work hard to be. And unless we're prepared to do that, even our best efforts to bring new investment to these distressed communities will be less than fully successful.

Now, we have a better opportunity and a better reason to do that now than ever before. As I tell people, I spend a lot of time in Washington -- Sandy's always saying that I've done a good job as a Democrat with the economy so more people can live like Republicans. [*Laughter*] And I've done my best to do that.

But you should know that one of the things that we seriously debate back in Washington, DC, a long way from Anaheim, is how can we keep this going. We already have the longest economic expansion in peacetime in our history. We have the lowest African-American and Hispanic unemployment rates ever recorded. We have almost 19 million new jobs, and we have very low inflation, and we've had unemployment rate below five percent for 2 years. So a big question is, how much longer can this go on, and how can we keep it going without having inflation buildup, then having interest rates go up and having the recovery stop?

This is not an academic issue if you're about to get your first job or if you're sitting there trying to make up your mind whether to take out a huge bank loan to expand your business. You want to know if we can keep this going.

My answer is, we can keep it going if we can find noninflationary ways to promote growth. Now, what are those? Well, we can sell more American goods and services around the world -- why I hope the Congress will agree to help us expand our trade with other countries. We can also bring populations that are outside the work force into the work force. With the welfare rolls -- they're now the lowest they've been in 30 years and there are a lot of people still on welfare that are able-bodied, but they have limited skills, we could bring more people from welfare into the work force.

You can bring hundreds of thousands of disabled people who are capable of doing more and more kinds of jobs, thanks to technology now, into the work force. And the Congress, I believe, will soon send me a bill that will enable those that have high health care costs that are now being paid by the Government to keep that health care coverage so private employers can afford to hire them.

But by far, the biggest opportunity -- by far -- in keeping this economy going without inflation is to get more investments, more jobs, more new business owners, more new workers and, therefore, more new consumers, into the rural and urban areas that have not yet been blessed by this recovery.

That's why every single American actually has a vested interest in our success here. And more and more businesses are looking for young people like those we celebrate, because there's a shortage of skilled workers, even though there are people who are still looking for jobs. In some job categories, a shortage of hundreds of thousands. Therefore, if Americans are willing to look a few exits off the beaten path, we can continue to grow this economy and we can continue to have more of the kind of stories we just heard.

Let me also say to you, if we can't do this now, with the strongest economy we have ever had, when it is manifestly in the self-interest of every enlightened decisionmaker in the country, when will we ever get around to doing it?

Let me tell you some of the things that we saw on the human capital front. We walked down the dusty streets on an Indian reservation. We saw the boarded-up store-fronts in a town in the Mississippi Delta, famous for its role in the civil rights struggle. We saw desperate living conditions in a little hollow in Appalachia where everybody had a job and they still couldn't afford a decent house to live in.

But every place we went, nobody wanted charity, nobody wanted a handout. What they wanted was a hand up. That's why this will work. What people want is a good private sector job, the simple dignity of a paycheck, the ability to house and educate their children and provide health care for them. And what you know here, what these young people behind me demonstrate, is that intelligence and ability and drive and dreams are equally distributed in this country among the poor and the nonpoor.

I've often said, things happen to people that derail their lives, and then they have to work hard to get them back on track. Things happen to places like that, too. I know the Mississippi Delta, which includes a big part of my own home State, the economy that once sustained that area has been gone a long time. Nobody was ever able to figure out how to put a new economy in its place. But there's a new economy out there that could fit in that place.

There are new economies that could fit in the most remote villages of the Appalachian Mountains. There are new economies that could go into the Native American reservations. How many data processing jobs do American companies ship overseas on airplanes every night to go to poor countries and other places? They could be done on Indian reservations, for example. We have got to think about that.

We all can identify with a human story. If Hazel stands up here and tells us the story of her family, it grips us and we pull for her. But what you need to know is, all these places have stories like that. We got the land and the mineral rights away from the Indians, and we said, oh, we'll make a deal, we'll have a nation-to-nation relationship with you, and we will provide for the education and health care and housing of your people; but we'll do a poor job of it and we'll spend just as little as we can get away with. And then, we'll say you must not really want to do any better.

We have to write new stories for these places. And it takes a commitment to money capital and to human capital. And what Sandy and all of you who have been involved in this magnificent project show, this is Exhibit A that we can do it.

Now, let me say on a very positive note, I'm quite optimistic -- that I am quite sure that one answer to this in the United States and all across the world is better dispersal of technology. When I went to Africa, I went to these little villages where people had maps -- these children were in these little village schools where they had maps that still showed the Soviet Union and other nations that haven't existed in a long time. But if those kids just had one computer for the school and a printer, they would never have to worry about that. We could change the map of the world every day, and all those little kids would have an updated map. Right?

Technology will enable some of these areas to skip a whole generation of development if it is broadly dispersed. Secretary Daley referred to the Department of Commerce report today on technology. Let me tell you what it says. It confirms what you already know. More and more Americans than ever are connected to the Internet. It is the fastest-growing method of human communication in all of history by far.

But it also shows, this report, that there is a growing digital divide between those who have access to the digital economy and the Internet and those who don't, and that the divide exists along the lines of education, income, region, and race. It might have pointed out, of course, that all of us parents are not as good as our kids. That divide's not so serious, but the real one is.

And yet, we know -- I will say again -- that the very information technology driving this new economy gives us the tools to ensure that no one gets left behind. It gives us the tools to provide a story for these communities, to literally provide a self-sustaining economic infrastructure for the 21st century. Millions of Americans now on the economic margins can join the mainstream in the enterprise of building our Nation.

A child in South Central LA, in the most remote part of Indian country, can have access to the same world of knowledge in an instant as a child in the wealthiest suburban school in this country. Now, just imagine if not simply a fraction, but all of our young people entered the work force, had access to the Internet always, and had mastered the skills of the new information economy.

So if we want to unlock the potential of our workers, we have to close that gap. We've done what we could. We have provided the HOPE scholarship and other tax credits so that we've literally opened the doors of college to all Americans. We have emphasized higher standards, smaller classes, more teachers. We're connecting every American classroom to the Internet, and I think we'll make our goal that the Vice President and I established here in **California** in 1994 of having all the classrooms connected by the year 2000.

The $ 8 million in corporate commitments made today by this group are so very important, as are the information technology academies to which Sandy referred earlier. Sandy has said often that today's students are tomorrow's employees, today's students are tomorrow's economy. They're not just somebody else's employees they are tomorrow's economy.

So, bringing these skills to distressed families in distressed communities can have more to do with our ability to restructure the economy in these areas than perhaps anything else. I also want to thank AT&T, and I think, Dan Hesse, the CEO of AT&T Wireless, is here for committing more than $ 1.4 million to increase access to the tools of the hightech economy.

I want to thank America Online, George Vradenburg of AOL is here, for providing more than $ 1 million in grants to help narrow the digital divide. I want to thank Oxygen Media on the cable network it will launch next year. They will offer high-tech training on TV, so more embarrassed adults can learn what their kids already know. [*Laughter*]

This is the kind of thing we have to do. If we have money capital and human capital, we can bring hope to the places that have been left behind.

The last thing I want to say to you is this: This tour, this last four days that we have all spent together has been a significant step toward opening America's **new markets.** But it can't be the end of the journey. It has to be, instead, the opening salvo of a battle to build a real economy in every community in this country. The real measure of our success is not whether CEO's join the President on a trip like this which moved the nation, but whether the same CEO's and others will return to those markets and move the lives of the people there.

So I say to you, you have to do that. The real test of the success is not whether I've got a legislative idea, but whether Congress will set aside its partisan differences and put that idea into law so we can have more investments in these communities.

Next week I will send our **new markets** legislation to Congress. Over the next several weeks we'll announce a new national effort to promote the business link partnerships, pairing big businesses with smaller, often disadvantaged companies, an idea the Vice President has so strongly championed.

And this fall we're going to take another tour. I am going to start in Newark to challenge the owners of professional sports teams and professional athletes to follow the example set by the owners of the New Jersey Nets -- Ray Chambers and Lew Katz -- who set up the ownership of the Nets in a way that 35 percent of the profits of the franchise are reinvested in downtown Newark, to give the future to the people there.

You might know that the Nets have now -- those gentlemen have joined in a joint partnership with the New York Yankees, they now have a big partnership, and they have dedicated a significant percentage of the profits of the joint venture to reinvest in inner city New York, in the Bronx, and in Newark.

So I'm going to go up there. I'm going to highlight what they're doing. I'm going to see what we can do to help. And we're going to make another round here to show people that there are things that we can do together that are both morally right and good business.

Often on this trip Reverend Jackson has referred to the fact that Dr. Martin Luther King, just before he was killed, thought that he had done about all he could do to get the legal changes necessary to get rid of the stain of racial segregation; and that the great disadvantages and discrimination still alive in America could only be eliminated if there were a new alliance of people across racial lines to create genuine economic opportunity for all Americans.

It's hard to believe to somebody like me, anyway, at my age, that it has now been more than 30 years since Dr. King was killed and his dream was put on hold. One of the lesser known passages in his famous speech at the Lincoln Memorial in August of 1963 involved language in which he challenged America, and I quote, "to refuse to believe that there are insufficient funds in the great vaults of opportunity in this Nation."

Well, my fellow Americans, today those vaults of opportunity are more full than they have ever been in the entire history of this country. And we have more evidence than we have ever had that when children like those that we talked about today, and when young people like those we celebrate today -- Hazel, and her peers behind me -- do well, we are all strengthened; that there is a fundamental sense in which our futures are bound up together, from Appalachia to the Mississippi Delta to the Native American reservations to the inner cities to the wealthiest corners of our land.

All our kids need a chance to live their dreams. And the American Dream needs for all Americans to be blessed by the opportunity that has given so much to us.

Thank you for what you do to achieve that goal, and God bless you.

NOTE: The President spoke at 3 p.m. in the Pacific Ballroom at the Anaheim Hilton and Towers Hotel. In his remarks, he referred to award winner Hazel del Rosario; civil rights leader Jesse Jackson; Sanford I. Weill, cochair and co-chief executive officer, Citigroup, and founder and chairman of the board, National Academy Foundation; Marianne Spraggins, senior managing director, Smith Whiley and Co.; and George Vradenburg III, senior vice president for global and strategic policy, America Online, Inc. (AOL). A portion of these remarks could not be verified because the tape was incomplete.

LOAD-DATE: August 9, 1999

PRESIDENT CLINTON'S NEW MARKETS INITIATIVE: REVITALIZING AMERICA'S UNDERSERVED COMMUNITIES
December 14, 2000

Today, President Clinton is pleased to announce the passage of the historic new bipartisan New Markets and Community Renewal initiative. This announcement is the outcome of the commitment President Clinton and Speaker Hastert made in Chicago last Nov. to develop a bipartisan legislative initiative on New Markets and revitalizing impoverished communities this year. This initiative will help encourage private sector equity investment in underserved communities throughout the country to ensure that all Americans share in our nation's economic prosperity. The President's New Markets Initiative was originally proposed in President Clinton and Vice-President Gore's FY 2000 budget. President Clinton has highlighted the potential of the nation's New Markets in three separate trips across America to underserved inner city and rural communities like Newark, NJ, Hartford, CT, the Mississippi Delta, Appalachia, and rural Arkansas, and the Pine Ridge Indian Reservation in S. Dakota.

THE KEY ELEMENTS OF THE LEGISLATION ARE:

NEW MARKETS INITIATIVES:

- The New Markets Tax Credit. The credit will spur $15 billion in equity investment for business growth in low- and moderate-income rural and urban communities throughout the United States and Puerto Rico. The credit, worth over 30 percent of the amount invested (in present value terms), will be available to taxpayers who invest in a wide range of privately managed community development investment funds, such as community development banks and other CDFIs, venture funds, and new investment companies, that finance businesses in low- and moderate-income communities.

- New Markets Venture Capital (NMVC) Firms. NMVC firms will provide incentives to increase the availability of venture capital in low and moderate-income communities for small businesses. Expert guidance will also be made available to small business entrepreneurs in inner city and rural areas. Ten to twenty NMVC firms are planned. The agreement authorizes the SBA to guarantee up to $150 million in loans that will match $100 million in private equity for a total of $250 million and provides $30 million in technical assistance for small businesses.

- BusinessLINC (Learning, Investment, Networking and Collaboration). The bill provides $7 million in funding for BusinessLINC -- an innovative public-private partnership launched by Vice Pres. Gore -- and designed to encourage large businesses to work with and mentor small business owners and entrepreneurs in economically-distressed communities.

EMPOWERMENT ZONES:

- Strengthened & Expanded EZs. President Clinton and Vice President Gore proposed and signed Empowerment Zone legislation in 1993 establishing 9 EZs across the country – **today there are 31 across America. This agreement:**
  - A third round of 9 new EZs, bringing the total number to 40, and extends all EZs to 2009.
  - An additional $110 million, for a total of $200 million in discretionary investment this year for existing EZs.
  - Expansion of 20% EZ wage credit (first $15,000 in annual wages for each worker), increased small business expensing (up to $35,000 more than in current law for equipment), and enhanced tax-exempt bonds to all EZs.
  - Tax-free rollovers for EZ investments, and 60% capital gains exclusion for investment in small EZ businesses.

RENEWAL COMMUNITIES:

- The creation of 40 Renewal Communities designated by the U.S. Dept. of Housing and Urban Development with targeted, pro-growth tax benefits. Key incentives aimed at spurring investment in Renewal Communities include:
  - Zero capital gains rate on the sales of certain assets held for more than 5 years.
  - Increased small business expensing (up to $35,000 more than in current law for equipment).
  - 15% employment wage credit (first $10,000 in annual income for each worker).
  - Commercial revitalization deductions for taxpayers who revitalize buildings in a Renewal Community.

In addition, the New Market/Renewal Communities legislation includes these 2 provisions:

- **EXPANSION OF THE LOW INCOME HOUSING TAX CREDIT:** To expand and improve the supply of available low-income housing, This bill increases the Low-Income Housing Tax Credit by more than 40% over two years and then indexes the credit for inflation thereafter. The increase will help to create an additional 180,000 units of affordable housing for working families over the next five years. The credit will increase to $1.50 per capita for each state in 2001 and $1.75 per capita in 2002.

- **INCREASE IN THE PRIVATE ACTIVITY BOND CAP:** The legislation increases the state private activity bond cap from $50 per resident to $75 per resident, phased in from 2001 to 2002. Private activity bonds allow states and municipalities to encourage economic growth in communities through the issuing of lower cost tax exempt bonds.

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A VICTORY FOR STUDENTS AND HEALTH CARE:

PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN A LANDMARK BUDGET

December 15, 2000

All year, President Clinton, Vice President Gore, and congressional Democrats have fought for a fiscally responsible budget that maintains America's prosperity by paying down the debt while making key investments in education, health care, and other priorities for America. **Today, President Clinton and Congress completed their work on the budget, agreeing on a budget for education, health, and labor programs and the New Markets initiative.**

The bill is a landmark achievement: it provides a $6.5 billion (or 18 percent) increase for the Department of Education, the largest ever and a 76 percent increase since 1993. The Department of Health and Human Services receives a $9 billion (or 22 percent) increase. It establishes the President's school repair initiative and provides the largest increases ever for the U.S. Department of Education, after-school programs, Head Start, school accountability, Pell Grants for college students (since the program was fully implemented in 1974), and the National Institutes of Health. It expands coverage under Medicare, Medicaid, and the State Children's Health Insurance Program and restores reimbursements to health care providers that were disproportionately effected by the Balanced Budget Act of 1997.

Investing in America's Students. The Clinton-Gore education strategy of higher standards for students and teachers, accountability for results, and the greater investment in our schools is working.

- ✓ **$933 Million Increase for Head Start, Doubling Resources since 1993.** President Clinton won a $933 million increase for Head Start to $6.2 billion, serving 935,000 children. This is the largest one-year increase in Head Start ever. Since 1993, Head Start has more than doubled from $2.8 billion to $6.2 billion.
- ✓ **$1.2 Billion for a New School Repair Initiative.** President Clinton fought for and won a new initiative to repair America's schools, providing $1.2 billion for urgent school renovation. This initiative was a top priority of the President's, but it wasn't in the earlier Republican budget passed by the House of Representatives. The budget also provides much-needed repair funds to Native American schools.
- ✓ **Staying on Track to Hire 100,000 Teachers to Reduce Class Size.** President Clinton won $1.6 billion for his class-size reduction initiative—a $323 million (or 25 percent) increase over last year—to stay on track to hire 100,000 new teachers to reduce class sizes in the early grades. The House Republican budget failed to dedicate funds for class-size reduction.
- ✓ **Nearly Doubling After-School Learning Opportunities.** The budget includes $846 million for after-school programs, a $396 million (or 88 percent) increase over last year and $246 million above the House Republican plan, serving 1.3 million children nationwide.
- ✓ **$567 Million to Improve Teacher Quality.** The budget includes $567 million for the President's teacher quality initiatives, a 52 percent increase. It invests in professional development, recruitment, and retention; expands the successful Troops to Teachers program to other mid-career professionals; and trains early childhood educators.
- ✓ **Holding Schools Accountable for Student Achievement.** President Clinton won $225 million—a 70 percent increase since last year—to turn around low-performing schools, while the House Republican budget failed to invest in this key priority.
- ✓ **Creating College Opportunities.** Last January, President Clinton announced his request for a $1 billion increase in efforts to expand student and prepare students for college. Consistent with his plan, the budget:
  - **Provides the Largest Increase in Pell Grants Ever.** The budget increases the maximum Pell grant t $3,750, a $450 increase since last year—the largest one-year increase since the program was phased-in in 1974—and a $1,450 increase since 1993.

- **Increases Funding for GEAR UP by $95 Million to $295 Million.** The House Republican plan fro GEAR UP at $200 million. The budget will help 1.2 million disadvantaged students prepare for college.
- **Provides the Second-Largest TRIO Increase in History.** The budget increases TRIO funding by $ million to $730 million and incorporates key elements of the President's College Completion Challenge Grants proposal into TRIO.
- **Funds One Million Work-Study Jobs.** It sustains the President's commitment to give one million students the opportunity to work through college.

Strengthening Health Care. The President's budget will strengthen the nation's health care system by:

✓ **Investing in Medicare, Medicaid, and S-CHIP Beneficiaries and Providers.** The budget enacts the Medicare, Medicaid and the State Children's Health Insurance Program (S-CHIP) Benefits Improvement and Protection Act, which invests nearly $35 billion over five years to: (1) improve Medicare's prevention benefits and cost-sharing, (2) provide health care coverage to persons leaving welfare for work and enroll eligible uninsured children in Medicaid and S-CHIP through schools and other sites, and (3) increase reimbursement to hospitals, home health agencies, nursing homes, managed care plans and other essential health care providers disproportionately affected by cuts from the Balanced Budget Act of 1997.

✓ **Supporting Biomedical Research.** The budget invests $20.3 billion in cutting-edge biomedical research at the National Institutes of Health, a 14 percent increase since last year and nearly double the $10.3 billion spent in 1993.

✓ **Creating the Family Caregivers Program.** The budget provides $125 million for states to provide respite and other support services to families who care for elderly relatives with long-term care needs.

✓ **Expanding AIDS Care, Prevention, and Research.** The budget includes a $164 million increase in funding for domestic and international HIV prevention activities; an increase of $213 million in the Ryan White CARE Act, which helps provide primary care and support for those living with HIV/AIDS; and an estimated $2.2 billion in additional funds for AIDS-related research at the NIH.

✓ **Funding the Ricky Ray Hemophilia Relief Fund Act.** The budget provides $580 million for a total of $655 million for one-time payments of $100,000 to people with hemophilia who were infected with HIV by blood solids during the 1980s.

✓ **Improving Mental Health and Substance Abuse Activities.** The budget increases resources for the prevention and treatment of mental health and substance abuse by 12 percent, providing nearly $3 billion.

✓ **Promoting Community-Based Care for Americans with Disabilities.** The budget invests $50 million to help states develop comprehensive plans to care for people with disabilities in the most appropriate setting.

✓ **Improving Nursing Home Quality.** The budget includes a $32 million (68 percent) increase for the Nursing Home Initiative, which ensures more rigorous inspections of nursing facilities and improves federal oversight of nursing home quality.

Preparing America's Workers for the 21st Century. The budget invests in worker training to raise productivity and help Americans compete in the global economy.

✓ **Creating Opportunities for Youth.** The final budget provides a $102 million increase (to $1.1 billion) to provide job training and summer job opportunities to roughly 660,000 disadvantaged young people. It also increases Youth Opportunity Grants to $275 million to provide comprehensive employment and training assistance to 63,000 out-of-school young people in high poverty areas.

✓ **Continuing the Universal Reemployment Initiative.** The budget creates $35 million Reemployment initiative to help 156,000 Unemployment Insurance claimants get jobs faster. It also provides $1.6 billion for Dislocated Workers, nearly tripled from $597 million in 1993.

✓ **Protecting Workers.** The final budget includes $1.2 billion to enforce federal safety, health, pensions, wages, and nondiscrimination practices. This $102 million increase will support 1,500 inspections to ensure safe and healthy workplaces.

IN ADDITION TO THE PRESIDENT'S PROGRESS ON EDUCATION AND HEALTH, THIS YEAR'S

BUDGET INCLUDES HIS OTHER VITAL PRIORITIES FOR THE AMERICAN PEOPLE:

Protecting Fiscal Discipline and Paying Down the Debt. The budget is a victory for President Clinton's stand for fiscal discipline. Between 1981 and 1992, the debt quadrupled. When President Clinton and Vice President Gore took office, the budget deficit was $290 billion and it was projected to be $455 billion by 2000. As a result of the tough and sometimes unpopular choices made by President Clinton, we have seen eight consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of $237 billion, the largest ever. With this surplus, we have been able to reverse this trend of exploding debt by paying down the debt for three years in a row.

- ✓ **Protecting Fiscal Discipline.** The Republicans proposed fiscally irresponsible tax cuts that would have jeopardized this record of fiscal discipline. In August, President Clinton vetoed Republican tax cuts that were part of their 10-year tax plan that would drain nearly $2 trillion from the surplus, drive us back into deficits, and make it impossible to eliminate our debt by 2012.
- ✓ **Paying Down the Debt.** Because record deficits have become record surpluses, we were able to cut our debt by $223 billion last year, the largest one-year debt reduction in U.S. history. The debt at the end of FY 2000 was $2.4 trillion lower than it was projected to be in the last forecast before the President's program was put in place. We can pay off our debt by 2012, making America debt-free for the first time since Andrew Jackson was President in 1835.
- ✓ **Benefiting from Debt Reduction.** Already, debt reduction has meant about $2,000 a year in lower interest payments for home mortgages, about $200 a year in lower car payments, and about $200 a year for lower student loan payments. Continuing to pay down the debt will keep interest rates about a point lower over the next decade, saving American families over $300 billion in home mortgages alone.

Protecting the Environment. President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2001 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President fought back numerous, anti-environmental riders that would have traded hard-won environmental safeguards for short-term special interest gains.

- ✓ **Preserving Our Lands Legacy.** The budge provides $12 billion over six years in unprecedented, dedicated funding for the conservation of America's land and coastal resources.
- ✓ **Promoting Clean Water and Restoring the Florida Everglades.** The budget includes a $164 million increase for the President's Clean Water Action Plan and $118 million to begin restoring the Florida Everglades.
- ✓ **Fighting Global Warming.** The budget includes $1.2 billion, a 13 percent increase, for President Clinton's Climate Change Technology Initiative, the backbone of the nation's effort to reduce greenhouse gas emissions. The initiative supports research, development, and deployment of solar and renewable energy technology and energy efficient products.

Helping Working Families. The final budget helps all Americans participate in our economic prosperity.

- ✓ **Helping Hard-Pressed Working Families Meet Their Nutritional Needs.** Congress approved the Administration's proposed reforms to allow 245,000 people to own a reliable car and still receive Food Stamps and to help over 1.5 million low-income people with high housing costs put food on the table.
- ✓ **Funding 79,000 New Housing Vouchers.** This $453 million increase—the largest in more than 15 years—will enable more families to rent or own affordable housing. These vouchers build on the 110,000 new vouchers secured though the President's leadership in the past two years.
- ✓ **Helping More Low-Income Families Afford Child Care.** The $817 million increase (to $2 billion) for the Child Care and Development Block Grant will provide child care subsidies for nearly 150,000 more children, helping more working families balance their responsibilities at work and home.

Empowering Communities. In addition to the progress made in today's New Markets agreement, this budget moves forward on the President's vision to help revitalize America's communities.

- ✓ **Expanding Community Development Financial Institutions.** The President won $118 million for the Community Development Financial Institutions Fund to support loans and equity investments in under-served communities.
- ✓ **Promoting Community Service.** President Clinton won $767 million for national and community service, a $36 million increase. This year, AmeriCorps will enroll its 250,000th member.
- ✓ **Developing the Mississippi Delta Region.** The budget funds a new federal-state partnership to fight for economic growth in the Mississippi Delta region, a seven-State area which includes some of the most distressed communities in the nation. It includes resources for the Delta Regional authority, to improve rural economic activity, and improve the Delta's transportation infrastructure.

Closing the Digital Divide and Investing in Research and Development. In recognition of the centrality of knowledge and new technologies to our prosperity and quality of life, the budget includes an unprecedented commitment to creating digital opportunities and investing in research and development.

- ✓ **Closing the Digital Divide.** The budget includes a $32 million increase for Community Technology Centers, a $50 million increase for Preparing Tomorrow's Teachers to Use Technology, and a $30 million increase for the Technology Opportunities Program.
- ✓ **National Science Foundation.** The budget provides the largest one-year increase for the NSF ever, $526 million, to pursue scientific breakthroughs in core scientific areas as well as new ones like nanotechnology.
- ✓ **National Institutes of Health.** The budget provides a $2.5 billion increase to NIH for research into diabetes, cancer, and brain disorders, and disease prevention strategies and vaccines.

Fighting Crime, Drugs, and Gun Violence. To keep crime coming down across the country, President Clinton fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe and combat gun-related crime and violence.

- ✓ **Putting More Police on Our Streets.** Last year, President Clinton and Vice President Gore met their commitment to help communities hire 100,000 new police officers. This year, they won over $1 billion to take the next step and help communities hire up to 50,000 more officers over the next five years.
- ✓ **Enforcing Gun Laws.** President Clinton won nearly $200 million for his Gun Enforcement Initiative, the largest in history, to hire 500 ATF firearms agents and inspectors, fund over 600 federal state and local gun prosecutors and expand crime gun tracing and ballistics testing.
- ✓ **Keeping Children Safe from Guns.** The Administration won $8 million to expand the development of "smart gun" technologies that help prevent accidental gun deaths and injuries of children by limiting the use of a firearm to the adult who owns it or another authorized user.

Maintaining America's Global Leadership. The President fought for and secured victories to strengthen America's leading role in the world by investing in a strong military and providing debt relief to heavily indebted poor countries.

- ✓ **Providing Debt Relief.** The final budget provides $435 million for debt relief for heavily indebted poor countries that commit to reform. Savings from debt relief would be directed to education, health care, AIDS prevention, and other critical needs. Unsustainable debt keeps many countries in poverty; over a billion people survive on less than $1 a day.
- ✓ **Fighting AIDS.** President Clinton won $466 million to combat HIV/AIDS and $125 million for other infectious diseases that plague the developing world. The budget also funds the President's Millennium Vaccine Initiative.
- ✓ **Maintaining a Strong Military.** Consistent with the Clinton-Gore plan for a long-term, sustained increase in defense spending, this year's budget for the Department of Defense provides $296.4 billion, a $15.8 billion increase (excluding emergency spending for FY 2000).
- ✓ **Keeping the Peace.** The budget includes the President's full request of $835 million for contributions for international peacekeeping activities. Our ability to pay our share of international peacekeeping missions is

a crucial part of fulfilling our international security responsibilities and ensuring that other nations share the burden with us.

THE 2001 BUDGET: A VICTORY FOR AMERICA'S STUDENTS

	HOUSE REPUBLICAN BUDGET[1]	FINAL BUDGET	INCREASE OVER HOUSE BUDGET
Urgent School Renovation	$0	$1.2 billion	+ $1.2 billion
Class-Size Reduction	$0	$1.6 billion	+ $1.6 billion
After School	$600 million	$846 million	+ $246 million
Teaching to High Standards	$0	$567 million	+ $567 million
Accountability Fund	$0	$225 million	+ $225 million
Title I Grants to School Districts for Disadvantaged Children[2]	$7.9 billion	$8.4 billion	+ 436 million
Maximum Pell Grant College Scholarship	$3,500	$3,750	+ $250
GEAR UP	$200 million	$295 million	+ $95 million

[1] Based on the budget passed by the U.S. House of Representatives on June 14, 2000. That bill would have provided $37.1 billion for education programs, $5 billion less than the final budget.
[2] Does not include the Accountability Fund.

EIGHT YEARS OF PROGRESS ON EDUCATION

	1993 FUNDING	2001 FUNDING	CHANGE
Key Department of Education Initiatives			
• Urgent School Renovation	$0	$1.2 billion	+ $1.2 billion
• Class-Size Reduction	$0	$1.6 billion	+ $1.6 billion
• After School	$0	$846 million	+ $846 million
• Teacher Recruitment and Training	$435 million	$995 million	+ $560 million
• Accountability Fund	$0	$225 million	+ $225 million
• Title I Grants to School Districts for Disadvantaged Children[1]	$6.1 billion	$8.4 billion	+ $2.3 billion
• Education Technology	$23 million	$872 million	+ $849 million
• Special Education	$3.0 billion	$7.4 billion	+ $4.5 billion
• Small, Safe, and Successful High Schools	$0	$125 million	+ $125 million
• Maximum Pell Grant (Total Pell Grants)	$2,300 ($6.5 billion)	$3,750 ($8.8 billion)	+ $1,450 (+ $2.3 billion)
• Work-Study	$617 million	$1.0 billion	+ $394 million
• TRIO	$388 million	$730 million	+ $342 million
• GEAR UP	$0	$295 million	+ $295 million
Total Funding, U.S. Department of Education	$23.9 billion	$42.1 billion	+ $18.2 billion
Department of Health and Human Services			
Head Start	$2.8 billion	$6.2 billion	+ $3.4 billion
Education Tax Cuts			
Hope Scholarships Tax Credit	$0	$5.1 billion	+ $5.1 billion
Lifetime Learning Tax Credit	$0	$2.8 billion	+ $2.8 billion
Student Loan Interest Deduction	$0	$333 million	+ $333 million
Total Increase, Key Education Initiatives (Total for U.S. Department of Education plus Head Start plus Education Tax Cuts)	**$26.7 billion**	**$56.5 billion**	**+ $29.8 billion (+ 112%)**

[1] Does not include the Accountability Fund

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President Clinton & Speaker Hastert Announce Bipartisan Agreement To Develop Legislative Initiative On New Markets And Renewing Impoverished Communities

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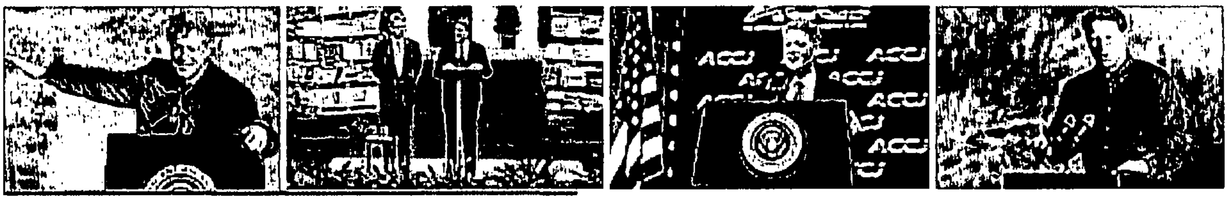

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President Clinton & Speaker Hastert Announce Bipartisan Agreement To Develop Legislative Initiative On New Markets And Renewing Impoverished Communities
November 5, 1999

TODAY, PRESIDENT CLINTON WILL VISIT CHICAGO, IL TO FOCUS ATTENTION ON AMERICA'S NEW MARKETS & ANNOUNCE BIPARTISAN A AGREEMENT WITH SPEAKER HASTERT. Today, President Clinton will visit Chicago, IL, where he will speak at Englewood High School to local community residents and announce an agreement with Speaker of the U.S. House of Representatives Dennis Hastert to develop a bipartisan legislative initiative on New Markets and revitalizing impoverished communities. President Clinton will also emphasize the importance of community and corporate involvement in creating programs and partnerships that lead to lasting change and make new announcements involving Englewood and Chicago. In addition, the President will recognize Mayor Daley's leadership in helping to forge a $256 million effort to revitalize Englewood; the leadership of Rev. Jackson through his LaSalle Street project; and Congressman Rush's efforts to form a partnership with a variety of businesses to work together to invest in Englewood's potential. Later, the President will visit a small business in Rep. Jesse Jackson Jr.'s congressional district. This second New Markets trip comes four months after his first trip, and again highlights the untapped potential in America's underserved markets, and in addition puts a special emphasis on creating long-term partnerships that can lead to lasting change.

PRESIDENT CLINTON & SPEAKER HASTERT WILL ANNOUNCE AN AGREEMENT TO DEVELOP A BIPARTISAN LEGISLATIVE INITIATIVE ON NEW MARKETS & RENEWING IMPOVERISHED COMMUNITIES. Today, President Clinton and Speaker Hastert will announce a new agreement to develop a bipartisan legislative initiative on New Markets and renewing impoverished communities. This proposal would seek to bring together the best elements from the President's New Markets Initiative and the American Community Renewal Act supported by Speaker Hastert and sponsored by Reps. Talent and Watts. This legislative initiative would be based on the following 5 principles agreed upon by the President and the Speaker.

1. The Administration and the Congress should work in a spirit of good faith to develop a bipartisan effort to bring capital and new tools to the impoverished urban and rural parts of America so that individuals who live there will be empowered to renew their communities and develop new markets of economic opportunity.
2. Since these solutions need to come from within these distressed communities, both political parties need to put aside politics and ideological constraints, and participate in a process that focuses on solutions that can work in those communities without being subject to waste or abuse.
3. We believe that there are significantly untapped new markets in both rural and inner city community communities, which have unique competitive advantages that, given the tools, can enable individuals in those areas to renew their communities.
4. To accomplish that, our goal is to responsibly and effectively empower impoverished communities with new equity capital, tax incentives, and other tools needed to address these problems within their neighborhoods, nurturing new enterprises while providing private sector and government resources to empower communities to solve their long-term problems.
5. These economic incentives must be seen as a complement to other efforts to strengthen education, housing, crime, and drug-abuse reduction.

PRESIDENT CLINTON WILL ALSO BE JOINED BY NUMEROUS CORPORATE EXECUTIVES AND OTHER LEADERS TO HIGHLIGHT NEW INVESTMENTS IN OUR INNER CITIES. These include: Edward Liddy (CEO, Allstate), David Shryock (President, SB Partners, Jack Greenberg (CEO, McDonalds), Roger Joslin (Chairman, State Farm Auto), Howard Stanback (Chairman, Woods Fund), Norman Bobins (CEO, LaSalle National Bank), William Osborne (CEO, Northern Trust Bank), Paul McCarthy (CEO, Marquette National Bank),), Robert Fergis (President, Allied Van Lines), Herb Stokes (President, Alliance Trucking), John Kinghorn, (Manager, Social Investments, Prudential), Edward Powers (Senior Vice President, Community Development, Bank of America), John Killian (Vice President & Controller, State Farm), Robert Weissbourd (Senior Vice President, Shorebank), Milton Davies (Shorebank), Leslie Davis (SB Partners), Rev. Jesse Jackson, Hugh Price (President, Urban League), Michael Rubinger (President Local Initiatives Support Corporation), and Al From (Executive Director, Democratic Leadership Council).

THEY ANNOUNCED THE FOLLOWING COMMITMENTS FOR ENGLEWOOD AND OTHER CHICAGO NEIGHBORHOODS.

SB Partners Announces Formation of $25 Million in Equity Fund for New Markets' Businesses. SB Partners is a newly formed private equity fund, building on Shorebank Corporation's 25-year track record and expertise in inner-city lending and investing, that seeks to generate attractive returns by investing primarily in minority-owned companies, located primarily in underserved areas. Investors in the fund include Bank of America ($6 million), Cook County Annuity and Benefit Fund ($5 million), State Farm Insurance ($4 million), Shorebank Corporation ($3.5 million), Prudential Insurance ($2 million), Woods Fund of Chicago ($1.5 million), LaSalle Bank ($1 million), Northern Trust ($1 million), and Marquette Bank ($250,000).

Allstate Insurance Invests $5 Million in the Illinois Facilities Fund. Allstate has approved a 15-year, $5 million, low-interest loan to the Illinois Facilities Fund (IFF) to create the IFF/Allstate Child Care and Education Loan Fund. This fund will enable IFF to provide loans to nonprofit child care providers to build, renovate or expand much needed child care facilities in low-income Chicago communities such as Englewood. The IFF is currently developing a $3.6 million 22,300 sq. ft. Family Resource Center in Englewood that will serve 226 children under 6 years old and will provide training for home care providers and home-based mothers. Englewood's licensed childcare providers now meets only 5 percent of the need for residents of the community.

Community Investment Corporation (CIC) Expands Into Englewood and The Empowerment Zone. The CIC Flex Fund makes innovative loans to fund necessary improvements for apartment buildings when the appraised value of the building may be too low to obtain funding based on conventional standards.

Alliance Relocation Services Announces New Job Training And Partnership Program As Part of the Welfare To Work Partnership. Alliance Relocations Services is announcing the Alliance Training Educational Development Program (ATED) in partnership with Allied and DePaul University for welfare recipients in collaboration with the National Welfare to Work Partnership and the Office of the Mayor of Chicago. The program 's goals are to create a career path for welfare recipients and help employer's maintain a qualified, motivated, and trained workforce. Alliance Relocation Services was created with the assistance of Allied Van Lines, which groomed an in-house executive to establish a new company that would serve inner city customers.

The Department of Housing and Urban Development:

- Recently, HUD approved an $18 million Section 108 Guaranteed Loan to augment a previously awarded $2.5 million Brownfields

Economic Development Grant. The loan will fund development of a number of sites, which will collectively provide approximately 1,000 full-time jobs, primarily for low- and moderate-income residents. Particular projects include acquisition and remediation of several industrial sites; these in turn will be sold to private developers, who will build facilities for new or expanding businesses, which will employ local residents.

- The Hispanic Housing Development Corporation (HHDC), located in Chicago, will receive a $215,272 New Approach Anti-Drug Program Grant. The purpose of the grant is to assist applicants in augmenting security; further the investigating and/or prosecuting of drug-related criminal activity in and around housing developments; and provide for capital improvements to improve security. This grant will be used to assist residents at Vermillion Garden Apartments, located in Danville, Illinois. This grant will be used to partner with local and federal law enforcement agencies to provide a comprehensive coordinated, neighborhood approach to eliminating drugs and other crime activities in the Vermillion Garden Apartments and the surrounding neighborhood. Grant funds will also be used to install security lights, door replacements and an intercom system.

- A $8,443,514 Public and Indian Housing Drug Elimination Program (PHDEP) grant will be awarded to the Chicago Housing Authority to empower public housing residents to turn the tide against drugs and drug-related crime in their communities. The Chicago Housing Authority will utilize its grant to control and prevent drug use, trafficking, and drug-related crime in fourteen housing developments (ABLA, Cabrini-Green, Horner, Rockwell, Lathrop, LeClaire, Hilliard, Ickes, Dearborn, Stateway, Taylor, Wells, Washington Park and Altgeld). The grant will be used to reduce both the demand and supply of drugs, by creating partnerships between police and CADRE (Combating Alcohol and Drugs through Rehabilitation and Education), and by using Tenant Patrol, Resident Organization and Resident Programs to help fight drug activity.

Department of Transportation
The Chicago Youth in Aviation Project, working through the Chicago Workforce Development Office, and Chicago public schools, is announcing a new Memorandum of Understanding to expand this youth mentoring program. The program promotes interest in aviation and aviation careers to underprivileged and economically disadvantaged children in Chicago. Major airlines, including United, American, Southwest, ATA, and Virgin, will announce today that they will be providing support - financial and otherwise - for more children in Chicago to join this program. The City Department of Aviation and the Illinois DOT Division of Aeronautics have also supported this project.

THE PRESIDENT WILL ALSO HIGHLIGHT THESE PROJECT PARTNERSHIPS AND EFFORTS TO BRING LONG TERM IMPROVEMENT TO ENGLEWOOD AND OTHER UNDERSERVED AREAS.

The City of Chicago Plans For Revitalizing Englewood. In early October, Mayor Daley, other elected officials, and private sector and community leaders announced plans for $256 million of public and private projects over the next 4 years to revitalize the Englewood community. Commitments included $5 million in seed money from next year's city budget to kick start revitalization efforts and job training programs; construction of a new $150 million state-of-the-art facility for the Kennedy-King college campus that will anchor the 63rd and Halsted commercial area; the launch of a 21.5 million, 215,000 sq. ft retail development anchored by a new Jewel Food Store; nearly $37 million for 417 units of mixed-income housing (includes single-family homes, rental townhomes, senior citizen housing, and housing for persons with disabilities); $2.7 million for new open space and Chicago Park District projects; and $12.5 million for infrastructure improvements on commercial and residential streets.

BankOne and Fannie Mae and the Illinois Institute of Technology Form Partnership to Spur Investment in Englewood. The Englewood community has suffered through many years of neglect. To rebuild this once robust community of communities, an effort involving long term business and financial partnerships will be required. Recognizing the importance of establishing long-term business relationships to effect lasting community change, Congressman Rush formed a partnership with BankOne Corporation, Fannie Mae, the Illinois Institute of Technology Research Institute and the Reverend Jesse Jackson. The five partners have committed to seek out and implement innovative approaches that will result in community rebuilding and investment. The Illinois Institute of Technology Research Institute has committed to developing effective job training solutions, while BankOne and Fannie Mae will introduce investment incentives as well as actively seek out other business and financial leaders to join the partnership.

Community Development Financial Institutions Making a Difference in Chicago. Chicago is home to a number of Community Development Financial Institutions (CDFIs) that are supported by the CDFI Fund, which is run by the Department of Treasury. These organizations include Community Investment Corporation (CIC), Illinois Facilities Fund (IFF), Shorebank Corporation, and the Women's Self-Employment Project.

- Over the past 15 years, CIC has made 1,092 loans totaling $415 million to rehabilitate 28,000 housing units. Counting low or no-interest second mortgages, CIC-financed developers borrowed more than $500 million to complete projects that costs $700 million. One quarter of CIC's loans have been on vacant buildings.

- Since 1990, the IFF has helped more than 110 non-profit agencies to buy, expand, or renovate child care centers, youth shelters and community health clinics. The IFF has made 156 loans totaling $27 million which have helped non-profit organizations serve more than 250,000 clients, resulting in 1,190 full and part-time positions in the non-profit sector.
- Shorebank Corporation, founded in 1973, is the nation's first and largest community development bank. Shorebank pioneered the idea of approaching development as a business, going into inner city neighborhoods where no loans were being made, and finding untapped markets. It has grown from $40 million in assets to $900 million - making over $100 million in new development investments a year. This business approach brings new investment to neighborhoods, and creates jobs and wealth for residents and communities.
- The Women's Self-Employment Project founded in 1986 is a community development financial institution whose primary strategy is to provide microenterprise credit and business support services to low — and moderate — income women in Chicago. Since its inception, it has started more than 800 new ventures, assisted another 500 businesses to grow and has helped create and retain more than 1,500 jobs, provided 2,500 women with training and technical assistance and underwritten 650 loans totaling $1.9 million to entrepreneurs.

Chicago BusinessLINC Coalition Creates Pilot Program for Inner-City Businesses. The Chicago BusinessLINC Coalition, run by the Civic Committee of the Commercial Club of Chicago, has created a pilot program to strengthen the competitiveness of Chicago's inner-city businesses and expand employment opportunities through enhanced business relationships with leading corporations and small businesses in the city's distressed areas. The pilot program will target small businesses located in several commercial areas within Chicago's distressed central city. These small businesses will represent a cross-section of industry manufacturers and professional services firms. The program will provide expertise and guidance to build capacity and management expertise, create expansion opportunities and new purchasing/supplier relationships, create new entry-level jobs, and increase hiring, training, and advancement opportunities for low-income residents.

Department of Labor Awards over $125.4 Million in Welfare to Work Grants to Chicago Area Organizations. Since initiating the Department of Labor's competitive Welfare to Work grants in 1998, seven Chicago area organizations have received over $125.4 million for programs that are designed to move the hardest to employ welfare recipients to work. These funds have been used to establish programs that provide clients with child care services, transportation, substance abuse counseling, job training and retention services, career advancement counseling, subsidized work experience, non-custodial parenting services, counseling and assistance for the special needs of victims of domestic violence, and job placement and retention services for non-custodial parents (mainly fathers). In addition to the competitive grant monies, the State of Illinois received over $90 million in welfare to work formula funding from the Department.

Chicago receives $32 million for a New Job Corps Center. In August 1999, the U.S. Department of Labor awarded the City of Chicago $32 million to open a new Job Corps Center. This new center will serve 328 residential and 26 non-residential students each year by providing basic education and vocational training programs. The Job Corps was established in 1964 and has served more than 1.7 million students.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 26, 2000

REMARKS BY THE PRESIDENT
IN STATEMENT ON FISCAL RESPONSIBILITY

The Roosevelt Room

2:10 P.M. EDT

THE PRESIDENT: For more than seven years now, our nation has stuck to a course of fiscal discipline, making tough choices that has resulted in the elimination of record deficits, investing in our people and paying down our debt.

Clearly, the strategy is paying off. It has given us the longest economic expansion in our history, over 22 million new jobs and the largest budget surplus in history. Now, we have the chance to pass responsible tax cuts, continue to pay off the national debt and keep our prosperity going.

Instead of following the path that got us here, congressional Republicans want America to take a U-turn. Over the past two weeks, they have pushed through a series of expensive tax bills, one after another. They've been in a rush to get these bills passed before their convention; but they've been in no rush to get them to my desk, because they fear what will happen when the American people have a chance to add them all up and do the math.

Taken together, Republican tax bills now stacking up from this Congress would cost nearly $2 trillion over 10 years. By our accounting, that would put America back into deficits. Even by their own rosy scenario, the Republican tax bills consume every dime of the surplus the American people have worked so hard to create. That's what this chart shows.

However you add it up, a $2 trillion tax plan is too big, too reckless, too irresponsible. It leaves nothing for lengthening the life of Social Security and Medicare, to make provision for the baby boomers' retirement. It leaves nothing for adding a prescription drug benefit to Medicare. It leaves nothing for greater investment in education or the environment or science and technology or health. It would make it impossible for us to get America out of debt by 2012.

Now, if the congressional Republicans truly think these tax cuts are good policy, instead of just good politics, they should put them together and send them down to me right now, before they break for their convention. Then the American people can add up the costs and draw their own conclusions. But if they adjourn for the summer and the bills aren't on my desk, the American people will know that they're playing politics with our surpluses.

Remember something else -- and this is very important -- these are projected surpluses. It's not money we have now, but money we might have over the next 10 years. Think about it: if you got one of those sweepstakes envelopes from Ed McMahon in the mail saying you may have won $10 million, would you go out and spend it? Well, if you would, you should support their tax plan; but if you wouldn't, you should think again. Because that's what the congressional Republicans want us to do

-- commit right now to spend all the money that we might get over the next 10 years.

In good conscience, I cannot sign one of these tax breaks after another without any coherent strategy for safeguarding our future and meeting our other national priorities. At this rate, there will be no resources left for extending the life of Social Security and Medicare, for adding a real prescription drug benefit to Medicare, for investing in education or for getting us out of debt. And getting us out of debt will keep interest rates low and keep our economy growing. That could give the American people the biggest tax cut of all.

Lower interest rates, in a way, are the biggest tax cut we can give to most Americans. Because of the deficit and debt reduction already achieved, the average American family -- listen to this -- the average American family is already paying $2,000 less a year in mortgage payments, $200 less a year in car payments, and $200 less a year in student loan payments.

If we keep interest rates just 1 percent lower over 10 years, which is about what my Council of Economic Advisors thinks we'll do if we keep paying down the debt instead of giving it all away in tax cuts, homeowners -- listen to this -- homeowners will save $250 billion over the next 10 years in lower home mortgage rates alone. That's $850 a family a year in lower mortgage payments.

And then to see what people are getting you would have to add proportionally lower car payments, lower college loan payments; and, of course, with lower interest rates businesses will be able to borrow more easily and invest more, creating more jobs to sustain our prosperity. The more you do the math the less sense the Republican tax plan makes.

Consider this: the typical middle-class family will get $220 a year from the tax cuts the Republicans have passed this year -- just the ones they've passed this year, not in this Congress. If interest rates went up because of the Republican plan one-third of 1 percent, just one-third of 1 percent, then that average family's mortgage payments would go up by $270, completely wiping out the tax cut and leaving the average family worse off than they were before.

It does not have to be that way. I have proposed tax cuts to give middle-class Americans more benefits than the tax bills the Republicans have passed at less than half the cost. Two-thirds of the relief of our proposal will go to the middle 60 percent of Americans, including our targeted marriage penalty tax relief.

Our tax cuts would also help send our children to college, with a tax deduction for up to $10,000 in college tuition a year; help to care for sick family members with a $3,000 long-term care tax credit; help to pay for child care and to ease the burden on working families with three or more children; to pay for desperately needed school construction.

And because our plan will cost substantially less than the tax cuts passed by the Congress, we'll still have enough money -- and this is critical -- we'll still have enough money left to provide a Medicare prescription drug benefit, to extend the life of Social Security and Medicare, to pay for the baby boomers' retirement, and to stay on track to be debt-free by 2012. And, I might add, to keep interest rates lower so that we'll have billions of dollars in lower home mortgages, car payments and college loan payments.

We should have tax cuts this year. But they should be the right ones, targeted to working families, to help our economy grow, not tax bills so big they put our prosperity at risk. Now we've tried it our way for eight years, and we've tried it their way for several years before then. I say to Congress, stop passing tax bills you know I'll have to veto; start working together with us on a balanced budget that cuts taxes for middle class families, continues to pay off the national debt, and invests in America's future.

Over the last seven years, our country has overcome tremendous odds to create a moment of unprecedented prosperity and promise. But how we respond to good fortune is a stern test of our values, our judgment and our character as a nation as how we deal with adversity. I think we'll meet the challenge; and when we do, we'll ensure that America's best years are still to come. Thank you.

Q Are you still going to veto each of the bills if the Republicans did send them down here?

THE PRESIDENT: That is my plan. You know, a lot of these bills, individually, have a lot of appeal; I'm sure they do. And maybe, collectively, they have a lot of appeal until you know what they cost. But it's obvious that if you look at the income tax bill they passed last year and all these bills they're passing this year, together, they just eat up the projected surplus.

And let me say, the projected surplus is based on not only -- let me just make a few more points to you. The projected surplus is based not only on, I believe, a very rosy scenario by them, a somewhat less optimistic scenario from us, it's also based on an assumption of spending which assumes that federal spending will grow less than the economy will grow over the next 10 years, which is -- at least if you look at the record of even the Republican Congress over the last four years, a highly questionable assumption.

So keep in mind, this is before they spend money for anything. Before they pay for their proposed national missile defense, before they pay for the promises being made in this national campaign on the domestic side, before they may decide that at least for the things they like to spend money on, like highways and things, they want the spending to grow as fast as the economy grows.

This is a prescription, make no mistake about it, for going back to the economic policy of the past and going back to higher interest rates -- and higher interests rates which will take away the benefit of the tax cut to the vast majority of Americans, an undermine the long-term economic strength of the country. I know that it's not as appealing in election year, maybe, but we're right to pay the debt down. We need to keep getting America out of debt. We need to get rid of it. It's the right thing to do for the young people of the country.

Q Do the increased projected surpluses make it harder for you to make this case with every headline saying we're going to see this much more than we thought? Does that make it more difficult for you to argue that there is no room for these tax cuts?

THE PRESIDENT: Well, again, I think in the beginning it does. That's why I"m here making the argument. But it doesn't change the reality. If you look at the projected surplus, just look at the spending levels alone, the projected surplus is based on by the Congressional Budget Office and then just -- but the main thing I want to say is, once you put these tax cuts in, they're in. They're not like spending bills. You know, if Congress wants to spend money they come in next year and they spend money again.

So if the money turns out to be -- let's suppose they spend money in 2001 and they've got a five-year program, but in 2002 the revenues tail off, well they don't have to appropriate as much money. They can always cut back on spending. But once you put the tax cuts in they're in. It's a lot harder to say, well, I made a mistake I think I'll raise taxes.

So there should be a tax cut. No one questions that there should be a tax cut. The question is, how big should it be and who should be helped by it, and what are the other interests the country has. We shouldn't mislead the American people about our obligations to keep interest rates low, because almost Americans will be hurt more by higher interest rates than they can possibly be helped by any of these proposed tax cuts. And we shouldn't mislead the American people about the money we think the Congress is really going to have to spend.

This takes into account -- what if we have in the next 10 years a bunch of farm emergencies, like we've had for the last three? Let's go back and look at the extra money we've poured into spending on agriculture alone in the last three. And if you were in Congress, wouldn't you want to at least see education spending grow at the rate of the economy growing?

And look at the commitments they've made there. And so I'd just tell you, the idea that we would say, okay, here's the surplus, now let's pass tax cuts which take it all away -- and never mind what might happen to the revenues, and never mind what new investments we might have to make as a country that we don't even know about now for the next 10 years -- I think it's very troubling.

Q Mr. President?

THE PRESIDENT: Yes?

Q Do you think Governor Bush played it safe in choosing Dick Cheney as a running mate? And would you advise Vice President Gore to similarly play it safe in choosing his running mate? And would you advise Vice President Gore to similarly play it safe in choosing his running mate?

THE PRESIDENT: Well, first of all, I don't know -- I think the most important thing about that decision is that it will -- and everything I know about Mr. Cheney, personally, I like. I actually was kind of pleased by the decision, because there's no question that he has many years of experience in the Congress and in the previous Bush administration.

But the thing I liked about it was, it further clarified the choices for the American people, and I think that's important. I think the most important thing you want out of any election is that the voters understand what they're doing when they vote, and they understand that there are consequences to their vote. And it further clarifies that there are significant choices here to be made. There are big differences on the environment, on gun safety, on the woman's right to choose, on civil rights enforcement and on economic policy.

That's what I think the election ought to be about. I think this ought to be a positive election where people say good things about their opponents personally and say they have honest differences. And I think having Mr. Cheney coming on the ticket will help to clarify that there are big, profound differences between the two leaders and the tickets, and that those differences will have real consequences for the country. And I think because he's a good man, we can further dispense with the 20 years of politics of personal destruction and focus on the differences between the people that are running and the parties, and how it will change life in America.

So I think anything that clarifies the debate, lifts it up, focuses it on the issue differences is positive. And there are real, huge differences, and I think this will help to clarify them and I think that's positive.

Q Mr. President, you've complained that Congress has been slow to act on your appointments for judgeships and ambassadorial posts. If they don't act, do you feel in a mood to do this by recess appointments?

THE PRESIDENT: Well, first, I have made no decision on this. I haven't made any kind of -- I haven't had a meeting about it; as you know, I've been otherwise occupied the last couple of weeks. I'd like to begin by just citing the record here.

I have bent over backwards to respect the constitutional senatorial appointment process. The record will reflect that I have made less use of recess appointments than either President Bush or President Reagan, even when I had a Republican Senate the way they had Democratic Senates.

I think the record will reflect that I have shown more restraint in that, even when I've had a little more partisan differences with the Senate than they did on the appointments process -- my predecessors.

So I have shown a reluctance to make robust use of that option. And I just have -- to be perfectly candid, I've been so absorbed with other things, I have not -- I don't even know for sure what my options are, what's out there, what irrevocable consequences could result if I don't use it during this session, in terms of unfairness to particular individuals or to the public interest. So I've just go to look at the facts and make a judgment. But I have not made a decision yet.

Q It does sound like your patience is running out it, though.

THE PRESIDENT: No, but I really haven't made a judgment on this. I've never been -- if you just look at the record here, I have not been a big user of recess appointments, because I respect the whole process by which the Senate reviews these things, even when I think it's been strained. But I honestly haven't made a decision yet. I just have to look and see what the options are.

Q On the Middle East, Mr. President, the Palestinians are saying the deal on the table on Jerusalem is just not doable. If that's the case how can there ever be a compromise?

THE PRESIDENT: Well, first of all, let me try to frame this in a way that I think that the Palestinians and the Israelis, and I would hope other friends of peace around the world would think about it. We all know how hard Jerusalem is because it goes to the sense of identity of both the Palestinian and the Israeli people. And in a larger sense the adherence of Islam, Judaism and Christianity all around the world.

In a sense, therefore, the City of Jerusalem is not just Yerushalaim for the Israelis and Al Quds for the Palestinians. It is a holy place that reaches beyond even the geographical boundaries of the city.

If there is to be an agreement here it must be one which meets the legitimate interests of both parties. And that requires a certain imagination and flexibility of defining those interests and then figuring out an institutional and legal framework for them that, frankly, just takes more time and more reflection and probably less pressure than was available in our 15 days at Camp David.

But in any negotiation, it must be possible for both sides to say they got most of what they wanted and needed, that they were not routed from the field, that there was honorable compromise; and, so, therefore, the issues cannot be framed in a "you have to lose in order for me to win, and in order for you to win, I have to lose" framework. If they are like that, you're correct, then we can never reach an agreement.

But I have spent a great deal of time, obviously not only studying about this, but listening to the two sides talk about it, think about it, and looking at all the options available for a potential resolution of it. And all I can tell you is, I'm convinced that if the issue is preserving the fundamental interests of the Palestinians and the Israelis, and the genuine sanctity of the Muslim, Christian and Jewish interest in the Holy City, then I think we can do that. I just do. But we couldn't do it in the 15 days we were there.

The decision that will have to be made is whether there is a way -- for example, in this case, you mentioned the Palestinians -- for the Palestinians to win their fundamental interest without also winning the right to say they have routed the Israelis, or whether there's a way for the Israelis to protect their fundamental interests without also winning the right to say they have stuck it to the Palestinians. I believe there is, and we're going to explore how we might persuade them, all of them, that there is and where we go from here.

And I hope that just this kind of thing I've been talking about will spark a whole range of, oh, articles in the press, commentators on the TV programs, other people talking and thinking this way, trying to be innovative and open and -- you know, I realize the incredible pressure these people are under in even having this discussion. That is, in the end, why I realized we couldn't get it done in two weeks. You've got to get used to talking about something for a little bit before you can then entertain how you can create an edifice that you hadn't previously imagined. And I think we'll be able to do it.

Q How long are you going to wait before you give it another shot?

THE PRESIDENT: I can't answer that. I've tried to make the judgments here for eight years based on what I thought would aid the process, and I can't yet tell, Mark, what would be most in aid of the process; I just can't tell yet.

Thank you.

END 2:34 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 16, 2000

RADIO ADDRESS BY THE PRESIDENT
TO THE NATION

The Oval Office

THE PRESIDENT: Good morning. This week, as I work to conclude the last budget negotiations of my presidency, I'm reminded how far we've come these past eight years. We now live in a time of unprecedented peace and prosperity. But we didn't get there by accident. We made tough choices, based on core values of opportunity for all, responsibility from all and a community of all Americans.

Today, I want to talk about two elements critical to our continued success: first, our progress in moving people from welfare to work; and second, our continuing commitment to fiscal discipline and a budget that puts our people first.

Vice President Gore and I took office in 1993 with a pledge to end welfare as we know it. Thanks to comprehensive reform, a renewed sense of responsibility, and the strongest economy in a generation, millions of former welfare recipients now know the dignity of work.

Today, I am pleased to announce that over the past eight years we've cut welfare case loads by more than eight million people. Last year alone, 1.2 million parents on welfare went to work, determined to build better lives. Nationwide over the last eight years, welfare rolls have dropped nearly 60 percent, and now are the lowest in more than 30 years.

We've been able to sustain this progress year after year because government, the private sector and welfare recipients themselves all have done their parts. Together, we are finally breaking the cycle of dependance that has long crippled the hopes of too many families.

When we enacted landmark welfare reform in 1996, I insisted that Congress provide incentives to reward states for helping people to find jobs and to keep jobs. Today I'm pleased to announce that 28 states will receive a total of $200 million in bonuses for doing just that. These grants will enable states to help even more parents go to work and succeed on the job. I urge states to use these resources to provide the necessary support -- from child care to transportation to training -- that can make a critical difference between welfare checks and paychecks.

We've also worked hard to help families leaving welfare meet the challenge of affordable health care. In the bipartisan budget package I will soon sign, we will extend Medicaid coverage so that thousands of parents who leave welfare can keep the health coverage protecting them and their children. This budget also includes funding to help cover more uninsured children, speed coverage for patients with Lou Gehrig's disease, and increase payments to hospitals, teaching facilities, home health agencies and nursing homes, in order to ensure quality health care.

We have also secured an extra $817 million to help working families afford child care, to meet their responsibilities both at work and at home. These and other child care resources will serve over 2.2 million children next year.

In this budget, we're also passing our historic new markets and community renewal initiative, the most significant effort ever to help hard-pressed communities lift themselves up through private investment and entrepreneurship. With the help of our New Markets tax credit, 40 strengthened empowerment zones and 40 renewal communities, this initiative will spur billions and billions of dollars in private investment to communities that have not yet shared in our nation's great economic revival.

From the streets of our central cities, to the hills of Appalachia, to the rugged vistas of our Native American reservations, to the Mississippi Delta, we are giving people the tools of opportunity to make the most of their potential.

Finally, this budget also includes vital investments in our children and their education. With over $900 million dedicated, for the very first time, to school renovation, thousands of local school districts finally will be able to give our children the classrooms they deserve.

We've increased funding by 25 percent to stay on track to hire 100,000 highly-qualified new teachers, to reduce class size in the early grades. We have nearly doubled funding for after school programs, to help more than 1.3 million students, while increasing support for teacher training and for turning around failing schools. And to open the doors of college even wider, so that more of our young people can walk through them, we've increased the maximum Pell Grant to an all-time high of $3,750. That's up nearly $1,500 since 1993.

If we continue to invest in our people and create opportunities for them, if we continue to honor and reward work, our possibilities are truly without limit. By reaching out and working together, our best days still lie ahead. This budget proves it. The work of the American people prove it. The successful desire of people to move from welfare to work proves it.

Thanks for listening.

END

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 2, 2000

RADIO ADDRESS OF THE PRESIDENT
TO THE NATION

10:06 A.M. EST

THE PRESIDENT: Good morning. Congress is on its way back to Washington after an extended break. It is very important that we get right back to business and fulfill our responsibility to give our children a world-class education.

Earlier this year, I sent Congress a budget that would make vital investments in education; a budget that puts our children first by investing more in our schools and demanding more from them, by modernizing old schools, building new ones, reducing class sizes, by hiring more well-prepared teachers, expanding after-school programs, and turning around failing schools. That was way back in February. Ten months have passed since then, three seasons have turned, and Congress decided to break for the election without passing an education budget.

But this week Congress returns to session with still time to get the job done. Congress should pass the education budget as its first order of business. Fortunately, we're already standing on common ground. When Congress left town, we had already reached an historic agreement with members of both parties. A broad, bipartisan coalition has pledged to provide much-needed funding to reduce class size, to provide crucial repairs for crumbling schools, to improve teacher quality, to expand Head Start, after-school programs, Pell grants and support for students with disabilities. I hope when Congress comes back, these commitments to our children will be kept.

Even in the final days of this session, Congress should remember those first, fundamental obligations. Now is not the time to walk away from the agreement we made, especially so close to the finish line.

A lot is at stake here -- the condition of our schools, the quality of our teachers, most important, the education of our children. Today, I'm releasing a report that shows exactly what's at stake for the children in all 50 states. If Congress fails to pass the bipartisan education budget, California, for example, stands to lose almost three-quarters of a billion dollars in additional funds. New York could lose more than $40 million for more after-school and summer school programs alone. Illinois could lose nearly $70 million in added support for students with disabilities.

With America facing the largest student enrollment in history and with an historic agreement so close to conclusion, there's no reason why we shouldn't work together across party lines to get this job done. If we do, we can complete this year's unfinished business and continue the work of preparing our nation to meet the challenges of the years to come.

We can also meet our other pressing priorities, from the health of our families to the safety of our neighborhoods, and ensure that we continue to expand the circle of opportunity until it embraces Americans from every corner of our country and every walk of life.

The holiday season is the perfect time to reflect on the values that unite us. As families, there's nothing we hold more dear than our children. As a nation, there is nothing more important to our future than our children and their education. As every parent knows, a good education is a gift that keeps on giving for a lifetime. So let's join together -- two parties, but one country -- to give our children the schools, the teachers and the future they deserve.

Thanks for listening.

END 10:11 A.M. EST

Congress Ends Session With A Budget Deal

By Eric Pianin and Dan Morgan
Washington Post Staff Writers
Saturday, December 16, 2000 ; Page A01

Congress yesterday approved a final budget deal with President Clinton that provides record spending for education and medical research, channels $35 billion to Medicare and Medicaid providers, and uses tax breaks to generate billions of dollars in new investments in distressed urban and rural areas.

The package, which was the last order of business for the often contentious 106th Congress, also establishes procedures for an estimated 400,000 illegal immigrants to become legal U.S. residents. Overall, it provides a record $634 billion for all government departments and agencies through next September. That amount exceeds what Clinton requested by $10 billion but doesn't include new assistance for high-speed passenger rail, some of which could help upgrade Amtrak's Northeast high-speed rail corridor.

The House approved the measure, 292 to 60, and the Senate adopted it by voice vote. Both sides immediately claimed important victories after months of protracted negotiations, which reached an impasse before the Nov. 7 election and dragged on for the last month because of the uncertainty surrounding the White House contest.

The votes closed the book on a Congress that began with Clinton's impeachment trial, deadlocked for 18 months over everything from campaign finance reform to a Medicare prescription drug benefit and finally weathered an election that left the institution as politically divided as ever.

Clinton hailed the agreement as an unprecedented increase in spending for his signature priorities of education and the environment. Republicans said they had achieved their goal of record increases for the National Institutes of Health, while thwarting other presidential spending initiatives.

"First and foremost, this budget tops eight years of commitment to education with dramatic new investments in our nation's schools," Clinton said.

House Speaker J. Dennis Hastert (R-Ill.) praised the inclusion of a "New Markets" tax incentive program, creating 40 enterprise zones in cities and rural areas, that he and Clinton jointly promoted. "This will help the most distressed communities in America get a piece of economic prosperity," he said.

The 106th Congress left behind a long list of missed opportunities for both parties. It paved the way for a landmark trade deal with China, liberalized trade with African and Caribbean nations and approved a major overhaul of banking laws. But it stalled over Republican proposals for tax cuts and rejected a wide array of Democratic initiatives, including tightening gun controls and raising the minimum wage.

Efforts to reach compromises on issues such as a prescription drug benefit for Medicare recipients, new health maintenance organization regulations and education reforms got caught in pre-election partisan cross-fire. A proposal to close a newly exploited campaign finance loophole succeeded, but broader reforms were killed by a Republican filibuster in the Senate.

The Senate also refused to ratify a global nuclear test ban treaty. Efforts to achieve long-term solvency for Medicare and Social Security never got off the ground.

Symbolic of the bickering that often characterized this Congress, the final votes yesterday were delayed for hours because of a dispute over environmental curbs on Alaskan pollock fishing needed to protect endangered Steller sea lions.

While Sen. Ted Stevens (R-Alaska), chairman of the appropriations committee, tried to block the fishery plan, Clinton threatened to veto the entire package if it waived the environmental safeguards. A final compromise provided $30 million in compensation for fishing communities while putting some fishing grounds off limits.

Although the new fiscal year began Oct. 1, Congress and the White House couldn't complete work on four of the 13 annual spending bills covering seven departments, and the White House and Congress.

The biggest obstacle was differences over the bill funding labor, health and education agencies, which the administration was counting on to implement its proposals for strengthening the federal role in education. Republican conservatives torpedoed a deal with the White House before the election, resulting in a somewhat smaller spending increase.

The bill totaled $108.9 billion, a $13.2 billion increase over last year's levels. It contained major boosts for after-school programs, school modernization and repairs, hiring more teachers and Pell scholarships for low-income college students.

But as the negotiations dragged on, the huge package became a magnet for hundreds of millions of dollar worth of projects for members. They ranged from $1.5 million for sunflower research to $176,000 for the Reindeer Herders Association to $92,000 to evaluate the high incidence of breast cancer in DuPage County, Ill., which is in Hastert's district.

"I think this year, as much as any year, shows that if you wait to do major bills right at the end, you end up spending much more," said Senate Budget Committee Chairman Pete V. Domenici (R-N.M.)

The final deal clears the way for members of Congress to receive a $3,800 pay raise next month, bringing their annual salaries to $145,100.

The 10-inch-thick budget agreement was a compromise that left a number of Democratic and Republican constituencies dissatisfied with the results.

"Honorable compromise is part of our process," said White House Budget Director Jack Lew. White House economics adviser Gene Sperling noted that Republican negotiators "had to fight many in their own party" to gain acceptance for the deal.

A case in point was the agreement paying Medicare and Medicaid providers an additional $35 billion over the next five years to ease the impact of payment cuts mandated by the 1997 Balanced Budget Act.

The administration initially demanded that HMOs enrolling Medicare patients agree to multiyear contracts in return for beefed-up payments. That was rejected, but HMOs now will be subject to a $100,000 fine if they prematurely cancel Medicare-plus-Choice contracts with the government.

Instead of the $5 billion the administration wanted for an expansion of Medicaid benefits to such vulnerable groups as legal aliens, it got about $1 billion to provide such benefits to women moving from welfare to work, and to identify eligible children at schools, public housing projects and Indian reservations.

Similarly, the White House was unable to get the broad amnesty for illegal immigrants that it had sought. Instead, with strong opposition from some Republican conservatives, it settled for much more limited provisions that officials said should help about 400,000 achieve legal status.

Nonetheless, Republicans, mindful that Hispanics voted for Vice President Gore over Texas Gov. George W. Bush by a 2-to-1 margin, made significant concessions in the legislation.

They agreed to restore temporarily a law allowing immigrants who came to the United States on work permits, or to join close family members, to establish residency even though they have overstayed their welcome. The legislation passed yesterday establishes a "window" lasting through next April for immigrants to do this.

The sea lion dispute, although seemingly parochial, illustrated the philosophical divide that has so often led to bitterness and rancor between the Democratic-held White House and the Republican-led Congress.

Environmentalists argued that any exceptions to the Endangered Species Act would set a precedent for other industries and special interests in the future.

The Steller sea lion, a lordly, one-ton animal native to the Bering Sea, Aleutian Islands and Gulf of Alaska, has been declining in numbers at 5 percent a year since 1960. It was listed as endangered in 1997, and the National Marine Fisheries Service recently issued a plan for helping it by limiting fishing for pollock, its principal food, in some critical habitats.

Stevens charged that the proposed plan would wreck the Alaskan fishing industry, the nation's largest. Under a hard-fought compromise, the Clinton administration will allow the resumption of fishing now halted by court order and will pay $30 million to the fishermen, but some areas will be off limits to trawlers.

Proponents of a nationwide high-speed rail network that includes the New York-to-Washington corridor failed to win approval for a federally subsidized, $10 billion bond fund to upgrade roadbeds, bridges and road crossings. The plan fell victim to objections by Sens. John McCain (R-Ariz.) and Phil Gramm (R-Tex.), despite widespread support in both houses.

Staff writers Helen Dewar and Don Phillips contributed to this report.

THE BUDGET DEAL

$108.9 billion for the departments of Labor, Health and Human Services, and Education, bringing the total authorization for all government programs and departments through next September to $634 billion, a record.

$44.5 billion for education programs, a $6.5 billion increase. Substantial increases go for college scholarships, repairing and modernizing schools, hiring teachers, operating after- -- school programs, and educating the handicapped. A plan to subsidize more than $20 billion in school construction loans was shelved.

$20.5 billion for the National Institutes of Health, a $2.5 billion increase, to pay for medical research and clinical trials. Disease prevention programs under the Centers for Disease Control and Prevention are increased by $809 million.

$35 billion extra for Medicare providers in the next five years, to ease the impact of payment cuts mandated by the 1997 Balanced Budget Act. Last -- minute negotiations added about $2.7 billion, mainly for hospitals, hospices, home health care and people with Lou Gehrig's disease. It also includes $1 billion to expand Medicaid coverage to women moving from welfare to work and to enroll poor children at schools, public housing projects and Indian reservations.

$25 billion in "New Markets" tax incentives for investments in 40 low -- income communities, of which at least 12 must be in rural areas. Tax benefits to investors will include a zero capital gains rate and a 15 percent credit for the first $10,000 of wages paid.

Restores the ability of illegal immigrants who came here on work permits, or to join close family members, to establish residency during a "window" lasting through next April. Some classes of illegal immigrants who came here before 1982 could also adjust their status.

Congress Allows District to Spend From Reserve to Cover Shortfall

By Stephen C. Fehr
Washington Post Staff Writer
Saturday, December 16, 2000 ; Page B01

District officials said yesterday that Congress has allowed the city to spend $123 million from its "rainy day" reserve funds, which the officials said would largely avert deep cuts in services.

The money will be used to help offset a projected budget gap of up to $250 million for the fiscal year that began Oct. 1. City officials said Wednesday that unless Congress allowed them to spend the reserve funds, they would have to slash hundreds of jobs and most services, including police and fire protection, libraries, health programs and public works.

Sen. Kay Bailey Hutchison (R-Tex.), chairman of the Senate's District appropriations panel, included an amendment in the final federal spending bill approved by Congress last night that allows the city to spend $75 million from its fiscal 2000 reserves.

Chief Financial Officer Natwar M. Gandhi said last night that another provision in the bill permits the District to use an additional $48 million in unspent capital funds to cover the projected gap.

Senate aides disputed Gandhi's interpretation, saying they doubted whether the city has the $48 million available in the reserves. If that is the case, the city would have to go forward with some of the cuts.

Hutchison did insist that the city put all $60 million of its first-year share of the national tobacco settlement into the reserve. The mayor and D.C. Council had wanted to divide the tobacco money between the reserve and health and education programs.

City Administrator John A. Koskinen said the $123 million likely means the city will not have to carry out significant service reductions.

However, he cautioned that if the next Congress does not allow the city to spend $70 million in fiscal 2001 reserve funds on the restructuring of D.C. General Hospital, the District "would have to confront the reality" of trimming services.

Koskinen said he was confident the city could make a solid case to lawmakers that the D.C. General restructuring is a one-time, emergency cost – precisely the use of the reserve that Congress contemplated when it was established.

The money for the hospital could also come from the tobacco settlement or additional revenue the District would bring in during the year; Congress would have to approve those options too. City officials could be making that case to new Republican leaders in the House and Senate. Neither Hutchison nor the chairman of the House District appropriations subcommittee, Rep. Ernest J. Istook Jr. (R-Okla.), is seeking to be reappointed to the D.C. panels.

Koskinen and Gandhi, at a news conference, took turns stressing that the projected $250 million gap does not mean the city cannot manage its finances. In fact, they said, the District has unforeseen expenses after it prepares its spending plan each year.

The city is on track to balance its budget for a fourth straight year, and Koskinen and Gandhi said the 2001 budget would carry a surplus.

"The financial state of the District is sound," Gandhi said. "By identifying spending pressures this early in the fiscal year and by proposing ways to reduce the spending pressures, we are exercising fiscal discipline."

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December 15, 2000

Congress Is Seen Clearing Way Today for Adjournment

By ROBERT PEAR

WASHINGTON, Dec. 14 — More than 10 weeks after the start of the fiscal year, Congress and the Clinton administration are poised to finish the government's $600 billion annual spending plan, but the White House and a powerful Alaska senator squared off today for one more fight — over sea lions.

House and Senate leaders said they expected to approve the final spending bill on Friday, clearing the way for adjournment of the 106th Congress.

Most of the disagreements melted away today. Representative C. W. Bill Young, the Florida Republican who is chairman of the House Appropriations Committee, said, "We are pleased to have reached agreement with House and Senate Republicans and Democrats, as well as the administration, on a final appropriations package."

But the Alaska senator, Ted Stevens, a Republican who is chairman of the Senate Appropriations Committee, was holding out for legislation that would ease restrictions on how much pollock and cod could be harvested from Alaskan waters by commercial fishermen. White House officials said such fishing threatened the food supply of the Steller sea lion, an endangered species.

The sea lions, which can be 10 feet long and weigh up to a ton, need enormous amounts of food because they are so huge.

Mr. Stevens demanded that the final budget agreement block new restrictions on fishing proposed by the Clinton administration. In effect, he said, Alaskans need jobs on trawlers more than sea lions need a few more cod.

Angrily pounding his desk on the Senate floor, Mr. Stevens denounced the administration's plan. "The fishing limits," he said, "will put a considerable number of people out of work. Federal control of these magnificent fisheries is not going to be approved by this senator."

While such threats can be a negotiating tactic, the White House responded in kind, saying any budget bill that did not protect the endangered sea lions would be vetoed.

White House officials and Senate Democrats said the administration was negotiating a compromise with Mr. Stevens. "We'll work it out," said Senator Harry Reid of Nevada, the assistant Democratic leader.

One other item still up in the air was a proposal to help Amtrak sell $10 billion worth of bonds to develop high-speed railways in the Northeast Corridor and elsewhere in the United States. Investors would receive a federal tax credit in place of the interest normally paid on such bonds.

Senators Daniel Patrick Moynihan of New York, Frank R. Lautenberg of New Jersey and Joseph R. Biden Jr. of Delaware, all Democrats, were fighting for the proposal, which could cost the government $3 billion over 10 years. But some Republicans, including Senators John McCain of Arizona and Phil Gramm of Texas, resisted the proposal, saying Amtrak should first demonstrate that it could be profitable.

Speaker J. Dennis Hastert of Illinois said Congress would not approve an increase in the minimum wage this year. Democrats had sought a $1 increase in the hourly minimum, now $5.15.

But the White House and Republican leaders of Congress did agree today to make big increases in spending on education and biomedical research. Both parties took credit for the increases, even though the numbers were slightly lower than those negotiated just before the Nov. 7 election.

Spending for the Education Department will rise $6.5 billion, or 17 percent, to $44.5 billion in the current fiscal year, which began on Oct. 1.

Mr. Clinton had wanted several billion dollars more, but Democrats said they decided to take the deal they could get now because they might not be able to get as much after George W. Bush becomes president next month.

Mr. Hastert, a former schoolteacher, said Congress had increased the budget for school and college programs by nearly 50 percent since Republicans took control of Congress in 1995.

Linda Ricci, a spokeswoman for the White House Office of Management and Budget, said the final agreement provided "significant increases for President Clinton's priorities," including school repairs and smaller class sizes.

The budget for the National Institutes of Health will rise by $2.5 billion, or 14 percent, to $20.3 billion in the current fiscal year, from $17.8 billion last year.

Its budget has grown nearly 50 percent since 1998, an extraordinary increase reflecting excitement about scientific discoveries that promise new cures and treatments for dozens of deadly diseases.

"This is an extremely generous increase," said Anthony J. Mazzaschi, assistant vice president of the Association of American Medical Colleges.

The budget for Pell grants, the most important form of federal aid to college students, would rise $1.1 billion, or 14 percent, to $8.8 billion. The maximum Pell grant, now $3,300, would be increased to $3,750.

Congress is providing $1.4 billion to help low-income families heat their homes, an increase of $300 million over the amount appropriated last year.

The bill also provides more than $30 billion over the next five years to increase Medicare payments to hospitals, home health agencies, health maintenance organizations and other health care providers.

Payments were cut in 1997, but the savings have far exceeded what Congress intended.

Senator Stevens spent much of the day haggling with the Clinton administration over the fate of the Steller sea lion, which breeds in the Gulf of Alaska and the Bering Sea.

The White House said that a legislative rider proposed by Mr. Stevens would undermine enforcement of environmental laws, particularly the Endangered Species Act.

SOUTH BEND TRIBUNE December 16, 2000 Saturday

December 16, 2000 Saturday Michigan Edition

SECTION: NATION; Pg. A3

LENGTH: 607 words

HEADLINE: Congress passes **budget,** goes home;
Skirmish with **Clinton** ends 2 1/2 months late

BYLINE: By ALAN FRAM; Associated Press Writer

BODY: WASHINGTON--The boisterous, lame-duck 106th Congress adjourned Friday after lawmakers voted to clear more than $450 billion for hiring teachers, health research, Medicare and other programs.

The House approved the huge measure by 292-60, and the Senate passed it by voice vote, as last-gasp skirmishes over Alaskan sea lions and aid for Amtrak melted away. The votes on the package--more than a foot of paper--meant that 2 1/2 months late, the battle between President Clinton and Republicans over this year's $1.8 trillion budget had reached its belated finale.

The package also included provisions to help about 1 million immigrants who want to remain in the United States; hundreds of projects for lawmakers' home districts; and a $25.8 billion, 10-year mix of tax cuts aimed at creating jobs, spurring investment and cleaning up dozens of poor communities.

"In education, health care and community renewal, this budget provides more opportunity for more Americans than ever before," Clinton, who was certain to sign the measure, said in a written statement after passage.

Both chambers remained in session this year later than any time since 1982. To give Clinton time to study and sign the measure, lawmakers passed two bills temporarily keeping agencies open through next Wednesday, bringing to 22 the number of such measures they have had to pass since fiscal 2001 began on Oct. 1.

Lawmakers' departure, however, won't be for long. The 107th Congress begins on Jan. 3, and will feature a Senate split evenly between the two parties and a closely divided House.

Just 17 days later, Republican George W. Bush will inherit Clinton's job and face the political reality that he will need Democratic cooperation to achieve anything.

For now, the curtain closed on a Congress that began with the Senate acquitting Clinton, who was impeached by the House, and continued with partisan gridlock over taxes, prescription drugs and other issues. At the end, the two parties found common ground on one area--record federal spending.

Approving the last four annual spending bills for fiscal 2001 brought the price tag for the year's 13 spending measures to $634.5 billion, according to Senate Budget Committee estimates. That would be about $48 billion higher than last year, $11 billion more than Clinton requested and $34 billion more than Republicans promised in Congress' budget last spring.

The remaining two-thirds of the budget pays for Social Security, interest payments on the debt and other automatically paid benefits.

The biggest part of Friday's package provided $351 billion for health, labor and education. Though it was $3.6 billion smaller than a tentative deal that GOP leaders rejected in November, it gave Clinton big increases for several priorities.

The Education Department's overall budget was rising to $44.4 billion, $6.5 billion above last year, including boosts for hiring teachers, modernizing schools and after-school centers.

Clinton and the GOP combined to push the National Institute for Health's budget to $20.3 billion, $2.6 billion over last year. There were also increases for Pell grants for low-income college students, community health centers, the Job Corps and substance abuse.

The package also provided $30.3 billion for the Treasury Department and smaller agencies and $2.5 billion for Congress itself. It cleared the way for Clinton to sign a $39.9 billion measure financing the departments of Commerce, Justice and State that Congress approved in October but never sent to Clinton because of a fight over immigration.

LOAD-DATE: December 19, 2000

The Associated Press State & Local Wire December 16, 2000

The Associated Press State & Local Wire

December 16, 2000, Saturday, BC cycle

SECTION: State and Regional; Washington Dateline

LENGTH: 361 words

HEADLINE: On radio, **Clinton** lauds his administration's final **budget** accord

BYLINE: By JESSE J. HOLLAND, Associated Press Writer

DATELINE: WASHINGTON

BODY:
President Clinton on Saturday called the final budget deal of his administration a spending plan that puts people first and lauded the bipartisan effort that Congress put into the document.

"By reaching out and working together, our best days still lie ahead," Clinton said in his weekly radio address. "This budget proves it."

The Senate and House voted Friday to approve a final package of spending exceeding $450 billion for hiring teachers, health research, Medicare and other programs. Also included were provisions to help about 1 million immigrants who want to remain in the United States, and a $25.8 billion, 10-year mix of tax cuts aimed at creating jobs, spurring investment and cleaning up dozens of poor communities.

Clinton said he will sign the package soon. "If we continue to invest in our people and create opportunities for them, if we continue to honor and reward work, our possibilities are truly without limit," he said.

The president described several parts of the budget deal in his address, including the extension of the Medicaid package and the increase in education funding. "With over $900 million dedicated, for the very first time, to school renovation, thousands of local school districts finally will be able to give our children the classrooms they deserve," he said.

Part of the budget package also will create a "New Markets" tax credit for investments in entities involved in development in low-income areas. About $8 billion in investments would be eligible for the credit over the next seven years.

"From the streets of our central cities, to the hills of Appalachia, to the rugged vistas of our Native American reservations, to the Mississippi Delta, we are giving people the tools of opportunity to make the most of their potential," Clinton said.

He also announced that 28 states will receive $200 million in grants helping people get off welfare, find jobs and keep them. "I urge states to use these resources to provide the necessary support - from child care to transportation to training - that can make a critical difference between welfare checks and pay checks," he said.

LOAD-DATE: December 17, 2000

AP Online, December 16, 2000

AP Online

December 16, 2000; Saturday

SECTION: Washington - general news

LENGTH: 1298 words

HEADLINE: Clinton Lauds Final **Budget** Accord

BYLINE: JESSE J. HOLLAND

DATELINE: WASHINGTON

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President Clinton, pointing to achievements in his final budget, said Saturday that welfare rolls have fallen by more than 60 percent during his eight years in office. He also announced $200 million in bonus money as a reward to states where welfare recipients found and kept jobs.

In his weekly radio address, Clinton also said his administration's commitment to fiscal discipline has resulted in "the strongest economy in a generation."

"If we continue to invest in our people and create opportunities for them, if we continue to honor and reward work, our possibilities are truly without limit," Clinton said, one day after Congress approved his final budget.

Clinton said that as a result of welfare changes he promoted, "millions of former welfare recipients now know the dignity of work."

Over the past eight years, he said, welfare case loads have been cut by more than 8 million people. "Last year alone, 1.2 million parents on welfare went to work, determined to build better lives," Clinton said.

"Nationwide over the last eight years, welfare rolls have dropped nearly 60 percent, and now are the lowest in more than 30 years," he said.

The White House said the caseload is at its lowest since 1968 and just 2.7 percent of the population is on welfare the lowest rate in 37 years.

Clinton noted that when Congress adopted welfare reform legislation in 1996, he insisted on incentives to states to help people moving off welfare find and keep jobs.

The president hoped states would use the bonus money for support programs such as child care, transportation and job training that can make "a critical difference between welfare checks and paychecks."

In response, Rep. J.C. Watts, R-Okla., chairman of the House Republican Conference, claimed welfare reform as a Republican vision.

"Republicans were accused of wanting to starve children and throw grandparents in the streets," he said. "We stepped up to the plate and not only got the job done, but got it done right."

Although many Democrats opposed drastic changes in the welfare system, Clinton campaigned in 1992 to "end welfare as we know it." He has voiced regret in interviews that he did not press welfare reform earlier in his administration, in part as a means of broadening the party's appeal to conservative voters.

The Senate and House voted Friday to approve the year's final spending package, a bill providing $450 billion for hiring teachers, health research, and for Medicare and other programs. Also included were provisions to help about 1 million immigrants who want to remain in the United States, and a $25.8 billion, 10-year mix of tax cuts aimed at creating jobs and spurring investment in poor communities.

Citing those and other successes, Clinton said the new budget will include money to help cover more uninsured poor children, extend Medicaid coverage to thousands of poor parents leaving welfare, and increase payments to hospitals, home health agencies and nursing homes.

"We have also secured an extra $817 million to help working families afford child care, to meet their responsibilities both at work and at home," he said.

Children, and the quality of the education they receive, also are targets of federal dollars for school repairs, hiring more teachers, reducing class size and expanding after school programs.

"By reaching out and working together, our best days still lie ahead," Clinton said. "This budget proves it."

LANGUAGE: ENGLISH

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December 16, 2000, Saturday, Home Edition

SECTION: Part A; Part 1; Page 1; National Desk

LENGTH: 1732 words

HEADLINE: CONGRESS PASSES A FINAL **BUDGET** HAILED BY **CLINTON;**
LEGISLATION: THE $1. 8-TRILLION PACKAGE INCLUDES INCREASED SPENDING FOR EDUCATION AND HEALTH CARE PROVIDERS AND USES TAX CUTS TO AID POOR AREAS. LAWMAKERS ADJOURN FOR THE YEAR.

BYLINE: NICK ANDERSON, TIMES STAFF WRITER

DATELINE: WASHINGTON

BODY:
More than two months behind schedule, the curtain fell on the 106th Congress on Friday as lawmakers resoundingly approved a final budget package that includes major increases in education spending, expanded Medicare payments for health care providers and modest tax breaks for poor communities.

President Clinton, who like Congress was bargaining as a lame duck, fought hard to win an 18% boost in education spending for fiscal 2001. Now funded at $ 42 billion, the Education Department budget has risen by 76% since Clinton took office almost eight years ago.

The new funding will expand federal initiatives in class-size reduction, school renovation, education for special-needs students and grants for poor college students.

Disagreements over these and other issues first caused Congress to fail to complete a budget accord by Oct. 1, the start of the 2001 fiscal year. Then, as the Nov. 7 election approached, lawmakers decided to schedule the lame-duck session.

Clinton, who has waged several bitter budget battles with Republicans since the GOP took over Congress six years ago, hailed Friday's accord and is expected to sign the $ 1.8-trillion measure within a week.

"It is a budget that is fiscally responsible, pays down the debt and makes vital investments in our nation's future," Clinton said. "In education, health care and community renewal, this budget provides more opportunity for more Americans than ever before."

Clinton also praised immigration reforms included in the package, though he had sought more sweeping relief. The provisions included in the agreement will help some immigrants who have lived in the United States for many years get green cards certifying permanent residence and help keep some immigrant families together.

Added to the final legislation was a set of tax breaks worth $ 25 billion over 10 years to spur economic development and housing construction in certain low-income communities. One provision will eliminate capital gains taxes on some business transactions in these communities.

The same initiative also will lift restrictions on federal support for religious organizations that fight drug and alcohol abuse.

The Community Renewal and New Markets Act was pushed jointly by Clinton and House Speaker J. Dennis Hastert (R-Ill.). It was a rare instance of cooperation in a legislative year marked by partisan acrimony--as well as a rare occasion when a Republican-backed tax cut was not blocked by the president's veto pen.

In addition, health care providers who have been clamoring for relief from cutbacks imposed in 1997 won $ 35 billion in additional reimbursements over the next five years. The Medicare measure had drawn little public attention but was the subject of fierce lobbying by hospitals, health maintenance organizations and others.

Lawmakers initially returned to Washington for the lame-duck session in mid-November. But the unexpected dispute over the presidential election stalled action on Capitol Hill. For weeks, lawmakers have been unable to talk about much besides who was winning in Florida.

The emergence this week of Republican George W. Bush as the president-elect hastened the drive to end budget talks. Bipartisanship became, for the moment, the watchword of the Capitol.

"This week, I am happy to say that the peace of the holiday season has brought finality to the presidential elections and to the work of the 106th Congress," Hastert said.

But critics have charged that the 106th, which began in January 1999 with the high drama of the Senate impeachment trial of Clinton, left a legacy of unfinished business. Democrats complained that Congress failed to pass a minimum wage increase, managed-care reform and new gun control measures.

Republicans countered that bi-partisan majorities approved major tax legislation, including measures to reduce taxes for married couples and heirs. The GOP leaders noted that these measures were thwarted by Clinton vetoes.

Seemingly popular measures to expand retirement savings tax incentives and repeal an excise tax on telephone service also failed to become part of the final budget package.

The White House and top congressional Republicans signed off on Friday's spending and tax package after a final frenzy of deal-making on local issues typical of the end of a congressional session.

For example, Sen. Ted Stevens (R-Alaska) won $ 30 million in economic assistance and other measures for fisheries hurt by newly imposed environmental restrictions protecting the endangered Steller sea lion. For several hours Friday, Stevens threatened to delay action on the overall budget accord until the White House agreed to compromise.

These and other final pieces of the long-overdue $ 1.8-trillion federal budget came together only after Congress had passed 20 stopgap spending measures to keep federal agencies open since Oct. 1.

Many Lawmakers Skip the Votes

The final bill--which includes a total of $ 127 billion in discretionary spending for the departments of Education, Labor, and Health and Human Services, the Treasury and other executive and legislative agencies--was approved by the House on a 292-60 vote. The Senate later approved it by voice vote. Seventy-nine House members and many senators skipped the votes.

Republicans and Democrats alike claimed that in the budget accord they had promoted fiscal discipline while investing in key social priorities. But, reflecting their philosophical differences, the two parties touted different parts of the legislation.

The GOP leadership trumpeted a policy that allocates $ 250 billion toward paying off the national debt, or 93% of the projected $ 268-billion surplus. Republicans also said that they had restrained the Democratic urge to spend--even though bipartisan majorities in recent months have voted for one bill after another that, in sum, broke the $ 600-billion goal Congress had set on discretionary spending by $ 34 billion.

Democrats, on the other hand, praised funding for teacher hiring ($ 1.6 billion, up from $ 1.3 billion the year before) and school repairs (a new $ 1.2-billion program) as a capstone to Clinton's presidency.

"We've proven that, when we get into serious negotiations, we can produce good results for the country," said Jack Lew, director of the White House Office of Management and Budget.

Some See Surplus Being Squandered

Fiscal conservatives, stampeded by a wide bipartisan majority eager to end the legislative year, denounced the spending package.

"Frankly we're squandering too much of the budget surplus that could be used for other purposes," said Rep. Patrick J. Toomey (R-Pa.).

Toomey and others also complained that lawmakers did not know, and had not read, what they were voting on. The final bill, H.R. 4577, was 10 inches thick and hundreds of pages long.

But such complaints were drowned out as lawmakers made no attempt to conceal their haste to leave Washington. Rep. C.W. Bill Young (R-Fla.), chairman of the House Appropriations Committee, captured the mood as he read a poem with a holiday theme. "Our job here is done. Now let's clear the hall," Young told the House. "Let's vote and then dash away, dash away all."

Despite the concessions Clinton won from Republicans to ease some aspects of immigration law, many Democrats were disappointed that Congress failed to do more on this front.

One failed proposal would have granted a "mini-amnesty" to as many as 500,000 illegal immigrants who entered the country before 1986. Another would have helped hundreds of thousands of others from Central America and Haiti gain permanent residency.

Rep. Howard L. Berman (D-Mission Hills), who tried to win passage of a measure to help illegal immigrants who are migrant farm workers apply for amnesty, gave Congress poor marks.

"Huge numbers of issues were left unattended to," Berman said. "Opportunities for compromise were passed up, and Congress does not leave here standing tall."

Congress was able to settle one contentious issue revolving around Medicare and Medicaid payments to hospitals, HMOs and other health care providers. They had absorbed unexpectedly large cutbacks in government payments as a result of the 1997 balanced-budget law. Medicare and Medicaid are the government health insurance programs for the elderly, poor and disabled.

The newly approved deal included an additional $ 35 billion for health care providers over the next five years. Hospitals got $ 12 billion, HMOs got $ 11 billion and home health care agencies received $ 2 billion.

The remainder was divided between other providers, and about $ 5 billion was set aside to defray costs to Medicare beneficiaries. They will pay reduced co-payments for outpatient hospital treatments and get more generous coverage of certain preventive benefits, including glaucoma screening and nutrition therapy.

Left out of the bill was a provision that would have helped low-income, legal immigrant women and their children get health care coverage. The coverage was a priority for the Clinton administration and a bipartisan coalition of Republicans and Democrats, but was opposed by Republican senators.

In the House vote on the final budget deal, 24 members of the California delegation voted for it while 20 were absent. Seven voted against it: Reps. Christopher Cox (R-Newport Beach), Wally Herger (R-Marysville), Richard W. Pombo (R-Tracy), George P. Radanovich (R-Mariposa), Dana Rohrabacher (R-Huntington Beach), Ed Royce (R-Fullerton) and Pete Stark (D-Hayward).

*

Times staff writer Alissa J. Rubin contributed to this story.

New Federal Budget Highlights

Total budget (including mandatory spending for programs such as Social Security and Medicare)

FISCAL YEAR 2000: $ 1.78 trillion

FISCAL YEAR 2001: $ 1.80 trillion

Note: Fistcal year 2001 began Oct. 1, 2000.

Key Spending

Discretionary programs only

Labor-Health-Education

PERCENT INCREASE: 14%

FISCAL 2000: $ 95.7 billion

FISCAL 2001: $ 108.9 billion

Defense

PERCENT INCREASE: 7%

FISCAL 2000: $ 270 billion

FISCAL 2001: $ 288 billion

Treasury-Postal-General Government

PERCENT INCREASE: 16%

FISCAL 2000: $ 13.7 billion

FISCAL 2001: $ 15.9 billion

Transportation

PERCENT INCREASE: 24%

FISCAL 2000: $ 14.3 billion

FISCAL 2001: $ 17.8 billion SOURCE: House Appropriations Committee

GRAPHIC: GRAPHIC: New Federal Budget Highlights, Los Angeles Times

LOAD-DATE: December 16, 2000

Source: All Sources : / . . . / : **News Group File, All**
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December 16, 2000, Saturday

SECTION: GENERAL NEWS

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HEADLINE: Clinton hails **budget** deal, touts welfare reform

DATELINE: WASHINGTON, Dec. 16

BODY:
President Bill Clinton Saturday praised social programs in the newly passed budget and reflected on his administration's efforts to reduce welfare rolls, which he said had dropped by 8 million people during his White House tenure.

Speaking in one of his last weekly radio addresses, Clinton unveiled $200 million in federal grants to 28 states to help state governments cut welfare cases.

"I urge states to use these resources to provide the necessary support -- from child care to transportation to training -- that can make a critical difference between welfare checks and paychecks," Clinton said.

Clinton also pointed to social programs in the budget deal that he said showed "our best days still lie ahead. This budget proves it."

"In this budget, we're also passing our historic new markets and community renewal initiative, the most significant effort ever to help hard-pressed communities lift themselves up through private investment and entrepreneurship," Clinton said. "This initiative will spur billions and billions of dollars in private investment to communities that have not yet shared in our nation's great economic revival."

Clinton said the budget also included "vital investments" in education, one of his top policy priorities and a major sticking point in budget negotiations.

"With over $900 million dedicated, for the very first time, to school renovation, thousands of local school districts finally will be able to give our children the classrooms they deserve," Clinton said. "We've increased funding by 25 percent to stay on track to hire 100,000 highly-qualified new teachers, to reduce class size in the early grades."

On Friday, lawmakers passed the last pieces of the current fiscal year's long overdue budget and adjourned the 106th Congress, after agreeing to add modestly to education and health care spending.

Congress passed a final "mini-bus" -- as opposed to "omnibus" -- appropriations bill that includes nearly $130 billion for a series of federal agencies and $109 billion for health and education programs alone. President Clinton has signaled that he will sign it into law, having wrested significant concessions at every step toward final passage.

Looking back on past budget negotiations, Clinton contrasted the budget deficits of the early 1990s with today's surpluses and said welfare reform, along with fiscal discipline, brought the change.

"Vice President Gore and I took office in 1993 with a pledge to end welfare as we know it," Clinton said. "Thanks to comprehensive reform, a renewed sense of responsibility, and the strongest economy in a generation, millions of former welfare recipients now know the dignity of work.."

But Republicans took issue with Clinton's characterization of welfare reform, saying the GOP Congress drove policy changes, not the Clinton administration.

"Let's remember that welfare reform was one of the key issues the Republican majority, including myself, was elected on in 1994," said House Republican Conference Chairman J.C. Watts, R-Ok., who responded to Clinton's radio address with a written statement. "As I recall, Democrats went kicking and screaming into welfare reform."+

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