



U.S. DEPARTMENT OF EDUCATION

PRESIDENT CLINTON'S FY 2001 EDUCATION BUDGET PROPOSAL COMPARED TO
HOUSE AND SENATE ALLOWANCES

"During this period of economic prosperity and budget surplus, we should seize the opportunity to improve our nation's schools. Regrettably, misguided priorities and insufficient resources in the bills adopted today have led the Congress in a different direction. Unfortunately, these actions today invest too little in our schools and demand too little from them. If a bill that fails to address these concerns were to come to me in its current form, I would have to veto it. I look forward to working with Congress to ensure that this bill strengthens our nation's schools and supports and enhances other important national priorities while continuing to honor our commitment to fiscal integrity." President Clinton, May 10, 2000

July 17, 2000

(IN THOUSANDS OF DOLLARS)

Selected Discretionary Education Programs	FY 2000 APPROPRIATION	FY 2001 REQUEST	FY2001 HOUSE	DIFFERENCE FROM THE PRESIDENT'S REQUEST	FY 2001 SENATE	DIFFERENCE FROM THE PRESIDENT'S REQUEST
ACCELERATING CHANGE						
Title I Accountability Grants: Helps States and districts turn-around low-performing schools.	\$134,000	\$250,000	--	-\$250,000	--	-\$250,000
21st Century Community Learning Centers: Funds after-school activities with community partners as part of a community school.	\$453,377	\$1,000,000	\$600,000	-\$400,000	\$600,000	-\$400,000
Reducing Class Size: Third installment in reducing class sizes in grades 1-3 to a nationwide average of 18 to give children more personal attention and get them on the right track. (House and Senate put money in block grants see page 5.)	\$1,300,000	\$1,750,000	--	-\$1,750,000	--	-\$1,750,000
Comprehensive School Reform Demonstrations: Helps schools develop or adapt, and implement, comprehensive school reform programs that are based on reliable research and effective practices.	\$170,000	\$190,000	\$190,000	--	--	-\$190,000
Research, Development and Dissemination: Helps build a knowledge base for improving educational practice.	\$168,567	\$198,567	\$168,567	-\$30,000	\$178,567	-\$20,000
Small, Safe, and Successful High Schools: Supports the restructuring of high schools to create learning environments of no more than 600 students.	\$45,000	\$120,000	\$45,000	-\$75,000	--	-\$120,000
Charter Schools: Stimulates comprehensive education reform and public school choice by supporting the planning and development, and initial implementation of public charter schools.	\$145,000	\$175,000	\$175,000	--	\$210,000	+\$35,000
OPTIONS - Opportunities to Improve Our Nation's Schools: Stimulates public school reform and public school choice by supporting the planning, development, and implementation of innovative public school choice programs.	NEW	\$20,000	--	-\$20,000	--	-\$20,000
Recognition and Reward: Supports grants to States that demonstrate significant statewide achievement gains and narrow the achievement gap between high- and low-performing students.	NEW	\$50,000	--	-\$50,000	--	-\$50,000

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Selected Discretionary Education Programs	FY 2000 APPROPRIATION	FY 2001 REQUEST	FY2001 HOUSE	DIFFERENCE FROM THE PRESIDENT'S REQUEST	FY 2001 SENATE	DIFFERENCE FROM THE PRESIDENT'S REQUEST
<u>CLOSING ACHIEVEMENT GAPS</u>						
<u>Extra Help in the Basics</u> (Title I LEA Grants). Helps disadvantaged students learn the basics and achieve to high standards. (Excludes funds for Title I Accountability Grants, see page one).	\$7,807,397	\$8,107,500	\$7,941,397	-\$166,103	\$8,335,800	+\$228,300
<u>Reading Excellence Act</u> . Helps children learn to read well and independently by the end of the third grade.	\$260,000	\$286,000	\$260,000	-\$26,000	\$286,000	--
<u>Special Education Grants to States</u> . Helps schools & States provide special education and early intervention services.	\$4,989,685	\$5,279,685	\$5,489,685	+\$210,000	\$6,279,685	+\$1,000,000
<u>Indian Education</u> . Supplements the efforts of State and local educational agencies, and Indian tribes, to improve educational opportunities for Indian children.	\$67,000	\$100,500	\$97,765	-\$2,735	\$100,500	--
<u>Indian Education – American Indian Administrator Corps</u> . Helps train and recruit school principals and administrators for areas with high concentrations of American Indian and Alaska Native students.	NEW	\$5,000	--	-\$5,000	\$5,000	--
<u>Indian Education – American Indian Teacher Corps</u> . Supports the training of Indian teachers to take positions in schools that serve concentrations of Indian children.	\$10,000	\$10,000	\$10,000	--	\$10,000	--
<u>Safe and Drug-Free Schools</u> . Helps schools become safe, drug-free learning environments.	\$600,000	\$650,000	\$599,250	-\$50,750	\$642,000	-\$8,000
<u>IMPROVING TEACHER QUALITY</u>						
<u>Bilingual Education</u> . Helps school districts operate high-quality instructional programs to help children learn English.	\$248,000	\$296,000	\$248,000	-\$48,000	\$279,000	-\$17,000
<u>Teacher Quality Enhancement (HEA Title II)</u> . Helps recruit and prepare excellent and diverse teachers for America's classrooms.	\$98,000	\$98,000	\$98,000	--	\$98,000	--
<u>INITIATIVES TO IMPROVE TEACHER QUALITY: \$1 BILLION*</u>						
<u>Teaching to High Standards</u> – Helps States and school districts implement the next generation of standards-based reform, including standards-based assessments, curricula, and professional development.	NEW	\$690,000	--	-\$690,000	--	-\$690,000
<u>Hometown Teachers</u> . Provides funds to school districts to encourage high school students to become teachers and to support them in their undergraduate teacher training and their first years in the classroom. Also supports efforts to retain and meet the needs of current teachers.	NEW	\$75,000	--	-\$75,000	--	-\$75,000
<u>Higher Standards, Higher Pay for Teachers</u> . Provides funds to high-poverty school districts to establish teacher peer review programs.	NEW	\$50,000	--	-\$50,000	--	-\$50,000

* \$1 billion for Teaching to High Standards Replaces Goals 2000 (\$458,000) and Eisenhower Professional Development State Grants (\$335,000)

Selected Discretionary Education Programs	FY 2000 APPROPRIATION	FY 2001 REQUEST	FY2001 HOUSE	DIFFERENCE FROM THE PRESIDENT'S REQUEST	FY 2001 SENATE	DIFFERENCE FROM THE PRESIDENT'S REQUEST
<u>Teacher Quality Rewards.</u> Provides reward funds to school districts that have significantly increased the percentage of fully certified and licensed teachers and that have significantly reduced the percentage of secondary teachers teaching out-of-field.	NEW	\$50,000	--	-\$50,000	--	-\$50,000
<u>Transition to Teaching.</u> Supports the Troops to Teachers program and additional efforts to recruit, prepare, and support career-changing professionals as teachers.	NEW	\$25,000	--	-\$25,000	--	-\$25,000
<u>Early Childhood Educator Professional Development.</u> Provides professional development opportunities for early childhood educators and caregivers who work with young children in high-poverty communities.	NEW	\$30,000	--	-\$30,000	--	-\$30,000
<u>School Leadership Initiative.</u> Helps school districts, particularly high-poverty and low-performing districts, to recruit and train superintendents, principals, and other school administrators.	NEW	\$40,000	--	-\$40,000	--	-\$40,000
MODERNIZING OUR SCHOOLS						
<u>School Renovation Loan and Grant Program.</u> (Complements tax-credit bond proposal under the Department of Treasury) (Senate put money in block grant see page 5.)	NEW	\$1,300,000	--	-\$1,300,000	--	-\$1,300,000
<u>Technology Literacy Challenge Fund.</u> Helps provide students and teachers with computers, educational software, telecommunications, and technology training	\$425,000	\$450,000	\$517,000	+\$67,000	\$425,000	-\$25,000
<u>Preparing Tomorrow's Teachers to Use Technology.</u> Helps train new teachers to use technology in the classroom.	\$75,000	\$150,000	\$85,000	-\$65,000	\$125,000	-\$25,000
<u>Community Technology Centers.</u> Funds technology learning centers in low-income communities.	\$32,500	\$100,000	\$32,500	-\$67,500	\$65,000	-\$35,000
REACHING AND COMPLETING COLLEGE						
<u>GEAR UP.</u> Gives disadvantaged students and their families pathways to college through partnerships of middle and high schools, colleges and universities and through state-administered programs.	\$200,000	\$325,000	\$200,000	-\$125,000	\$225,000	-\$100,000
<u>TRIO Programs.</u> Provides education outreach and student support services designed to encourage disadvantaged individuals to enter and complete college.	\$645,000	\$725,000	\$760,000	+\$35,000	\$736,500	+\$11,500
<u>College Completion Challenge Grants.</u> Funds scholarships and intensive summer programs for college students in their first and second years.	NEW	(\$35,000) NON-ADD	--	(\$35,000) NON-ADD	--	(\$35,000) NON-ADD
<u>Dual Degree Programs for Minority-Serving Institutions.</u> Helps students at 4-year minority-serving institutions earn dual degrees in five years. Participants would spend 3 years as undergraduates at the minority-serving institution(s) and 2 years at a partner institution, such as a major research university.	NEW	\$40,000	--	-\$40,000	--	-\$40,000

Selected Discretionary Education Programs	FY 2000 APPROPRIATION	FY 2001 REQUEST	FY2001 HOUSE	DIFFERENCE FROM THE PRESIDENT'S REQUEST	FY 2001 SENATE	DIFFERENCE FROM THE PRESIDENT'S REQUEST
<u>Advanced Placement Incentives.</u> Provides grants to States to enable them to expand the pool of students to enroll in advanced placement (AP) courses, to cover part or all of the AP test fees of low-income students, and to prepare teachers to teach AP to interested students in the 9 th and 10 th grades.	\$15,000	\$20,000	\$20,000	--	\$20,000	--
<u>Vocational Education State Grants.</u> Provides formula grants that States, local education agencies, and postsecondary institutions can use to improve vocational education programs and to ensure that individuals with special needs have full access to those programs.	\$1,055,650	\$855,650	\$1,100,000	+\$244,350	\$1,071,000	+\$215,350
<u>Tech Prep Education.</u> Provides grants to States, which provide subgrants to consortia of local educational agencies and postsecondary institutions, to develop links between secondary and postsecondary institutions, integrate academic and vocational education, and better prepare students to make the transition from high school to college and from college to careers.	\$106,000	\$306,000	\$106,000	-\$200,000	\$106,000	-\$200,000
<u>Strengthening Tribally Controlled Institutions (HEA Title III).</u> Supports institutions that serve Native Americans.	\$6,000	\$9,000	\$12,000	+\$3,000	\$15,000	+\$6,000
<u>Strengthening Historically Black Colleges and Universities and Graduate Institutions (HEA Title III)</u> Helps provide equal opportunity and strong academic programs.	\$179,750	\$209,000	\$230,000	+\$21,000	\$209,000	--
<u>Developing Hispanic-Serving Institutions.</u> Helps strengthen colleges with large Hispanic populations.	\$42,250	\$62,500	\$68,500	+\$6,000	\$62,500	--
<u>Learning Anytime Anywhere Partnerships.</u> Supports access to quality postsecondary education for underserved populations through the use of technology.	\$23,269	\$30,000	\$10,000	-\$20,000	\$30,000	--
MAKING COLLEGE MORE AFFORDABLE						
<u>Pell Grants.</u> Provides grant assistance to low-income undergraduate students.	\$7,639,717	\$8,356,000	\$8,356,000	--	\$8,692,000	+\$336,000
	Max Grant	Max Grant	Max Grant		Max Grant	Max Grant
	\$3,300	\$3,500	\$3,500	--	\$3,650	+\$150
<u>Supplemental Educational Opportunity Grants (SEOGs).</u> Provides grant assistance to low-income undergraduate students.	\$631,000 ¹	\$691,000	\$691,000	--	\$691,000	--
<u>Work-Study.</u> Helps undergraduate and graduate students pay for college through part-time work assistance.	\$934,000	\$1,011,000	\$1,011,000	--	\$1,011,000	--
<u>Leveraging Educational Assistance Partnership (LEAP).</u> Provides Federal matching funds for States to support need-based postsecondary student grant assistance.	\$40,000	\$40,000	--	-\$40,000	\$70,000	+\$30,000
<u>Javits Fellowships.</u> Provides merit-based fellowships to doctoral students in the arts, humanities, and social sciences.	\$20,000	\$10,000	\$10,000	--	\$11,000	+\$1,000

¹ Includes \$10 million for victims of Hurricane Floyd.

Selected Discretionary Education Programs	FY 2000 APPROPRIATION	FY 2001 REQUEST	FY2001 HOUSE	DIFFERENCE FROM THE PRESIDENT'S REQUEST	FY 2001 SENATE	DIFFERENCE FROM THE PRESIDENT'S REQUEST
<u>Perkins Loan Cancellations.</u> Provides Federal funds to reimburse institutions for loan cancellations granted to borrowers in exchange for certain public services activities.	\$30,000	\$60,000	\$40,000	-\$20,000	\$75,000	+\$15,000
<u>Graduate Assistance in Areas of National Need.</u> Provides merit-based fellowships to financially need graduate students studying in areas of national need.	\$31,000	\$31,000	\$31,000	--	\$33,000	+\$2,000
<u>FAMILY LEARNING</u>						
<u>Adult Education and Literacy State Grants.</u> Provides adult and family literacy, English as a second language, and other educational programs.	\$450,000	\$460,000	\$470,000	+\$10,000	\$470,000	+\$10,000
<u>House Block Grant.</u> Teacher Empowerment Act (contingent appropriation subject to authorization)	--	--	\$1,750,000	+\$1,750,000	--	--
<u>Senate Block Grant.</u> Innovative education program strategies state grant (Title VI)	\$365,750	--	--	--	\$3,100,000	+\$3,100,000

The Senate and the House Have Not Adopted the President's Major Tax Proposals

Major Education Tax Proposals	FY2001 REQUEST	HOUSE AND SENATE
<u>School Modernization Bonds.</u> Provides new bonds with interest paid by Federal tax credits to help local communities go much further in renovating and building needed schools and address overcrowding.	\$2.4 billion over 5 years	-- Would deny nearly \$25 billion in additional subsidized bonds to build and modernize 6,000 public schools to accommodate record enrollments and overcrowding and repair crumbling school facilities. Federal tax credits would pay the interest on two types of bonds: School Modernization Bonds (new) and Qualified Zone Academy Bonds (current law).
<u>College Opportunity Tax Cut.</u> Would cover up to \$5,000 of education expenses in 2001 and 2002 and up to \$10,000 in 2003 and beyond to help make college more affordable for millions of American families.	\$30 billion over ten years	-- Would augment the existing Lifetime Learning Tax Credit, extending the credit percentage from 20 percent to 28 percent, giving families the choice of taking a credit or a deduction, and increasing the income phase-out ranges to make the benefit available to a wider range of families. The tax cut would phase out at incomes between \$50,000 and \$60,000 for individuals and between \$100,000 and \$120,000 for joint filers.

These proposals will come before the House Ways and Means Committee and Senate Finance Committee for a vote.

JOHN D. ROCKEFELLER IV
WEST VIRGINIA

United States Senate
WASHINGTON, DC 20510-4802

FAX COVER SHEET

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TO: *Ann O'Leary*

OFFICE:

FROM: *Barbaver (224-2578)*

DATE:

OF PAGES:
(INCLUDING COVER)

MESSAGE:

*FYI - Call if you need more
CRS has a great summary of the reviews.*

Senate level was \$157.1 million PRIOR to floor and its

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THANKS

Subject: Child Welfare Monitoring

For the IV-E/IV-B on-site reviews, **HHS will need an additional \$2.3M to fund 22 new FTE** in addition to the staff they already have for this work. It would be good for the report language that the amount appropriated for ACF Federal Administration provides sufficient funds to cover the additional staff and travel costs associated with the 17 on-site reviews and any other monitoring activities planned for FY 2001.

FY 2000 Federal Administration Budget	\$147.9 million
Increase needed to maintain current services (no staffing increases)	+ 9.2 million
Increase needed to support staff and travel for child welfare monitoring reviews	+ <u>2.3 million</u>
TOTAL*	\$159.4 million

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* Note - total ACF Admin request for FY 2001 is \$164.4 million.

Sum 147.9
Review work

Background

The Social Security Amendments of 1994 mandated significant changes in the Federal monitoring of State child and family service programs funded under titles IV-B and IV-E of the Social Security Act. The Congress placed a moratorium on any child welfare reviews/penalties until final rules were published to implement this new statutory requirement. Following numerous consultations and an extensive pilot review process to test new approaches to monitoring the child welfare program, the Administration for Children and Families (ACF) issued final regulations in January 2000. The completely redesigned Federal child welfare monitoring system focuses on outcomes for children and families and provides technical assistance to improve State child welfare systems. This outcome-based approach to monitoring is labor intensive but will yield unparalleled results in improving State systems. In addition, ACF will gain a comprehensive understanding of the functioning of State child welfare programs. The first 17 States to be reviewed under this new system recently were notified that they should begin preparations for their on-site reviews.

Since this will be the first time a thorough review of State child welfare programs will be conducted in many years, ACF must employ additional staff with significant expertise in child welfare services in order to conduct these comprehensive reviews and provide critical technical assistance.

(Note: Between FY 1994 and FY 2000, personnel levels in ACF have fallen by 23% because there were not sufficient funds provided by the Congress to support any replacement hiring.) Therefore, in order to support this critically important new initiative, we must receive an additional \$2.3 million above the funds needed to support a current services budget (a total increase of \$11.5 million above the FY 2000 funding level). These funds will support 22 additional FTE and the travel costs associated with an on-site monitoring budget.

Fax

Name: USDOC/ESA/ChEcon/OEC
Company: U.S. Department of Commerce
Voice Number: 202-482-4871
Fax Number: 202-482-3726
Economic and Statistics Administration
14th & Constitution Ave, NW
Washington, DC 20230

Date: Thursday, July 20, 2000

Total Pages: 2

Subject:

Name: Gene Sperling, NEC

Company:

Voice Number:

Fax Number: 456-2878

Note:

FROM: Gwendolyn Flowers
Chief Economist
Economics and Statistics Administration
Department of Commerce

Our office puts out the attached one-page summary of each major economics-related statistical release. These are distributed within the Commerce Department and on a limited basis outside of it. We have added your name to the distribution list.

If you have comments regarding the content or format of this page, if you wish not to receive this document, or if there are other people to whom you like us to send this, we will be happy to oblige. We can be reached at 482-4871 (fax 482-3726).

July 20, 2000

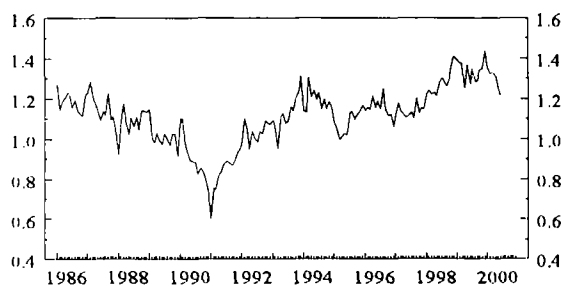
BACKGROUND INFORMATION**Housing Starts in June**

(Released by the Census Bureau at 8:30 a.m.)

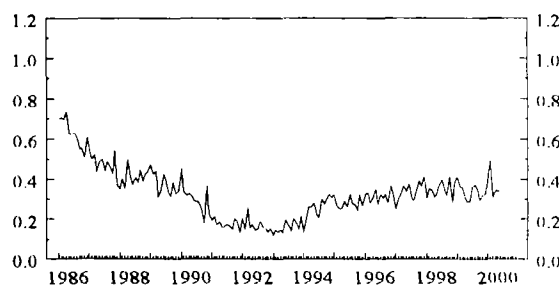
The Report

- Housing starts declined 2.6 percent in June, their third decrease in the four months since reaching their high for this expansion in February. So far this year, starts have declined only slightly below their year-ago levels.
- Single-family starts declined 3.2 percent in June and so far this year have dropped about 3 percent below their levels of a year ago.
- Multi-family starts, which can be very volatile, edged down 0.6 percent in June after no change in May. Multi-family starts have risen almost 10 percent above their levels of a year ago.

Single-family Housing Starts
Million units, SAAR



Multi-family Housing Starts
Million units, SAAR

**The Near-term Outlook**

- Tightening credit conditions are likely to restrain housing activity in the coming months. The interest rate on fixed-rate mortgages has exceeded 8 percent so far this year, though it has eased somewhat during the past two months. The homebuilders' index of prospective buyer traffic has trended down since last spring, and sales of new and existing homes have declined since last summer.

DoC Contact: Carl Cox, Director, Office of Economic Conditions, 482-4871
Gwendolyn Flowers, Chief Economist, Economics and Statistics Administration

File: Adoption Bonus Awards

DATE: 7/11



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FROM:

TO : Ann O'Leary
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☒ MARY M. BOURDETTE
☐ BARBARA CLARK
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☐ AMY LOCKHART
☐ LULA BARNES
☐ CHRISTY GALLAGHER

FAX NO : 456-2878

TOTAL PAGES
INCLUDING COVER): 5

REMARKS:

+ Sue's adoption info
Landon intro'd adoption tax credit bill
in Senate - S245B - without co-sponsors.
Rep Bliley (R-VA) has HR 531 in Hce w/ 832 co-sponsors;
Sen. CBO has same bill in Senate S.341 w/ 8 co-sponsors
No action on any of them.

JAG 5-7760

Ann

Here's the chart with the numbers and the language that is needed to allow us to spend FY2001 appropriated funds for both 2000 awards and 2001 awards. We worked a lot on this chart and there is no perfect way to make it all easy to read. We also decided to use AWARD years even though the bonus is, as you know, for action taken the year before. The bottom line is that we need \$50.6 m OVER our initial Admin request to take care of the shortfall for both award years 2000 and 2001. I haven't seen the final Senate L/hhs bill so I haven't seen all the language, but Landrieu did add \$14.1 million by amendment to the Senate amount, taking care at least of the 2001 shortfall.

Let me know if you want me, or ACF folks, to walk you through this. I raised it very briefly with Barbara Chow a while ago. Its good we have friends on the hill to help us, but we should push hard to make sure the Admin pushes hard to make up the money.

I've also discussed with Ron Haskins the possibility of a permanent fix -- the best way to achieve this is to make it an entitlement, so that Approps would just plug in the right amount each year. We're never going to be entirely free of the problem that the final numbers don't become clear until late in the award year, however. Ron will help us in approps this year again, however.

Lets stay on top of this

thanks,

mary

Asst. Dir. for Res.

Debbie Bow

5-7751 D

Carol High

5-9264

Adoption Incentive Program Cost Estimates as of 6/2000

Award Year ¹	# of States	Qualified Adoptions		Bonus Earning Adoptions			Appropriation	Shortfall ²
		IV-E	Total	IV-E	Total	Total Cost		
FY 1999	35	24,667	34,398	6,055	7,587	\$42,510,000	\$19,994,000	\$22,516,000
FY 2000 ³	41	33,710	44,836	5,649	8,281	\$55,775,000	\$41,791,000 ⁴	\$36,507,000
FY 2001 ⁵	43	42,721	59,408	6,952	10,506	\$55,928,000	\$41,791,000 ⁶	\$50,644,000 ⁷

Footnotes:

1. Adoption incentives are awarded for qualified adoptions made in the previous fiscal year
2. The shortfall represents the total funding needed to meet full bonus amounts.
3. FY 2000 figures are based on close to final data, but minor adjustments could result from State updates.
4. In response to a legislative requirement, \$22.516 million of the FY 2000 appropriation of \$41.791 million was used to pay the shortfall in adoption incentive awards from the previous year. This leaves \$19.275 million to pay for adoption incentive awards in FY 2000.
5. FY 2001 figures are based on preliminary data and are expected to change when final data are received.
6. This amount reflects the FY 2001 Administration budget request. The House enacted appropriations bill includes \$43 million. The Senate full committee bill includes the Administration's requested funding level.
7. This figure represents the amount needed to make up both the shortfall from FY 2000 (\$36.507 million) and the gap between the projected total cost and the Administration request for FY 2001 (\$14.137 million).

Subtitle D-Adoption Incentive Payments

**SEC. 131. INCREASED FUNDING FOR ADOPTION
INCENTIVE PAYMENTS.**

(a) SUPPLEMENTAL GRANTS. Section 473A of the Social Security Act (42 U.S.C. 673b) is amended by adding at the end the following:

"(j) SUPPLEMENTAL GRANTS.

"(1) IN GENERAL. Subject to the availability of such amounts as may be provided in advance in appropriations Acts, in addition to any amount otherwise payable under this section to any State that is an incentive-eligible State for fiscal year 1999, the Secretary shall make a grant to the State in an amount equal to the lesser of

"(A) the amount by which

"(i) the amount that would have been payable to the State under this section during fiscal year 2000 (on the basis of adoptions in fiscal year 1999) in the absence of subsection (d)(2) if sufficient funds had been available for the payment; exceeds

"(ii) the amount that, before the enactment of this subsection, was payable to the State

1 under this section during the fiscal year 2000

2 (on such basis); or

3 "(B) the amount that bears the same ratio to the
4 dollar amount specified in paragraph (2) as the amount
5 described by subparagraph (A) for the State bears to the
6 aggregate of the amounts described by subparagraph
7 (A) for all States that are incentive-eligible States for
8 fiscal year 1999.

9 "(2) FUNDING. \$36,500,000 of the amounts
10 appropriated under subsection (h)(1) for fiscal year 2001
11 may be used for grant under paragraph (1) of this
12 subsection".

13 (b) LIMITATION ON AUTHORIZATION OF
14 APPROPRIATIONS. Section 473A(h)(1) of the Social Security
15 Act (42 U.S.C. 673b(h)(1)) is amended to read as follows:

16 "(1) IN GENERAL. For grants under subsection (a),
17 there are authorized to be appropriated to the Secretary such
18 sums as may be necessary for each succeeding fiscal year."

File: FY '01
Appropriations

FACSIMILE TRANSMITTAL SHEET

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TO:

Ann O'Leary

FIRM:

CITY/STATE:

FAX NUMBER:

456-2878

FROM:

Andrea Behr
Program Assistant, Child Care and Development Division
Department of Programs and Policy

DATE:

7/20

TIME:

NUMBER OF PAGES SENT (INCLUDING COVER SHEET):

4

COMMENTS:

From

If you have any problems receiving this fax, please call (202) 662-3544.



For more information about CDF's national campaign to improve the quality and affordability of child care and after-school activities for America's children, call 1-800-CDF-1200, fax 202-662-3560, or email cdfchildcare@childrensdefense.org

July 19, 2000

«Title» «Firstname» «Lastname»
«Address»
«City» «Zip_Code»

Dear «Lastname»:

I urge you to take a strong stand for children by ensuring that the final FY 2001 Labor, Health and Human Services and Education Appropriations bill supports increased funding for the Child Care and Development Block Grant, Head Start, the 21st Century Community Learning Centers program for after-school activities, and for the college Campus-Based Child Care program.

Children need your strong leadership. Please include the following in the final FY2001 appropriations bill:

- An \$817 million increase in the Child Care and Development Block Grant available October 1, 2000, eliminating the House provision that would cut back CCDBG funding as of October 1, 2001 with a \$100 million set-aside for infant and toddler care, restoration of the research set-aside, and maintenance of the current set-asides for quality improvements, school-age care, resource and referral programs, and a national toll-free child care hotline.
- An increase of \$1 billion in Head Start to allow the program to reach 950,000 children.
- \$1 billion for the 21st Century Community Learning Centers after-school program to allow about 2.2 million children to have an opportunity to participate in after-school activities.
- An increase of \$10 million for the College Campus-Based Child Care program to increase the chances that low-income women will have the job opportunities they need to support their children and become self-sufficient.
- A \$10 million investment in a loan forgiveness program for child care providers to help them afford the education they need to work effectively with young children.

In any final Labor, Health and Human Services, and Education conference bill, please restore the cuts in the Children's Health Insurance Program (CHIP) and the Social Services Block Grant (Title XX). With recent estimates by the Congressional Budget

Office that the federal budget surplus will exceed \$40 billion this year, it makes no sense to cut programs for low-income children and families.

Sincerely,

9 to 5 National Association of Working Women
Alliance for Children and Families
American Academy of Childhood and Adolescent Psychiatry
American Association for Health Education
American Association of Family and Consumer Sciences
American Association of University Women
American Humane Association
American Medical Women's Association
ASPIRA Association
Camp Fire Boys and Girls
Center for Career Development in Early Care and Education
Cherokee Nationa
Child Care Action Campaign
Child Care Law Center
Children's Defense Fund
Committee for Hispanic Children and Families
Easter Seals
Ecumenical Child Care Network
Equal Right Advocates
Families Against Violence Advocacy Network
Girl Scouts of the USA
Jewish Council for Public Affairs
Labor Council for Latin American Advancement
Lutheran Office for Governmental Affairs
Lutheran Services in America
National Association for Child Care Resource and Referral Agencies
National Association for the Education of Young Children
National Association of Commissions for Women
National Association of Regulatory Administration
National Association of School Psychologists
National Black Police Association
National Coalition Against Domestic Violence
National Coalition for Campus Children
National Community Education Association
National Council of Jewish Women
National Council of Negro Women
National Council of the Churches of Christ in the U.S.A.
National Head Start Association
National Indian Child Care Association
National Institute on Out of School Time

National Latino Children's Institute
National Partnership for Women and Families
National Respite Coalition
National School-Age Care Alliance
National Women's Law Center
NETWORK, A National Catholic Social Justice Lobby
NOW Legal Defense and Education Fund
Providers Choice, Inc.
Quality Care for Children
Teaching Strategies, Inc.
The Children's Foundation
The Salvation Army
The United States Conference of Mayors
Union of Needletraders, Industrial and Textile Employees
United Cerebral Palsy Association
United Church of Christ Justice and Witness Ministries
United States Association for Child Care
Women of Reform Judaism
YWCA of the U.S.A.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 17, 2000

THE DIRECTOR

The Honorable C. W. Bill Young
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter provides the Administration's view on the Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 2001, H.R. 4577, as passed by the House and by the Senate. Your consideration of the Administration's views would be appreciated.

The President's FY 2001 Budget is based on a balanced approach that maintains fiscal discipline, eliminates the national debt, extends the solvency of Social Security and Medicare, provides for an appropriately sized tax cut, establishes a new voluntary Medicare prescription drug benefit in the context of broader reforms, expands health care coverage to more families, and funds critical investments for our future. An essential element of this approach is ensuring adequate funding for discretionary programs. To this end, the President has proposed new discretionary spending limits at levels that we believe are necessary to serve the American people.

Unfortunately, the FY 2001 congressional budget resolution provides inadequate resources for discretionary investments. We need realistic levels of funding for critical government functions that the American people expect their government to perform well, including education, national security, law enforcement, environmental protection, preservation of our global leadership, air safety, food safety, economic assistance for the less fortunate, research and technology, and the administration of Social Security and Medicare. Based on the inadequate budget resolution, this bill fails to address critical needs of the American people. If the bill presented to the President does not address the issues discussed below, the President would veto the bill.

The House-passed bill provides \$100 billion in program level funding, \$6 billion less than the request. A number of priority programs, including class size reduction, urgent school renovation, key health and social services programs, and worker training programs, are severely underfunded. While the Senate bill contains higher funding levels for a number of important programs compared to the House bill, the Senate-passed bill makes unacceptable funding cuts in critical programs such as the Social Services Block Grant, shifts funds from the State Children's Health Insurance Program, fails to ensure funds to reduce class size and repair crumbling schools, and includes an unacceptable "patient protection provision."

Further, the Administration has concerns with several objectionable language provisions included in both the House- and Senate-passed versions of the bill. In particular, the Administration strongly opposes the provision included in both bills that would bar the Department of Labor from finalizing its standard to protect the Nation's workers from repetitive motion injuries.

However, the Administration would welcome the opportunity to engage in a serious discussion about long overdue policy and financing commitments for health care and education.

Unfortunately, the Senate-passed bill includes a provision that falls short of a real Patients' Bill of Rights. It would: leave more than 135 million Americans without the guarantee of full protections; allow health plans to subject patients accessing emergency care to high financial penalties; fail to guarantee access to necessary health care specialists; fail to provide access to important clinical trials; and establish a wholly inadequate enforcement mechanism that prevents patients from holding health plans accountable when they make harmful decisions. Moreover, it includes poorly targeted and regressive tax policies that would do little to expand coverage, would be extremely expensive per newly insured person, and would further segment healthy from unhealthy populations.

It is imperative that we take this opportunity to work together to pass a bipartisan, real, and enforceable set of patient protections that restore public confidence in the nation's health care delivery system. In addition, we should make a strong down-payment towards expanding coverage for the currently uninsured and providing assistance to the chronically ill in need of long-term care assistance and their caregivers.

The Administration is pleased that the Senate bill responds to the Vice-President's proposal included in the Mid-Session Review to take Medicare off-budget. However, the Senate-passed bill includes two competing versions of a Medicare lockbox. The version offered by Senators Conrad and Lautenberg, which we note attracted stronger support in the Senate, would actually take the Medicare HI Trust Fund off-budget, through provisions that parallel the current treatment of Social Security. The alternative proposed by Senator Ashcroft stops short of that goal, and only places the Medicare HI Trust Fund *surpluses* off-budget, not the entire Trust Fund. The Administration urges Congress to pass legislation that takes Medicare off-budget, just as we have done for Social Security.

In order to ensure that we have a comprehensive and complementary approach to education, it is necessary to significantly enhance our discretionary investments in education in the context of our tax policy. It is hard to resolve these issues outside of the context of an overall budget framework. The President's FY 2001 budget includes a number of tax provisions that complement our funding requests, and further respond to our Nation's education needs. The President's budget proposes \$39 billion in education tax expenditures over 10 years, including tax credits for school construction and modernization bonds to help ensure that children are being taught in modern facilities, and the College Opportunity Tax Cut, which will help make college more affordable for American families.

The funding issues in this bill should be addressed in the context of an overall budget framework. Detailed discussions of the issues are provided in the enclosure. We look forward to working with the conferees to address our mutual concerns.

Sincerely,



Jacob J. Lew
Director

Enclosure

Identical Letter Sent to The Honorable C. W. Bill Young,
The Honorable David R. Obey, The Honorable John E. Porter,
The Honorable Ted Stevens, The Honorable Robert C. Byrd,
The Honorable Arlen Specter, and The Honorable Tom Harkin

Enclosure
(Conference)

**H.R. 4577 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2001**
(As Passed by the House and by the Senate)

Department of Education

The House and Senate bills would undermine our Nation's commitment to improving our schools. While the President and Vice President's budget reflects their ongoing commitment to investing more in our schools while also demanding more from them, the House cuts \$2.9 billion from the President's overall FY 2001 request for the Department of Education. While the Senate bill is a significant improvement over the House, both bills fail to fund adequately key education priorities, including efforts to strengthen accountability and turn around failing schools, reduce class sizes, improve after-school and summer-school opportunities, increase school safety, renovate aging and neglected schools, improve teacher quality, and prepare students for college. The Administration urges the conferees to provide the requested level of funding for these vital programs. The most significant problems with the bill include the following:

- Class Size Reduction. Both the House- and Senate-passed bills fail to guarantee funding for the third installment of the President's initiative to hire 100,000 new teachers by FY 2005 to reduce class sizes to a nationwide average of 18 in the primary (K-3) grades. Both bills effectively repeal the bipartisan agreement on class size reduction, jeopardizing the Federal commitment to hire as many as 20,000 new teachers next year and to continue support for the estimated 29,000 teachers already hired. As many as 2.9 million children could be denied the benefits of smaller classes. Research demonstrates that lowering class sizes in the early grades has a lasting effect on raising student achievement, with the benefits lasting through high school. Every State applied for and received funding in FY 1999 and FY 2000, and preliminary State reports show that approximately 1.7 million children will benefit from the funding provided in the last two years. The House and Senate bills could reverse that progress, while denying even more children the opportunity to learn in smaller classes. The Administration urges the conferees to provide the President's requested funding level and authorization language for this program.
- Urgent School Renovation. Neither the House nor the Senate provides dedicated funding for the President's initiative to provide \$1.3 billion in loan subsidies and grants for emergency repairs to 5,000 of America's most aging and neglected public school buildings, including \$50 million for public schools with high concentrations of Native American students. An estimated \$127 billion is needed to bring America's schools into good overall condition. An estimated 3.5 million students attend schools that need major repairs or replacement.

- Accountability. Both the House- and the Senate-passed bills fail to focus on results and increase accountability for student success. The bills do not provide funding for the Title I Accountability Fund that helps States and districts turn around low-performing schools and increase public school choice and competition. As a result, States and districts would not receive targeted funds to turn around nearly 6,000 failing schools and improve student achievement. Also, the House bill cuts \$166 million from the President's request for Title I Grants to LEAs, reducing or eliminating services to more than 260,000 disadvantaged students. In addition, both bills fail to provide funds for the proposed Reward and Recognition program that would reward States that show significant gains in student achievement and that narrow the achievement gap between high- and low-performing students.
- 21st Century Community Learning Centers. Both the Senate and House bills cut the \$1 billion request by \$400 million, denying funding for over 3,000 centers that would provide after- and summer-school programs to over one million children. Extended learning time is an essential strategy to help all students master challenging academic material and reach high standards. The conferees should fully fund the request, which would support nearly 18,000 after-school and summer-school centers serving an estimated 2.5 million children. We also oppose the Senate amendment that makes community-based organizations (CBOs) eligible for 21st Century grants on the same basis as a school, thus eroding the link between after-school programs and in-school instruction. We prefer the Administration's proposed authorizing legislation allowing up to 10 percent of the appropriated funds to be awarded to CBOs that work with schools to create high-quality after school programs.
- Teacher Quality. The House and Senate bills fail to provide funding for the proposed \$1 billion Teaching to High Standards teacher quality programs. The House bill does not guarantee funding for professional development for teachers, and the Senate bill would cut \$255 million from the President's \$690 million professional development request. The President's overall request for Teaching to High Standards programs also includes \$310 million for teacher quality and recruitment initiatives of national significance such as Hometown Teachers, Early Childhood Educator Professional Development, the School Leadership Initiative, and Higher Standards-Higher Pay. Neither the House nor the Senate has provided any funding for these programs. Nor have they provided the requested \$25 million to continue and to expand the very successful Troops to Teachers program. The new Troops to Teachers: Transition to Teaching program will continue to offer former military personnel training in education and placement in high-need districts and subject areas, while expanding to offer more mid-career professionals the same opportunity. Finally, the Senate bill fails to provide the President's budget request of \$45 million for Special Education State Improvement. This \$10 million increase would support professional development related to the needs of children with disabilities.

- GEAR UP. The FY 2001 Budget provides \$325 million for GEAR UP, a \$125 million increase over FY 2000, to support early intervention and college preparation services for approximately 1.4 million disadvantaged youth. The House bill provides no increase in funding for GEAR UP, denying services to as many as 644,000 students. While the Senate bill provides a \$25 million increase, this level, \$100 million below the request, would deny services to more than 400,000 students.
- Hispanic Education Action Plan. The President's budget requests an increase of over \$800 million to support programs that serve large numbers of Hispanic Americans. Hispanic Americans are the fastest-growing population in America, and eliminating disproportionate gaps in their education achievement is key to America's economic success. The House underfunds this request by over \$650 million, and the Senate underfunds it by over \$200 million. Also, the House bill includes none of the \$48 million requested increase for Bilingual Education, and the Senate bill provides \$17 million less than the President's request. These cuts would deny indispensable services to this underserved population, seriously hampering the progress of Hispanic Americans in reaching the high academic standards expected of all students.
- Safer Schools. The House bill provides inadequate funding for Safe and Drug Free Schools and Communities National Programs. In addition, neither the House nor the Senate provides funding for Project SERV, which would provide critical emergency assistance and support to schools that have suffered traumatic violence such as school shootings and other crises. The Administration urges the conferees to adopt the requested level for National Programs and Project SERV.
- Small, Safe and Successful High Schools. Both the House and Senate provide inadequate funding for Small, Safe, and Successful High Schools, denying as many as 400 high schools support to establish or expand smaller learning communities of no more than 600 students. Research shows that when students are a part of a small and more intimate learning community, they are more successful both academically and socially.
- Community Technology Centers. The President's FY 2001 Budget provides funding for 1,000 new Community Technology Centers that would offer access to computers and technology, particularly educational technology, to thousands of adults and children in high-poverty areas. The House bill would not fund over 700 of these centers, and the Senate bill fails to fund over 300 of these centers.
- Technology and the Digital Divide. The FY 2001 Budget requests \$903 million for efforts to bridge the digital divide by providing technology training to teachers, and by supporting the community technology centers noted above. The House bill would eliminate training for over 100,000 teachers through Preparing Tomorrow's Teachers to Use Technology. The Senate bill would eliminate training for about 40,000 teachers. The House and Senate bills also fail to provide funding to expand cutting edge technologies to improve education through the Next Generation Technology Innovation

program. Neither the House nor the Senate bill includes the \$10 million requested by the President for technology training for teachers in the Mississippi Delta Region. This funding is critically needed to bolster the long-term economic strength of that region.

- English Literacy Civics. The budget requests \$75 million for the Adult Education English Literacy/Civics initiative. The House provides nearly \$50 million less than the request, and the Senate bill does not provide any of the requested funds. The Senate level would deny 250,000 immigrants and limited English proficient adults the literacy and civics skills necessary to become successful participants in American society.
- Reading Excellence. The House bill cuts the President's \$286 million request for Reading Excellence by \$26 million, denying 100,000 students the help they need to become successful at reading, the cornerstone of all learning.
- Comprehensive School Reform Demonstrations. The Senate bill fails to provide the \$240 million (\$190 million in Title I and \$50 million under the Fund for the Improvement of Education) requested to help schools implement comprehensive school reform programs that are based on reliable research and effective practices. As a result, support for 1,000 schools currently receiving funds would be discontinued, and 2,200 new schools would not receive support to improve student achievement through research-based school reforms.
- Technology for Individuals with Disabilities. The FY 2001 Budget requests \$100 million for the National Institute on Disability and Rehabilitation Research (NIDRR), a \$14 million increase. The increase includes \$5 million to provide technical assistance to elementary, secondary and postsecondary schools on accessible information technology for students with disabilities. The budget also requests \$41 million for Assistive Technology, a \$7 million increase, including \$15 million for alternative loan financing programs that help individuals with disabilities purchase assistive technology. The House bill fails to provide either of these requested increases. The Senate bill provides \$5 million less than the President's request for NIDRR and, while the Senate provides the budget's funding request for Assistive Technology, it targets \$8 million less toward alternative loan financing.
- Opportunities to Improve our Nation's Schools (OPTIONS). The conferees are urged to fully fund this \$20 million initiative to support innovative public school choice programs such as worksite schools and inter-district choice programs. Not funding this initiative would deny 40 States and districts support to develop and implement new models for enhancing public school choice and increasing healthy competition.
- Dual Degree Program. Both the House and Senate bills fail to provide funding for Dual Degree Programs for Minority-Serving Institutions, the President's initiative to increase academic opportunities for students at minority-serving institutions. Failure to fund Dual Degree Programs would deny up to 3,000 students the chance to earn two degrees in five years and enter professions in which minorities are underrepresented.

- American Indian Administrator Corps. The President's budget requests \$5 million to recruit, train, and provide inservice professional development for approximately 200 Native American teachers and professionals. The House bill fails to provide any funding for this purpose.
- Research and Statistics. Both the House and Senate bills fail to support the budget's requested \$30 million increase for education research and the \$16 million increase for statistics. The House bill fails to provide the \$10 million requested increase for Special Education Research and Innovation. Now, more than ever, teachers, parents, and policymakers are demanding research-based information about which education reforms work and why. The requests for the Department of Education's research investments, such as the Interagency Education Research Initiative, are vital to generating such a knowledge base for improving student performance. The conferees are urged to provide the requested levels for these programs, \$199 million for research, \$84 million for statistics, and \$74 million for Special Education Research and Innovation.
- Departmental Management. Neither the House nor the Senate provides critical increases in administrative funding requested for the Department of Education. These funds are necessary to ensure proper oversight and management of Federal education programs. The inadequate funding provided by the House and Senate for the Office for Civil Rights (OCR) would hamper the efficient resolution of complaints, threaten a return to onerous backlogs, and curtail new technical assistance activities that allow OCR to work proactively with customers to prevent discrimination before it occurs.
- America's Tests. The Administration objects not only to the lack of funding for America's Tests in the House bill, but also to the House's language limitation that would halt the President's efforts to help States and parents raise academic standards through any federally sponsored national test, including the Administration's proposed voluntary national test. The bill's language would prohibit development, pilot testing, field testing, implementation, administration, and distribution of the tests, unless explicitly authorized. This language prohibition undermines Federal efforts to promote high standards and strengthen accountability for all students.
- Department of Education One-Percent Transfer Authority. The House bill would eliminate the Department of Education's authority to transfer funds between appropriations. The Department has used its transfer authority only once, to finance the agency's financial audit. The Administration urges the Congress to maintain this authority, which the Department will continue to use prudently -- and only if necessary -- to respond to unforeseen needs.

Department of Health and Human Services

Both the Senate and House bills shortchange critical health and social services programs by cutting requested funding for the Social Services Block Grant, domestic and global HIV/AIDS prevention and treatment, mental health and substance abuse services, family planning, health care access for the uninsured, training for health professionals in children's hospitals, nursing home quality, child care and oversight of Medicare contractors. The bills also include numerous extraneous provisions that would have a detrimental effect on health policy. The Administration is concerned about the following cuts to key health and social services programs and urges the conferees to provide the requested level of funding:

- Head Start. The House provides \$600 million less than the request of \$6.3 billion for Head Start. This cut from the requested level would result in 50,000 fewer children receiving services and would severely restrict the funding of critical legislatively mandated quality assurance activities. The Administration strongly urges the conferees to fund Head Start at the requested level, as in the Senate bill.
- Child Care Development Block Grant (CCDBG). At the House level, which is \$417 million below the President's request, 80,000 fewer children would receive child care services. The Administration strongly urges the conferees to fund CCDBG at the requested level of \$2 billion, as in the Senate bill, and to include the Administration's proposed set-asides for activities to improve infants and toddler care and child care research, and for a child care services toll-free hotline.
- Social Services Block Grant (SSBG). The President's budget proposes to fund SSBG at \$1.8 billion to maintain funding at the FY 2000 level, including \$25 million for "second chance homes" for teen parents. Neither the House nor the Senate bill meets this request. The House bill provides \$1.7 billion, the level authorized for FY 2001 and a reduction of \$75 million from the FY 2000 level. The Senate bill would cut SSBG by \$1.2 billion from the FY 2000 level. At the current level, State and local programs serving vulnerable populations already make do with \$1.0 billion less in SSBG funding than they received in FY 1995. The House bill would further undermine these programs, while the magnitude of the cut in the Senate bill would guarantee reductions in child protection, foster care, and adoption services, as well as services for the elderly and the disabled across the country. The Administration strongly urges the conferees to fund SSBG at the requested level.
- State Children's Health Insurance Program (SCHIP). The Administration is concerned about the proposed funding shift in SCHIP in the Senate bill. SCHIP was enacted on a bipartisan basis in 1997 to cover millions of uninsured children. The shift included in the Senate bill has the potential to disrupt State funding and efforts to reach eligible, low-income uninsured children. The Administration opposes using unspent SCHIP funds for any other purpose.

- Tobacco Litigation. Neither the House nor the Senate includes requested Department of Health and Human Services (HHS) funding to support the Department of Justice's tobacco litigation efforts. The costs of preventing and treating tobacco-related disease exceed \$50 billion per year, and HHS pays a substantial portion of these costs. The tobacco litigation is in full accord with the HHS mission and is vital to efforts to improve the health of all Americans. We strongly urge the conferees to provide funding for the Federal Government's efforts to recover health care costs incurred as a result of tobacco-related illnesses.
- Family Caregivers. The budget requests \$125 million to support caregiver activities for 250,000 families who care for elderly relatives with chronic illness or disabilities. These funds would provide older persons with quality respite care and other support services necessary for them to remain independent in their homes and communities. Neither the House nor Senate funds this activity, which can be funded under existing legislative authority
- Ryan White HIV/AIDS Treatment. The Senate bill would reduce requested funding by \$70 million. This funding would enhance medical services, including pharmaceuticals, for people living with HIV/AIDS currently served by Ryan White funds, and provide access to services for people living with HIV/AIDS who are not receiving care. Ryan White currently serves approximately 500,000 people living with HIV/AIDS, nearly two-thirds of the individuals living with HIV/AIDS in the United States. We urge the conferees to fund Ryan White at the requested level, as in the House bill.
- Health Care Access. Both the House and Senate underfund the Community Access Program that would improve health care access for many Americans. The \$125 million request for the Community Access Program Initiative would enable the development of integrated systems of care and better coordinate health services for the uninsured and underinsured.
- Native American Program. The House level reduces funding for Native American Programs by \$5 million. The Administration's request for \$44 million includes an initiative that gives special attention to energy development and creation of tribal codes and ordinances. The conference should fully fund the Administration's request.
- Mental Health Services. The House bill reduces funding for mental health services by \$40 million and the Senate bill by \$69 million from the requested level. The Senate cut includes a \$50 million reduction to the Mental Health Block Grant that could hamper the ability of States to support comprehensive community systems of care for adults with severe mental illness and children with serious emotional disturbances. Both the House and Senate bills ignore the \$30 million request for new Targeted Capacity Expansion grants, which fund early intervention and prevention, as well as local service capacity expansion.

- Substance Abuse Prevention and Treatment. Total funding for substance abuse services is reduced from the requested level by \$54 million in the House bill and by \$23 million in the Senate bill. Funding for Targeted Capacity Expansion grants is reduced by \$30 million from this request in the House bill, and by \$44 million in the Senate bill. These cuts would reduce the ability to provide a rapid, strategic response to emerging substance abuse trends and would result in a reduction in prevention and treatment services for those struggling with substance abuse. The House bill's reductions to knowledge, development, and application grants would decrease the capacity to gain and implement new knowledge on the most effective treatments available. The House bill also eliminates funding for High Risk Youth Grants, which would end current efforts to provide science-based prevention and intervention services to prevent youth drug, tobacco, and alcohol use. In addition, the House bill does not provide \$12 million in Public Health Service evaluation funds for National Data Collection efforts as requested in the President's budget.
- Family Planning. Both the House and Senate do not include the full \$35 million increase requested for Family Planning services. This increase would provide family planning services to an additional 500,000 clients who neither are Medicaid eligible nor have health insurance.
- Children's Hospitals Graduate Medical Education/Health Professions Training. The Senate bill combines and reduces funding for health professions training by \$67 million from the request. At this level, it may not be possible to fund Children's Hospital Graduate Medical Education (GME) at the requested level of \$80 million. These funds are necessary to support medical education programs at the Nation's free-standing children's hospitals, which receive a very small share of Medicare GME dollars.
- Ricky Ray Hemophilia Relief Fund. The Senate bill does not provide requested funding for the Ricky Ray Trust Fund. The Administration urges the conferees to fully fund the FY 2001 request of \$100 million. Combined with the President's Mid-Session Review proposal, these funds will fully finance the Ricky Ray Trust Fund and ensure that each eligible hemophiliac who contracted HIV/AIDS or their families receive a \$100,000 relief payment.
- Centers for Disease Control and Prevention (CDC). The Administration strongly urges the conferees to fully fund the President's request for the Centers for Disease Control and Prevention. The House bill does not fund the requested increases for some of CDC's important activities, including: \$26 million requested for infectious diseases and food safety, \$5 million increase for vaccine safety, and the \$5 million increase for National Institute for Occupational Safety and Health.

The Senate bill reduces CDC's funding by \$67 million below the request for many critical public health programs, including domestic and global HIV prevention, infectious diseases, food safety, syphilis elimination, and tuberculosis. These reductions could impair CDC's ability to reduce the number of new HIV infections and hamper efforts to

improve surveillance for infectious diseases. It also funds race and health demonstrations at \$5 million below the request, slowing CDC's ability to understand better and address racial disparities in health. The Senate bill requires CDC to earmark funds for specific activities within CDC's existing totals for infectious diseases and environmental disease prevention. These earmarks could hinder CDC's ability to carry out its other public health activities.

- Bioterrorism. The Administration urges the conferees to provide the President's request of \$265 million for HHS to respond to chemical and biological terrorist incidents. Adversaries are expected to rely increasingly on these unconventional strategies to offset U.S. military superiority. The funds requested would improve our ability to defend against and manage the consequences of an attack.
- Agency for Healthcare Research and Quality (AHRQ). The House bill funds AHRQ at a program level of \$224 million, \$26 million below the request of \$250 million. While it includes the requested \$20 million for research on medical errors, it reduces all other research areas. Such a reduction would impair AHRQ's ability to fund important new research on worker health, health care costs and quality, and to apply advances in information technology to health care. The Administration urges the conferees to provide full funding for AHRQ through one-percent evaluation funding, as requested in the President's budget.
- Health Care Financing Administration (HCFA) Program Management. The House bill funds HCFA at a program level of \$1.9 billion, \$207 million below the FY 2000 enacted level and \$359 million below the request. The Senate bill funds HCFA at a program level of \$2.1 billion, which is \$55 million below the FY 2000 enacted level and \$207 million below the FY 2001 request of \$2.3 billion. These reductions would threaten the Administration's efforts to ensure the quality and safety of nursing homes by forcing States to scale back or eliminate facility inspections and complaint investigations, and would threaten the Administration's efforts to tighten oversight of Medicare's contractors as directed by recent General Accounting Office and Office of the Inspector General reports. Additionally, the Senate has provided only \$15 million to \$19 million of the President's request of \$150 million in Medicare+Choice user fees, which would be used to educate beneficiaries, enabling them to make informed health decisions.
- Rural Health Outreach. The House bill underfunds this important activity that would support the creation of innovative solutions to health care delivery system problems in rural America. A specific focus in FY 2001 that would be lost is the improvement of a wide range of services, including primary care, dental care, mental health care, and emergency services, to the residents of 180 rural counties in the Mississippi Delta region. The Administration urges the conferees to fully fund these activities.

- Patients' Bill of Rights. The Senate bill includes a modified version of the Senate's Patients' Bill of Rights. These provisions are unacceptable, primarily because they apply only to a subset of Americans with health insurance and provide inadequate protection for those they cover. Furthermore, these measures would eliminate some of the limited accountability provisions now in State law. In addition, the bill includes expensive, inefficient health care tax proposals like Medical Savings Accounts and a tax deduction for individually-purchased health insurance. The Administration urges Congress to pass a strong, enforceable Patients' Bill of Rights like the Dingell-Norwood bill passed by the House last year.
- Medicare Lockbox. The Administration called for taking the Medicare Hospital Insurance (HI) Trust Fund off-budget in the June Mid-Session Review and strongly supports the concept of a Medicare lockbox. Of the two proposals in the Senate-passed bill, we prefer the lockbox offered by Senators Conrad and Lautenberg, which would take the entire Medicare HI Trust Fund off-budget rather than place only the Medicare HI Trust Fund *surpluses* off-budget, as in the Ashcroft amendment. In addition, we believe the Conrad-Lautenberg amendment has a more effective enforcement mechanism. Finally, the Ashcroft amendment includes a provision prohibiting the President from proposing a budget that recommends an on-budget deficit. This section is constitutionally objectionable because it would undermine the President's ability to fulfill his constitutional duties under the Recommendations Clause.
- Genetic Discrimination. The Administration has long advocated for strong, enforceable protections against health care and employment genetic discrimination. While the Senate-passed Republican provision takes the long overdue step of prohibiting the use of predictive genetic information in health insurance plans in the individual market, it has no limitations on the disclosure of this information, allowing providers to share this information with employers and financial institutions. Beyond this serious privacy protection shortcoming, the provision also fails to provide a strong enforcement mechanism that allows Americans who have been harmed by inappropriate use of genetic information to hold health plans accountable. Moreover, this provision does not even address the issue of discrimination in the workforce, leaving millions of Americans vulnerable to adverse employment actions. Legislation currently pending, sponsored by Senator Tom Daschle, would adequately address all these shortcomings, and we would urge the Conferees to adopt it prior to final action on the Labor-HHS Appropriations Bill.
- Needle Exchange. The Administration objects to the House bill's unconditional ban on the use of funds appropriated in the bill for needle exchange programs. The Administration urges the conferees to make the use of funds for such programs contingent upon certification by the Secretary of Health and Human Services that these programs are effective in reducing the transmission of HIV and do not increase drug abuse, as proposed in the budget and included in the Senate bill.

- Abortion. The Administration urges the House and Senate to strike sections 508 and 509 of the bills, which would prohibit the use of funds for abortion. The President believes that abortion should be safe, legal, and rare. These provisions would continue to limit the range of conditions under which a woman's health would permit access to abortion services. Furthermore, section 509 would require a physician to make a legal determination that these conditions have been met. The Administration proposes to work with the Congress to address the issue of abortion funding.
- Emergency Contraception. The Administration is concerned about the restriction of public health funds for emergency contraception health care services in primary and secondary schools. Publicly funded health clinics will continue to encourage sexual abstinence and responsible contraception use among teenagers. Taking action to decrease emergency contraception services could halt or reverse the decline in adolescent pregnancy. In addition, decisions about what kinds of services should be provided in these settings are more appropriately left to local decision-makers -- who can take into consideration their community's health needs.
- Use of Restraints/Seclusion. The current Senate amendment on the rights of residents of certain health care facilities contains several inconsistencies with current HCFA regulations governing Medicare and Medicaid facilities. Most notably, the amendment takes a uniform approach, while current HCFA policy addresses the use of restraints and seclusion on a facility-by-facility basis. We would like to work with Congress to address these inconsistencies while furthering the enhanced reporting and other objectives of the proposed amendment.
- HHS One-Percent Transfer Authority. The Administration objects to the reduction in the transfer authority of HHS made by the House. The House bill would exclude the Centers for Disease Control and Prevention from this authority. This language would restrict the ability of HHS to respond to situations like the West Nile virus when \$2.3 million was transferred to CDC in FY 2000 to increase activities in response to this disease. The Administration strongly urges the conferees to maintain the Department's flexibility to address emerging issues.
- Unique Health Identifier. We urge the conferees to strike any provision limiting the ability of HHS to issue final standards required by the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The House bill would effectively prohibit HHS from issuing all of the required identifier standards (including the health plan and provider and employer identifiers), which are critical elements of HIPAA's goal to increase efficiency and decrease costs. The Senate bill would prohibit HHS from promulgating a unique health identifier for individuals. This prohibition is unnecessary, as the Administration's stated policy is that the unique health identifier will not go forward until comprehensive privacy protections are in place.

- Medicare Competitive Pricing Demo Project. The Senate bill includes language that would prevent funds from being used to administer the Medicare+Choice Competitive Pricing Demonstration Project. This demonstration was passed by Congress as part of the Balanced Budget Act in order to provide valuable information regarding the use of competitive pricing methodologies in Medicare managed care. The information that could be learned from this demonstration is particularly relevant as the important task of Medicare reform is being considered. The Administration urges the conferees to remove this provision and to allow HCFA to implement the demonstration.
- Individual Development Accounts. Neither the House nor Senate fully funded the President's budget request of \$25 million to promote savings among low-income individuals for a first home, post-secondary education, to start a new business, or, under the Administration's proposal, a car that will allow them to get or keep a job. The Conference should fully fund the President's request.
- Battered Women's Shelters. The House provides \$15.8 million less than the President's request for \$116.9 million. The Administration urges the conferees to fund Battered Women's Shelters at the requested level, as in the Senate bill. Nearly 2 million American women experience domestic or sexual violence each year. The Federal investment in services proposed will help provide services for these women.

Department of Labor

The House- and Senate-passed bills cut the Labor Department by \$1.7 billion and \$0.9 billion from the request, respectively. These deep cuts would undermine worker training programs aimed at closing the skills gap, preparing workers for the 21st century, and helping employers reach out to an untapped pool of workers. These reduced levels of funding would also hamper efforts to help low-income fathers work, support their families, and stay off welfare. In addition, the levels would impair the Department's efforts to enforce domestic child labor laws and to reduce child labor in developing countries around the world. In all cases where Congress has underfunded these and other vital programs, the Administration urges the conferees to provide the requested level of funding.

The Administration strongly opposes language in the House and Senate bills that would prohibit the Occupational Safety and Health Administration (OSHA) from finalizing its standard to protect the Nation's workers from repetitive motion injuries. Each year, approximately 1.8 million American workers suffer musculoskeletal disorders (MSDs) such as carpal tunnel syndrome and lower back injury. One-third of MSDs are serious enough to require time away from work. OSHA's proposed standard would reduce the number of MSDs by an estimated 26 percent within 10 years, resulting in approximately three million fewer MSDs during this period. After more than 10 years of experience with ergonomic guidelines, exhaustive scientific study, months of public input on the proposed rule and years of public consultation before that, as well as millions of unnecessary injuries, it is time to move forward to finalize this standard.

The Administration's most significant concerns with the House- and Senate-passed versions of the bill include the following:

- Dislocated Worker Assistance. The House bill cuts the Dislocated Worker Assistance program by \$389 million below the requested level and \$207 million below the FY 2000 level. The House level would deny training, job search, and re-employment services to over 216,000 dislocated workers. The Senate bill cuts Dislocated Workers by \$181 million – denying services to over 100,000 dislocated workers.
- International Labor Activities. The FY 2001 Budget requests \$167 million, a \$97 million increase over FY 2000, to enhance several critical international labor activities aimed at improving working conditions in developing countries, eliminating and improving educational alternatives to abusive child labor abroad, and addressing HIV/AIDS in the workplace. The House bill eliminates the \$97 million increase. The Senate provides \$125 million (including a \$10 million transfer from the Department of Health and Human Services), \$42 million below the President's request. While the Senate fully funds the proposed expansion of the International Labor Organization's International Program for the Elimination of Child Labor, it funds only \$15 million of the requested \$55 million for the President's new initiative to improve educational systems abroad to help reduce exploitative child labor.
- Youth Opportunity Grants/Youth Activities. The House bill would cut the Youth Opportunity Grants program by \$200 million below the President's request and \$75 million below the FY 2000 level, denying 45,000 youth in high poverty areas access to vital education, training, and employment assistance. The Senate bill would cut Youth Opportunity Grants by \$125 million below the request, denying services to 27,000 youth. In addition, both bills cut the Youth Activities program by \$21 million below the requested level, eliminating job training and education opportunities for 13,000 disadvantaged youth.
- Fathers Work/Families Win. Both the House and Senate bills fail to support the President's new Fathers Work/Families Win initiative, for which the Administration has requested \$255 million. Building on the partnerships developed under Welfare-to-Work, this important initiative would help approximately 80,000 low-income fathers and working families get the support and skills necessary to support their families and avoid welfare.
- One-Stop Career Center/America's Labor Market Information System. The House bill provides none of the \$154 million requested for the One-Stop Career Center system, undermining the foundation of the new workforce investment system intended to ensure access to the information and services of One-Stop Career Centers for all Americans. The Senate bill fails to fund the President's requested \$44 million in enhancements for One-Stops that would improve access to these services for millions of Americans. Among these enhancements is the \$10 million requested for America's Agricultural Labor Network (AgNet), a vital tool that will link domestic farm workers with agricultural employment.

- Youth Violence. The House bill rejects the \$40 million requested to add the Department of Labor to the interagency Safe Schools/Healthy Students (SS/HS) initiative and provides only \$14 million of the \$75 million requested to bring young offenders into the workplace through job training and related services. The Senate bill includes only \$20 million of the \$40 million requested to enable the Department of Labor to join SS/HS and only \$30 million of the \$75 million requested for Responsible Reintegration of Young Offenders.
- Adult Job Training Program. The House bill would cut funding for adult training by \$93 million, or 10 percent, below the FY 2001 request and FY 2000 enacted levels, eliminating training services for over 37,000 of the 380,000 adults who would otherwise be served in FY 2001. The Administration urges the conferees to provide the requested level, as in the Senate bill.
- Re-employment Services. The Administration urges the conferees to provide the full \$50 million requested to provide job finding assistance to 222,000 unemployment insurance claimants to speed their re-entry into the work force. The House bill eliminates the \$50 million request, and the Senate provides only half of the request.
- Disability Initiative. The House bill does not fund the President's \$23 million proposal to enhance the Department's leadership in helping people with disabilities enter, re-enter, and remain in the workforce through the establishment of a new disability office. The conferees should provide the President's request, as in the Senate bill.
- Unemployment Insurance (UI) Administration. The budget requests \$2.4 billion for unemployment insurance administrative costs. Both the House and Senate adopted the President's proposal to restructure UI administrative funding to bring it in line with modern service delivery systems but provide less than necessary to administer the UI benefit entitlement program, even under continuing favorable economic conditions. The House bill cuts \$93 million from the request, holding funding at the FY 2000 level, while the Senate provides \$76 million less than necessary.
- Worker Protection Programs. The budget requests \$1.2 billion for programs that protect the safety, pensions, and wages of workers. The House bill provides \$92 million less than requested, essentially freezing these programs at the FY 2000 level. The House bill falls far short of what is needed to protect workers health and safety on the job, address serious compliance problems in low-wage industries (including the garment and agriculture industries) and expand public education on retirement savings and health plans. While the Senate fully funds the request for worker safety and health programs, it provides \$18 million less than requested for other critical worker protection programs.
- Homeless Veterans. The budget requests \$15 million for job assistance to homeless veterans. The \$5 million cut to the request in the House bill would result in over 3,000 fewer homeless veterans obtaining meaningful employment and economic security. The Senate cuts \$2.5 million from the request.

- Information Technology. The FY 2001 Budget requests \$54 million for an information technology initiative that would address information security, infrastructure and web development, and office automation needs in a more efficient and comprehensive manner. This initiative would enhance the Department's ability to implement its responsibilities and expand its Internet capacity to serve employers and the public better. The House bill denies the request, while the Senate provides only \$30 million of the \$54 million requested.
- National Economic Indicators. The House bill cuts the President's request for the Bureau of Labor Statistics by \$14 million, the Senate bill by \$7 million. Each resulting level would curtail improvements in price, output, and productivity indicators for the service sector; threaten planned enhancements in the employment and unemployment data on which State and local governments rely; and jeopardize surveying how Americans spend their time in work and non-work activities, including child and elder care.
- Pension Benefit Guaranty Corporation (PBGC). The House funds the PBGC's discretionary and mandatory operations at last year's level, \$12 million less than the President's request, while the Senate cuts \$4 million from the request. If underfunded, PBGC would be unable to expedite the determination of retirees' benefit levels, as the Senate Committee on Aging has requested, or provide proper investment management for its expanding portfolio.

Funding for Program Administration.

The Senate bill includes over \$200 million in cuts to the administrative funds of the Departments Labor, Health and Human Services, and Education. The Administration strongly objects to these across-the-board cuts because they fail to consider the effect on underlying programs and essential agency management activities. Although the House bill does not include an across-the-board cut for administrative activities, the House levels are inadequate in certain key areas.

Related Agencies

- Social Security Administration. The House and Senate have cut \$163 million and \$127 million, respectively, from the President's \$7.2 billion request for administration of Social Security programs. At the House or Senate funding levels, the Social Security Administration would not be able to hire thousands of direct service employees, resulting in longer wait times for individuals filing retirement and disability claims, and diminished service for individuals who call the agency's 1-800 phone service.
- National Labor Relations Board. The President's budget requests \$216 million for the National Labor Relations Board (NLRB). The House bill would freeze the NLRB at the FY 2000 enacted level, \$10 million, or five percent, below the President's request. As a

result, NLRB would be forced to curtail backlog reduction efforts, essential training, and information technology investments. The conferees should provide the requested level, as in the Senate bill.

- Corporation for National and Community Service. The House fails to provide the requested \$18 million increase for the Corporation for National and Community Service. The Senate provides \$302 million, \$11 million below the President's request. The request of \$313 million would enable thousands of older American the opportunity to provide service to their communities, expand AmeriCorps VISTA projects in low-income communities that focus on bridging the digital divide, supporting efforts to help more people move from welfare to work, and improving literacy.
- Corporation for Public Broadcasting. The Administration appreciates that the House and the Senate bills fully fund the Corporation for Public Broadcasting's (CPB) FY 2003 request for general programming and system support. However, the Administration is concerned that, while the Senate bill fully funds CPB's digital transition initiative in FY 2001, the House bill provides no funding. We urge the conferees to provide the requested \$20 million in FY 2001, to help ensure that the public broadcasting system can meet the federally-mandated May 2003 deadline for digital broadcasting.

Internet Access in Schools and Libraries

The Administration strongly supports efforts to ensure that schools and libraries protect minors from inappropriate materials. Currently, schools and libraries use a wide range of technology tools and monitoring techniques to ensure that children do not encounter inappropriate material and dangerous situations while online. Recent studies confirm that virtually all schools that have Internet access have acceptable use policies in place. Given the dynamically changing technology environment, the Administration believes that the Federal government should not mandate a particular type of technology, such as filtering or blocking software, or impose requirements that undermine the success of the E-rate program. For these reasons, we object to the amendments to the House and Senate bills that would mandate the use of a particular type of technology to protect minors in schools and libraries from access to inappropriate materials. The Administration continues to support language that, before mandating a technical solution, would allow E-rate recipients to first develop acceptable use plans at the local level and to certify implementation of these plans, but without a potentially burdensome requirement that each school and library hold a public hearing on the issue.

JOHN D. ROCKEFELLER IV
WEST VIRGINIA

LW: FY101

United States Senate
WASHINGTON, DC 20510-4802

FAX COVER SHEET

Office of Senator John D. Rockefeller IV
531 Hart Senate Office Building
Washington DC, 20510-4802<http://rockefeller.senate.gov>

Phone: 202-224-6472

Fax: 202-224-7665

TO: Ann O'Leary

OFFICE:

FROM: Barber (224-2578)

DATE:

OF PAGES:
(INCLUDING COVER)

MESSAGE:

FYI - Call if you need more
CRS has a great summary of the reviews.Senate level was \$157.1 million PRIOR to floor and its

The information contained in this facsimile message is privileged and confidential information intended only for the use of the intended recipients named above. If you are not the intended recipient, you are hereby notified that any copying of this communication or dissemination or distribution of it to anyone other than the intended recipient is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and destroy the original message. Thank you.

THANKS

Subject: Child Welfare Monitoring

For the IV-E/IV-B on-site reviews, HHS will need an additional \$2.3M to fund 22 new FTE in addition to the staff they already have for this work. It would be good for the report language that the amount appropriated for ACF Federal Administration provides sufficient funds to cover the additional staff and travel costs associated with the 17 on-site reviews and any other monitoring activities planned for FY 2001.

FY 2000 Federal Administration Budget	\$147.9 million
Increase needed to maintain current services (no staffing increases)	+ 9.2 million
Increase needed to support staff and travel for child welfare monitoring reviews	+ <u>2.3 million</u>
TOTAL*	\$159.4 million

** Note - total ACF Admin request for FY 2001 is \$164.4 million.*

Background

The Social Security Amendments of 1994 mandated significant changes in the Federal monitoring of State child and family service programs funded under titles IV-B and IV-E of the Social Security Act. The Congress placed a moratorium on any child welfare reviews/penalties until final rules were published to implement this new statutory requirement. Following numerous consultations and an extensive pilot review process to test new approaches to monitoring the child welfare program, the Administration for Children and Families (ACF) issued final regulations in January 2000. The completely redesigned Federal child welfare monitoring system focuses on outcomes for children and families and provides technical assistance to improve State child welfare systems. This outcome-based approach to monitoring is labor intensive but will yield unparalleled results in improving State systems. In addition, ACF will gain a comprehensive understanding of the functioning of State child welfare programs. The first 17 States to be reviewed under this new system recently were notified that they should begin preparations for their on-site reviews.

Since this will be the first time a thorough review of State child welfare programs will be conducted in many years, ACF must employ additional staff with significant expertise in child welfare services in order to conduct these comprehensive reviews and provide critical technical assistance.

(Note: Between FY 1994 and FY 2000, personnel levels in ACF have fallen by 23% because there were not sufficient funds provided by the Congress to support any replacement hiring.) Therefore, in order to support this critically important new initiative, we must receive an additional \$2.3 million above the funds needed to support a current services budget (a total increase of \$11.5 million above the FY 2000 funding level). These funds will support 22 additional FTE and the travel costs associated with an on-site monitoring budget.

file: F401

apppp



FACSIMILE TRANSMITTAL SHEET

TELEPHONE: (202) 662-3547

FAX: (202) 662-3560

TO:

Ann O'Leary

FIRM:

CITY/STATE:

FAX NUMBER:

456 - 2878

FROM:

HELEN BLANK, Director, Child Care Division,
Children's Defense Fund, Department of Programs and Policy

DATE:

10-6-2000

TIME:

4:20

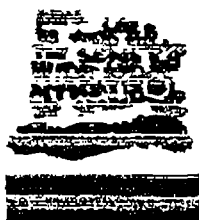
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COMMENTS:

Thanks!

If you have any problems receiving this fax, please contact Jennifer Hutsal at (202) 662-3544.



Dear Member of Congress:

We are writing to urge you to support H.R. 2907/S. 1995, which makes an important update to the Child and Adult Care Food Program (CACFP) that will help to ensure that low-income children enrolled in for-profit child care centers have access to the nutritional benefits of the CACFP.

Representing one-third of all licensed child care centers in the country, proprietary centers are an essential component of our delivery system for child care. In some states, these centers make up an even greater proportion of the child care system. Most are family-owned and operated businesses that have met the needs of families and children in their communities for decades.

An essential component of quality child care is the provision of nutritious meals and snacks during a child's day. Participation in the CACFP ensures that providers meet strict USDA guidelines for children's nutrition. CACFP also helps providers who serve a significant number of low-income children meeting child care subsidies meet the full costs of providing quality, licensed child care. In most states, child care subsidies do not fully cover these costs. The CACFP, while guaranteeing appropriate meals and snacks also ensures that programs are able to continue to serve some of our most needy children.

In 1981, Congress recognizing that a significant number of low-income children were enrolled in for-profit child care centers amended the CACFP statute to allow for-profit providers to participate in the program. Programs that had 25 percent of their children receiving Title XX funds were able to participate in CACFP. In the next two decades, there were significant changes in federal child care funding through both the Family Support Act enacted in 1988 and the Child Care and Development Act enacted in 1990. In 1995, these programs were combined into the Child Care and Development Block Grant when the TANF program was created. Today, most states no longer use a significant amount of Title XX funds for child care relying instead on CCDBG and TANF funds. In order to reflect this current reality and provide the support that Congress originally intended for low-income children enrolled in proprietary centers, it is critical that the statute be amended. For-profit centers should be allowed to participate in CACFP if 25 percent of their enrolled children are eligible for free and reduced price meals.

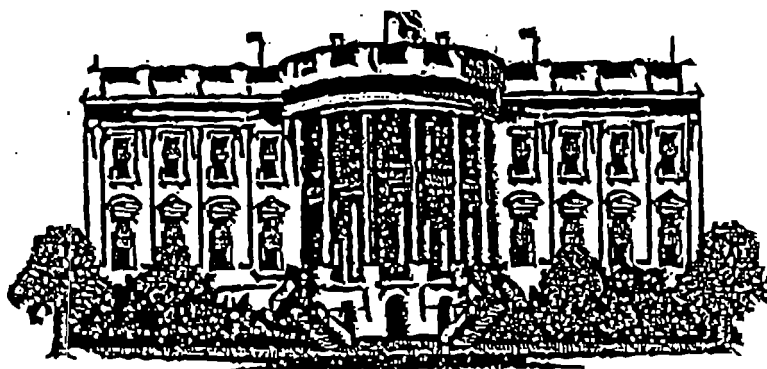
Unless this change is made, many low-income children will be denied access to nutritious meals while in child care. In addition, centers that provide an essential role in providing healthy and safe early learning environments for children will find it increasingly difficult to continue to provide important child care services in their communities.

Updating this provision would ensure that a significant number of low-income children enrolled in child care centers would be ensured access to both nutritious meals and supportive child care.

Children's Defense Fund

Food Research &
Action Center (FRAC)

National Association for the Education of
Young Children (NAEYC)



file: P401
approps

THE WHITE HOUSE

Domestic Policy Council

DATE:

10/6

FACSIMILE FOR:

Ann O'Leary

FAX:

6-2878

PHONE:

FACSIMILE FROM:

Andres Kane

FAX:

202-456-7431

PHONE:

202-456-5573

NUMBER OF PAGES (INCLUDING COVER):

4

COMMENTS:

Ann - one other thing I forgot to
mention - SSBG as #1 priority for

NBA, + WH-IGA has listed it as

top priority for state + locals on the budget

memos Hickey has sent in.

NAAPSA

□□□□□ □□□□□□□□□□ □□□□□□

NATIONAL ASSOCIATION OF ADULT PROTECTIVE SERVICES ADMINISTRATORS

OFFICERS**EVA KUTAS**
PRESIDENT
OREGON

October 5, 2000

BETTYE MITCHELL
PRESIDENT ELECT
TEXAS**KATHLEEN QUINN**
PAST PRESIDENT
ILLINOIS**JOY DUKE**
SECRETARY
VIRGINIA**RON STROMBERG**
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UTAH**REGIONAL
REPRESENTATIVES**
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TENNESSEE**VICKI KRYK**
SOUTHEAST II
NORTH CAROLINA**SANDI KOLL**
CENTRAL
IOWA**JAN STILES**
MOUNTAIN
WYOMING**BOB SEEMANN**
SOUTHWEST
LOUISIANA**MELANIE JOHNSON**
WEST COAST I
WASHINGTON**HENRY BLANCO**
WEST COAST II
ARIZONA**CONFERENCE**
RICKER HAMILTON
MAINE**MEMBERSHIP**
MARY MARTHA ALLEN
GEORGIA**RESEARCH**
PAULA MIXSON
TEXAS**REGIONAL
COORDINATOR**
NORMA NORDSTROM
CALIFORNIA

Ms. Barbara Chow
Associate Director of Education, Income Maintenance & Labor
Office of Management & Budget
The White House
Washington, D.C. 20500

Dear Ms. Chow:

The **National Association of Adult Protective Services Administrators** urges you to help protect funding to the Social Services Block Grant (SSBG) by supporting a provision in the Roth/Moynihan Community Renewal and New Markets Act of 2000 - S.3152, which restores SSBG to \$2.4 billion. SSBG was created with the goal of assisting vulnerable children and adults and helping them to remain independent in the community and avoid more costly federal assistance. It is also a funding stream that is able to reach down to the community level and work flexibly to meet the changing needs of its members.

The importance of the Social Services Block Grant in the human service delivery system is becoming increasingly evident. In fact, in 1998 SSBG accounted for 25 percent of all federal, state, and local expenditures for services for persons with disabilities. It also provided 22 percent of all expenditures for **adult protective services for abused and neglected elderly and people with disabilities**.

The funds are utilized by state and local governments, as well as by non-profit service providers across the country. Lower SSBG funding levels have forced numerous reductions in services in recent years to these service providers and the people they serve. For example, a recent informal survey by the United Way of America found that 17 percent of the nonprofits that responded had to cut programs to compensate for previous SSBG cuts, and 46 percent were forced to serve fewer clients. A similar survey by the American Association of Homes and Services for the Aging found that 46 percent of their members who receive SSBG have received less or significantly less funding this past fiscal year as compared to the last five years. In addition, 61 percent indicated that this caused their programs to serve fewer clients and 17 percent were forced to cut programs.

Vulnerable adults have been jeopardized by previous cuts to this block grant of over a billion dollars within a five-year period, and it is now critical to restore funding to \$2.4 billion. **In your leadership role, we hope you are able to support and include the SSBG restoration in any final Community Renewal legislation.**

Sincerely,

*Eva Kutas jm*Eva Kutas
President

FAY: 62878

902 North Scott Street, Wheaton, Illinois 60187
630-510-1192 (Phone), 801-607-9118 (Fax), naapsa@onemain.com

Oct-02-00 10:31am From:NGA

GOVERNORS
ASSOCIATION

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Governor of Maryland
Chairman

Executive Director

John Engler
Governor of Michigan
Vice ChairmanHall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-5300
<http://www.nga.org>

September 27, 2000

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As the 106th Congress draws to a close, we are writing to inform you of the nation's Governors' highest priorities for the remainder of the Congressional session.

Labor, Health and Human Services, and Education Appropriations

Throughout the appropriations process, we have encouraged Congress to uphold funding commitments to key state health and human services programs, such as the Temporary Assistance for Needy Families (TANF) block grant, the Social Services Block Grant (SSBG), and the State Children's Health Insurance Program (S-CHIP). We appreciate that the conference agreement on the Labor, Health and Human Services, and Education appropriations bill reverses the drastic cuts to these programs that were proposed by the Senate Appropriations Committee, and urge continued efforts to maintain funding for TANF, SSBG, and S-CHIP.

Proposed funding for SSBG, however, is still far below the \$2.38 billion that was agreed to in 1996 as part of the welfare reform package. The nation's Governors strongly support restoration of funds for SSBG, as well as the restoration of the transferability provision, which allows states to transfer up to ten percent of their TANF block grant into SSBG.

While the nation's Governors recognize and appreciate the \$1.3 billion increase made in the conference report, which moves towards meeting the federal commitment to the Individuals with Disabilities Education Act (IDEA), we urge your support for meeting the first year funding level increase of \$2 billion agreed to by both the Senate and House authorizing committees in H.R. 4055 and S. 2341.

Conservation and Reinvestment Act

We strongly urge you to take whatever steps necessary to enact H.R. 701, the Conservation and Reinvestment Act (CARA). We urge decisive action on an issue that is the highest natural resources legislative priority for the National Governors' Association. This is a critical, bipartisan effort to protect and conserve our rich cultural and natural heritage. The Governors are united in our support for legislation that shares a meaningful portion of Outer Continental Shelf (OCS) mineral revenues with states and territories. We believe that H.R. 701 wisely reinvests OCS revenues in assets of lasting value.

Community Renewal

The Governors support the bipartisan, bicameral efforts to work towards enactment of the Community Renewal and New Markets legislation. We believe this effort would provide tools and incentives, as well as flexibility for states, to leverage investment into communities that have not fully benefited from the new economy. We believe the immediate acceleration of the private activity volume cap and the low-income housing tax credits are especially important tools that are long overdue and are critical to economic development and job opportunities. Also, the tax credit program has become the single

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Page 2

most important means to provide new low-income housing construction at a time when too many of our citizens face an affordability crisis.

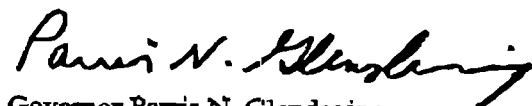
In addition, the Governors support the provisions included in the bill for tax credits for high-speed rail investment. These would provide key components to making our economy more efficient.

Association Health Plans

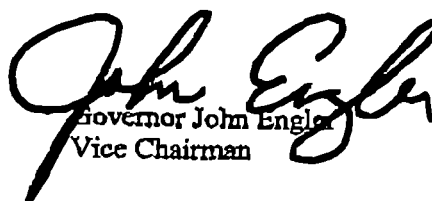
We also wish to reiterate the Governors' strong opposition to proposals that would exempt association health plans (AHPs), HealthMarts, and similar entities from critical state consumer protections. We urge you to reject these proposals as they undermine the Governors' positive efforts to protect consumers, prevent fraud and abuse, and make health insurance accessible and affordable for small firms.

We appreciate your consideration of our views.

Sincerely,



Governor Parris N. Glendening
Chairman



Governor John Engler
Vice Chairman

09/21/2000 14:52 FAX 202 662 1905

CDF PRES OFFICE

456-2879

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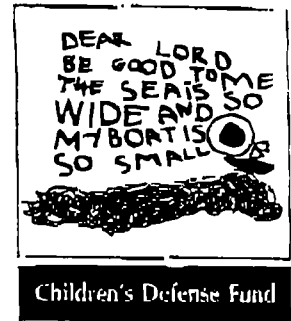
September 21, 2000

Memorandum

To: Melanne Verveer

From: Marian Wright Edelman

Re: Protecting Child Care and Head Start Budget Increases



- We have all worked very hard for increases for children in this year's budget, especially the increase in CCDBG/child care. As you negotiate this final bill, please do not accept anything that cuts the child care increases.
- We believe it is essential that a final bill includes the \$817 million increase for CCDBG, the \$1 billion increase for Head Start, and the \$547 million increase for after-school programs.
- We welcomed the President's remarks about fighting for additional funds for after-school, but it is essential that this increase not come at the expense of the child care increase.
- We assume that this bill will include no cuts in the CHIP program and at a minimum no cuts in Title XX below last year's level although we'd prefer to see Title XX funded at \$2.38 billion.
- Given the enormous federal budget surplus, there is no reason that all of the President's early childhood/school-age agenda cannot be included in a final budget.

Melanne -

We are doing very well on these requests. As of today, it looks like Labor-H will include our full requests for CCDBG & Headstart. In addition, they have given us \$147 million more for after-school, but we're still fighting for the full request (\$400 million more). CHIP is fine & SSBG is back at last year's level. I'll provide you with a full brief when we get closer to the end. Ann

25 E Street NW
Washington, DC 20001
Telephone 202 628 8787
Fax 202 662 3510
E-mail
cdinfo@childrensdefense.org
Internet
www.childrensdefense.org

Funding Issues in Edelman Memo

- We believe we have our requests for the Child Care Development Block Grant and Head Start.
- We have a \$147 million increase in after-school and are working hard to get the remaining \$400 million.
- The conference funds the Social Services Block Grant (SSBG) at the FY 2000 level of \$1,700 million, \$75 million below our request. The recissions in the Senate bill have been removed. SSBG is often difficult sell because it is a block grant, even though states do worthy things with the funding. Our \$75 million increase includes \$25 million for second-chance homes for unmarried teen parents.
- The provision in the Senate bill recinding \$1.9 billion from CHIP has also been removed. Since CHIP is mandatory, nothing remaining the bill would affect CHIP. Enrollment is now at 2.5 million.
- Although it wasn't mentioned in the letter, she may also bring up our Child Care Tax Credit.

	FY 2000	Request	Tentative Conference
Child Care Development Block Grant (CCDBG)	\$1,183	\$2,000	\$2,000
Head Start	\$5,267	\$6,267	\$6,300
After-School (21 st Century Learning Communities)	\$453	\$1,000	\$600
Title XX (Social Services Block Grant)	\$1,700	\$1,775	\$1,700