THE WHITE HOUSE

WASHINGTON

November 19, 1999

**MEMORANDUM FOR HILLARY RODHAM CLINTON**
**MELANNE VERVEER**

**FROM:** **NICOLE RABNER**
**RUBY SHAMIR**

**SUBJECT:** **END OF SESSION VICTORIES**

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The Administration achieved significant victories in the budget negotiations this year, as detailed in the attached "wins overview" document. The final FY 2000 appropriations mark for the NEA is $98 million; for the NEH the mark is $116 million; and for the Legal Services Corporation the mark is $305 million.

In addition to the appropriations victories, the Administration prevailed on a number of free-standing issues in which the First Lady has been particularly involved:

**Foster Care: Independent Living Act.** This evening, the Senate will approve by unanimous consent H.R. 3443, the Foster Care Independence Act of 1999. Because the House passed an identical bill yesterday, it will immediately be cleared to go the President. Minor modifications from the earlier versions include stronger accountability and adoption-promotion language and re-naming the Independent Living Program after the late Senator Chafee. We have asked Patti to work with Presidential scheduling on a date for a bill signing ceremony.

**Health Care: Graduate Medical Education.** Authorizing legislation for the Administration's $40 million proposal to support graduate medical education at free-standing children's hospitals (GME's) was passed yesterday afternoon and the proposal is fully funded in the omnibus appropriations measure. The children's hospitals are thrilled with this outcome and credit the First Lady for this success.

**Health Care: Jeffords-Kennedy Work Incentives Improvement Act of 1999.** The Work Incentives Improvement Act of 1999 yesterday passed the House by a 418-2 vote. Senate passage is expected before recess, and the President plans to sign it. The President devoted this week's radio address to this topic (paper attached). The measure will allow people with disabilities to retain their Medicare and Medicaid coverage after re-entering the workforce. Specifically, this legislation improves health care options for people with disabilities by removing the limits on the Medicaid buy-in option for workers with disabilities; creating a new Medicaid buy-in demonstration to help people who are not yet too disabled to work; extending

Medicare coverage for people with disabilities who return to work; and enabling SSI or SSDI beneficiaries to go to any of a number of public or private providers for vocational rehabilitation.

**Health Care: BBA Givebacks.** The Balanced Budget Refinement Act of 1999 (BBRA) was passed by the House yesterday and is expected to pass the Senate before recess. As you know, the BBRA addresses many of the flaws and excessive payment reductions resulting from the Balanced Budget Act (BBA) of 1997. Among other things, the BBRA places a moratorium on the therapy caps that have proven harmful to beneficiaries; increases payments for very sick patients in nursing homes this year; restores funding to teaching hospitals; and eases the transition to the new prospective payment system for hospital outpatients. As part of the BBRA package, hospitals will receive $6.8 billion, nursing facilities will receive $2.7 billion, home health and hospice providers will receive $1.3 billion and Medicaid and CHIP will receive $0.8 billion. The BBRA is being scored by the CBO at $16 billion over five years and costs about $1.2 billion in FY 2000. The White House, however, is scoring the BBRA at $12.4 billion, because OMB considers modifications to payments to out-patient departments to be clarifications, but not changes, to the law. Please see attached for details of the BBRA.

**Bankruptcy.** Action on the Bankruptcy reform legislation appears to be dead for the year, due in large part to the introduction of two Democratic amendments that would require significant debate. The Democrats held firm not to limit debate on germane amendments. One amendment, introduced by Senator Carl Levin, would prohibit gun manufacturers from discharging debt associated with judgements related to firearm use or purchase. The other amendment, introduced by Senator Charles Schumer, would bar discharge of debts related to judgements against an individual who has violated someone's right to enter an abortion clinic. Senator Lott has promised to bring up the bill again after recess.

## OVERVIEW: PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE WORK TO ADDRESS AMERICA'S PRIORITIES

*November 18, 1999*

**PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT.** The budget agreement represents a victory for President Clinton's stand for fiscal discipline. Between 1981 and 1992, the debt quadrupled. In 1992 the deficit was $290 billion and projected to rise to over $400 billion in 1999. As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of $123 billion – the largest ever. Throughout the year, the Republicans have been proposing fiscally irresponsible tax cuts that would have jeopardized this record of fiscal discipline. In September, the President vetoed a Republican tax cut that would likely have drained hundreds of billions of dollars of the Social Security surplus from debt reduction. As a result of the President's stand, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

**A VICTORY FOR AMERICA'S STUDENTS.** After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes**: Following on a new initiative by the President last year, the budget agreement includes $1.3 billion for a bipartisan plan to help reduce class size in the early grades by hiring 100,000 quality teachers over the next six years.
- ✓ **Double Funding for After School:** $453 million for after school, providing support to 675,000 students – 375,000 more than last year.
- ✓ **GEAR UP:** A 67 percent increase to $200 million for the President's GEAR UP initiative, which helps 482,000 students aspire to and prepare for college – the second year of this new initiative.
- ✓ **Accountability for the Lowest Performing Schools:** $134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results.
- ✓ **Expanded Head Start:** A $607 million increase for Head Start to serve an additional 44,000 children. Total funding is $5.3 billion – 90 percent higher than 1993.
- ✓ **Hispanic Education Agenda:** $436 million in increases for a number of education programs that help to improve the educational achievement and high dropout rates of Latino students.
- ✓ **Largest Pell Grant Maximum Award Ever:** Increased to $3,300 – a 43 percent increase since 1993.

**FIGHTING CRIME, DRUGS, AND GUNS.** To keep crime coming down to record lows, President Clinton fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police for Our Streets**: The budget contains full funding for the first installment toward the President's goal to hire up to 50,000 more police officers for our Nation's streets by 2005. The initiative builds on the President's successful COPS program that has already funded 100,000 police officers to help keep America's streets safe.

**INVESTING IN A CLEANER ENVIRONMENT.** President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won $651 million for Lands Legacy, a 42 percent increase for this historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces.

**MAINTAINING AMERICA'S GLOBAL LEADERSHIP.** The Republican Congressional budget would have turned its back on America's leading role in the world by not providing funds for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

**EMPOWERING FAMILIES AND COMMUNITIES.** President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families.**
- ✓ **Additional Funding for Empowerment Zones:** The budget provides $55 million in funding for Urban Empowerment Zones and $15 million for Rural Enterprise Zones and Enterprise Communities.
- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes $95 million for the Community Development Financial Institutions (CDFI) Fund.

**PROGRESS ON THE NEW MARKETS INITIATIVE:** In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides $20 million of funding for APICs (subject to authorization), a key element of the President's New Markets Initiative, that would leverage $800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** Provides, subject to authorization, $16.5 million in funding for New Market Venture Capital Firms (NMVCs) and BusinessLINC to bring equity capital and technical assistance to small businesses in low- and moderate-income neighborhoods.

**ADDRESSING HEALTH CARE.** The President won a $34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of $2.3 billion.

- ✓ **Passing the landmark Work Incentives Improvement Act for people with disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a $250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not yet sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.

RESPONDING TO THE FARM CRISIS: The Agriculture Appropriations bill included $8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The final budget includes over $550 million more to fulfil the unmet needs identified by the President, including significant funds targeted to hurricane-affected areas, increased crop loss payments for all producers, and over $2.5 billion in additional farm loans to help producers secure financing for next year's crop. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA: The final budget included an unprecedented commitment to key civilian research. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than $3 billion. It also includes a five year extension of the Research and Experimentation tax credit.

- ✓ **National Science Foundation**: A 6.6 percent increase in support for science and engineering research and education.
- ✓ **National Institutes of Health**: Provides $2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research.
- ✓ **Information Technology**: The final budget includes more than $80 million in funding for the Next Generation Internet and $235 million for the Administration's "Information Technology for the 21st Century" initiative.

MUCH WORK STILL LEFT TO DO In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. But much work still remains to be done.

- × **Passing Common Sense Gun Legislation:** Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** During the past two years, the President has exercised his executive authority to extend critical patient protections to over 85 million

Americans. But ultimately, the only way to ensure that all Americans in all plans have basic consumer protections is to enact a strong, enforceable Patients' Bill of Rights.

× **Strengthening Social Security:** The Republicans have proposed so-called "lockbox" legislation that would not add a single day to the life of Social Security; the President has asked them to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.

× **Modernizing and Strengthening Medicare:** Although members of both parties joined the President and Vice President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. These challenges include modernizing it with a long overdue, optional prescription drug and giving Medicare the adequate resources and tools to be as efficient as possible.

× **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start, through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs.

× **Expanding Federal Hate Crimes Laws:** The President and Vice President have called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability.

× **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.

× **Providing for Long-term Care Assistance for Those With Chronic Illnesses and Their Families:** Despite proposals by the President and bipartisan support from many members of Congress, the Congress has failed to respond and lost an opportunity to provide critical assistance for this population.

× **Providing Health Options for Older Americans:** Although the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on the President's proposals to expand health options for older Americans

× **Encouraging Small Businesses to Offer Health Insurance:** The President has urged Congress to provide new health insurance options for vulnerable Americans employed by small businesses.

× **Continuing to Help People Move From Welfare to Work:** Although the Congress enacted eligibility changes similar to those proposed by the President to allow states, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, Congress failed to provide any new funding.

× **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by $1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests.

× **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act. This legislation would be an important milestone in America's effort to build a new economic relationship with Sub-Saharan Africa and deepen ties with our Caribbean and Central American neighbors.

× **Supporting Southeast Europe's Economic Development and Integration**: Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years as part of an effort to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.

- **Promoting Peacekeeping**: While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- **School Construction:** The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. Congress should pass the President's plan and invest in our nation's schoolchildren.
- **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- **Child Care Initiative**. The Republicans refused to support the President's historic child care initiative to make child care better, safer, and more affordable for America's working families.
- **Farm Assistance**. The President and Vice President were pleased to get $8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress still needs to address the underlying issues that exist in the wake of Freedom to Farm legislation.
- **Providing Fairness to Immigrant Families**. Congress has failed to take action to provide fairness to immigrant families.
- **Continuing to Empower Communities:** The $70 million funding for EZs and ECs represents less than half of the amounts authorized. The President and Vice President are committed to seeking full funding for the remaining eight years of this program.

**PRESIDENT CLINTON APPLAUDS NEW LAW TO HELP INDIVIDUALS WITH DISABILITIES RETURN TO WORK**

**--Embargoed until 10:06 am EST Saturday, November 20, 1999--**

Today, in his weekly radio address, President Clinton will praise Congress for responding to his challenge to pass the Work Incentives Improvement Act. This landmark legislation will make it possible for millions of Americans with disabilities to join the workforce without fear of losing their Medicare or Medicaid coverage. It also enhances the employment services system for people with disabilities. The President today will challenge states to take advantage of the new health insurance options provided by the legislation. He will also point out that this legislation, which has been included in the final budget agreement, captures the essence of what the Administration's efforts on the budget were all about: expanding opportunity, rewarding responsibility, and strengthening community.

**MILLIONS OF AMERICANS WITH DISABILITIES FACE BARRIERS TO EMPLOYMENT.** At a time when the economy is performing at record levels, the unemployment rate among working-age adults with severe disabilities remains at nearly 75 percent. While people with disabilities can bring tremendous energy and talent to the American workforce, outdated institutional barriers can limit their opportunities to work. Under current law, people with disabilities often become ineligible for Medicaid or Medicare if they work, putting them in the untenable position of choosing between health care coverage and work.

**THE PASSAGE OF THE WORK INCENTIVES IMPROVEMENT ACT ELIMINATES BARRIERS TO WORK FOR MILLIONS OF AMERICANS WITH DISABILITIES.** Now, thanks to the Administration's efforts and the efforts of Senators Jeffords, Kennedy, Roth, and Moynihan, as well as Congressmen Lazio, Waxman, Bliley, and Dingell, the Work Incentives Improvement Act will help remove this barrier. This legislation, which costs about $500 million over 5 years, improves access to health care by providing greater state incentives and options for Medicaid coverage for workers with disabilities. Some states have already taken advantage of the option established by the Balanced Budget Act (BBA) to provide Medicaid coverage to certain low-income individuals with disabilities who are returning to work.

**PRESIDENT CLINTON ENCOURAGES CURRENT EFFORTS TO HELP AMERICANS WITH DISABILITIES RETURN TO WORK AND CHALLENGES STATES TO DO MORE.** Today, President Clinton will:

- **Highlight the important provisions of the Work Incentives Improvement Act.** This landmark new legislation creates two new options for states to offer the Medicaid buy-in for workers with disabilities and provides $150 million in grants to encourage states to take this option; creates a new Medicaid buy-in demonstration to help people whose disability is not yet so severe that they cannot work; extends Medicare coverage for an additional 4-and-a-half years for people in the disability insurance system who return to work; and enhances employment-related services for individuals with disabilities.

- **Challenge states to take advantage of the new health care coverage options under this legislation.** The President will challenge states to take advantage of these new options to offer Medicaid to individuals who are not eligible under the BBA option, including people with disabilities who get decent-paying jobs and those whose disabilities may subside or can be controlled with medical attention. He also will encourage states to apply for the new $250 million demonstration program that tests whether early medical intervention, made accessible by Medicaid coverage, will enable people with such disabilities as muscular dystrophy, Parkinson's Disease, or diabetes, to stay healthier and keep working.

**THE CLINTON-GORE ADMINISTRATION'S LONG-STANDING COMMITMENT TO INCREASE OPPORTUNITY FOR PEOPLE WITH DISABILITIES.** The passage of the Work Incentives Improvement Act is a major achievement for President Clinton, who championed the proposal in his FY 2000 budget. President Clinton and Vice President Gore have a longstanding commitment to increasing the employment of people with disabilities. The Administration has taken a number of actions to bring more disabled Americans into the workforce, including: issuing an executive order in June expanding hiring opportunities for people with psychiatric disabilities; putting in place new regulations in February to make work pay for people with disabilities receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI), by allowing them to earn more and still receive critical cash and medical benefits; creating a task force last year to coordinate national policy on employment of people with disabilities in all sectors of the economy; and including in his budget a $1,000 tax credit for work-related expenses for people with disabilities and an investment in technology to help more people with disabilities work.

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**BALANCED BUDGET REFINEMENT ACT OF 1999: HIGHLIGHTS**
*November 18, 1999*

The Medicare, Medicaid and SCHIP Balanced Budget Refinement Act (BBRA) of 1999 addresses flawed policy and excessive payment reductions resulting from the Balanced Budget Act (BBA) of 1997. The President, Vice President and Secretary Shalala are pleased that Medicare beneficiaries' access to high-quality health care is improved through this bipartisan legislation. All parties to the agreement, in particular, Mr. Archer, Mr. Rangel, Mr. Thomas, Mr. Stark, Mr. Bliley, Mr. Dingell, Mr. Bilirakis, Mr. Brown, Senator Roth, and Senator Moynihan, played critical roles in achieving this outcome.

This BBRA addresses many of the problems raised by the Administration and Congress, by, for example, placing a moratorium on the therapy caps that have proven harmful to beneficiaries; increasing payments for very sick patients in nursing homes this year; restoring funding to teaching hospitals; and easing the transition to the new prospective payment system for hospital outpatients, among others. Unfortunately, it includes provisions that are not justifiable, such as a $4.8 billion payment increase to managed care plans that are already overpaid according to most experts. This is troubling because any excess payments from the Medicare trust fund put the program at greater risk. This legislative package costs about $1.2 billion in 2000 and $16 billion over 5 years. All estimates from CBO preliminary score, 11/18/99. The total cost also includes changes in premium revenue. The major provisions (not all provisions) are described below, along with their 5-year costs.

**HOSPITALS** ($6.8 billion)

**Modifies outpatient department policies.** The BBA created a new prospective payment system (PPS) for hospital outpatient care that pays set amounts for services that are similar clinically and in their use of resources. This bill adjusts the PPS. It:

**Smoothes the transition to the PPS**. During the first 3 and a half years of the PPS, this bill creates payment floors to minimize the disruption of the new system. Small rural hospitals would be held harmless for 4 years while cancer hospitals are permanently held harmless from the PPS. In addition, there will be a budget-neutral 3-year pass-through for certain drugs, devices and biologicals and outlier policy for high-cost cases. The bill also extends the current hospital outpatient capital policy through the implementation of PPS.

**Clarification of budget-neutral implementation of PPS.** This bill clarifies Congress's intent that the new system is not supposed to impose an additional reduction of 5.7 percent on top of the removal of formula-driven overpayment. (Note: OMB would not score this clarification)

**Increases Indirect Medical Education Payments.** Under the BBA, teaching hospitals' indirect medical education (IME) payment add-on was reduced to 6.0 percent in 2000, and 5.5 percent in 2001 and subsequent years. This proposal would raise the add-on to 6.5 percent in FY 2000, 6.25 percent in 2001, and 5.5 percent in 2002 and thereafter. This provides critical assistance to teaching hospitals adjusting to the changes in the health care system.

**Takes Steps Towards Reforming Direct Medical Education.** This bill begins to reduce the geographic disparity in payments for direct medical education. It raises the minimum payment for hospitals to 70 percent of the national, geographically adjusted average payment and limits growth in payments for hospitals with costs above 140 percent of the geographically adjusted average payment. For these hospitals, payments per resident will be frozen for FY 2001 and 2002 and increased at a rate of inflation (consumer price index) minus 2 percentage points for FY 2003 through 2005.

**Increases disproportionate share hospital (DSH) payments.** The BBA reduced DSH payments by 3 percent in 2000, 4 percent in 2001, and 5 percent in 2002. This proposal increases the payment rates set in the BBA. Under this bill, DSH would be reduced by 3 percent in 2001 and 4 percent in 2002. This restoration helps these hospitals care for the uninsured.

**Increases payments for PPS-exempt hospitals.** The BBA authorized the creation of a PPS system for inpatient rehabilitation hospitals. This bill makes adjustments to this PPS and requires the development of PPS systems for long-term care and psychiatric hospitals. It also includes a wage adjustment of the percentile cap for existing PPS-exempt hospitals and enhanced payments for long-term care and psychiatric hospitals.

**Improves rural hospital programs.** This bill modifies and improves a series of Medicare policies that support rural health care providers. They complement the special protection for rural hospitals in the outpatient PPS system.

Allows certain hospitals to reclassify to rural for purposes of designation as a Critical Access Hospital (CAH), Sole Community Hospital or Rural Referral Center. Updates certain standards applied for geographic reclassification.

Extends Medicare dependent hospital (MDH) program for five years; improves the CAH program.

Provides exceptions to residency caps for rural graduate medical education.

Rebases the targets for Sole Community Hospitals and provides for the full market basket increase in 2001.

**Administrative actions.** This complements the Administration's actions to delay the expansion of the hospital transfer policy; stop recoupment of DSH payments based on unclear guidance; delay implementation of the volume control system and refine the ambulatory payment classification system under the outpatient PPS; change to the wage threshold to allow rural hospitals to reclassify for payment purposes; and others.

**SKILLED NURSING FACILITIES & THERAPY SERVICES** ($2.7 billion)

**Provides immediate increases in payment for high-cost cases.** The BBA created a new prospective payment system (PPS) for skilled nursing facilities that was implemented on July 1, 1998. Under this system, payments are based on service needs of patients adjusted for area wages. Effective April through October 1, 2000, 20 percent will be added to 12 resource utilization groups (RUGs) for medically complex cases and 3 rehabilitation RUGs. The bill also creates special payments to facilities that treat a high proportion of AIDS patients for 2000-2001 and excludes certain services (certain ambulance services, prostheses, chemotherapy) from consolidated billing and the PPS system.

**Increases payment rates**. This bill increases payments across-the-board by 4 percent for 2001 and 2002. It also gives nursing homes the option to elect to be paid at the full Federal rate for SNF PPS.

**Imposes two-year moratorium on payment caps**. The BBA limited yearly payments for physical / speech therapy and occupational therapy to $1,500 each per beneficiary. This limit is too low, causing a large number of therapy users to have payments exceed the caps and have to pay for services out-of-pocket. This bill puts a two-year moratorium on the caps, steps up medical review to prevent fraud, and revises a BBA-mandated study to develop an alternative, more rational system for therapy services payment.

**Administrative actions.** Apart from this bill, the Administration will increase payment for high acuity patients and exclude certain types of services furnished in hospital outpatient departments from SNF PPS.

**HOME HEALTH** ($1.3 billion)

**Delays 15 percent to one year after the implementation of the home health prospective payment system (PPS).** In addition to creating a new PPS for home health, the BBA also required a 15 percent reduction in payment limits. This bill delays implementation of the 15 percent reduction until after the first year of implementation of PPS.

**Provides immediate adjustments.** The bill raises the per beneficiary limit by 2 percent for agencies subject to the per beneficiary limit with limits below the national average in 2000; pays $10 per beneficiary in 2000 to agencies to help cover the cost associated with OASIS data collection and reporting requirements; eases and clarifies the surety bond provision; and excludes durable medical equipment from home health consolidated billing.
**Administrative actions**. This bill complements the Administration's actions to delay tracking and pro-rating payments; provide for extended interim payment system repayment schedules; postpone and change surety bond requirements; among others.

**BENEFICIARY IMPROVEMENTS** ($0.3 billion)

**Limits beneficiary hospital outpatient coinsurance**. The BBA included a provision to reduce the Medicare beneficiary coinsurance for hospital outpatient department services from its current approximately 50 percent of costs to 20 percent over a number of years. This policy would provide an additional protection by limiting the amount of coinsurance that a beneficiary pays for outpatient care to the Part A deductible ($776 in 2000).

**Increases coverage of immunosuppressive drugs**. Currently, Medicare pays for the prescription drugs that help prevent rejection of transplants for 36 months. This proposal would, for the next 5 years, extend coverage of these drugs for another 8 months for beneficiaries whose coverage would otherwise expire.

**MANAGED CARE** ($4.8 billion)

**Alters the plan for risk adjustment for managed care plans.** The BBA requires that payments to managed care plans be risk adjusted, to prevent adverse selection and to encourage plans to enroll sicker beneficiaries. Rather than implement this immediately, the Administration developed a 5-year phase-in plan which is supported by virtually all independent experts. This proposal alters the phase-in by reducing the amount of risk adjustment scheduled for 2001 and 2002.

**Increases rates.** Although the General Accounting Office and other independent experts believe that managed care plans continue to be overpaid -- even after the BBA -- this proposal raises the annual rate increase for 2002 from the fee-for-service growth rate minus 0.5 to the fee-for-service growth rate minus 0.3. It also provides an entry bonus for plans entering counties not previously served and for plans that had previously announced that they were withdrawing from counties.

**Changes provider participation rules and quality standards.** The bill includes a number of provisions to accommodate health plans, including: giving plans more time to submit adjusted community rates; providing greater flexibility in benefits and reducing the user fees paid for the Medicare education campaign; reducing quality standards for preferred provider organizations; and expanding deeming provisions.

**Changes demonstrations.** This bill delays the competitive pricing demonstration project and extends the social health maintenance organization demonstration and several others.

**Interaction with fee-for-service policies.** Medicare+Choice rates are linked to growth in fee-for-service spending. Since the policies in the bill increase fee-for-service spending, they increase managed care payments.

**Administrative actions.** The Administration has and will continue to take administrative actions to improve beneficiary protections and access to information, ease provider participation rules and extend the frail elderly demonstration.

**Other providers ($0.8** billion)

**Fixes the fluctuation in physician payments (sustainable growth rate).** This change stabilizes physician payments and is budget-neutral over 5 years.

**Increases payments for Pap smears.** Sets the minimum payment rate at $14.60 beginning in 2000.

**Increases payments for renal dialysis.** Medicare's payments for dialysis have not increased since 1991. Consistent with a recommendation from the Medicare Payment Advisory Commission, this bill increases the composite payment rate by 1.2 percent in 2000 and another 1.2 percent in 2001.

**Increases updates for hospice, durable medical equipment, and oxygen.** Payment rate increases to hospices would be temporarily increased by 0.5 for 2001 and 0.75 for 2002 and DME and oxygen suppliers by 0.3 for 2001 and 0.6 for 2002.

**Delays authority to adopt competitive purchasing practice.** The bill delays the Secretary's inherent reasonableness authority until a GAO report is issued and she issues a final rule.

**Provides hospital / area-specific adjustments.** The bill includes several changes to local demonstration, hospital designations, etc.

**Medicaid & Children's Health Insurance Program ($0.8** billion)

**Extends the phase-out of cost-based reimbursement for community health centers.** The BBA phased out the Medicaid requirement to pay federally-qualified health centers and rural health clinics based on cost. The 2000 phase-out -- where payments are based on 95 percent of costs -- would be extended for 2001 and 2002 under this bill. In 2003, payments are based on 90 percent and in 2004 on 85 percent of costs. A study would determine how these clinics should be paid in subsequent years.

**Extends the availability of the $500 million fund for children's health outreach.** The welfare reform law put aside a $500 million fund for states to use for the costs of simplifying their eligibility systems and conducting outreach. To date, only about 10 percent of this fund has been spent, and for nearly 30 states, the funding sunsets this year. This bill eliminates the sunset and extends the availability of this fund until it is expended.

**Changes Medicaid disproportionate share hospital (DSH) payments and rules.** The BBA included a number of significant changes in the Medicaid DSH program, changing states' allotments. The base year data used to set the DSH allotments in the BBA were flawed for some states. This bill adjusts the allotments for DC, Minnesota, New Mexico and Wyoming. It also makes the DSH transition rule permanent and does not allow states to use enhanced Federal matching payments under the State Children's Health Insurance Program (SCHIP) for DSH.

**Stabilizes SCHIP allocation formula; adjusts allotment for territories.** Under the BBA, states receive an allotment of the total Federal funding based on their proportion of low-income uninsured children. This formula would result in large, annual fluctuations in state allotments. This bill alters the formula, and puts floors and ceilings on the allotment changes to make funding for states more predictable. It also increases the available funding for territories.

**Improves data collection and evaluation of SCHIP.** One of the centerpieces of the BBA was the creation of this new program to provide health insurance to children in families with incomes too high for Medicaid but too low to afford private insurance. However, the BBA did not provide funding for monitoring and evaluating the implementation and outcomes of SCHIP. This bill adds funding for data collection and evaluation of this program.

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# A National Dialogue to Build On Adoption Progress

It was an eclectic White House gathering: Liberal Democratic lawmakers Ben Cardin, Maxine Waters and Sandy Levin, moderate Republicans Dave Camp and Nancy Johnson and conservative stalwart, House Whip Tom DeLay.

"This," President Clinton observed at the fall gathering, "may be the only issue all six of these people agree on." Mr. DeLay nodded. The "this," of course, is adoption; the ceremony was to celebrate states that have done good jobs of moving children out of foster care into adoption.

In a decade marked by bitter divisions, adoption is one of the few issues that's en-

## Politics & People

By Albert R. Hunt

joyed political consensus. The major presidential contenders are all pointing to their past support of adoption and promising to do more in the future. Sen. John McCain has made much of the fact that he has an adopted daughter.

Support on Capital Hill has also been remarkably widespread. Bill Clinton is the most pro-adoption president in history, having advocated and pushed through major changes.

These include the family leave legislation that gave the parents of adopted children the same mandated time-off rights as for those who give birth; legislation outlawing racial or ethnic discrimination in adoption that puts pressure on social workers who have tried to prevent interracial adoption of African-American children; and a $5,000 tax credit–$6,000 for children with special needs–that has made adoption more affordable for middle -and working-class families.

Meanwhile, legislation designed to streamline the cumbersome foster care system and provide incentives to states that show the most progress appears to be working. Last year 36,000 kids moved out of foster care into adoption, up almost 30% in just two years. President Clinton has set a goal of moving 56,000 kids from the public child welfare system into adopted homes by 2002.

All of this is heartening. Yet problems and controversies persist, too many myths remain and adoption still is much harder than it should be. A national dialogue on these issues would be healthy. (In the interest of full disclosure, this is a non-objective column. My wife and I are the parents of a ten-year-old daughter, Lauren, whom we adopted from Korea more than a decade ago. She, along with our two biological sons, has enriched our lives immeasurably.)

Somewhere between 2% to 4% of the population is adopted. But inexplicably, the federal government no longer collects reliable data on overall adoptions. "The government can tell you how many hogs were slaughtered last year but not how many kids were adopted," complains E. Wayne Carp, a Pacific Lutheran University historian who specializes in adoption.

It's estimated there will be about 133,000 adoptions this year. About 40% of these will be stepparent or relative adoptions, another 12% international adoptions and about 30% from foster care. Yet there are still half a million kids in foster care, disproportionately African American or Hispanic, and the average length of time children spend in foster care is almost three years. Both domestically and internationally, kids with special needs–usually major disabilities–have to wait even longer. Older kids with disabilities have a particularly tough time of it.

Despite the increased awareness of the problems of adoption and interracial adoption law, Harvard law school professor Elizabeth Bartholet and others persuasively argue that social workers continue to impede such transactions, often trying to keep dysfunctional families intact. Kids should not be kept in environments plagued by sexual assaults, drugs and other abuses.

Too often adoption gets caught up in the abortion fight. "An adoptee doesn't want to be viewed as an alternative to abortion," says Susan Soon-Keum Cox, a top official at the Holt International Adoption Agency in Eugene, Oregon. She herself was adopted from Korea right after the Korean War. "It is unfortunate when it becomes all muddied up in religious and moral arguments instead of the simple principle that every child needs a loving family."

**Small Strides**

| | 1990 | 1998 Est. |
|---|---|---|
| Number of adoptions | 118,138 | 133,000 |
| International adoptions | 7,093 | 15,774 |
| Number of kids in foster care | 400,000 | 520,000 |
| Number of kids adopted from foster care | 13,362 | 36,000 |
| Average age of kids adopted out of foster care | 4.6 yrs. | 6.4 yrs. |

*Sources: Evan B. Donaldson Adoption Institute; National Council on Adoption*

Adoption also has become ensnared in major debates over openness. It used to be common not to tell kids they were adopted until they were adults, sometimes never. Adoption was a stigma. Now there's even a growing movement towards "open adoptions," in which birth parents, adoptive parents and adoptees all grow up together. That may work for some but for many other members of this triad, it poses more problems than opportunities.

More vexing is the controversy over open records. Should adoptees have an automatic right to contact their birth parents or vice versa? If we celebrate adoption as a positive option then it's difficult to argue against openness. But Bill Pierce of the National Council For Adoption warns that many mothers put babies up for adoption expecting confidentiality. If that trust is violated it could discourage some young women from trying adoption. There are horror stories about breaches of confidentiality, many of them the result of the aggressive tactics of some search groups. Yet it is understandable that adult adoptees should want to know about their birth parents.

What may be a sensible middle ground is something like the Tennessee law mandating open records to allow an adult adoptee to learn the identity of birth parents, but giving those birth parents the right to veto any contact with them.

Finally, while we don't hide adoption in the closet, myths still abound, notes Madelyn Freundlich, Executive Director of the Evan B. Donaldson Adoption Institute, a non-profit organization that seeks to improve the quality of adoption information and promote understanding. Some of the recent publicized cases, she says, have created the misimpression that birth parents could face legal action if they attempt to contact their children later in life. In reality, this affects less than 1% of adoptions.

Another myth which continues to give pause to some potential adoptive parents is that parental attitudes toward adopted kids are different, more strained. Of this, I know the answer. I have been in the Georgetown Hospital delivery room for two sons, both wondrous moments. Our three-and-a-half month old daughter arrived in an airplane at Newark airport. The MacNeil-Lehrer NewsHour, where my wife was working, sent a camera crew to capture the moment. We watch that tape regularly; no delivery room has ever been more magical.

## A VICTORY FOR AMERICA'S STUDENTS

*November 18, 1999*

| | HOUSE GOP BUDGET* | FINAL BUDGET AGREEMENT | DIFFERENCE |
|---|---|---|---|
| **Class Size Reduction** | $0** | $1.3 billion | **+$1.3 billion** |
| **After-School Programs** | $300 million | $453 million | **+$153 million** |
| **GEAR UP** | $0 | $200 million | **+$200 million** |
| **Title I Grants to LEAs** | $7.732 billion | $7.941 billion | **+$209 million** |
| **Accountability Set-aside/Title I** | $0 | $134 million*** | **+$134 million** |
| **Head Start** | $4.760 billion | $5.267 billion | **+$507 million** |
| **Education Technology** | $500 million | $769 million | **+$269 million** |
| **Teacher Quality Enhancement** | $75 million | $98 million | **+$23 million** |
| **Safe and Drug Free Schools** | $566 million | $606 million | **+$40 million** |
| **Charter Schools** | $130 million | $145 million | **+$15 million** |
| **Reading Excellence** | $200 million | $260 million | **+$60 million** |
| **Adult Education** | $ 378 million | $470 million | **+$92 million** |
| **Work Study** | $ 880 million | $934 million | **+$64 million** |
| **Learning Anytime Anywhere** | $0 | $24 million | **+$24 million** |
| **Hispanic Educ. Action Plan ******** | $43 million | $436 million | **+$393 million** |

*Based on the Labor/Health and Human Services and Education bill passed by the House Appropriations Committee on September 23, 1999. This bill provided $33.321 billion for all education programs, compared to $35.701 billion in the final budget agreement.

**House bill eliminated the class size program by absorbing it in a block grant that dedicated no funding specifically for class size reduction.

***The Title I set-aside for accountability is also included in the Title I grants to LEAs.

****These figures represent increase over FY 1999. HEAP figures also include increase to Title I.

## PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT

The budget agreement represents a victory for President Clinton's stand for fiscal discipline. As a result of the President's commitments, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

- **Debt Quadrupled Between 1981 and 1992:** Between 1981 and 1992, the debt held by the public quadrupled. The budget deficit grew to $290 billion in 1992 – and was projected to grow to more than $400 billion by 1999.

- **President's Tough Choices Led to Largest Surplus Ever:** As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of $123 billion – the largest ever.

- **The President Stopped Republican Attempts to Reverse this Fiscal Discipline:** Throughout the year, the Republican Congress took steps that would have threatened our fiscal discipline. These were stopped by the President, who vetoed the Republican's fiscally irresponsible and exploding tax cut.

    - **In January, Republicans Proposed a Tax Cut that Would Have Spent the Social Security Surplus:** H.R. 3 and S. 3 called for an across-the-board 10 percent reduction in income tax rates. According to Joint Committee on Taxation Estimates, this proposal would have cost $58 billion in 2000 – *using tens of billions of dollars from the Social Security surplus this year.* In the first five years, this tax cut would have cost $360 billion – much more than could be paid for out of the non-Social Security surplus, then projected at $165 billion by the Congressional Budget Office (CBO).
    - **In August, Republicans Passed a Tax Cut that Would Likely Have Spent the Social Security Surplus:** In August, the Republican Congress passed a $792 billion tax cut that, if continued, would have used virtually all of CBO's projected surplus over the next 10 years. It would have used growing amounts of the Social Security surplus every year after 2004. This tax cut was based on a budget plan that would have required nearly 50 percent cuts in all domestic discretionary spending, assuming defense were funded at the level requested by the President. If cuts of this magnitude were not made, the likely consequence of the Republican tax cut would have been to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.

## A VICTORY FOR AMERICA'S STUDENTS

After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

✓ **More High-Quality Teachers With Smaller Class Sizes**: President Clinton's budget included the second installment of his plan to help reduce class size in the early grades by hiring 100,000 quality teachers. The President vetoed a Congressional budget that reneged on last year's bipartisan agreement, did not guarantee funding for 29,000 teachers hired last year, and would have allowed Class Size dollars to be used for virtually any activity – including vouchers – rather than hiring qualified teachers. The final budget enhances last year's teacher quality and flexibility provisions and provides $1.3 billion for Class Size Reduction, enough to stay on track to hire 100,000 teachers over the next 6 years.

- ✓ **More than Twice as Much Federal Support for After School:** In his State of the Union address, the President called for a large investment in after school and summer school programs to give children the extra help they need to meet high standards. The final budget more than doubles the federal investment in these programs to $453 million, to provide educational support to nearly 675,000 students – 375,000 more students than last year.

- ✓ **Early Intervention To Help Disadvantaged Students Prepare for College:** House Republicans proposed to terminate the President's GEAR UP college preparation initiative for low-income students, a new initiative begun in 1998. The final budget increases funding for GEAR UP from $120 million in 1999 to $200 million to support State projects and partnerships of colleges, high-poverty schools, and community organizations, to help 482,000 students aspire to and prepare for college starting in the $7^{th}$ grade.

- ✓ **Accountability for the Lowest Performing Schools:** In his State of the Union address, President Clinton insisted that "all states and school districts must turn around their worst-performing schools – or shut them down," and his Budget included funds to help states and school districts turn around their own failing schools. The final bill provides $134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results. In addition, the bill provides $7,807 million for the base program, Title I Grants to LEAs, which is an increase of $75 million over last year, in order to continue efforts to help disadvantaged students catch up with their peers.

- ✓ **More Education Technology for Students:** The final budget triples funding for Community Technology Centers to reach at least 120 low-income communities, provides $75 million to train new teachers in the use of technology, and provides $425 million to states and school districts to purchase computer hardware and educational software. Investment in educational technology has increased to $769 million, up from $698 million in 1999.

- ✓ **Making Schools Safe, Disciplined, and Drug-Free:** The budget agreement provides $606 million for school-based drug and violence prevention programs, including the President's $50 million request for the Coordinator Initiative, that would provide coordinators to plan, implement, and evaluate successful prevention programs in middle schools across the Nation. Additional resources are also provided for an expansion of the interagency Safe Schools / Healthy Students initiative, with HHS and DoJ.

- ✓ **Expanded Head Start:** President Clinton and Vice President Gore proposed a $607 million increase for Head Start to serve an additional 44,000 young children – and stay on track toward serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied over 40,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at $5.3 billion – or 90 percent above the 1993 level.

- ✓ **Increasing Public School Choice Through Charter Schools:** The budget agreement provides $145 million for Public Charter Schools, an increase of $45 million over the FY 1999 enacted level. This will strengthen and expand public school choice by providing startup funding to as many as 2,400 charter schools next year, about 650 more schools than this year. The President has pledged to help start 3,000 charter schools across the country by early in the next century. When President Clinton and Vice President Gore were first elected in 1992, there was only one charter school operating in the country. This year, more than 1,700 charter schools are operating, serving a diverse student body in more than 30 states. This remarkable growth is in large part due to the President's leadership and support for these innovative high quality schools.

- ✓ **Hispanic Education Agenda:** President Clinton's budget included an ambitious agenda to address the disproportionately low educational achievement and high dropout rates of Latino students. The final budget includes $436 million in increases for a number of education programs that help to improve the educational outcomes of Latinos and limited English proficient students, including Title I Grants to LEAs, Adult Education, Bilingual Education, and TRIO.

- ✓ **English Language/Civics Education Initiative**: The increase to Adult Education targets $25.5 million for the President's ESL/Civics Initiative, which would provide instruction in both English literacy and critical life skills necessary for effective citizenship and civic participation.

- ✓ **Largest Maximum Pell Grant Award Ever:** The final budget provides $7.7 billion for Pell Grants, increasing the maximum Pell Grant award from $3,125 to $3,300. The maximum award has increased 43 percent since President Clinton and Vice President Gore took office in 1993.

- ✓ **Support for One Million Students To Work Their Way Through College:** The President's budget requested $934 million for Federal Work-Study to fulfill his commitment to expand work-study to one million students in FY 2000. House Republicans initially provided only $880 million. The final budget provides the President's request and will give one million students the opportunity to earn money for college through part-time work.

- ✓ **Training for Dislocated Workers:** The final budget provides a $190 million increase for a total of $1.6 billion to provide much needed training for dislocated workers. This is more than triple the funding in 1993, allowing the program to serve more than 3 times as many dislocated workers. This increase is a step toward meeting the 5-year goal of the Universal Reemployment Initiative to provide training to every dislocated worker who wants and needs training.

- ✓ **Providing for School Construction:** The final budget extends Qualified Zone Academy Bonds (QZABs) through 2001. QZABs provide no-interest loans to school districts in needy areas to fund certain expenditures on rehabilitation and repairs, educational equipment, curriculum development, and teacher training. QZABs have been used to purchase computers and develop technology-based curricula, renovate and repair a charter school, purchase computer software and hardware to develop literacy programs, and even to establish the first public secondary military academy in the nation.

- ✓ **Tax Relief to Encourage Worker Training:** The final budget extends the tax relief provided by Section 127 through 2001, which allows employers to provide educational assistance for courses at degree-granting institutions as a tax-free fringe benefit. By encouraging worker education, it helps employers expand the skills of their work force and expands the opportunities of workers to adapt to new technologies.

## Fighting Crime, Drugs, and Guns

To keep crime coming down to record lows, President Clinton and Vice President Gore fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police on the Streets:** In 1994, President Clinton and Vice President Gore won a commitment to put 100,000 police officers on the street. In his State of the Union Address, the President proposed a 21st Century crime plan to hire up to 50,000 more police officers by 2005. The final budget contains full funding for the first installment toward meeting this goal.

- ✓ **Law Enforcement Technology:** The final budget provides $230 million to provide law enforcement with the latest crime-fighting and crime-solving technology.

- ✓ **Community Prosecutors:** Provides $10 for the Administration's initiative to extend the success of community policing to local prosecutors.

- ✓ **Strengthened Gun Enforcement:** An increase of $12.6 million for more ATF agents to bolster federal law enforcement efforts against gun crime.

- ✓ **Youth and Guns:** Over $50 million for the President's Youth Crime Gun Interdiction Initiative, to expand the initiative from 27 to 38 cities, trace more guns used in crimes, and add more ATF agents to crack down on illegal gun traffickers who supply guns to juveniles and criminals.

- ✓ **Youth Anti-Drug Media Campaign:** $185 million to continue the successful campaign to reach our youth with the message that drugs are wrong, dangerous and deadly.

## Investing in a Cleaner Environment

President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won $651 million for Lands Legacy, an historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces. Lands Legacy funding, a 42 percent increase over last year, includes:
  - $444 million for federal agencies to acquire and protect dozens of natural and historic sites around the country and off our coasts, including:
    - The full $101 million needed to purchase New Mexico's majestic Baca Ranch, home to one of North America's largest wild elk herds;
    - $78 million to acquire lands critical to the Administration's Everglades restoration strategy;

    - $36 million to manage and protect marine sanctuaries and coral reefs;
    - $15 million in matching funds to protect wilderness and other lands in the California Desert.
- $206 million for states and local governments to help communities preserve their farms, urban parks, coastal areas, and working forests.

✓ **Ensuring Clean Water and Healthy Communities:** The final budget secures $1.8 billion for the President's Clean Water Action Plan, a 9 percent increase includes increased funds to reduce polluted runoff from large livestock operations. In addition, the Environmental Protection Agency budget provides $2.17 billion to help communities build or upgrade drinking water and sewage treatment plants, and $1.4 billion to continue progress toward cleaning up 900 Superfund sites by 2002.

✓ **Leading the Fight Against Global Warming:** The budget provides $1.1 billion for research and development of clean energy through the Climate Change Technology Initiative, including a 7 percent increase for energy efficiency investments to reduce pollution, create jobs, and save consumers money.

✓ **Saving Pacific Salmon:** The Administration secured $83 million to initiate two major new efforts to restore salmon in the Pacific Northwest: $58 million for states and tribes through the Administration's Pacific Coastal Salmon Recovery Fund; and $25 million to implement an historic salmon treaty with Canada.

✓ **Fighting Congestion and Dirty Air:** The budget provides $8.2 billion, a 10 percent increase, for programs that reduce air pollution while increasing transportation choices. This includes increases of $407 million for public transit, and $278 million to help communities reduce congestion while improving air quality.

✓ **Encouraging Energy Efficiency:** Extend through 2001 the tax credits for wind and biomass energy production. These tax credits encourage no- (wind) and low- (biomass) emission energy production. The biomass tax credit encourages farmers to grow certain materials that can be burned to produce energy. Producing energy from wind and biomass preserves scarce energy resources and reduces our reliance on imported oil.

✓ **Cleaning Up Brownfields:** The budget extends the tax provision that allows businesses to fully deduct the cost of cleaning up polluted "brownfields" in targeted areas through 2001. This provision encourages the redevelopment of blighted properties, which improves the environment and makes communities more livable.

✓ **Defending Our Environment Against Stealth Attacks:** In addition to securing these major new environmental investments, President Clinton and Vice President Gore stood as the last line of defense against congressional efforts to attach anti-environmental riders to budget bills. These riders would have given special deals to special interests by: allowing overcutting of our national forests and jeopardizing the President's plan to protect more than 40 million acres of roadless areas; allowing mining companies to dump more toxic waste on public lands and delaying critical mining reforms; letting major oil companies continue paying below-market royalties on oil developed on federal lands; crippling critical protections for wetlands and wildlife; and attempting to block common-sense actions to reduce greenhouse gas pollution.

## MAINTAINING AMERICA'S GLOBAL LEADERSHIP

The Republican Congressional budget would have turned its back on America's leading role in the world by not providing for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

✓ **Promoting Peace in the Middle East:** The Congress fully funded the President's $1.8 billion request arising from the Wye River Agreement, which is essential to promoting peace in the Middle East. As Israelis and Palestinians move ahead on an ambitious agenda to rapidly conclude a peace accord, this funding sends an important message of U.S. commitment to building a lasting peace.

✓ **Maintaining Leadership at the United Nations:** In an agreement reached between the President and Congress, the United States will now be able to avoid losing its vote, encourage needed reforms at the UN, and repay $926 million owed to the UN. This will help meet our obligations to the UN in order to protect our national security interests and preserve American influence within the organization and around the world. The bill passed by the Congress and vetoed by the President would have caused the United States to lose its vote in the General Assembly.

✓ **Debt Relief for Poor Countries:** The bill provides $110 million to fund reduction of debts owed to the U.S. government by the poorest developing countries. This amount represents an increase of $90 million above the Foreign Operations conference agreement funding level for this purpose ($20 million). We now have sufficient resources to finance U.S. participation over the next year in the bilateral debt aspect of the Cologne Debt Initiative. The agreement also includes authorization for U.S. support to use a portion of International Monetary Fund (IMF) gold reserves for debt relief, and additional authorization would permit the use of the full amount of gold earnings. Together, the funding and authorizations will help to begin to provide debt relief for the world's poorest nations, and allow them to focus on providing basic needs for their own citizens instead of paying interest to international creditors. Unfortunately, the agreement omits appropriations for the U.S. contribution to the Heavily Indebted Poor Country (HIPC) Trust Fund, which will be necessary to fully finance the participation of some multilateral development institutions in this historic initiative. We will work with Congress next year to secure this crucial funding as well as authorization to use the remaining portion of IMF gold earnings.

✓ **Promoting International Development:** The bill provides $1.1 billion for the U.S. contribution to multilateral development banks including the World Bank and regional development banks. This amount represents an increase from the $895 million included in the Foreign Operations conference agreement; however, it remains lower than the Administration's original request of $1.4 billion. The bill also provides $1.8 billion for development assistance and child survival funding, over 96 percent of the President's request. This amount includes full funding of the President's expanded global HIV/AIDS assistance initiative.

- ✓ **Reducing the Nuclear Weapons Threat and Building Democracy in Russia and the Newly Independent States:** The final bills provide $1.5 billion across the government to fund critical efforts in the Newly Independent States (NIS) to reduce the threat of nuclear weapons, to promote democracy, private enterprise, and free speech, and to generally assist in the transition these countries are undertaking. The bulk of these funds will go to the President's Expanded Threat Reduction Initiative (ETRI) for programs to increase nuclear security in the former Soviet Union, dismantle strategic weapons, and strengthen efforts to block transfers of sensitive technology and expertise. The budget will also allow us to help remove Russian troops from Georgia and Moldova, and to expand civilian research projects with former Soviet weapons scientists.

- ✓ **Raising International Labor Standards and Protecting Workers:** The FY 2000 Budget includes $70 million for working with developing economies through the International Labor Organization (ILO), an increase of $30 million over FY 1999. These funds include $20 million to finance the creation of a new arm of the ILO to provide technical assistance to help countries implement core labor standards. The agreement also provides $10 million to fund bilateral technical assistance by the US Department of Labor to developing economies seeking to establish social safety net programs and design, implement and enforce labor market policies. In addition, Congress provided the State Department with sufficient funds to allow it to go forward with the President's initiative to support innovative efforts to eliminate sweatshops.

- ✓ **More Funding for President Clinton's Child Labor Initiative**: Last year, the President proposed a 10-fold increase in funding for the ILO's International Program for the Elimination of Child Labor (IPEC) – from $3 million to $30 million – and Congress agreed. This year, the Congress once again fully funded the President's $30 million request. In addition, Congress provided additional funds sought by the President to support enhanced customs enforcement of the ban on importation of goods made with forced or indentured child labor. Congress also provided sufficient funds to the United States Agency for International Development (USAID) to allow it to go forward with the President's new "School Works!" program, which will help developing countries provide educational alternatives to abusive child labor. Finally, to help us lead by example, the budget includes enhanced resources for domestic labor standards enforcement that should help improve compliance with U.S. child labor laws.

- ✓ **Improving Military Pay and Readiness:** The final bill fully funded the President's "trilogy" pay initiative which includes a significant pay raise, pay table reform, and a change in military retirement. The bill additionally funds fully all of our critical readiness programs (unit training, depot maintenance, recruiting, and spare purchases).

- ✓ **Modernizing the Air Force:** The final bill restores most of the funding for the F-22, allowing the program to continue.

- ✓ **Continuing Chemical Demilitarization:** The final bill approves the higher funding level passed by the Senate (the House proposed cuts of $392 million), helping to meet our treaty deadlines under the Chemical Weapons Convention for destruction of chemical weapons.

## EMPOWERING FAMILIES AND COMMUNITIES

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

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families:** The budget includes $347 million for 60,000 new housing vouchers for low-income families, building on last year's level of 50,000. The House and Senate-passed bills had included zero funding for this initiative. These vouchers will subsidize the rents of America's hard-pressed working families, enabling them to move closer to economic opportunities.

- ✓ **Additional Funding for Empowerment Zones:** The budget provides $70 million in funding for Rural and Urban Empowerment Zones. The President's budget requested $165 million – $150 million for urban EZs and $15 million for rural EZs/ECs. The House and Senate bills included no funding. All of the Urban and Rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.

- ✓ **Protecting Rent Subsidies for Low-Income Families:** The final budget includes $10.8 billion for the renewal of all Section 8 contracts, an increase of $1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing.

- ✓ **Housing Assistance for Elderly and Disabled:** The final budget includes expansion of funding for affordable housing for the elderly and disabled by $911 million, $57 million above FY 1999, enabling about 30,000 people to have affordable housing. Also included were core elements of a *Housing Security Plan* for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.

- ✓ **Increased Funding for Homeless Assistance:** The President and Vice President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain temporary and permanent housing. The final budget includes $1.02 billion in funds for the homeless assistance grants – a $45 million, or 5 percent, increase over last year.

- ✓ **Extending the Work Opportunity Tax Credit:** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first $6,000 in wages. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.

- ✓ **Extending the Welfare-to-Work Tax Credit:** This tax credit encourages employers to hire and retain certain long-term assistance recipients. The maximum credit to an employer is as much as 50 percent of wages, with a maximum credit of $8,500 per qualified employee over 2 years. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.

- ✓ **Access to Jobs Transportation Funds:** The final budget includes $75 million to assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.

- ✓ **Individual Development Accounts:** Since 1992, President Clinton and Vice President Gore have supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Last year, Congress passed legislation authorizing IDAs, and the final budget includes $10 million for a second round of demonstration grants.

- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes $95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested $125 million for the CDFI Fund – the House appropriated $70 million and the Senate appropriated $80 million. The added resources bring funding up to FY 1999 enacted levels.

- ✓ **More Home Delivered Meals:** President Clinton's budget included an additional $35 million for home-delivered meals, a 31 percent increase over last year's funding level. Hundreds of thousands of seniors with disabilities depend on nutritious home-delivered meals to help them remain in their homes. The final bill includes this increase to support the delivery of 146 million meals in FY 2000.

- ✓ **HUD Fair Housing.** The final budget includes $44 million for efforts to fight housing discrimination, a $4 million increase from last year's enacted level, as part of President Clinton and Vice President Gore's "One America" initiative. This amount includes $6 million to continue the audit-based fair housing enforcement initiative started last year.

- ✓ **Maintaining Community Service.** The VA/HUD bill includes $438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in community service projects across the country.

## PROGRESS ON THE NEW MARKETS INITIATIVE

In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides $20 million of funding for APICs (subject to authorization), key elements of the President's New Markets Initiative to leverage $800 million of new investment in underserved areas.

- ✓ **New Markets Venture Capital Program:** $16.5 million in funding, subject to authorization, has been provided for the New Markets program at the Small Business Administration (SBA). This includes $6 million in funding for the New Markets Venture Capital program, which provides capital to untapped rural and urban new market areas; $1.5 million for BusinessLINC, which encourages large businesses to mentor small business owners; and $9 million for technical assistance to enhance the borrower's probability of success. This program exploits investment opportunities that are not presently being met by private lenders.

- ✓ **Authorization of the PRIME Program:** Congress passed new legislation that included authorization of the PRIME Act, which will provide micro-enterprise technical assistance through competitive grants to micro-enterprise development organizations that focus on low-income entrepreneurs.

## ADDRESSING HEALTH CARE

The President won a $34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of $2.3 billion.

- ✓ **Passing the Landmark Work Incentives Improvement Act for People with Disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a $250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.

- ✓ **Increasing Access to Health Care for the Uninsured:** Fully funds the President's request of $25 million, making a down payment on the President's $1 billion investment in developing integrated systems of care for the uninsured. It also provides an additional $15 million to identify the best way to deliver health care services to this population.

- ✓ **Supporting Graduate Medical Education at Children's Hospitals:** Fully funds the President's request of $40 million to support graduate medical education at freestanding children's hospitals, which play an essential role in the education of the nation's pediatricians.

- ✓ **Caring for the Nation's Elderly.** Includes a $43.5 million increase for the new Nursing Home Initiative, only $1 million below the President's request, for more rigorous inspections of nursing facilities and improved federal oversight and enforcement of nursing home quality.

- ✓ **Improving States' Capacity to Deliver Health Care Services to the Mentally Ill:** Provides an additional $67 million above the FY 1999 funding level, for the Mental Health Block Grant, a 23 percent increase over FY 1999 and the largest increase ever.

- ✓ **Preparing For and Preventing Bioterrorist Attacks:** Fully funds the President's request of $52 million to stockpile vaccines, antibiotics, and other medical supplies to deploy in the event of a chemical or biological terrorist attack.

- ✓ **Reducing Racial Disparities in Health Status:** Provides an additional $20 million, a 200 percent increase over the FY 1999 funding level for health education, prevention, and treatment services to address health disparities among minority populations.

- ✓ **Expanding AIDS Care, Prevention, and Research:** The Administration and Congress continue their strong partnership to address the AIDS epidemic with substantial increases in funding. Included in the bill are a $73 million increase in funding for HIV prevention activities to help stop the spread of this disease; an increase of $183 million in the Ryan White CARE Act, which helps provide primary care and support for those living with HIV/AIDS; and an estimated $300 million in additional funds for AIDS-related research at the NIH. Congress and the Administration also worked closely together to add $80 million in funding to the Minority AIDS Initiative, which utilizes existing programs to reach African-Americans, Latinos, and other racial and ethnic minorities that are disproportionately impacted by HIV/AIDS. Consistent with the President's request, an additional $100 million to fight AIDS internationally was funded. Finally, the Administration helped protect local authority over HIV prevention activities, successfully removing language from the District of Columbia appropriations bill that would have tied the hands of community health agencies in their ability to use needle exchange programs as part of their overall HIV prevention strategy.

✓ **Preventing Childhood Diseases:** Provides an additional $62 million, a 4 percent increase over FY 1999 funding levels to provide childhood immunizations nationwide and fully funds the President's request to eradicate polio worldwide.

✓ **Providing Critical Organ Transplants to Those Most In Need:** Permits the development of a more equitable allocation system for the over 63,000 Americans awaiting organ transplants, saving hundreds of lives a year.

✓ **First Time Funding For the Ricky Ray Hemophilia Relief Fund Act:** Provides $75 million for one-time payments of $100,000 to hemophiliacs who were infected with HIV by blood solids during the 1980s.

✓ **Controlling the Spread of Infectious Disease:** Provides $29 million to the Center for Disease Control (CDC), a 21 percent increase over the FY 1999 funding level, for programs dedicated to emerging infectious diseases and improving disease surveillance systems.

## RESPONDING TO THE FARM CRISIS

The Agriculture Appropriations bill included $8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The bill doubled annual payments to farmers of major grain crops to about $11 billion. The emergency funds include $400 million to help subsidize the cost of crop insurance premiums and $325 million for livestock and dairy assistance. In addition, the Administration secured an additional $2.5 billion in farm loans in final negotiations, as well as $186 million more for nationwide crop losses – bringing total crop loss funds to nearly $1.4 billion, as well as $130 million to clear farm fields and streams of debris left by flooding. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

## A STRONG RESEARCH AND DEVELOPMENT AGENDA

For six years in a row, President Clinton and Vice President Gore have proposed substantial increases in the Federal government's research and development portfolio to build a healthier, more prosperous, and productive future. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than $3 billion.

✓ **National Science Foundation**: A 6.6 percent increase in support for science and engineering research and education, including $126 million for the Administration's "Information Technology for the 21st century" initiative. The NSF supports nearly half of the non-medical basic research conducted at universities.

✓ **National Institutes of Health**: Provides $2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research as a foundation for combating disease and advancing medical technologies.

✓ **Information Technology**: The final budget includes more than $80 million in funding for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today's Internet. It also includes $235 million for the Administration's "Information Technology for the 21st Century" initiative, which will strengthen America's leadership in the high-tech industries of the future, and accelerate the pace of discovery in all science and engineering disciplines. Currently, IT industries account for 1/3 of U.S. economic growth.

✓ **Defense Research**: Department of Defense (DOD) support for basic and applied research is up almost 8 percent. DOD is a leading supporter of basic research in computer sciences, mathematics, oceanography, and most engineering disciplines.

✓ **Increases in Science at Department of Energy**: Science Programs increased $117 million. DOE, the principal supporter of the Federal investment in the physical sciences, has supported research that has resulted in over 60 Nobel prizes. DOE's scientific user facilities are used by more than 15,000 scientists to conduct frontier scientific research, and provide the next generation of scientists and engineers.

✓ **Advanced Technology Program**: President Clinton's FY 2000 budget continues to fund ATP's research and development into cutting-edge high-technologies. While the House proposed eliminating the program, the final budget will allow ATP funding for an additional $51 million in new awards. ATP supports the development of high-risk technologies that promise significant commercial payoffs and widespread economic benefits.

✓ **NASA - Investing in Our Future:** The budget includes $13.65 billion for NASA, an additional $100 million. The funding levels passed by the House would have cut the NASA budget by almost $1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth's climate system, and strengthening aviation safety for the travelling public.

✓ **Extending the Research and Experimentation Tax Credit:** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America's economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit through 2004. This long-term extension will encourage companies to undertake new multi-year research activities, secure in the knowledge that the 20 percent tax credit will continue to be available.

## OTHER HIGHLIGHTS

✓ **Nutrition for Women, Infants, and Children (WIC):** The final budget provides over $4 billion for nutrition assistance to 7.4 million women, infants, and children through the WIC program, an increase of $108 million over FY 1999. The additional funds will allow the program to provide a monthly package of nourishing supplemental foods, nutrition education, and health care referrals to 7.4 million low-income women, infants, and children who are at nutritional risk – a 25 percent increase in participation since 1993.

✓ **Boosting Funding for Natural Disasters Such as Hurricane Floyd:** The budget provides $2.8 billion for the Federal Emergency Management Agency's (FEMA) disaster relief fund to assist victims with repairs and recovery from natural disasters. This includes $215 million to address unmet housing needs resulting from Hurricane Floyd that could not otherwise be met by Federal disaster assistance programs.

✓ **Expanding Civil Rights Enforcement:** Funding for the Civil Rights Division of Justice was expanded from $69 million in FY 1999 to $82 million in FY 2000 – a 19 percent increase. Funding for HUD fair housing programs was increased by $4 million – a 10 percent increase.

✓ **Largest Increase In Family Planning Services Since 1993:** The President won a nearly $25 million increase for Title X family planning, the largest increase since 1993, bringing the program to almost $240 million for FY 99. These grants fund family planning clinics providing reproductive health services and clinical care to over 5 million low-income women.

✓ **President's Food Safety Initiative:** The bill provides an increase of $59 million for the President's Food Safety Initiative, which will fund enhanced domestic and imported food safety inspections; increased outbreak response and traceback work; and expanded research, risk assessment and education activities. In addition, this increase will fund enhanced Federal-State inspection partnerships, bioscience research, and Risk Assessment modeling and data collection to include the pre-harvest phase for all foods.

✓ **The Final Bill Strengthens Enforcement of Labor Protections.** The final bill provides key funding increases for worker protection programs including Occupational Safety and Health Administration (OSHA) oversight of employee pension and health plans, enforcement of wage and hour laws, and the National Labor Relations Board (NLRB). The final total of $1.3 billion is $105 million (9 percent) above the FY 1999 enacted level. As a result of these increases, OSHA will conduct approximately 3,000 more compliance inspections thereby increasing the safety and health of our Nation's workers, particularly those in high-hazard industries. In addition, the Department of Labor also will be able to implement new health care laws effectively and encourage equal pay practices that will benefit our workers.

✓ **Ensuring That American Families Continue to Benefit From Tax Credits:** The budget ensures that Americans take full advantage of their personal credits—including the child credit, the child and dependent care tax credit, and the Hope scholarship and Lifetime Learning credits—without restriction by the alternative minimum tax. The final budget extends these rules for the alternative minimum tax through 2001.

✓ **Encouraging First-Time Homeowners in the District of Columbia:** Extend through 2001 the $5,000 tax credit for low- and moderate-income first-time homebuyers who purchase homes in the District of Columbia. This tax credit encourages homeownership and strengthens neighborhoods in the Capital City.

## DESPITE ALL THE PROGRESS IN THIS YEAR'S BUDGET, THERE IS STILL MORE WORK THAT NEEDS TO BE DONE

*November 18, 1999*

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. Much work remains for the future.

- **Passing Common Sense Gun Legislation:** While the Administration's successful strategy of keeping guns out of the hands of fugitives, felons, and children has contributed to record declines in crime, recent tragic shootings reinforce the need to protect American families from gun violence. For months, Congress has failed to enact common-sense gun legislation. Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.

- **Passing a Strong, Enforceable, Patients' Bill of Rights:** For over two years, the American people have been waiting for Congress to pass a strong, enforceable Patients Bill of Rights. During that time, the President has exercised his executive authority to extend critical patient protections to over 85 million Americans. The House passed such legislation earlier this year, but the Republican leadership is preventing an open debate on it in conference. The President continues to urge the Congress to recommit to passing this legislation and prevent another year from passing without action on this important issue.

- **Strengthening Social Security:** The President has put forth a specific proposal to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. This would be a down payment on truly saving Social Security. The Republican so-called "lockbox" legislation would not add a single day to the life of Social Security.

- **Modernizing and Strengthening Medicare:** Although members of both parties joined the President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. With the number of beneficiaries expected to double over the next 30 years, Medicare needs adequate resources and the tools to be as efficient as possible. A long-overdue prescription drug benefit option is also essential for seniors and people with disabilities.

- **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans have acted as politicians instead of parents, and killed this year's effort to increase the excise tax on cigarettes by 55 cents a pack. Public health experts agree that the single most effective way to cut youth smoking is to raise the price of cigarettes.

- × **Expanding Federal Hate Crimes Laws:** At a time when our leaders should be doing all they can to bring Americans together, the Congress has refused to enact legislation to punish hate crimes. The President has called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability. Congress should take a strong stand against intolerance and hatred by enacting such legislation without further delay.

- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.

- × **Providing for Long-term Care Assistance for the Those Chronic Illnesses and Their Families:** At the beginning of this year, the President proposed a new, $6 billion initiative to address complex long-term care needs, including an unprecedented $1,000 tax credit that compensates Americans with long-term care needs of all ages or the family caregivers who support them for their formal or informal costs. The initiative also supports a new National Family Caregivers Support Program that provides a range of critical services such as respite, home care services, and information and referral. Many members of Congress, on a bipartisan basis, introduced similar proposals, but despite this, the Congress failed to respond and lost an opportunity to provide critical assistance for this population.

- × **Providing Health Options for Older Americans:** In the FY 1999 and FY 2000 budgets, the President proposed an initiative to expand health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare by paying a full premium; providing vulnerable displaced workers ages 55 and older access to Medicare by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option; and providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits a new health option, by extending "COBRA" continuation coverage until age 65. Despite the fact that the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on this proposal.

- × **Encouraging Small Businesses to Offer Health Insurance:** In the FY 2000 budget, the President proposed an initiative to encourage small businesses to offer health insurance to their employees through: a new tax credit for small businesses who offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. The President urges Congress to provide new health insurance options for these vulnerable Americans.

- × **Continuing to Help People Move From Welfare to Work:** In January, the President proposed to invest an additional $1 billion in the Welfare-to-Work program and to reauthorize the program with several changes including helping more low-income fathers work and support their children. The Congress enacted eligibility changes similar to those proposed by the Administration to allow States, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, but failed to provide any new funding.

× **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by $1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests. More than 11 million workers would benefit from a $1 increase in the minimum wage. A full-time, year-round worker at the minimum wage would get a $2,000 raise – enough for a typical family of four to buy groceries for 7 months or pay rent for 5 months.

× **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act and the Caribbean Basin legislation -- crucial to strengthening our economic ties with Sub-Saharan Africa and our Caribbean and Central American neighbors. This legislation would help increase trade, enhance opportunity, and boost growth in America and nations in Africa, the Caribbean, and Central America. The President called for the rapid passage of the Africa legislation in the State of the Union address and has pressed the case for these bills several times since. The House passed this legislation overwhelming earlier this summer, but the legislation is now awaiting Conference action.

× **Supporting Southeast Europe's Economic Development and Integration**: Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years. This initiative is an important part of the Stability Pact launched by the President and other leaders last July, and is designed to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.

× **Promoting Peacekeeping**: While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. The shortage threatens to undermine fragile peace processes around the world or to incur additional UN arrears. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.

× **School Construction:** Despite record student enrollment and a massive maintenance backlog in our nation's schools, Congressional Republicans again failed to enact school construction legislation. The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. We can not hold students to high academic standards if we do not provide them with adequate facilities within which to learn. Congress should pass the President's plan and invest in our nation's schoolchildren.

× **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. Although the House passed a bipartisan reform plan, a minority of the Senate blocked further action and left unchecked the influence of moneyed special interests. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.

× **Child Care Initiative**. In his State of the Union, the President proposed an historic child care initiative to make child care better, safer, and more affordable for America's working families. The President's proposal included $7.5 billion over 5 years for child care subsidies for low-income working families, and tax credits to help millions of working families pay for child care. The Republican Majority has refused to support these critical investments.

- × **Farm Assistance**. The President and Vice President were pleased to get $8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation. For example, most of the assistance is not targeted to farmers who need it most, but is available to farmers, both large and small, whether they have suffered particular difficulty this year or not.

- × **Providing Fairness to Immigrant Families**. Congress has failed to take action to provide fairness to immigrant families by: restoring important disability, health, and nutrition benefits to additional categories of legal immigrants; restructuring the Immigration and Naturalization Service (INS); approving the Administration's proposal to support the process of democratization and stabilization now underway in Central America and Haiti and ensure equitable treatment for migrants from these countries; or changing the registry date to permit long-term migrants to adjust their status.

- × **Continuing to Empower Communities:** Urban and Rural Empowerment Zones were funded at $70 million in 2000, $55 million for Urban Zones and $15 million for Rural Zones and Enterprise Communities. Empowerment Zones continue to be a priority for the President and Vice President and they are committed to supporting and obtaining funding for the Empowerment Zones' remaining eight years. Without the full 10 years of funding, the Round II Empowerment Zones and Enterprise Communities, designated in January 1999 by the Vice President, will have difficulty implementing their community and economic development strategies to revitalize their communities.

THE WHITE HOUSE
Office of the Press Secretary
(Istanbul, Turkey)

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Embargoed For Release
Until 10:06 A.M. EST
Saturday, November 20, 1999

RADIO ADDRESS BY THE PRESIDENT TO THE NATION

THE PRESIDENT: Good morning. I'm speaking to you from Istanbul, Turkey, where we just wrapped up a successful summit meeting of the Organization of Security and Cooperation in Europe, one that focused on the global challenges of the new century.
At the same time, our administration has also wrapped up our work with Congress on the first budget of the new century.

Today, I want to talk to you about what we achieved and highlight a little-known accomplishment that will make a big difference to people with disabilities who want to be part of our nation's growing economy.

This week's budget agreement is truly a victory for the American people, a victory for children because it invests in world-class education that keeps us on the path to hiring 100,000 quality teachers to reduce class size. It doubles funds for after-school and summer school programs, and it provides help for communities to turn around failing schools or shut them down. It's a victory for families and neighborhoods, because it commits the resources necessary to begin hiring another 50,000 community police officers to keep our crime rate, already at a 25-year low, coming down.

It's a victory for future generations, because it protects the environment and preserves more natural areas, and it's a victory for American leadership in the world, because finally, it pays our U.N. dues and maintains our commitments around the globe to peace in the Middle East, to reducing the nuclear threat and chemical weapons threats, to helping relieve the debt of the world's poorest nations.

In short, we have delivered a 21st century budget that prepares for the future and lives up to our values. It also continues to pay down our national debt, because we walked away from that big $792-billion tax cut that the Congress passed and I vetoed. So we got the best of all worlds.

Perhaps nothing better symbolizes just what we were fighting for than the historic progress made in the budget to open new doors of opportunity for Americans with disabilities.

Now, we're enjoying one of the strongest economies in generations. Yet, even today, 75 percent of Americans with severe disabilities who are ready, willing and able to work aren't working. One of the biggest reasons is they fear they'll lose their health insurance when they get a job. And there's a good reason for this fear.

Under current law, many people with disabilities are eligible for Medicaid or Medicare coverage. But they can't go to work and keep that coverage. Yet, when they do go to work, they can't get private insurance because of their disability. So there is a tremendous disincentive to work.

Let me just give you one example. I met a man in New Hampshire not long ago who is paralyzed as a result of an accident. He wanted to take a job that paid $28,000 a year, but he would have lost his Medicaid health coverage, which would have led to medical expenses of $40,000 a year.

Now, the taxpayers would actually be better off. We're going to pay the medical expenses one way or the other, but if he went to work, he'd become a taxpaying citizen. And, more important, he would have the dignity of work. No citizen should have to choose between going to work and paying medical bills.

I'm very proud this week that Congress, on a bipartisan basis, finally agreed on the historic Work Incentives Improvement Act. It's bipartisan legislation to allow people with disabilities to keep their health care on the job. They can earn a salary, pay taxes and be role models by proving what people can do if given a chance to live up to their God-given potential.

This will make a real difference, also, for people with potentially severe disabilities -- those who are facing the early onset of diseases like AIDS, muscular dystrophy, Parkinson's or diabetes. Right now, they may be able to work, but their conditions aren't deemed severe enough to qualify for Medicaid. Yet, because they have them, they still can't get private health insurance. In other words, they can't get any health care until they're too sick to work.

In the final hours of negotiations, we were able to further strengthen this legislation by getting $250 million for a demonstration program to allow these Americans to buy into Medicaid, stay on the job and stay healthier longer. I encourage all the states to take advantage of these new health care options.

Taken together, this initiative is the most significant advancement for people with disabilities since the passage of the Americans With Disabilities Act almost a decade ago. It is part of our administration's seven-year commitment to tearing down barriers to work and rewarding responsibility, along with reforming welfare, increasing the minimum wage, increasing child care assistance, and doubling the Earned Income Tax Credit.

The Work Incentives Improvement Act is another milestone on the path to opening work and rewarding responsibility for Americans. Now, I hope we'll stay on that course and take on America's still-unfinished agenda: common-sense gun safety legislation, a real patients' bill of rights, meaningful hate crimes legislation, saving Social Security, reforming Medicare, adding prescription drug coverage, raising the minimum wage.

To Congress I say: We've done a good job for the American people by working together. Let's keep working together, build on our progress and get the right things done for the American people. thanks for listening.

END

—CLOSE HOLD—

THE WHITE HOUSE

WASHINGTON

December 17, 1999

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA
DOUG SOSNIK

THROUGH: MARIA ECHAVESTE

FROM: TERRY EDMONDS
JEFF SHESOL
STATE OF THE UNION PLANNING GROUP

SUBJECT: 2000 STATE OF THE UNION ADDRESS: GOALS, THEMES, AND STRUCTURE

The purpose of this memorandum is, first, to provide context and a thematic framework for your 2000 State of the Union Address. We also identify what we believe to be the most significant new proposals by the policy councils, particularly those which can give shape not only to the speech but to the budget.

This memorandum reflects a series of discussions among Maria Echaveste, Doug Sosnik, Bruce Reed, Gene Sperling, Jack Lew, Mark Penn, Charles Burson, Melanne Verveer, Eric Liu, Tom Freedman and ourselves.

Only six Presidents before you–Washington, Jefferson, Wilson, Truman, Eisenhower, and Reagan–have delivered an eighth-year State of the Union Address. Only you will have done so at the turn of a century, let alone at the turn of a millennium. This gives you important, unprecedented opportunities: to define the promise and perils of the new era; to identify what you and your administration are doing in both regards; and to propose the ways we will move forward as a nation–not just in the year 2000 but in the decades to come.

The importance of this year's State of the Union to the rest of your term, to your legacy, and to the upcoming elections makes it different than any previous Address. It should therefore fulfill these three main objectives.

First, the speech should reflect briefly on the past 7 years–the narrative of then-and-now that you have told often, particularly at Democratic functions, during this past year. As you put it just yesterday, at the DNC Luncheon,"I had an idea [in 1992] of what I wanted America to look like at the beginning of the new millennium. It is very important to have a vision and to pursue it." This is a story that bears re-telling–to remind all Americans how very far we have come since 1992, and how we got here. This should not be a valedictory address–it is much too early for that–but it is indeed instructive to glance backward before looking forward.

Second, you should press for action on the unfinished business of last year: the solvency of Social Security and Medicare; a prescription drug benefit; a patient's bill of rights; hate crime and gun legislation; and the minimum wage. The State of the Union should re-direct attention to these defining Democratic issues.

**Third, and most important, it should assert an ambitious agenda for your final year in office: to prepare a new generation for a new millennium.** Last year's State of the Union set out your plan to continue our prosperity; this year's should focus on expanding it into every corner of America. This is the essence of your successful New Markets message–that now is the time to expand opportunity for all our people; that doing so is not only right for our economy, it is the right thing to do.

As the centerpiece of the speech, this "New Opportunity Agenda" (below) should incorporate key elements of your agenda–from education to New Markets to work and family–but should be a tight package of policies that help close the opportunity gap.

While this opportunity agenda should comprise the centerpiece of the speech, it is only one element of your Third Way triad: opportunity, responsibility, community. We therefore propose to group all additional proposals under these broad headings, as outlined below.

**New Opportunity Agenda: Preparing a New Generation for a New Millennium**

*Education*
- Universal pre-school
- Universal after-school
- Turning around every failing school

*Mastering the New Economy*
- Bridging the digital divide
- Helping low-income students enter and complete college

*New Markets Initiative and EZs*
*Equal pay*

**Responsibility Agenda: Renewing America's Families for the New Millennium**

*Responsibility to older Americans: Aging of America*
- Social Security
- Medicare
- Expanding access to health care

*Responsible fatherhood*
*Responsible parenthood: Balancing work and family*
*Responsible behavior: Crime, guns, school violence*
*Responsible leadership in the world: Foreign policy and trade*

**Community Agenda: Rebuilding American Communities for the New Millennium**

*Faith-based organizations*
*Philanthropy*
*Environment*
*Service/ AmeriCorps*
*Immigration/ citizenship*
*One America*

# A Nation Transformed: Social Change 1992-99

*In many ways the world is a profoundly different place than it was when President Clinton and Vice President Gore were elected in 1992. Our national economy is booming, we are beginning to heal social problems by reducing poverty and inequality and drawing on the power of communities. Unparalleled technological advances have provided a strong engine for our economy, and yielded amazing scientific discoveries. Respect for the role of women has grown and we have proved that economic health and environmental protection go hand-in-hand.*

## *FROM ECONOMIC DISTRESS TO ECONOMIC HEALTH*

- **Strongest Economy in Decades**
  By virtually any measure, the American economy has been transformed we are now enjoying the lowest unemployment rate in 30 years, also the lowest welfare rolls in 30 years, the lowest poverty rates in 20 years and the highest homeownership ever recorded.

- **Rolling Back The National Debt:**
  In the four years prior to 1992, the national debt increased by $1.5 trillion. In 1992 the deficit was $290 billion, debt was increasing at a rate of $13,000 per second. The projected deficit for 1999 was $400 billion by 1999. In FY 1999, The country instead ran a $123 billion surplus and over the last two years, we have paid down the debt by $140 billion. [NEC]

- **The End of Economic Anxiety:**
  Today 67% of Americans say that the economy is "excellent" or "good." In October of 1992, 11% rated the economy good, less than 1% said that it was excellent and 88% said that the economy was "fair" or "poor." In early 1992, the Conference Board reported that nearly half (47 percent) of Americans believed jobs were "hard to get," now only 14 percent think so.

- **The Stock Market Soared And More Americans Are Investing:**
  In 1992, just 26% said that they thought that it would be a good idea to invest in the stock market, if they had the money. Today, 60% of Americans have money invested directly or indirectly in the stock market. On Election Day 1992, the Dow Industrial Average stood at 3,262 and the Nasdaq composite index stood at 616. By November 1999, the Dow was over 10,500 and the Nasdaq composite index was near 3,000.

- **Explosion Of American Creativity And Invention:**
  Patent applications have increased from 186,000 in 1992 to 261,000 in 1998 – an increase of almost 40%.

## *SOLVING SOCIAL PROBLEMS*

- **Winning The Fight Against Poverty:**
  In 1998, the poverty rate dropped to 12.7 percent from 13.3 percent the year before -- that's

the lowest poverty rate in two decades. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 12.7 percent last year -- that's the largest five-year drop in poverty in nearly 30 years (1965-1970).

- **Reversing Trends In Wage Inequality:**
  In the 1990s, all parts of the income scale are benefiting from a growing economy. America now enjoys the lowest African-American and Hispanic unemployment rates ever recorded, the lowest African-American poverty rate ever recorded, the lowest Hispanic poverty rate recorded in a generation, and the lowest unemployment rate among women in 40 years. Median income of African-American households is up 15.1 percent (or $3,317) since 1993, from $22,034 in 1993 to $25,351 in 1998, adjusted for inflation. In the 1970s and 1980s, income inequality increased, while the economy expanded.

- **Closing Education Gaps:**
  More women, Latinos and African-Americans are earning doctoral degrees than in 1990. 55% more African Americans received doctoral degrees in 1997 than in 1990; 35% more Latinos received doctoral degrees in 1997 and 25% more women received doctoral degrees in 1997.

- **Reducing Gun Deaths:**
  Deaths caused by firearms have dropped from 37,776 in 1992 to 32,436 in 1998, the lowest number since 1985. The gun death rate was lower in 1998 than any year since 1979.

- **Unleashing America's Community Spirit**:
  Today, 56% of Americans say that they volunteer, up from 48% in 1992. This amounts to over 20 million more volunteers today. Philanthropic giving has risen sharply in recent years to just over two percent of GDP. In 1998, Americans gave $174 billion to non-profit organizations, compared to $124 billion in 1992.

## *TECHNOLOGICAL EXPLOSION*

- **The Internet Revolution:**
  There were practically no web pages in 1992. Today there are over 50 million web pages. By the end of 1992, 10 million people were connected to the Internet worldwide. Today there are 201 million people connected.

- **New Education Technology:**
  Thanks to the leadership of Vice President Gore, there are nine times as many classrooms connected to the Internet as there were six years ago. In the fall of 1998, 89 percent of public schools were connected to the Internet.
  - In 1992, there were 11 kids to every school computer, by 1998, the number had dropped to six students per computer. By January, more than 95% of schools will have Internet access. In 1992, just 16% had modems.

- **Technology-Driven Trade and Business Expansion:**

In 1992, the U.S. exported $24.9 billion in computer equipment. By 1997, exports of computer equipment almost doubled to $41.4 billion in computer equipment.

- **Turning The Corner On AIDS Deaths:**
  The number of AIDS cases reported in the United States has dropped from 102,186 in 1993 to 58,493 in 1997.

- **Remarkable Advances in Scientific Research:**
  In the last several years Americans have developed pathbreaking drugs to cure disease, produced a rough draft of a map of the human genome, and explored genetic tools to fight diseases like cancer and multiple sclerosis.

## *PROMOTING EQUALITY FOR WOMEN*

- **Moving Women into Positions of Political Power:**
  More women serve in Congress than ever before (58 in House, 9 in Senate). President Clinton has also appointed more women to top Administration positions than any other President, including the country's first female Attorney General and Secretary of State. Today, 28% of statewide elective offices are held by women, compared to 18% in 1991-92.

- **Changing Face Of Television News:**
  Women and minority corespondents are getting more air time than ever before on the Big Three evening newscasts. Women covered 28% of the evening news stories in 1998, up from just 16% in 1991. Minority reporters covered 15% of the stories last year, up form 7% eight years ago. Last year, there were 53 women in the 163-member network news corespondent corps 33% of the total. That share is up from 17% in 1991.

- **Cracking the Glass Ceiling:**
  Today, 11 percent of Fortune 500 business executives are women. In 1992, less than 3 percent were women. Women are starting new firms at twice the rate of all other business and own nearly 40 percent of all firms in the U.S. These 8 million firms employ 18.5 million—one in every five U.S. workers—and contribute $2.3 trillion to the economy. Women CEOs are also finally gaining a toehold in large corporations.

- **Growth of Women's Sports:**
  In 1992, 99,859 women participated in intercollegiate athletics. In 1997, 129,285 women participated on 7,684 teams – an increase of nearly 30%. There is now a professional women's basketball league and, in 1999, 40 million Americans watched the United States win its third women's world cup soccer championship – more people than watched the final game of the 1999 World Series.

## *BUILDING A SAFER WORLD*

- **Increasing International Trade And Travel:**
  Global tourism increased from $268.3 billion in 1990 to $443.8 billion in 1997. The American share of world tourism has increased from 16 to 17%. Overall American exports have increased from $616 billion in 1992 to $934 billion in 1998.

- **Birth of New Democracies:**
  Twenty-eight new nations have been born since 1992. According to the Freedom House, an international human rights group, there are 117 electoral democracies. As recently as 1989, there were only 69. Roughly 55% of the world's population lives in democracies today.

## *PROTECTING THE ENVIRONMENT*

- **More Americans Benefiting from Clean Air and Water:**
  Since 1993, the number of Americans whose communities meet federal air quality standards has grown by 43 million.

- **Cleaning the Environment Has Become Good Business:**
  Environmental industries created 174,000 jobs between 1990 and 1997. Revenues in these industries increased 24% over this period. American environmental technology firms export $16 billion in goods annually and support 170,000 jobs.

- **Making Recycling Common:**
  We recycle 17 million tons more material than we did in 1992 and generate less net waste per person. Because of this effort, the United States will actually generate less net waste in 2000 than it did in 1992, and about the same as we did in 1980 when there were almost 50 million fewer people in our country. Waste generation increased by 27% in the previous seven years. (1985-92). Today, our recycling rate is the highest in the world.

- **International Environmental Awakening:**
  Since the Rio de Janeiro Earth Summit of 1992, governments have built a foundation of international environmental cooperation including: The Law of the Sea, effective in 1994, regulates economic activity in the oceans, ending a free-for-all of global exploitation of coastal fisheries. A 1996 global treaty ended U.S. and European production of chemicals that destroy the Earth's ozone layer. A 1996 treaty agreed to international cooperation in stopping the spread of deserts. And the 1997 conference in Kyoto, Japan where the world's nations came together to agree on mandatory cutbacks in the emissions of carbon dioxide and other "greenhouse gases" blamed for global warming.

- **Bald Eagle Recovery:**
  In 1999, the Bald Eagle is no longer an endangered species. There are now nearly 6,000 pairs of Bald Eagles in the U.S. In 1992, the Bald Eagle listed as endangered, with just 3,300 pairs left.